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GRC

SUMMIT 2013

Apr 30 - May 1, 2013 | Mandarin Oriental, Las Vegas, NV



WELCOME



MetricStream GRC Summit 2013: Case Study

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Millions of Transactions and Records

Thousands of Employees, Suppliers, Controls and Policies

Hundreds of Products, Regulations, Laws and Standards

One GRC Solution
MetricStream



Edward Park
Senior Director
GRC Solutions

Supplier Governance | HD Supply

Success Stories in Supply Chain Governance

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Agenda

1. Introductions
2. Organization Overview: Vision and Key Facts
3. Business Challenge Identification: Top Challenges Facing Organization and Industry
4. GRC Program Objectives and Strategies
5. Technology as an Enabler
6. Successes and Benefits
7. Key Learnings and Best Practices
8. Audience Questions and Discussion



Susan Van Houten, HD Supply

Ms. Susan Van Houten is the Sr. Director of Global Sourcing for HD Supply, Inc.— one of the largest industrial distribution companies in North America. She leads global sourcing, quality, and product regulatory compliance for HD Supply’s seven business units and one Canadian operation. Susan has more than 20 years experience in wholesale and retail operations with the majority of her time spent in Supply Chain Management. She has extensive knowledge of product life cycle management through her experiences in R&D, Logistics, Sourcing, Quality, and Retail Operations. In her current role, Susan has been tasked with building Global Operations for HD Supply. She is using her Sourcing and Operations expertise to create a world-class organization on the leading edge of supply chain and procurement. She is currently on the Board of Directors of HD Supply (Shenzhen) Company Limited and HD Supply (Hong Kong) Limited.

Prior to HD Supply, Susan worked for The Home Depot, MTI Whirlpools, and Payless ShoeSource.

Susan holds a Bachelor of Science in Industrial Engineering from Kansas State University and is a Certified Six Sigma Green Belt.



Sharon John, HD Supply

Ms. Sharon John is the Director of Supplier Quality for HD Supply, Inc. She leads a team of professionals responsible for quality assurance at both domestic and international factories producing goods for HD Supply. Sharon is an Engineering and Quality professional approaching 20 years of experience in Manufacturing, Quality Assurance, Sourcing and Six Sigma. She is currently responsible for ensuring the security and quality of HD Supply's global supply chain.

Sharon has also worked in various Engineering, Sourcing and Quality roles for General Electric and Entergy Corporation. She received her BS in Mechanical Engineering from MIT and her MBA from Carnegie Mellon University. She is also a certified Six Sigma Black Belt currently residing in Atlanta.

Edward Park, MetricStream

Mr. Park serves as the Senior Director of GRC Solutions at MetricStream. His background includes:

- 18 years experience in sales, product marketing and consulting
- 6 years with MetricStream
- Prior to MetricStream served as:
 - Product Evangelist at Primavera, a leading IT Governance software provider
 - Consulting Manager at Pacific Edge Software, a leading Project Portfolio Management software provider
 - Senior Consultant at PricewaterhouseCoopers, Supply Chain Management practice focused on Oracle and SAP deployments
- Bachelor of Science in Industrial and Systems Engineering from the Georgia Institute of Technology

Organization Overview

HD Supply is one of the largest industrial distributors in North America. The company provides a broad range of products and value-add services to approximately 500,000 professional customers with leadership positions in maintenance, repair and operations, infrastructure and power and specialty construction sectors. HD Supply's industry-leading business units include HD Supply Waterworks, HD Supply Power Solutions, HD Supply Facilities Maintenance and HD Supply White Cap.

HD Supply has an expansive product offering of approximately one million SKUs of quality, name-brand and proprietary products at competitive prices. With more than 600 locations across 46 states and nine Canadian provinces, the company's approximately 15,000 associates provide localized, customer-driven services including jobsite delivery, will call or direct-ship options, diversified logistics and innovative solutions that contribute to its customers' success.

Business Challenges Faced

The following are the challenges HD Supply faced that led them to seek an automated management solution:

- Manual workflow & document retention
- Inconsistent cycle times – They could not conclusively answer the question “how much time should this process take”
- Email fatigue – Documents attached to the emails were very large and quickly bogged down their internal systems
- Lack of Transparency/Lack of Access – All process documents and status reports resided on a server that few had access to
 - This led to a cottage industry of creating reports and status updates, etc. for interested parties that did not have access to the server
- Lack of Standardization – Everyone had their own versions of spreadsheets and templates that they used
- Level of Detail – They were unable to manage details at a SKU Level

GRC Program Objectives and Strategies

Program Objectives

- Develop a Web-Based Supplier Management and Sourcing & Quality System that Utilizes Workflows and Notifications to Manage Quality and Sourcing Processes
- The System Will Introduce a Level of Automation, Capture Data at a SKU Level, Maintain RFQ History, Provide Real Time Access to Project Status & Supplier Records, Utilize a Systematic Escalation & Notification Processes, Store Documents & Data and Provide a Suite of Management Tools & Reports While Utilizing Clearly Defined Process Tollgates

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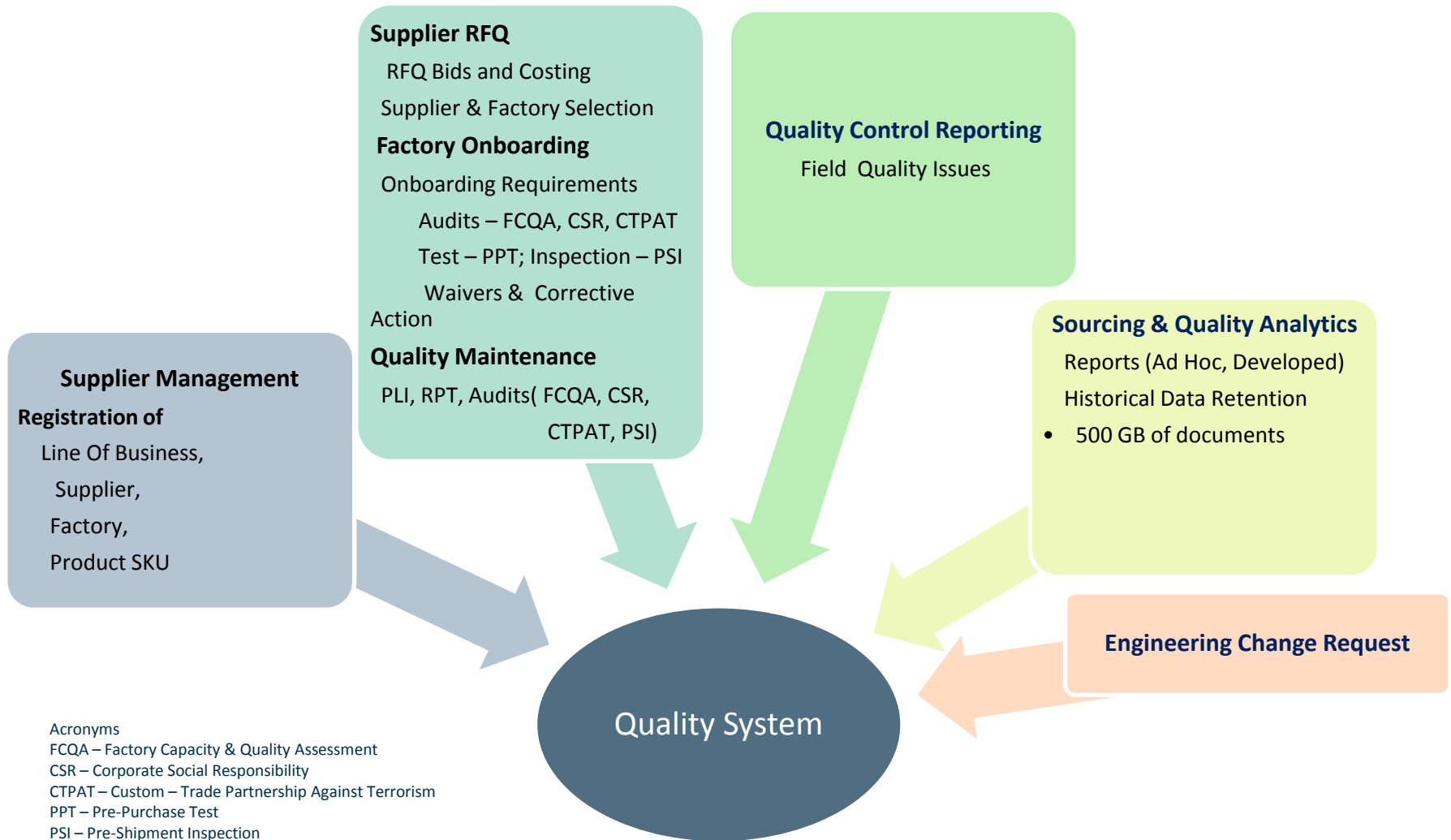
Technology as an Enabler

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Customer Use Case: Supplier Onboarding System



Acronyms

FCQA – Factory Capacity & Quality Assessment

CSR – Corporate Social Responsibility

CTPAT – Custom – Trade Partnership Against Terrorism

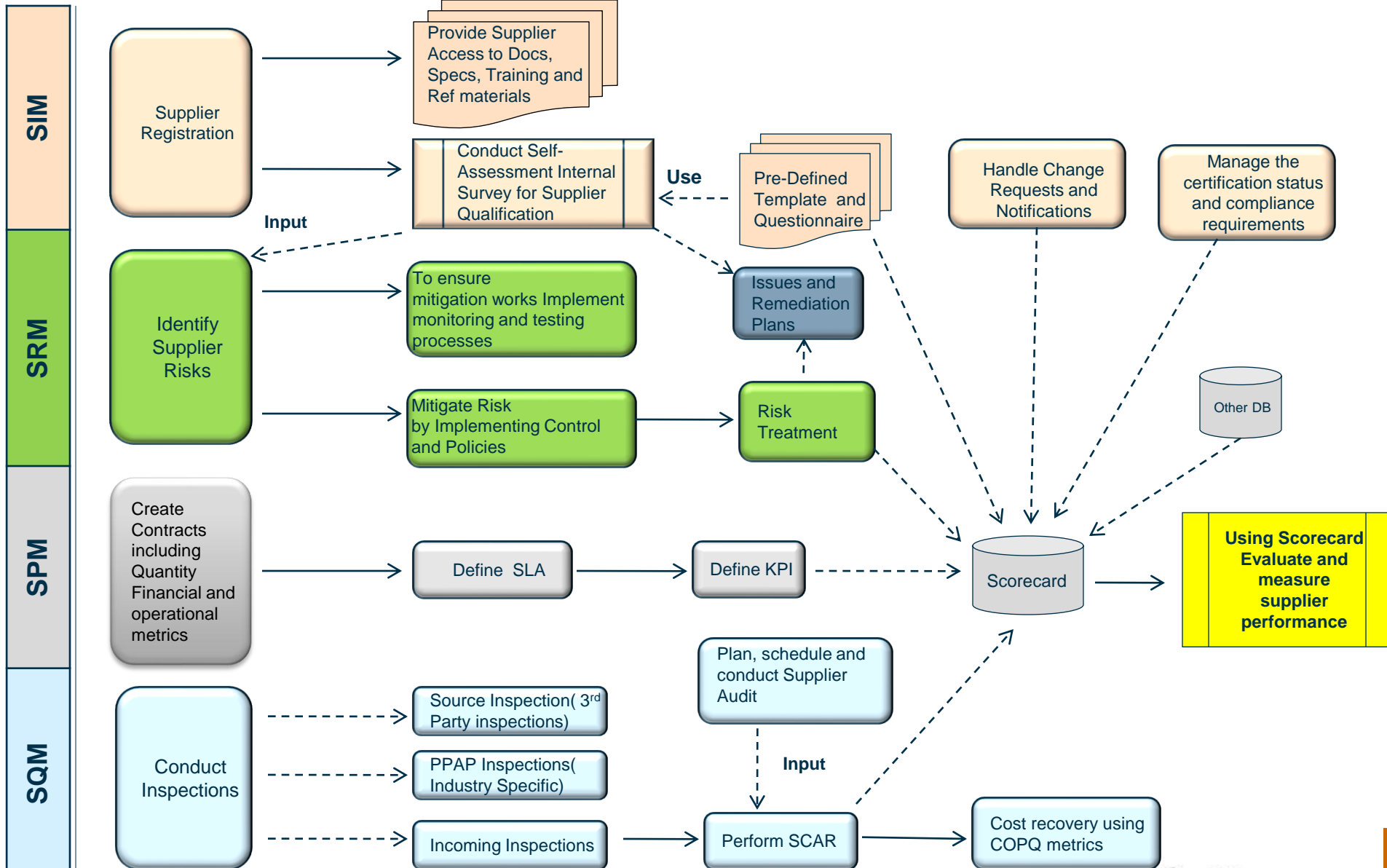
PPT – Pre-Purchase Test

PSI – Pre-Shipment Inspection

PLI – Product Liability Insurance

RPT – Random Product Testing

High-Level Process Flow



Successes and Benefits

Benefits

- The biggest benefit by far (so far) has been HD Supply's ability to manage and schedule audits. They are now able to look out up to 6-12 months at a time and balance the workload and travel needs of their quality managers. They also use the formatting feature of the reports to bring in a level of visual management by color coding the overdue (red) coming due within 2 months (yellow) and all the rest of the audits (black)
- Next, has been their ability to drill down to the SKU level as well as the factory level (5 foot level versus 500 foot level)
- HD Supply is still early into adaptation of the solution, so they have not yet been able to quantify the benefits of the workflows and the standardized forms yet. However, they are currently working through change management to get the organization 100% compliant in the exclusive use of the MetricStream solution for qualification activities

GRC Key Learnings and Best Practices

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Biggest Lesson Learned –

- Pay as much attention to Change Management as to the Technical Aspects of the software being developed

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Questions and Discussion

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