SCCE Amsterdam
March 18, 2020
Alan Dillane
Global Remediation Program Manager

Agenda

- Intro
- Strategy
- Model
- Change Resistance
- Case Studies
- Embrace Digital Transformation
- DIA Tool
- Remediation Tracking
- What's next?
- Lessons Learnt
- Q&A
Intro

- Strategy
- Model
- Change Resistance
- Case Studies
- Embrace Digital Transformation
- DIA Tool
- Remediation Tracking
- What's next?
- Lessons Learnt
- Q&A
## Remediation: Multi-year Journey & Strategy

<table>
<thead>
<tr>
<th>Plan for future success</th>
<th>Level up and scale</th>
<th>Results &amp; analytics</th>
<th>Game changers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot high-profile known cases for lessons learned and initial feedback</td>
<td>Grow team and continue to execute high-profile cases</td>
<td>Design/deploy longer term predictive approach</td>
<td>Use of machine learning for continued predictive analysis</td>
</tr>
<tr>
<td>Benchmark with other leading companies and join BELA WG</td>
<td>Expand partnership and interplay w/ stakeholders</td>
<td>Integrate with other digital transformation initiatives</td>
<td>Real-time proactive resolution</td>
</tr>
<tr>
<td>Allocate, hire and train dedicated role</td>
<td>Enhance use of Navex for reporting and trending</td>
<td>Design/deploy Compliance by Design initiative</td>
<td>Expanded risk scope and applicability to affiliates</td>
</tr>
<tr>
<td>Lock program vision, strategy and quick wins</td>
<td>Co-build dashboard for predictive analytics foundation</td>
<td>Mature business accountability model</td>
<td></td>
</tr>
<tr>
<td>Build awareness of program with internal stakeholders</td>
<td>Develop/deploy automated E&amp;C MAP capability</td>
<td>Continue scale w/ expanded stakeholder roles</td>
<td></td>
</tr>
<tr>
<td>Formalize program playbook and metrics</td>
<td>Use of surveys for formal feedback loop</td>
<td>Gain recognition as leading program/share externally</td>
<td></td>
</tr>
<tr>
<td><strong>Year 1</strong></td>
<td></td>
<td>Continue demonstrating ROI ($2.5M previous fiscal year)</td>
<td>Leverage program internally</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Year 3</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Use of surveys for formal feedback loop</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continue demonstrating ROI ($2.5M previous fiscal year)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Year 4</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Use of surveys for formal feedback loop</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continue demonstrating ROI ($2.5M previous fiscal year)</td>
<td></td>
</tr>
</tbody>
</table>
Remediation is defined as the identification of gaps in systems, processes and people that may enable misconduct, followed by guided implementation of business-owned sustainable improvements.
Remediation Framework

With business leader commitment and support, strategically and creatively apply fixes to systems, processes and people in order to mitigate the likelihood of (re)occurrence of misconduct.

- Identify opportunity for improvement
- Ethics handoff; Engage business leaders
- Root Cause Analysis & Remediation Action Plan
- 1-3 month deployment oversight & support
- Executive scorecard & continuous monitoring
- Trend analysis & predictive insight into future issues

Change Resistance
- Intro
- Strategy
- Model
- Case Studies
- Embrace Digital Transformation
- DIA Tool
- Remediation Tracking
- What's next?
- Lessons Learnt
- Q&A
Four Stages of Change Resistance

- Denial
- Anger
- Exploring
- Acceptance
Case Studies

- Embrace Digital Transformation
- DIA Tool
- Remediation Tracking
- What's next?
- Lessons Learnt
- Q&A
Hypothetical Remediation Projects

**Multi-Tier**
- An additional reseller was added late in a multi-tier deal for unclear business purpose.

**Vendor Funds**
- Employee misuse of vendor funding for personal use.

**Falsified Orders**
- Order falsification involving the addition of 3rd party SW for the purpose of vendor kickbacks

**Fraudulent Proof of Execution**
- Misuse of event funding supported by fraudulent Proof of Execution

**Case Overview**

**Potential Improvements (Proactive & Reactive)**

**Multi-Tier**
- Enhance controls in multi-tier deals.
- Focus on public end customers.
- Greater business oversight (pricing matrix).
- Enhance bid justification forms in pricing system.
- G&H Dashboard.

**Vendor Funds**
- Enhance vendor funding controls, such as vendor selection, claims review, reconciliation, reimbursement, and reporting.
- Define rules and responsibilities for relevant oversight roles.
- Identify and claw back excess funds.

**Falsified Orders**
- Enhance controls in various functions, such as Sales, OP, SKU Management, Procurement, and Customer Care.
- Re-set tone w/ new leadership.
- Collaborate with Execs in multiple service verticals.
- Recover funds.

**Fraudulent Proof of Execution**
- Digital Image Analysis Tool.
- Enhance controls, such as development of targeted Codes of Conduct, training and consequence management.
- Review of acceptable spend ranges and increased management oversight.

---

**Code of Conduct for Marketing Agencies**

Available in 13 languages inclusive of Korean, Chinese, Spanish & French.
The Business World Today

- Customers are Digital
- Channels are Digital
- Competitors are Digital
- Products are Digital
- Employees are Digital
- Business Operations are Digital
THE DILEMMA

- Run the business
- Innovate

- Intro
- Strategy
- Model
- Change Resistance
- Case Studies
- Embrace Digital Transformation

- DIA Tool
  - Remediation Tracking
  - What's next?
  - Lessons Leamt
  - Q&A
Proof of Execution Fraud Detection

Is this the same photo?

- Duplicate photos can be used as PoE for (2) separate events
- Despite different table tents, cashier is same in both photos
- Unlikely to be detected with human eyes as part of routine PoE review process

Proposal: Automated Fraud Detection Tool

Dell Image Analysis Enhancements

Image

Image Quality Checks

<table>
<thead>
<tr>
<th>Index</th>
<th>Field</th>
<th>Message</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Date Check</td>
<td>Created and Modified date are not same</td>
<td>Failed</td>
</tr>
<tr>
<td>2</td>
<td>Software Check</td>
<td>Microsoft Windows Photo Viewer 6.1.7600.10355</td>
<td>Passed</td>
</tr>
<tr>
<td>3</td>
<td>Geo-Latitude Check</td>
<td>Geo location successfully extracted</td>
<td>Passed</td>
</tr>
<tr>
<td>4</td>
<td>Quality Check</td>
<td>Image might be only saved once</td>
<td>Passed</td>
</tr>
<tr>
<td>5</td>
<td>Average Distortion Check</td>
<td>Average distortion measure is less than threshold value</td>
<td>Passed</td>
</tr>
<tr>
<td>6</td>
<td>Blur Check</td>
<td>Blue score greater than threshold value</td>
<td>Failed</td>
</tr>
</tbody>
</table>

Metadata

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>50, Yumen, Yumen District, China</td>
</tr>
<tr>
<td>Satetime</td>
<td>2019/07/10 14:28:04</td>
</tr>
<tr>
<td>Latime/Longime</td>
<td>2019/07/10 14:28:04</td>
</tr>
<tr>
<td>Make</td>
<td>Apple</td>
</tr>
<tr>
<td>Model</td>
<td>iPhone 6S</td>
</tr>
<tr>
<td>Software</td>
<td>Microsoft Windows Photo Viewer 6.1.7600.10355</td>
</tr>
</tbody>
</table>

Final Result

- Metadata checks are indicative of some alteration in the image.
- Fraud: Level 3

Placeholder for video demo
Plan for future success
- Identify and evaluate potential vendors in this space
- Benchmark with other leading IT companies for outbound and inbound MDF
- Go/No-Go decision based on feasibility analysis
- Source internal team with skillset and know-how
- Define and refine formal Machine Learning feedback loop
- Finalize Proof of Concept and socialize with client for next steps

Minimum Viable Change (MVC)
- Define scalable solution
- Size technical and IT programming needs for IT Roadmap
- Pilot Proof of Concept
- Gain executive approval for solution build and scale
- Pilot Proof of Concept in cross-over initiatives

Level up and scale
- Team with client to define smart risk deployment
- Oversee development of client escalation process
- Fully integrate into CMO client processes and systems
- Monitor and adjust as needed for maximum effectiveness
- Continue share with broader E&C community (SCCE/ECI)
- Seek feasibility of solution for outbound MDF (channel partner)
- Share lessons learned w key stakeholders

Future-looking
- Use of machine learning for continued predictive analysis
- Real-time proactive resolution
- Expanded risk scope and applicability
- Begin evaluation as potential customer solution

**Diagram:**
- Discovery
- Development / POC built
- Implemented + On-going refinements

**Sections:**
- Intro
- Strategy
- Model
- Change Resistance
- Case Studies
- Embrace Digital Transformation
- DIA Tool
- Remediation Tracking
  - What’s next?
  - Lessons Learned
  - Q&A
RSA Archer for Remediation

Leveraging Dell on Dell technology to assign client owners, provide reporting to stakeholders, gather holistic risk profiles, and prepare for predictive analytics initiatives.

Root Cause Categories

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Controls</td>
<td>Internal controls are not sufficient for prevention, detection or monitoring of specific misconduct.</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Internal controls are not sustainable long term due to resources or other factors.</td>
</tr>
<tr>
<td>Technology</td>
<td>Supporting manual and/or offline processes may limit controls effectiveness.</td>
</tr>
<tr>
<td>Awareness</td>
<td>Team Member Limited training or other method for team members to have knowledge of and understand expectations.</td>
</tr>
<tr>
<td></td>
<td>Third Party Limited means for third parties to have knowledge of and understand expectations.</td>
</tr>
<tr>
<td>Governance</td>
<td>Oversight Opportunity for misconduct due to remote location with insufficient management supervision.</td>
</tr>
<tr>
<td></td>
<td>Policy Internal Lack of formally written management expectations for internal employee behavior and conduct.</td>
</tr>
<tr>
<td></td>
<td>Policy Third Party Lack of formally written company expectations for the behavior and conduct of the third parties we engage with.</td>
</tr>
<tr>
<td>Culture</td>
<td>Tone at Top Perception that executives and other top leaders will not hold others accountable for behavior.</td>
</tr>
<tr>
<td></td>
<td>Tone at Middle Perception that misconduct is a common practice in the team/function.</td>
</tr>
<tr>
<td></td>
<td>Reporting Team members not speaking up due to fear of retaliation.</td>
</tr>
<tr>
<td></td>
<td>Pressure Undue pressure to meet organization goals or business targets.</td>
</tr>
<tr>
<td>Bad Actor</td>
<td>Bad Actor Circumventing well-designed and operating controls for personal gain.</td>
</tr>
</tbody>
</table>
## Lessons Learnt

<table>
<thead>
<tr>
<th>Be curious!</th>
<th>Build relationships</th>
<th>Pareto Principle</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ask questions!</td>
<td>• Partnership w/ stakeholders</td>
<td>• Typically 80% of outcomes result from 20% of causes</td>
</tr>
<tr>
<td>• Ask questions!!</td>
<td>• Feedback loop is critical</td>
<td>• Build scalable solutions but don’t boil the ocean straight away!</td>
</tr>
<tr>
<td>• Ask questions!!!</td>
<td>• Build awareness of outputs</td>
<td></td>
</tr>
</tbody>
</table>