Where There’s Smoke, There is Fire – Assessing Your Vendors

Sheila Colclasure, Acxiom
Michael McCullough, Macys, Inc.
WHY DOES THIS MATTER?

• Risks & Liabilities

• Brand: Protection, Enhancement

• Cede Competitive Advantages or Exclusivity of Benefits
WHERE ARE WE COMING FROM?

- Acxiom
- Macy’s
TOPICS

I. Preparing to Engage Vendors

II. Assessing Vendors - Step by Step

III. How Are We Doing? Measuring Program Success
I. PREPARING TO ENGAGE VENDORS

What is our capability?

Get set up to run a vendor management program that consistently applies your standards to your vendors and your vendors’ vendors
I. PREPARING TO ENGAGE VENDORS

Need 3 things

1. Governance Organization

2. Understand your Technical, Policy & Requirements environment

I. 1. GOVERNANCE ORGANIZATION

1. Establish Executive Team Responsible for Standards and Risk Tolerances

2. Define Roles; Bridge Business, IT & Legal

3. Ensure Awareness and Training Capability with ALL Contracting Business Units

4. Define escalation process
GOVERNANCE ORGANIZATION

- Ent. Info Mgmt & Privacy Strategy
- Policy & Contracts
- Comms & Training
- Risk & Assurance
- Event Mgt & Resolution

Responsible Information Mgmt Exec. Council (RIMX)

RIMX Advisory

Standards

- S.E.T.
- Guidelines
- Consent Mgmt.

- Production Data Use
- Tracking Protocols
- Mobile
- Biometric
- MCOM Development
- Vendor Selection Criteria
- RIM Contract Inclusions
I. 2. UNDERSTAND TECH & POLICY, & RQMTS ENVIRONMENT

1. Define Standards, Risks & ROI
   - Define Risk Tolerances

2. Prioritize Vendors Against Standards and Risks
   - Define Selection Criteria; Vendor Classification
   - Depth of examination (Vendor’s Vendors)

3. Internal Audit
Our standards start being applied in our 10 section Vendor Proposal Template.

Prospects should be organized in the order in which the requirements are presented in the RFP. Each section in the Proposal should reference the corresponding Section and Subsection.

All pages of the Proposal should...

1. **About Macy’s**
   
   MACYS.COM, Inc., an affiliate of the Macys, Inc., continues to achieve record sales and broaden our workforce by 40% year over year. Continually reaching and achieving our goals. With the help of our partners, Macys, Inc., continually expanding our web business with the stability and support of the “Best in Class” tech savvy to build a unique business poised for substantial growth. We live in keeping our brand strong, and maintaining our reputation industry wide. At Macys.com we are also highly committed to giving back to the community by partnering with local charitable organizations and look for that in all partnered relationships with suppliers we contract through.

2. **Requirements**
   
   2.1. **Key Requirements**
   
   2.1.1. Please reply to the questions for each requirement listed on the following tab: Key Requirements.

   Comments/Attachments

   2.2. **Other Features/Functionality**
   
   2.2.1. What other additional Features/Functions that you would like us to be aware of in this process?

   Comments/Attachments

   2.3. **Other Features/Functionality**
   
   2.3.1. Do you offer Dynamic Code Analysis as well?

   Comments/Attachments

   2.3.1. What other application Security options are available?

   Comments/Attachments

3. **General**

3.1. **Company Information**

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<th>#EE’s</th>
<th>Vol Bus</th>
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I.3 SUPPORT PROCESS WITH TOOLS

1. Vendor Management Office or Function

2. Define Workflows (On-Boarding to Off-Boarding) and Approval Process

3. Use Risk Decision Tools to Define Contract Language; Rights; and Periodicity of Audit

4. Dedicate Repository for Vendors
II. ASSESSING VENDORS – A STEP BY STEP GUIDE

Step by step examples of the people, processes and tools to engage vendors

Your vendor is your proxy: where the rubber really meets the road

- Do you have a view into who your vendor is?
- Are they stable, credible, reliable?
- Do they walk the walk or just talk the talk?
- What are you looking for?
- What could your vendor keep hidden?

Look under the covers and pull back the curtain.
II. STEP 1 - PLOT, PLAN & ORGANIZE

Identify Your Targets
- Type of Vendor: Treat/Measure by category of service
- Company, contact, role/responsibilities
- In priority order: retro-fit or as they come

Identify Your Objectives
- What are you measuring? What does success look like?
- Anticipate problems…and a plan to overcome
- Carrot and a Stick: identify a Value Prop for the Vendor

Tracking Tools
- Build, adapt, refine
- Develop your talk-track and plan of attack
- Measure vendor, measure yourself
II. STEP 2 - LAUNCH & EXECUTE

Entrée
- Communicate with relevant stakeholders
- Pick your channel: phone, email, both
- Essential to establish rapport
- Pave the way for your Vendor Assessment

Send out Vendor Assessment Tool
- “Questionnaire” effective initial gathering tool
- Great to have documented Responses
- Specific to vendor type and objectives
- Credentialing and Solution Discovery

Follow on
- Evaluation/Measure/Record
- Conference call with relevant stakeholders
- Make the onsite visit
- Ask the hard questions
- Require follow up schematics and documentation
NEW SOURCE VENDOR ASSESSMENT

COMPANY AND CONTACT INFORMATION
Date: Click here to enter date.
Company Name: Click here to enter company name.
Street Address: Click here to enter street address.
City, State, Zip: Click here to enter city, state, zip.
Country: Click here to enter country.
Company Website: Click here to enter response.
Contact Person: Click here to enter contact person.
Contact Email: Click here to enter phone.
Contact Phone Number: Click here to enter phone.
Number of Years in Business: Click here to enter response.

DATA INFORMATION
Please give a general description of the file (e.g., phone, new mover, property, name, date of birth, gender, etc.):
Click here to enter response.
What is the file update frequency?
Click here to enter response.
Will the file updates be full file replacements or transactions only? If transactions, what is the estimated number of transactions delivered per update?
Click here to enter response.
What hygiene do you perform on your file (e.g., address cleaning, NCOA, opt-out suppression, etc.)?
Click here to enter response.
Will all data collected be available to Acxiom? If no, what is not available?
Click here to enter response.
Please specifically identify all contractual limitations between you and your data sources that bear on your supply of data to Acxiom.
Click here to enter response.
What type of character encoding is the data in (i.e., Latin-1)?
Click here to enter response.
What language is the data in (e.g., English, German, Simplified Chinese, Mandarin, etc.)?
Click here to enter response.
Please attach a record layout to this document that shows all elements you have available. The layout should include counts and values for each element (or each value within an element). For example, for age range, please provide the ranges you have and the counts per range.
Click here to enter response.

DATA SOURCING
Are you the originator of the data or an aggregator?
Click here to enter response.
What is the data’s point of origin and how is the data collected? (e.g., online, offline, call center, warranty card, survey, retail transaction, etc.)
Click here to enter response.
In what country(ies) did the data originate?
Click here to enter response.
In what country(ies) is the data currently stored?
Click here to enter response.
Do you reference a privacy policy during the collection of your data?
Click here to enter response.
Is the individual given notice regarding the transfer and use of their data by third parties?
Click here to enter response.
Does the individual expressly “opt-in”? If so, to what does the individual opt-in (e.g., data transfer to third parties, mobile marketing campaign, email marketing campaign, etc.)?
Click here to enter response.
Do you (or the data collector) provide a mechanism by which the individual can exercise choice to “opt-out” or prevent transfer of their data to third parties?
Click here to enter response.
Please attach a copy of or link to every privacy policy (governing the collection, use, and transfer of the data) under which your data has been collected.
Click here to enter response.
Does the data contain any information on children under 13? Between 13-18? How do you verify these ages?
Click here to enter response.

ONLINE DATA SOURCING
Was any part of the file sourced online? Please provide a percentage of the file that was sourced online. If zero, skip questions 2-4 in this section.
Click here to enter response.
Please provide a general description of how the data is collected online, both directly from the individual, and by automated means (e.g. data entry fields completed by site visitor, key stroke logger, cookies, API feed, crawler, web scrape, etc.)
Click here to enter response.
How was the individual informed (e.g., through a posted privacy policy, in a pop-up box, etc.) about the data collected that was not intentionally provided by the individual?
Click here to enter response.
Please provide all URLs under which individual data is collected. Attach additional documents as needed.
Click here to enter response.
Does the data contain any information on children under 13? Between 13-18? How do you verify these ages?
Click here to enter response.

What rights does the company have regarding possession, use, and transfer of the data to third parties?
Click here to enter response.

If applicable, please identify all contractual limitations between you and your data sources that bear on your supply of data to Acxiom.
Click here to enter response.

I certify, as an authorized representative of Enter Company Name, that the above information is true and correct.

Company Name: Enter Company Name
By: ____________________________
Printed Name, Title: ____________________________
Date: ____________________________

*Please print document, sign, then return form and attachments to your Data Acquisition representative.
Solution Vision

Marketing – PII based
Assets where personally identifiable information can and is freely stored

Brand Solution
- Customer and prospects
- Campaign management
- Response information
- Reporting

Analytic Environment
- Data integration
- Model & segment development
- Multi-channel analysis

Safe Haven – PII based
Where PII is shared with Acxiom but not between the contributors

Brand Safe Haven
- Publisher Registered Users
- Targeted Display Campaign history
- Brand’s Customized Aggregated Reporting – multi-channel
- Co-Marketing Capabilities

Safe Haven Analytic Environment
- Brand GUI access to allow:
  - Pre-campaign counts
  - Post campaign analysis
  - Publisher segment-level matching reporting

Anonymous
All data is anonymous - no PII or IDs associated with PII are stored

Anonymous Analytic Environment
- Modeling & segmentation
- Standard aggregations & tools
- Custom insights

Acxiom Recognition
Acxiom Data

Real-time Anonymous Platform
- Audience creation, association & tracking
- Big Data evaluation and management
- Distribution across digital landscape

Privacy-Compliant

1 & 2

4

All Channel

3

5
# Enabling Platform Data Exchange

## Data Sharing Service

<table>
<thead>
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<th>Acxiom</th>
<th>Partner</th>
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<td>Stores Partner Cookie Id</td>
<td>Transfers Cookie id</td>
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<td>Cookie Id, Data</td>
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</tr>
</tbody>
</table>
SUCCESS STORY #1

Case Study: “BIG DATA”

Edgy New Digital Data Company: Compiled Data File, Collected Online, 10,000 Original Sources, Claims of Secret Sauce

View Into The Vendor
- Discussions/Vendor Assessment Questionnaire
- Representations…….contractual warranties
- Dig a little deeper in the well
- Special “Compliance Team NDA”
- Reviewed 10,000 sites’ privacy policies, Ts&Cs, consumer experience

Results…..30% failed

Lessons Learned: Trust But Verify
SUCCESS STORY #2

Case Study: Data Management Platform

Digital Data Platform Partner: Digital Ad Serv Environment, Committed to Anonymity, Involved Joint Solution for Major Client

View Into The Vendor
- Discussions….lengthy
- Initial Schematics w/ Representations
- Dig a little deeper in the well
- Full Blown Schematics
- Adjustments made to solution platform: salting, one-way hashing, parallel table with rules-based data governance filter

Results…..Operationally Anonymous Environment

Lessons Learned: Trust But Verify
III. HOW ARE WE DOING?
MEASURING PROGRAM SUCCESS

Suggested measurements for a successful vendor management program
Great Governance

- Periodic Portfolio Review with Leadership
- Periodic Measurement, Annual re-certification
- Part of a FIPPs Program with Maturity Model
- Integration of Environmental Changes
- Program Strategy Alignment Review
III. 2. MEASURING PROCESSES

Great Processes

- Vendor Assessment Questionnaire, Formal Credentialing, Vendor-Type Checklists

- Did you get what you were looking for?

- Process Improvements – closing the loop

- Extending learnings through vendor types

- Repeatability of process
CONCLUSION
7 TIPS

O - Organize
M - Measure Risks & ROI
S - Set Standards
S - Start Early in Engagement
U - Use Tool Support
M - Measure Program Effectiveness
S - Stay Current (monitor tech and requirement changes)
QUESTIONS/DISCUSSION