



Shop Direct automates third-party assurance program to meet compliance requirements

CASE STUDY

The Challenge

Shop Direct Group is the UK's leading online and home shopping retailer and includes the Littlewoods, Very, Woolworths, Kay&Co and Isme brands.

Shop Direct relies on a network of 800 suppliers, which provide services such as logistics, call centres, finance, and manufacturing. Naturally, customers' personal data has to be shared with these third party organizations, and the retailer is therefore obliged to ensure that the data is sufficiently protected throughout the supply chain, in order to minimise security risks.

The role of the group's small compliance team is to undertake due diligence testing of all suppliers to ensure they meet the standards both customer and the regulators expect. Suppliers were firstly asked to complete a questionnaire held in a spreadsheet and return it via email. Then, they were visited by the compliance team, in order to validate the information received, and establish further actions.

Being manual, this process was incredibly time-consuming and unwieldy, as managing multiple spreadsheets is a notoriously complex challenge. Hundreds of emails were exchanged between the team and suppliers. Version control of the spreadsheets was a headache, and auditing the predominantly qualitative information relied heavily on the experience of the team rather than on analytical evidence. In addition, collating and aggregating the information in order to rank and compare suppliers was very difficult and challenging. Much of the work undertaken was administrative, chasing suppliers by email and telephone to return their spreadsheets, which meant that the team's auditing skills were not being effectively utilized.

Other areas of Shop Direct's business also needed to audit third party organizations. There was no central point where audits were collated, each area had slightly different requirements and there was a possibility of unnecessary duplication. As a result of these challenges, Shop Direct's full supply chain audit took much longer than they would like to complete to a satisfactory level. Additional people were recruited in order to help cover the supplier base more quickly. However, with increasing governance, risk and compliance (GRC) requirements to be met, and the undoubted growth of the supply chain, the retailer knew that a new approach was needed to automate the processes.

“The auditing team of three was each spending 25% of their time on the administrative tasks required by our manual processes. Our use of the automated SureCloud Platform has given us this time back, so we can focus more heavily on data analysis to establish more reliable risk assessments, to add value to our business.”

Chris McAteer,
Director of Compliance and Operational Risk at Shop Direct Group

At a glance...

Customer:

Shop Direct Group

Industry: Retail

Headquarters: Liverpool, UK

No. of employees: 3,500

Annual turnover: £1.7 billion

Benefits:

- Simplified the third-party assurance program
- Delivered an instant view of compliance status
- Enabled informed decision making based on supplier risk
- Eliminated the pains associated with manipulating spreadsheets
- Generated time savings of 0.75 FTE by reducing administrative workload
- Provided faster and easier interface for suppliers to use
- Contributes to improved customer service and brand protection

“SureCloud does a lot more than ensuring we have ticks in all our compliance boxes. The quality of information it delivers enables us to make better informed decisions about relationships with our partners. This helps us to provide the best possible secure service to our customers - something we are passionate about - and to protect the Shop Direct brand.”

Chris McAteer

The Solution

With the manual process becoming very unwieldy, Shop Direct came across the SureCloud Platform. Through the automation of key GRC processes, and centralized risk-based reporting, SureCloud helps organizations improve risk management and meet ongoing compliance requirements. “When we saw how quickly and easily the SureCloud Platform could transform our third party assurance program, we knew that it was exactly what we needed,” commented Chris McAteer, Director of Compliance and Operational Risk at Shop Direct Group. “It enabled us to use our existing spreadsheets to form the basis of the new automated questionnaires, and to enhance our existing processes.” In addition, the Platform’s user-based pricing model made it a cost-effective choice for the retailer.

SureCloud worked closely with Shop Direct to deliver its new centrally-managed and automated third party assurance program. The questionnaire was re-designed to avoid ambiguity and repetition, but most importantly to gain quantitative (as well as qualitative) information wherever possible, in order to facilitate vendor risk analysis. The audit process was first tested on a number of suppliers who were sent a link to the cloud-based platform. This enabled Shop Direct to obtain feedback and refine the program before rolling it out to a further 60 third-party organizations.

“Management of the third party audit has been hugely simplified, and we have real-time visibility of the questionnaires and how each supplier is progressing with their responses,” noted Chris. “A series of emails is automatically sent to the suppliers who haven’t responded, so there’s no longer a need to call and email them manually to chase them.”

SureCloud automatically calculates risk, highlighting high risk suppliers, collating the information to compare and rank suppliers, and driving next steps. Previously, this would have been very difficult and a lengthy manual trawl of the data would have been necessary in order to perform risk assessments. The pain involved with having to manipulate hundreds of spreadsheets has been eliminated. A significant chunk of time has been saved: 0.75 of a full time equivalent (FTE) resource.

The third parties that have completed the SureCloud audit questionnaire have been impressed. “Suppliers have found the SureCloud Platform to be faster and much easier to work with than the previous spreadsheet-driven audit,” said Chris. “This can only benefit our relationships with our partners, and our investment in this process demonstrates to them how serious we are about protecting our customers’ data.”

The benefits have significant knock-on implications. “SureCloud does a lot more than ensuring we have ticks in all our compliance boxes,” summarised Chris. “The quality of information it delivers enables us to make better informed decisions about relationships with our partners. This helps us to provide the best possible secure service to our customers - something we are passionate about - and to protect the Shop Direct brand.”

About Shop Direct Group

Shop Direct Group is the UK’s leading online and home shopping retailer, with annual sales of around £1.7 billion through brands such as Very.co.uk, Littlewoods, Isme, Kay&Co and Woolworths.co.uk. Offering over 800 brands, including leading fashion labels and own brands, Shop Direct delivers more than 25 million parcels each year to more than five million active customers. For more information visit

www.shopdirect.com

Why SureCloud

SureCloud is a provider of cloud-based, integrated Risk Management products and Cybersecurity services, which reinvent the way you manage risk. SureCloud connects the dots with integrated Risk Management solutions enabling you to make better decisions and achieve your desired business outcomes. SureCloud is underpinned by a highly configurable technology platform, which is simple, intuitive and flexible. Unlike other GRC Platform providers, SureCloud is adaptable enough to fit your current business processes without forcing you to make concessions during implementation; meaning you get immediate and sustained value from the outset.

www.surecloud.com

“SureCloud’s real-time dashboard provides an instant view of where we are with data compliance. The responses given by our partners will determine which suppliers we should focus more on. And with a few clicks, we can produce reports such as our Ten most high risk suppliers.”

Chris McAteer, Director of Compliance and Operational Risk at Shop Direct Group

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