Risk Management
Best Practices

ERP System Implementation
Challenges and Risks

January 7, 2010

SUSAN G. KOMEN FOR THE CURE®

Agenda

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SUSAN G. KOMEN FOR THE CURE.

Introductions

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Mark E. Nadolny – Chief Financial Officer

As chief financial officer for ***Susan G. Komen for the Cure®,*** Mark E. Nadolny is responsible for all financial matters affecting the world's largest breast cancer organization.

Prior to joining Komen, Nadolny spent more than 13 years at Blockbuster, Inc., most recently as an area senior vice president of operations. Throughout his tenure at Blockbuster, Nadolny held several other senior leadership roles across the company, including financial planning, store finance and accounting, supply chain and merchandising. Prior to Blockbuster, he served as controller for Santa Fe Minerals, general auditor for Santa Fe International and senior auditor for Arthur Anderson & Company.

Introductions

Vanessa Hewitt – Director, Internal Audit

Vanessa Hewitt is the Director of Internal Audit at ***Susan G. Komen for the Cure®***. Vanessa's 17 years of professional experience include more than 14 years of internal audit experience, including COSO based risk assessment and controls auditing in addition to her external audit experience.

Prior to joining Susan G. Komen for the Cure, Vanessa was a Senior Manager in the Business Advisory Services practice at Grant Thornton, where she led Enterprise Risk Assessments, Sarbanes-Oxley implementation efforts, and redesigned and provided outsourced and co-sourced internal audit services for her clients. In addition to her experience in financial, operational, and compliance auditing, she has also led forensic investigations, business cycle process improvement initiatives, and solution selection initiatives. Vanessa also worked as a manager in Halliburton's Audit Services group.

Introductions

David Dominguez – Program Manager

Manager in the Dallas Business Advisory Services practice of ***Grant Thornton, LLP***. Fifteen years of technology experience, including management of several global efforts including implementations of corporate financial applications, rollout of large scale development efforts, SOX S404 I/T internal audits, and implementation of several I/T business process and controls.

Before joining Grant Thornton, David served as senior manager for an international telecom software company directly responsible for several I/T business services including program management, internal I/T 404 audit, PeopleSoft application management, development and support, desktop management, change management, business continuity, and solutions delivery.

The Challenge ….

- In 2009, an estimated 192,370 new cases of invasive breast cancer occurred among women in the U.S. *
- An estimated 40,170 women died from breast cancer in 2009. *
- The chance of a woman having invasive breast cancer some time during her life is a little less than 1 in 8. The chance of dying from breast cancer is about 1 in 35.
- About 1,910 men were diagnosed and 440 men died of breast cancer during 2009 in the United States. *
- Right now there are more than 2½ million breast cancer survivors in the United States.

* Facts Reference: American Cancer Society. Cancer Facts and Figures 2009. Atlanta, GA: American Cancer Society, 2009.

About Us ….

The Promise: Nancy G. Brinker promised her dying sister, Susan G. Komen, she would do everything in her power to end breast cancer forever. In 1982, that promise became *Susan G. Komen for the Cure* and launched the global breast cancer movement in the fight to end breast cancer forever.

Today, we are the world's largest grassroots network of breast cancer survivors and activists fighting to save lives, ensure quality care for all and energize science to find the cures.

There are over 125 cities and communities, mobilizing more than one million friends and neighbors every year through events like the Komen Race for the Cure Series

Thanks to events like the Komen Race for the Cure, we have invested more than $1.5 billion, becoming the largest source of nonprofit funds dedicated to the fight against breast cancer in the world.

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Our Impact ….

More hope – the five-year survival rate for breast cancer, when caught early before it spreads beyond the breast, is now 98 percent (compared to 74 percent in 1982).

More early detection – nearly 75 percent of women over 40 years old now receive regular mammograms, the single most effective tool for detecting breast cancer early (in 1982, less than 30 percent received a clinical exam).

More survivors – America's 2.5 million breast cancers survivors, the largest group of cancer survivors in the U.S., are a living testament to the power of society and science to save lives.

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Implementation Overview

Implementation Overview

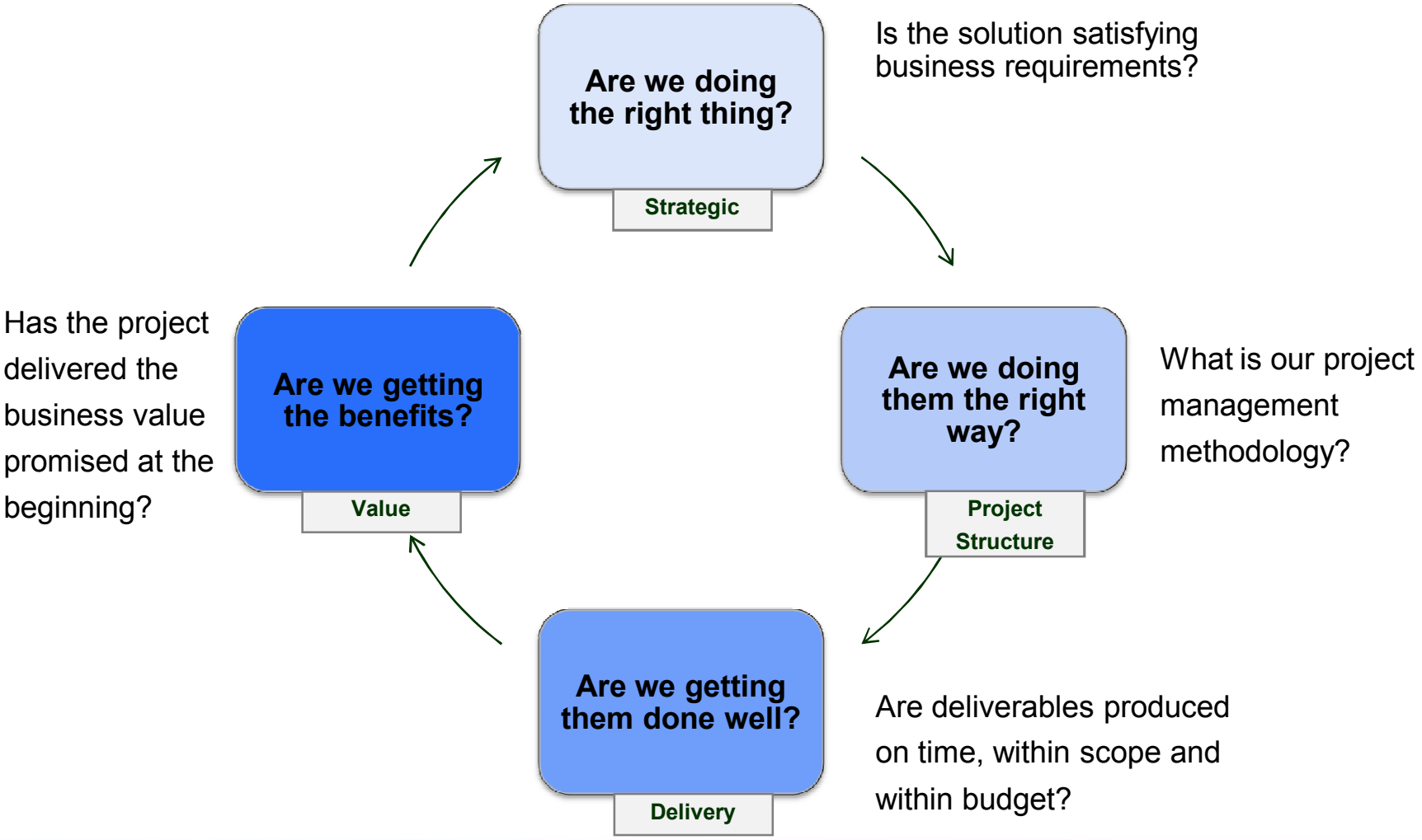
The primary criteria for the financial solution selected included:

- Proven operational stability to support Headquarters and the 122 domestic Affiliates
- Flexibility to allow for a transaction-sharing security and service platform
- Technology infrastructure allowing for the consolidation of financials for more accurate and timely reporting
- Flexible platform to grow and integrate other key business systems
- Solution best meeting business objectives including scalability, alignment to future roadmap, and better support our Mission

The initial solution implementation Goals and Objectives:

- Provide a centralized, web-based, repository of the financial data to assist in evaluations of options for improved decision making
- Develop better Internal Controls
- Develop shared reports that are accessible to, and benefit all Affiliates
- Provide consistency of processes and skill sets across all Affiliates.
- Go “Live” across all Affiliates, within Budget, by FY 2010 (Mach 2010)

Implementation Overview – Initial Challenges



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1. Challenge: Is the solution satisfying business requirements ?

Approach Taken:

- Project Charter: Identifying initial requirements from Headquarters and Affiliate Network
- Playbook: Clear communication of strategy, approach, and expectations to all parties.

2. Challenge: What is our project management methodology ?

Approach Taken:

- Program Management Office: Structure project management organizational structure
- Resource Experience: Introduction of skilled, experience personnel to lead implementation

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3. Challenge: Deliverables and milestones on time, within scope, and within budget?

Approach Taken:

- Reporting: Periodic team and steering committee meetings.
- *QA / Lessons Learned:* Periodic re-assessment of deliverables against expectations

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4. Challenge: Has the project delivered business value promised at the beginning?

Approach Taken:

- Communication Plan: Constant communication with Affiliate Network and Headquarters
- Risk Management: Internal Audit representation on steering committee

Impact on Internal Audit

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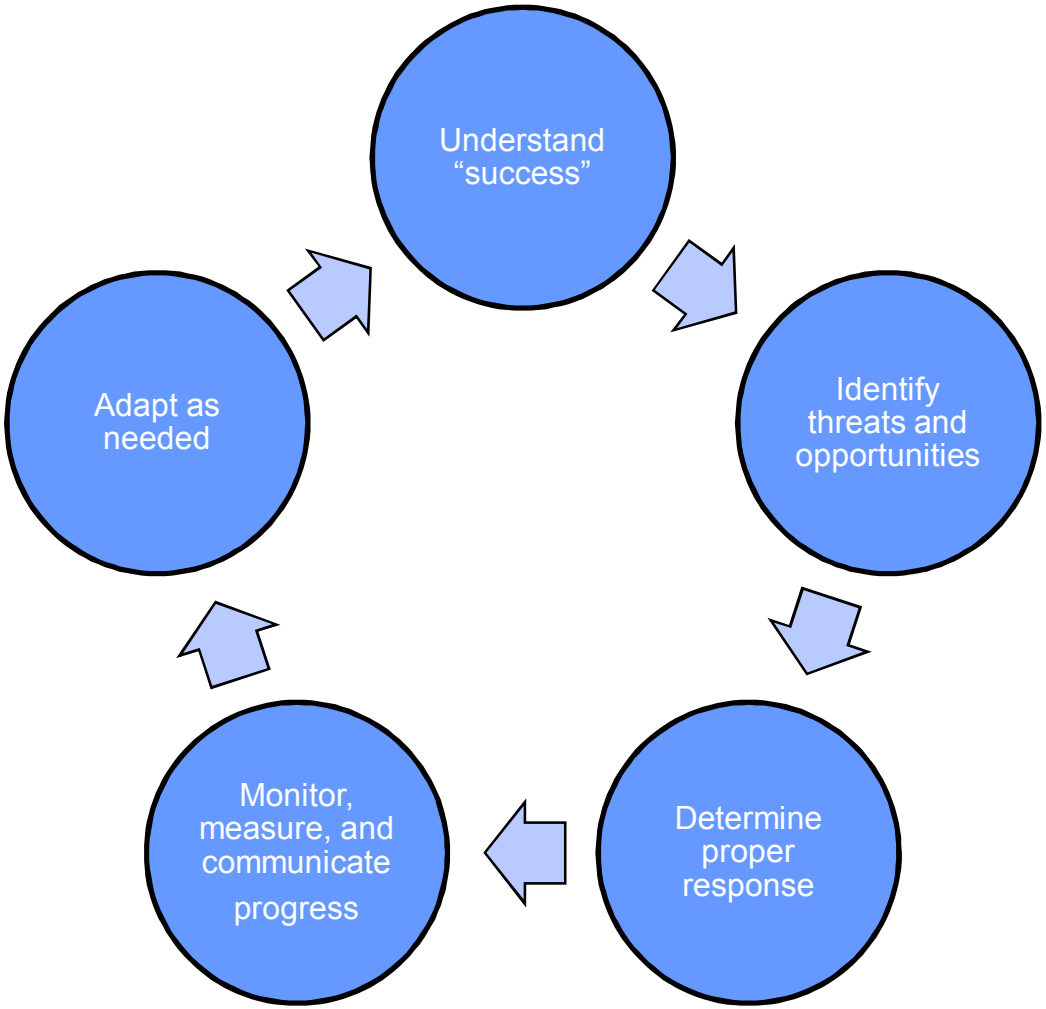
Risk Management Approach



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Risk Management Approach

- Updated and documented success factors
- Made risk assessment “everyone’s job”
- Reached consensus on risks identified and appropriate responses
- Conducted frequent steering committee and team meetings
  - Change management process
  - Status monitoring
  - Opportunity to escalate issues
  - Executive Steering Committee
- Adapted as needed

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Modifications to Internal Audit Approach

1. Audit Planning

- Audit committee buy-in
- Increased communication
- Scheduling flexibility

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2. Audit Execution

- Transitional year – hybrid approach
- Additional communication tool
- Adaptability

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Internal Audit Benefits

- Reduce rework
  - Consider controls on the front end
  - Review design “real-time”
- Provide an objective perspective
- Bring additional information
- Facilitate additional communication

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Lessons Learned

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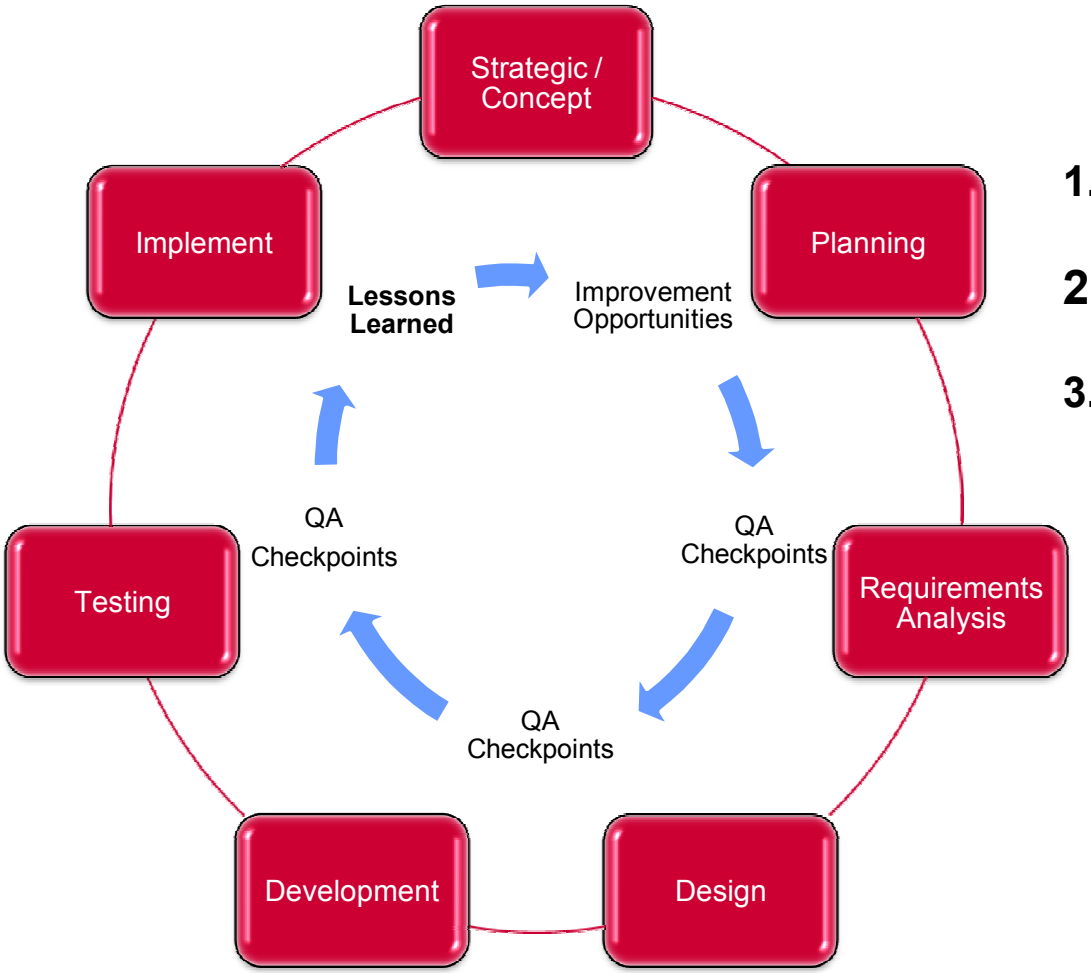
Software Development Life Cycle



1. **Periodic QA checkpoints**
2. **Lessons learned**
3. **Implementing improvement opportunities**

1. Risk Area: Change Management

Issue / Concern:

Implementation and acceptance of new business processes and technology

Action Plan Taken:

- Executive and Senior Management Commitment and Support to the overall implementation process
- Pilot Implementation Approach
- Communication, Communication, Communication

2. Risk Area: Communication Management

Issue / Concern:

- Concerns by the Network Affiliates on:
  - Clarity of Affiliate expectations and timelines
  - Communication consistency
  - Point person / group for project information

Action Plan Taken:

- Clear project roles and responsibilities
- Execution of a Communication Plan
- Rollout and distribution of an implementation “Playbook”
- Centralizing of project information and FAQs (Website and Helpdesk)

3. Risk Area: Transition Process

Issue / Concern:

"One size does not fit all"

Action Plan Taken:

Adjustment of scope, approach, and timeline to best meet the business requirements of Headquarters and Network Affiliates

4. Risk Area: Project Plan Management

Issue / Concern:

Aggressive but reasonable time line

Action Plan Taken:

- Creation and management of a Project Plan
- Clearly identified Critical Path and Milestones
- Periodic review and assessment of key milestones
- Periodic approved timeline adjustment (as necessary) continuing to meet requirements, least affecting Critical Path, yet meeting overall project goals.

5. Risk Area: Production Readiness

Issue / Concern:

Clarify by Headquarters and Affiliate Network on 'Next Steps'

Action Plan Taken:

- Creation of a project team 'Production Readiness Checklist'
- Creation and distribution of a Network Affiliate Checklist
  - Expectations and Deliverables
  - Due Dates
  - How-to Guides
  - Next Steps

Conclusion

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Conclusion

As of Today ….

- Headquarters implemented PeopleSoft on September 2008
- As of Jan. 2010, **85 of 122** Affiliates have converted successfully into PeopleSoft.
- By the end of Mar. 2010, All Affiliates will be “Live” on PeopleSoft
- Due to Management’s Commitment and Support, Detailed Project Planning, a Strategic Communication Plan, and an IA Risk Management approach, this project has been successful !

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