



## CASE STUDY

# Streamlined Vendor Risk Management Exceeds Third Party Risk Requirements at First Tech Federal Credit Union

With over \$8.6 billion in assets, First Tech Federal Credit Union is one of the ten largest credit unions in the United States, serving more than 425,000 members nationwide. Its members work for some of the most advanced technology companies in the world, including HP, Microsoft, Intel, Amazon, Intuit and Google, and they demand that the credit union supply an effortless banking experience.

To deliver first-rate member service, First Tech FCU works with upwards of 1,000 vendors. In 2016, the institution expects to add another 80 vendors to the mix.

### Addressing Regulatory Scrutiny

Not only is managing so many vendors cumbersome, but regulatory scrutiny of third party vendors has heightened in the past few years, with examiners increasingly focusing on vendor risk management. First Tech FCU knew it had to streamline its vendor management process to meet regulatory requirements, explains Jennifer Arashnia and Sue Willis, Vendor Risk Program Managers. Jennifer and Sue also needed more time to focus on strategic initiatives.

"As Vendor Risk Program Managers, Sue and I manage and oversee our vendor risk policy," says Jennifer. "We ensure that policies are continuously updated to meet regulatory requirements for due diligence. We are also responsible for identifying and defining our vendor risk methodology, categorizing risk by tiers and managing the processes surrounding vendor risk review."

### Automating Document Collection

Obviously Jennifer and Sue have a lot on their plate. One of the pair's biggest challenges was document collection. "Requesting documents from the vendors and ensuring that the documents are updated was a manual, time-consuming process," says Jennifer. "It wasn't unusual to have to send up to a dozen requests to secure the correct documents."

With so much time spent on document acquisition, Jennifer and Sue had precious, little time to focus on maturing the vendor risk management process. "We needed



**First Tech**  
federal credit union

**FINANCIAL INSTITUTION**  
FIRST TECH FEDERAL CREDIT UNION  
MOUNTAIN VIEW, CA  
FIRSTTECHFED.COM

**ASSET SIZE**  
\$8.6B

**MEMBERS**  
425,000

"We needed to automate the document process so we could focus on improving our overall vendor management program."

"We can quickly access the document we need, rather than have to sort through the documents on our own."



## THE CHALLENGE

Unwieldy and time-consuming document collection for more than 1,000 vendors

Lack of time to mature the vendor risk management program and meet regulatory requirements

## THE SOLUTION

Venminder software to consolidate vendor management into a central location

Outsourced Document Collection

## THE RESULTS

Significant time-savings for document collection and management

Improved internal audit

Easier preparation for regulatory examination

to automate the document process so we could focus on improving our overall vendor management program," she says.

First Tech FCU outsourced data collection to Venminder. Although Venminder works directly with First Tech FCU's vendors to acquire documents, Jennifer and Sue appreciate that they have transparency into the process. "Venminder is extremely professional in their dealings with our vendors, and they let us know right away if a vendor is being unresponsive in sending documents," says Jennifer.

Having Venminder collect and manage the documents saves significant time. Sue explains that before working with Venminder, employees would have to manually sort documents. Notes Sue, "We can quickly access the document we need, rather than sorting through the documents on our own."

"I love that the documents are categorized by vendor," adds Jennifer. "Well-organized documents save us a lot of time."

## Sailing Through Audits

The credit union's internal auditors also give the Venminder solution rave reviews. Jennifer and Sue demonstrated the document management function to the institution's internal auditors. "Our auditors were impressed with the entire process, but they especially saw the benefit of having Venminder request updated documents before they expired to ensure that documents are up-to-date," says Jennifer.

"Our vendor management office sailed through our audit," recalls Jennifer. "Our auditors tell us that our department is best-in-class." Although no one looks forward to a regulatory examination, Jennifer and Sue are confident that the Venminder solution will allow them to breeze through an exam.

## A Collaborative Relationship

Both Jennifer and Sue consider Venminder a true partner in their success. "Venminder is proactive and always meets us more than halfway to get things done," says Sue. "Our relationship with Venminder is very collaborative."

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**CONFIDENCE**



## ABOUT VENMINDER

Venminder has a team of due diligence experts who can significantly reduce your vendor management workload. The firm addresses the tactical challenges of vendor management tasks such as collecting compliance documentation, analyzing a vendor's financial health, deploying paralegals to assist with vendor contracts, reviewing a vendor's SSAE 16, monitoring a vendor's cybersecurity posture and much more. While financial institutions cannot outsource ownership of vendor risk, they can outsource the tactical work of assessing the risk.

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