



CASE STUDY

A Collaborative Approach to Vendor Management Lessens Risk, Improves Efficiency for National Bank of Commerce

With more than 700 vendors to manage, National Bank of Commerce, a \$550 million asset bank with both commercial and retail line of businesses in northeastern Minnesota and northwestern Wisconsin, knew it needed to improve vendor management.

Since the bank had always handled vendor management at the department level, it didn't have insight into which vendors posed the most risk to the bank, recalls Troy Lambert, assistant vice president, eServices Director. In addition, about three years ago, National Bank of Commerce saw a "regulatory tidal wave" barreling toward the bank, says Troy.

To combat these challenges, the bank formed a vendor management committee and named Troy as chair. One of Troy's first steps was to replace the departmental Excel spreadsheets used to track vendors with an enterprise-wide solution that consolidated vendor management into a single location. Troy and his team selected the Venminder software platform for several reasons.

First, the bank was impressed with the comprehensiveness of the Venminder platform. "No other vendor was able to bring everything together in a single platform," notes Troy. In addition to the software solution, National Bank of Commerce uses Venminder's team of due diligence experts to analyze their vendors financial statements, SOC reports, and cybersecurity preparedness.

Second, the team was impressed by how easy Venminder is to use. "The system is beyond user-friendly," says Troy. "Venminder is so intuitive that you don't even need an instruction manual. We give our directors and management team an ID and password and they are off and running. They never get lost or frustrated."

The bank also loved that Venminder supports its collaborative, team-approach to vendor management, explains Troy. Each vendor is assigned an owner who is directly involved with the vendor. The owner makes day-to-day decisions and the

National Bank
of Commerce

FINANCIAL INSTITUTION
NATIONAL BANK OF COMMERCE
SUPERIOR, WI
NBCBANKING.COM

ASSET SIZE
\$550 MILLION

MEMBERS
6 BRANCHES
125 EMPLOYEES

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THE CHALLENGE

Lack of visibility into vendor risk

Regulatory pressures

Inefficient processes

THE SOLUTION

Venminder Software

Outsourced Document Collection

Financial Statement Analysis & Review

Information Security Reviews

THE RESULTS

Collaborative, team-based approach to vendor management mitigates risk

Ability to make more educated decisions

Less time spent on regulatory examinations

vendor management team receives email notifications on any updates. About 20 vendor owners use Venminder.

"The owner and the vendor management team work together to resolve issues and to assess vendor risk," says Troy. Venminder manages those vendors that the bank identifies as critical, high, or moderate risk. Senior management, the enterprise risk management committee, and the board of directors also review critical vendors that have direct access to National Bank of Commerce's internal systems.

"Venminder presents data in an easy-to-understand, comprehensive report to our committees that simplifies our vendor management program and makes it much more efficient," explains Troy.

National Bank of Commerce is so confident in the data Venminder collects that the bank plans to give examiners direct access to the system during the next regulatory exam.

For National Bank of Commerce, knowledge is power. "Venminder has empowered us to make much more educated decisions about our vendors," adds Troy, noting that the bank has terminated vendor relationships after receiving the results of Venminder's work that identified financial weaknesses or information security deficiencies.

"We couldn't have done it without Venminder."

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"Venminder has empowered us to make much more educated decisions about our vendors."

DESCRIBE VENMINDER IN A FEW WORDS

EASY TO USE. COMPREHENSIVE. EMPOWERING.



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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