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February 4, 2020

# **New Data Reveals How Organizations Are Managing Third-Party Risk**



**Presented by Branan Cooper**  
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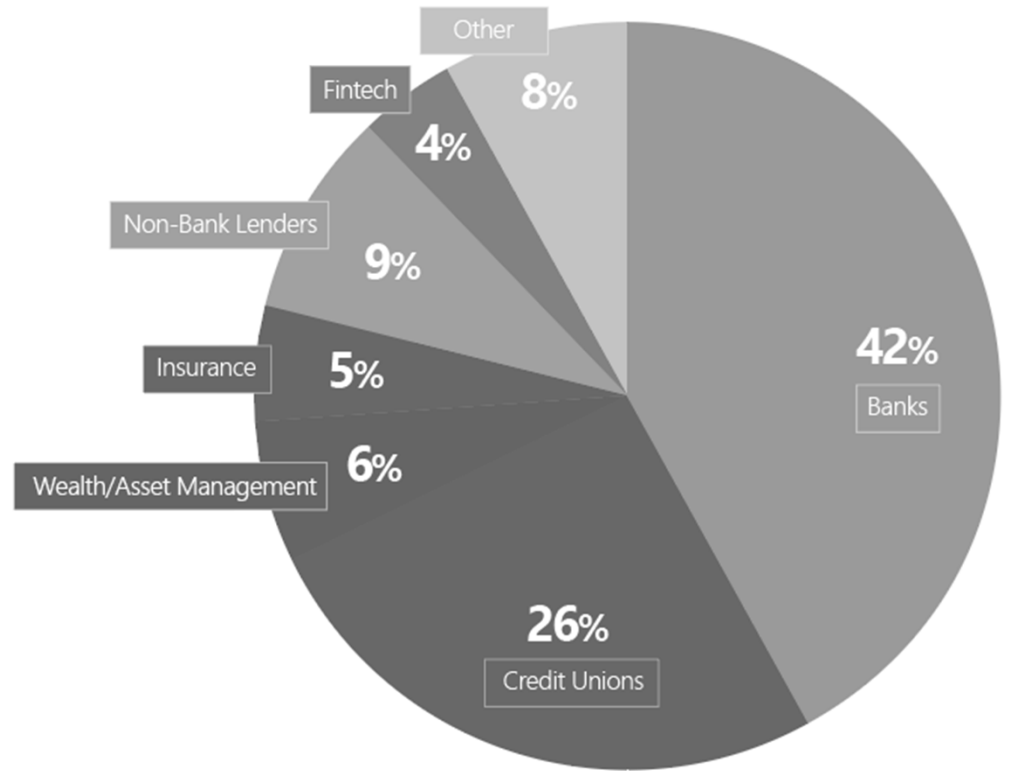
## SESSION AGENDA

- ✓ Insights and analytics directly from our exclusive largest industry survey
- ✓ Changes in regulatory expectations
- ✓ Regulations and best practices for your third-party risk management program in 2020

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## About the Survey

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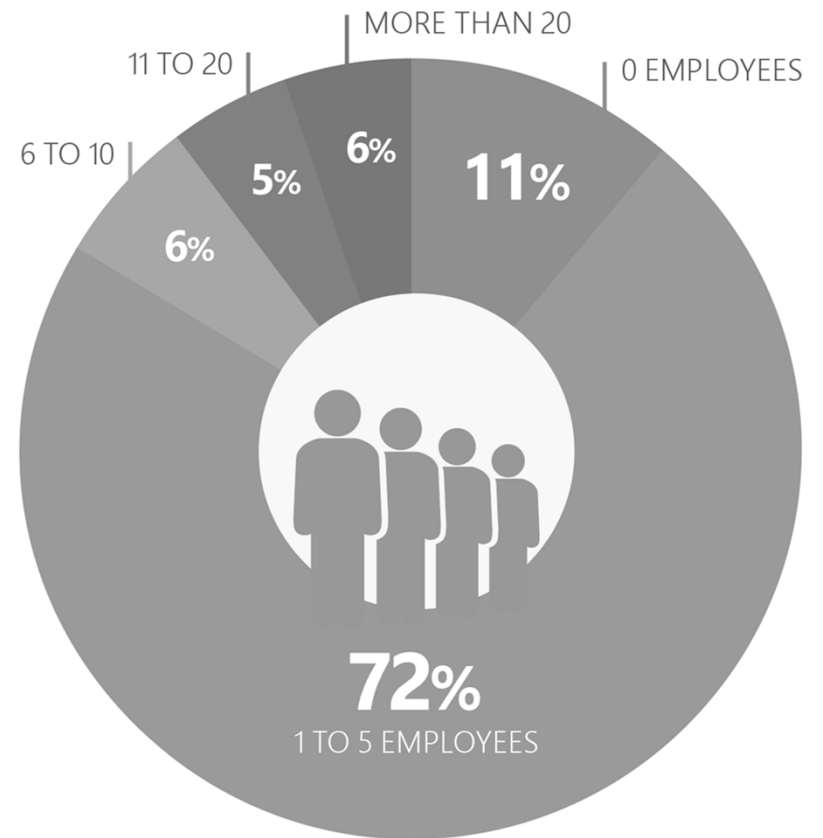
# Survey Results



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## How Many Full-time Employees Are Dedicated To Your Vendor Management Program?

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# Besides full-time employees cost, how much budget has been dedicated to vendor management?



## POLL QUESTION



Which of the third-party risk management pillars does your organization struggle with the most?

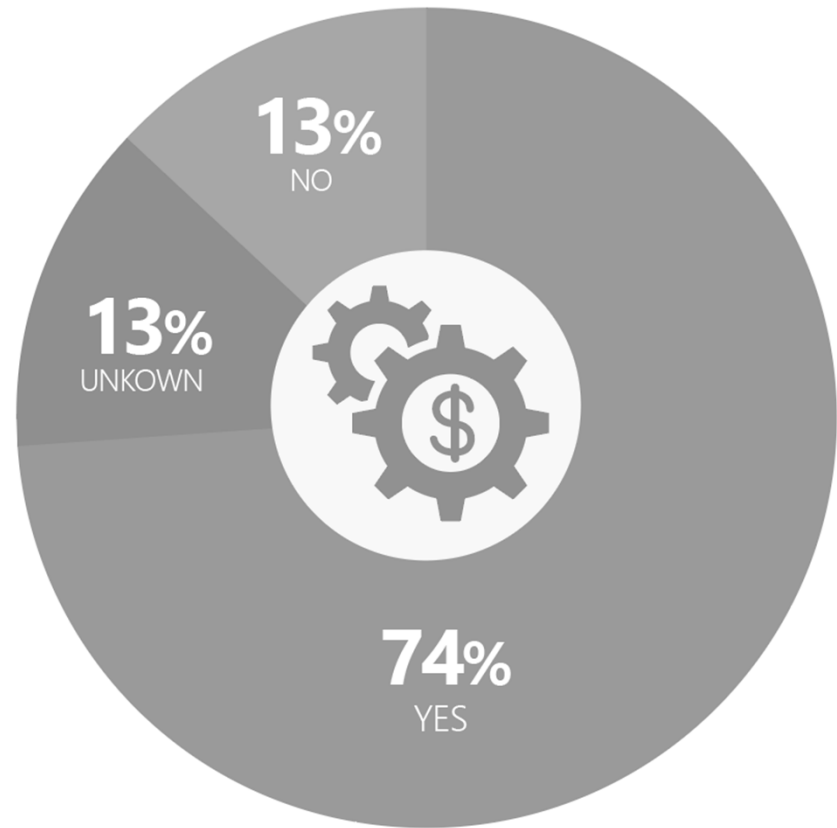
- a. Vendor Selection
- b. Risk Assessment
- c. Due Diligence
- d. Ongoing Monitoring
- e. Contract Management
- f. Board/Senior Management Reporting
- g. Not Sure



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**Does your organization believe there is a return on investment (ROI) from efficient vendor risk management?**

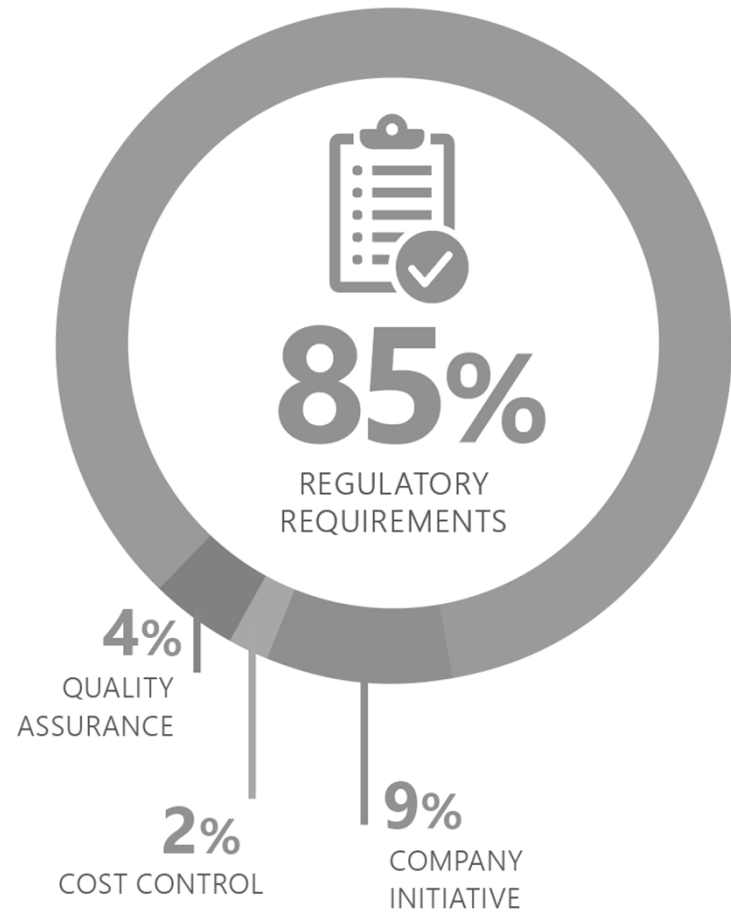
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**What is your primary reason for doing vendor risk management?**

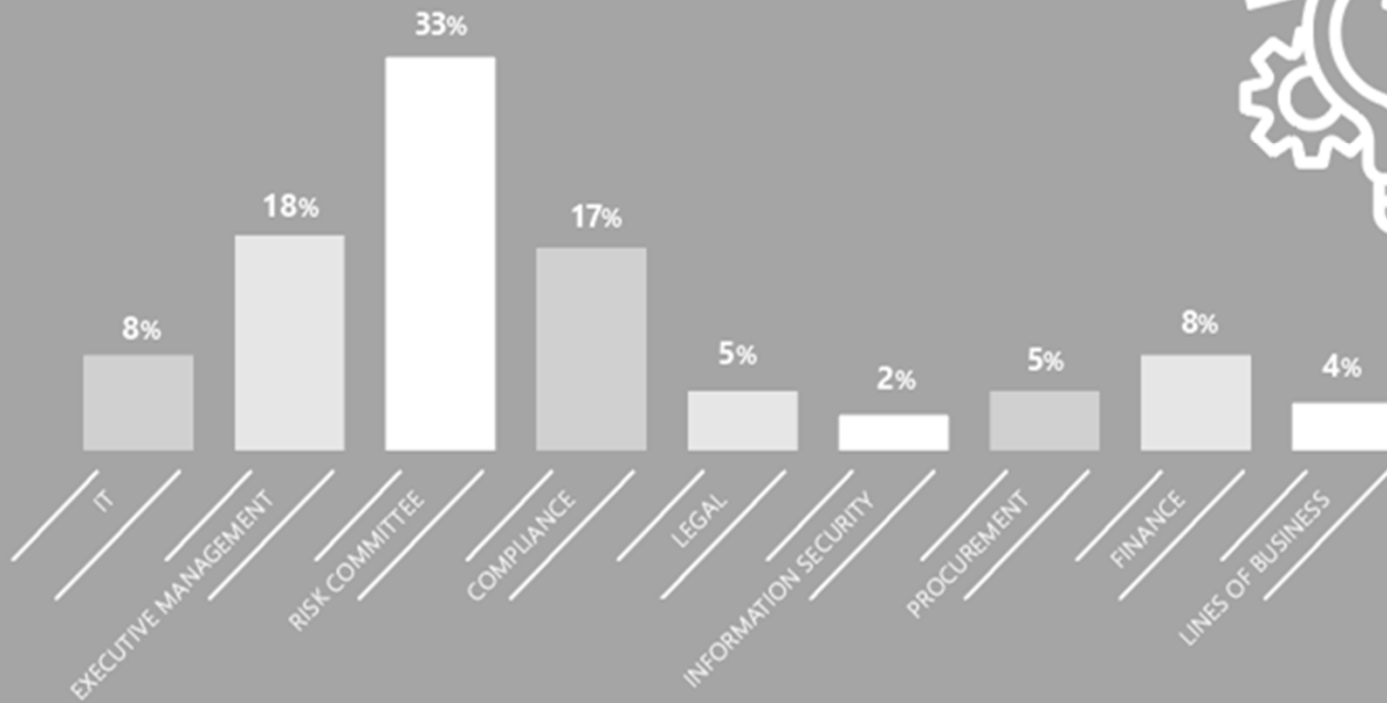
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# What do you believe are the primary benefits of vendor risk management?

**MITIGATING RISK** **PREPARED** **BETTER INSIGHT**  
OVERSIGHT OF DELIVERY OF SERVICES IDENTIFY POTENTIAL RISKS KNOW THE VENDOR IS FOLLOWING REGULATIONS  
**COST EFFICIENCY** **CONTROL COSTS** AVOID NON-PERFORMING VENDORS  
OVERSIGHT OF CONTRACTUAL OBLIGATIONS PROACTIVE PROTECTION **SATISFYING REGULATORS**  
**ACCOUNTABILITY** PROTECTION TO SHAREHOLDERS REGULATORY PROTECTION  
STANDARDIZING VENDOR ACCOUNTABILITY CENTRAL LOCATION FOR CONTRACTS KNOW WHO YOU ARE DOING BUSINESS WITH  
**LINE OF SIGHT** STAYING ABREAST **LEVERAGE** IMPROVE QUALITY OF SERVICES  
SAFEGUARD CUSTOMER INFORMATION **FIND CONTRACTS** CONTROL OVER EXPOSURE  
AVOIDING PENALTIES REDUCE POTENTIAL FOR BUSINESS DISRUPTION **AVOID AUTO RENEWALS**  
AVOIDING POTENTIAL NEW BUSINESS LOSS STRONGER RELATIONSHIPS CONTROL RISK OF EXPOSURE TO DATA BREACHES  
**COMPLIANCE** PROACTIVE CONTROL OF VENDORS QUICKLY REACT TO CONCERNS OR ISSUES  
CONTROL OF INFORMATION FINANCIAL STABILITY REPUTATION PROTECTION VISIBILITY OF POTENTIAL RISKS  
**AWARENESS** SECURITY AND ASSURANCE **SINGLE REPOSITORY** MAKE RISK AWARE DECISIONS  
QUALITY OF WORK PLANS FOR THE UNEXPECTED ONE-STOP SHOP FOR VENDOR COMPLIANCE  
BETTER PREPARATION FOR AUDITS UNDERSTANDING OF VULNERABILITIES FINDING GAPS IN THIRD AND FOURTH PARTIES  
**TRANSPARENCY** **TRUST BUT VERIFY** AVOID DUPLICATING EFFORTS  
ENSURE VENDORS MEET OR EXCEED STANDARDS COST SAVINGS THROUGH NEGOTIATIONS

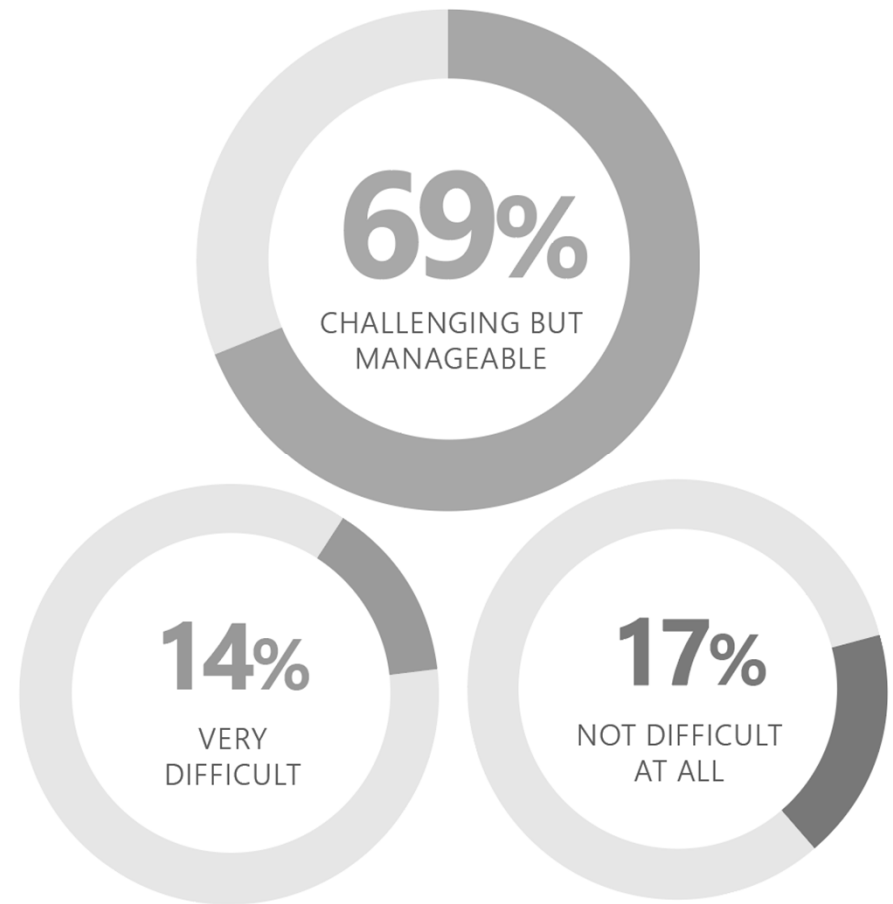
## Where does vendor management report?



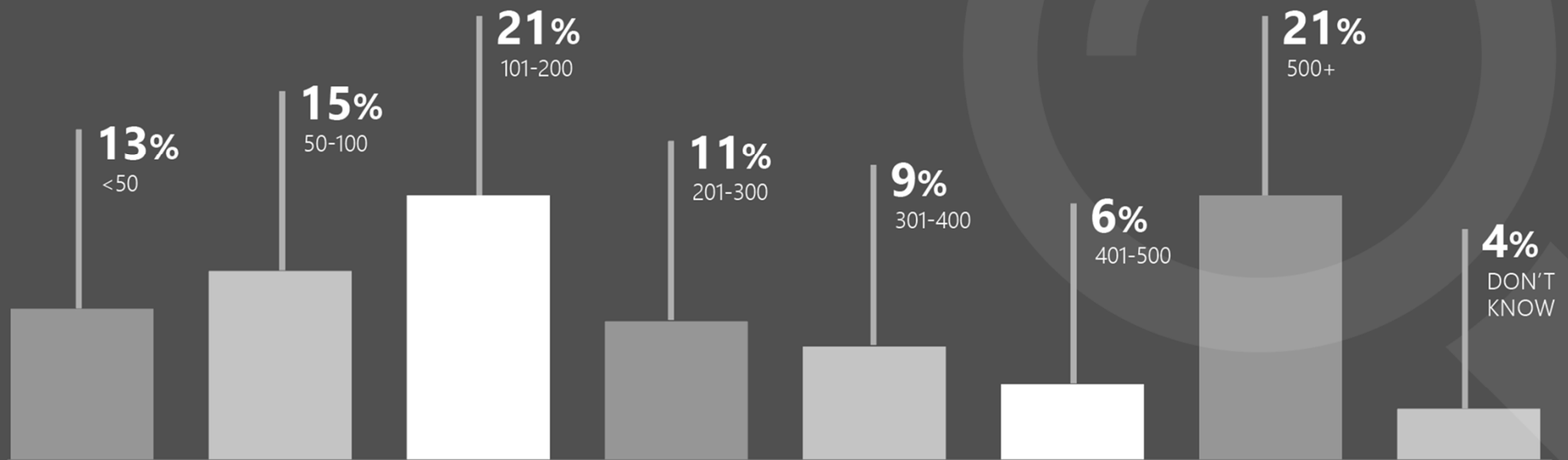
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**How difficult is it to secure business unit support for your vendor management program requirements?**

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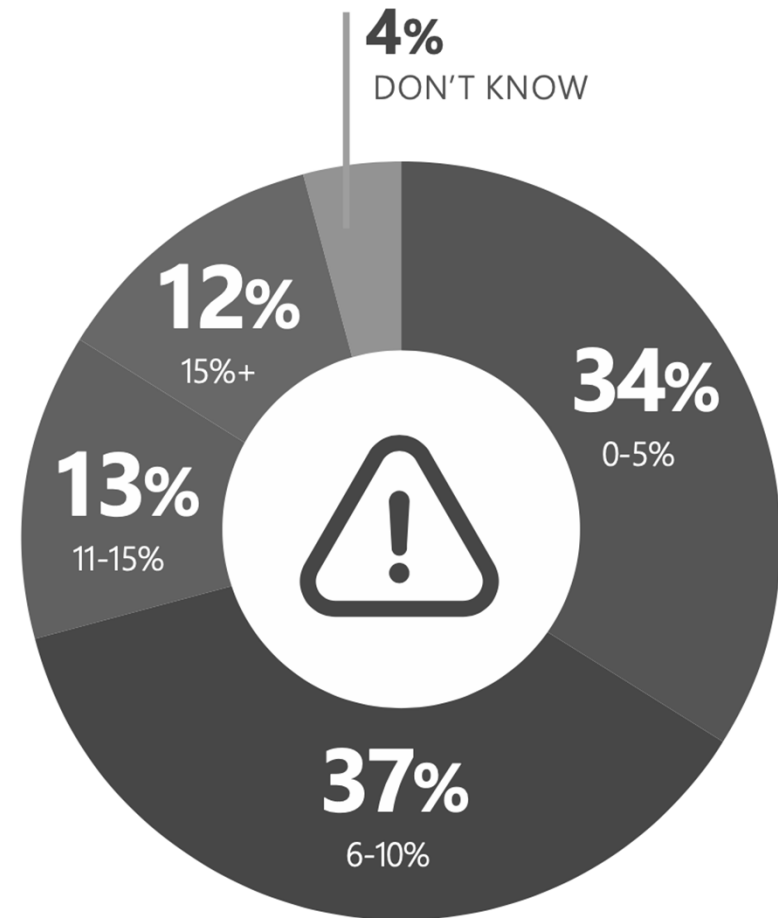
## How many total vendors are included in your vendor management program?



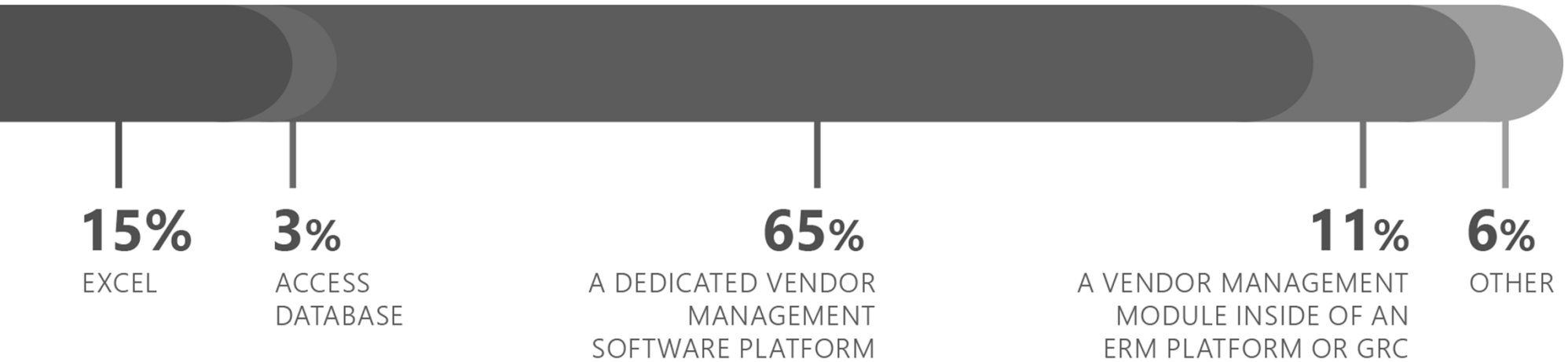
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**What percent of your vendors would you classify as business critical?**

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# What is your primary tool for managing your vendors?

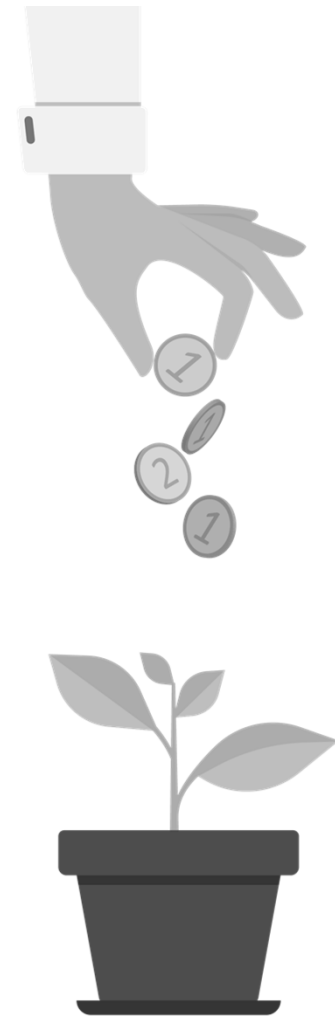




## POLL QUESTION

How mature would you rate your vendor management program?

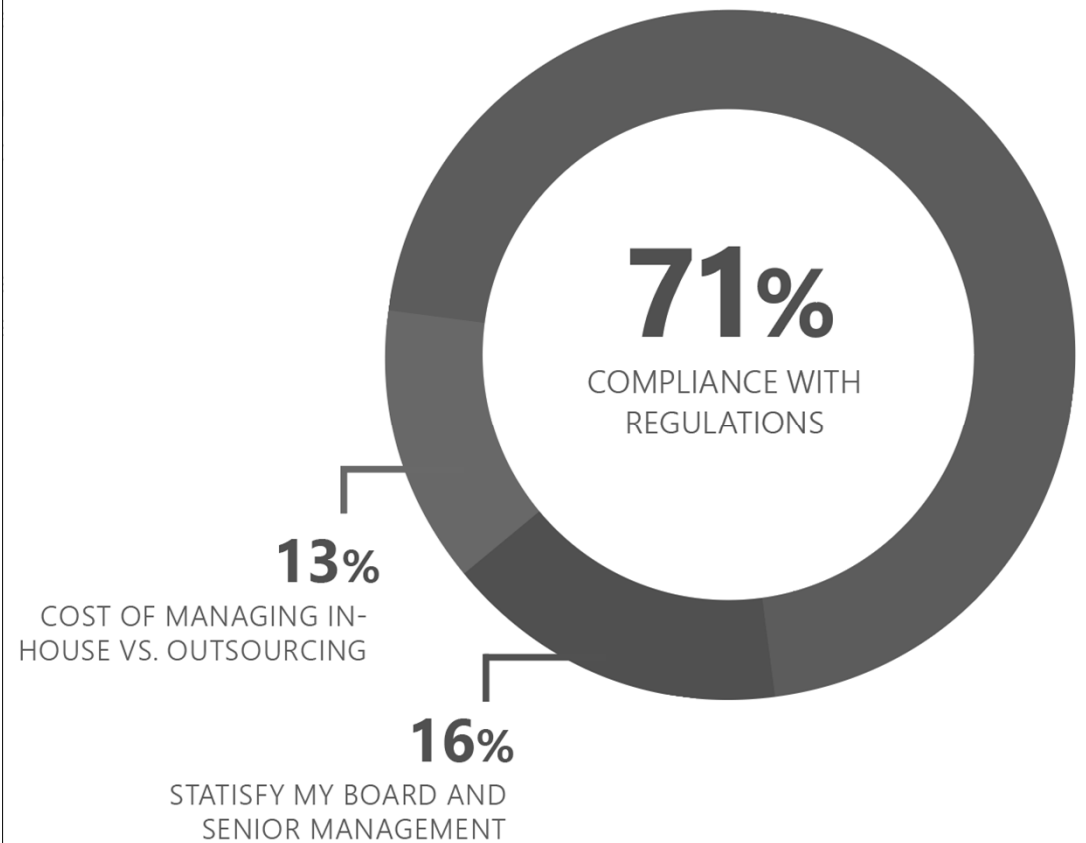
- a. Very mature
- b. Mature
- c. Just getting started
- d. Not sure



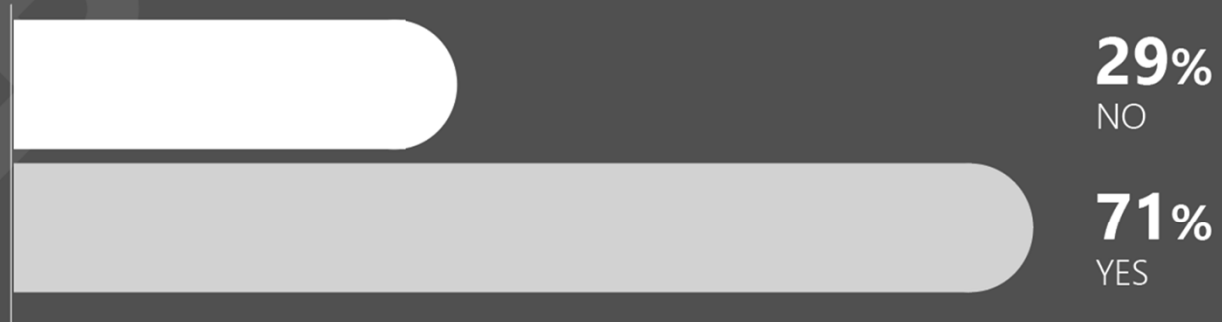
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**In considering compliance  
or risk solutions, what is  
your primary goal?**

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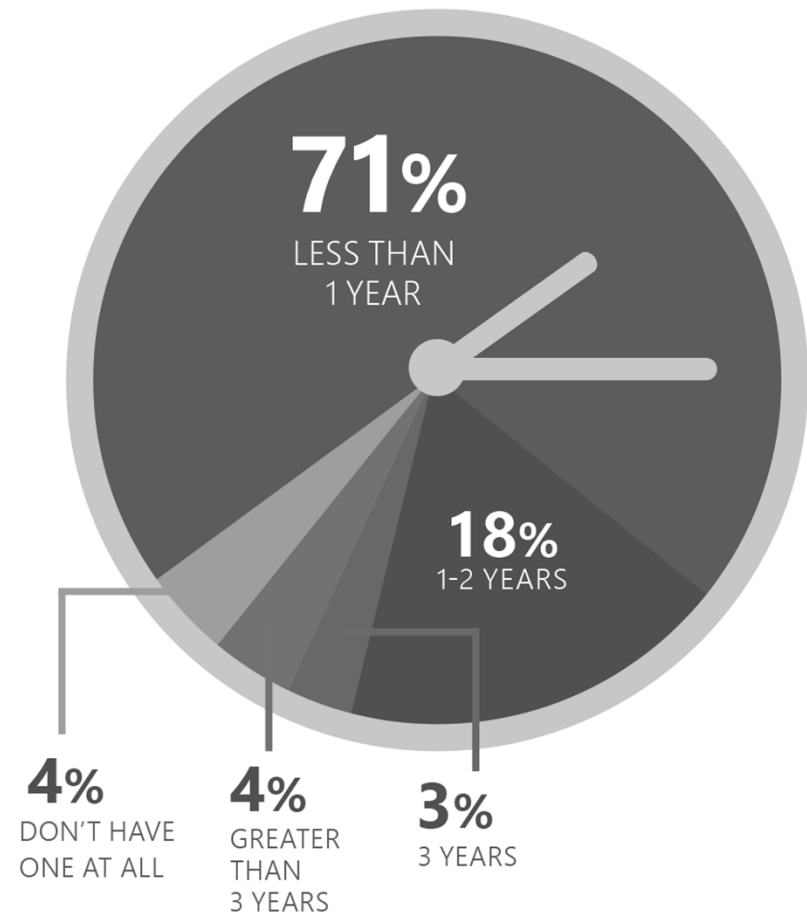
## Do you require a written or formal risk assessment for all new vendors pre-contract?



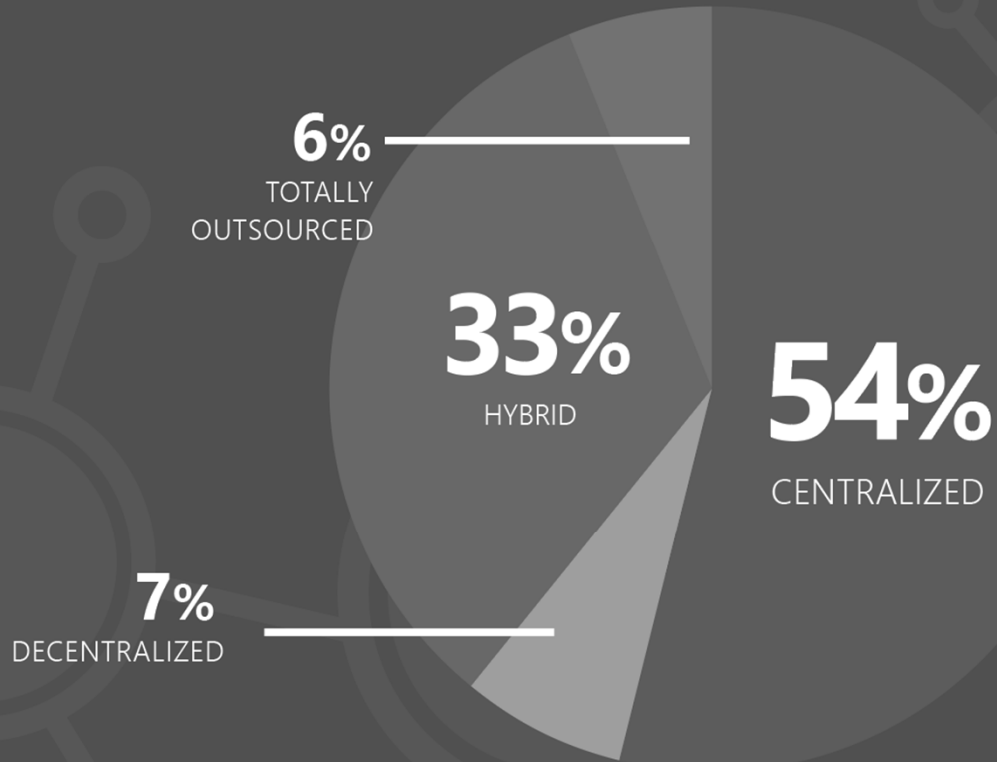
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## When is the last time you updated your vendor management policy document?

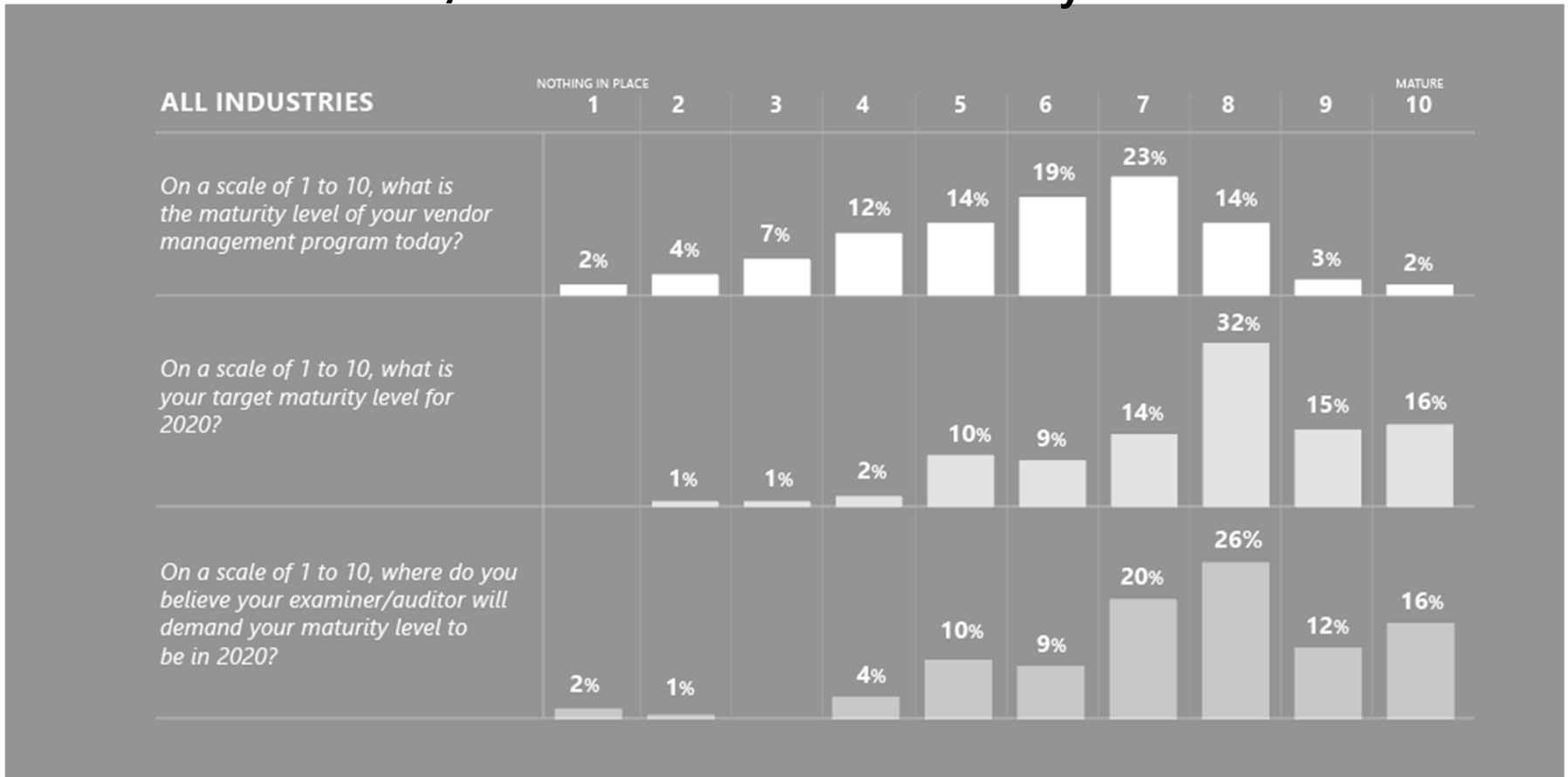
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# What operating model do you use for your vendor management program?



**We asked respondents to number on a scale of 1 to 10, what the maturity level of their vendor management is today, what their target maturity level is for 2020 and where they believe the examiners/auditors will demand the maturity level to be at in 2020.**



## POLL QUESTION

What is your biggest vendor management challenge:

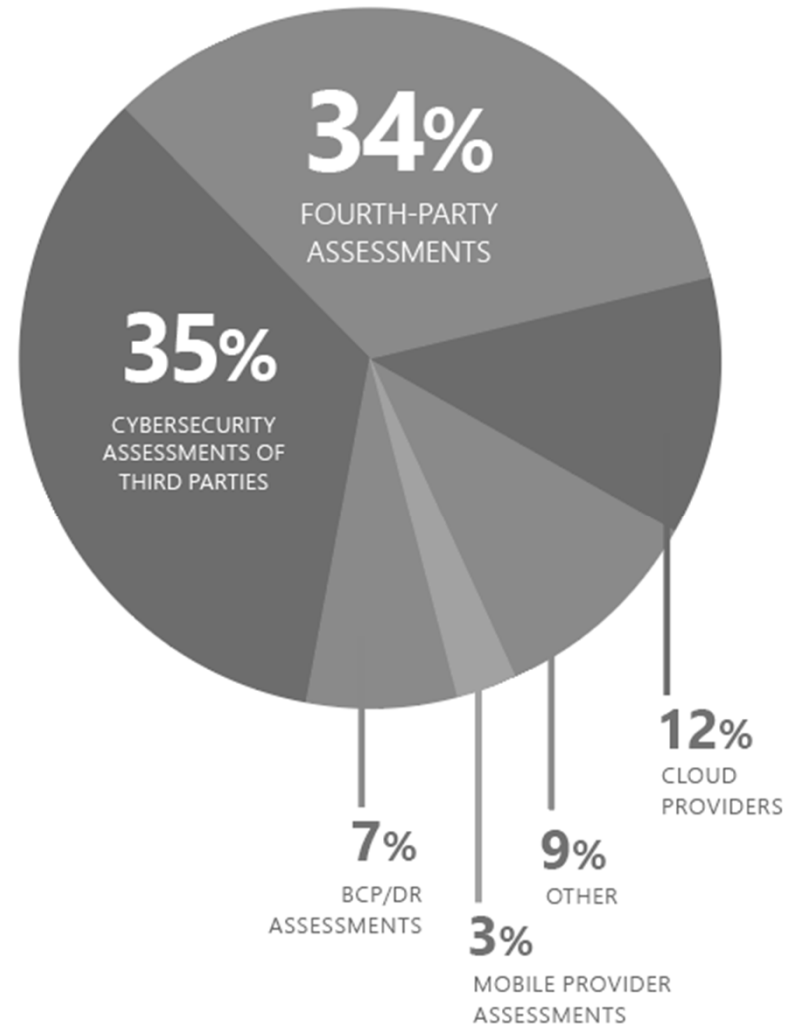
- a. Time
- b. Getting the right documents from vendors
- c. Risk assessments
- d. Keeping up with the regulations
- e. Not sure



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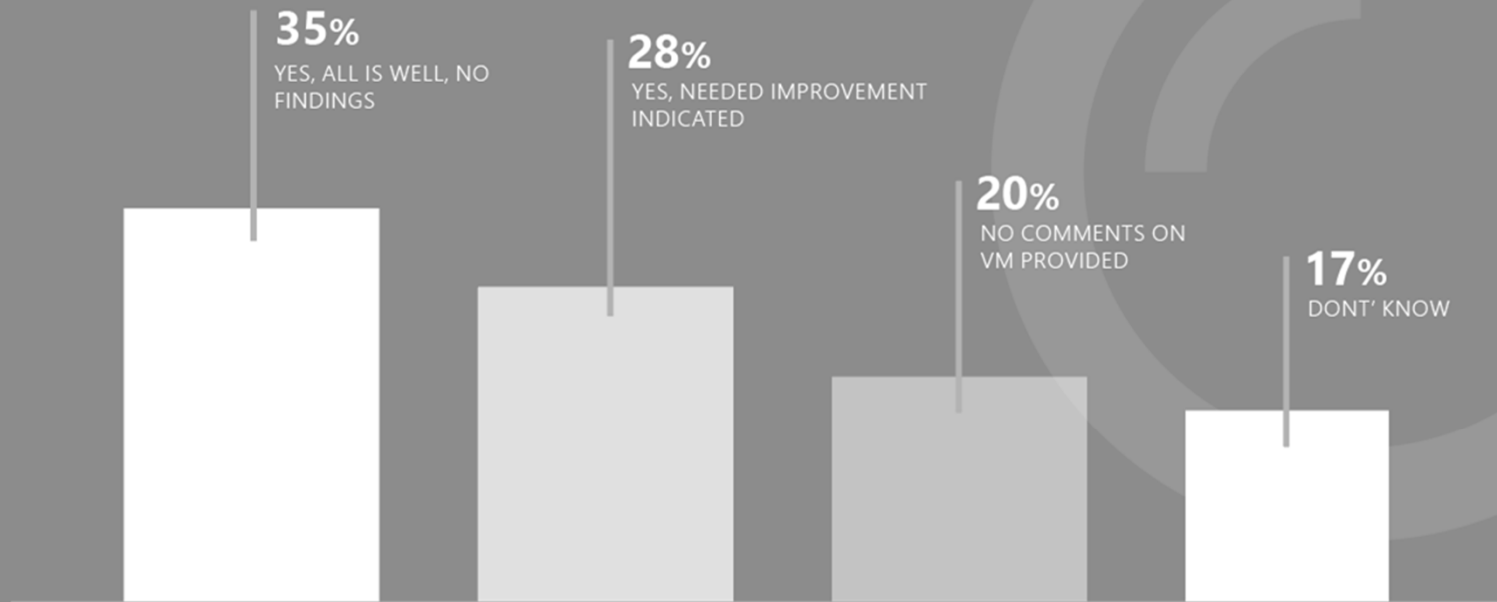
**What do you see as your next biggest hurdle?**

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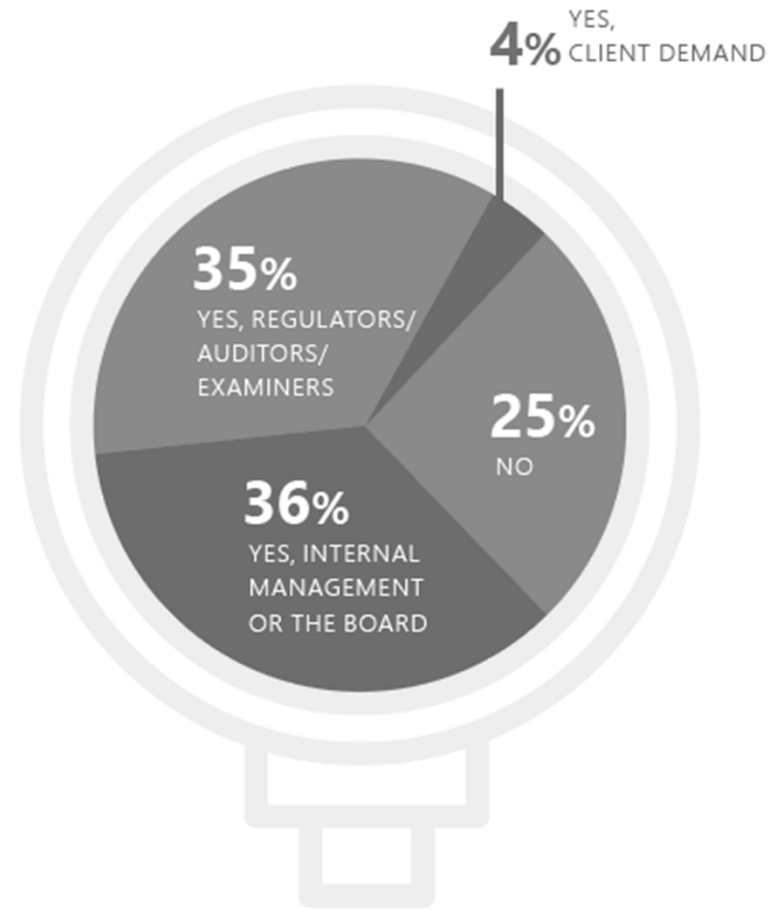
## During your last exam, did your regulator provide feedback on your current vendor management program?



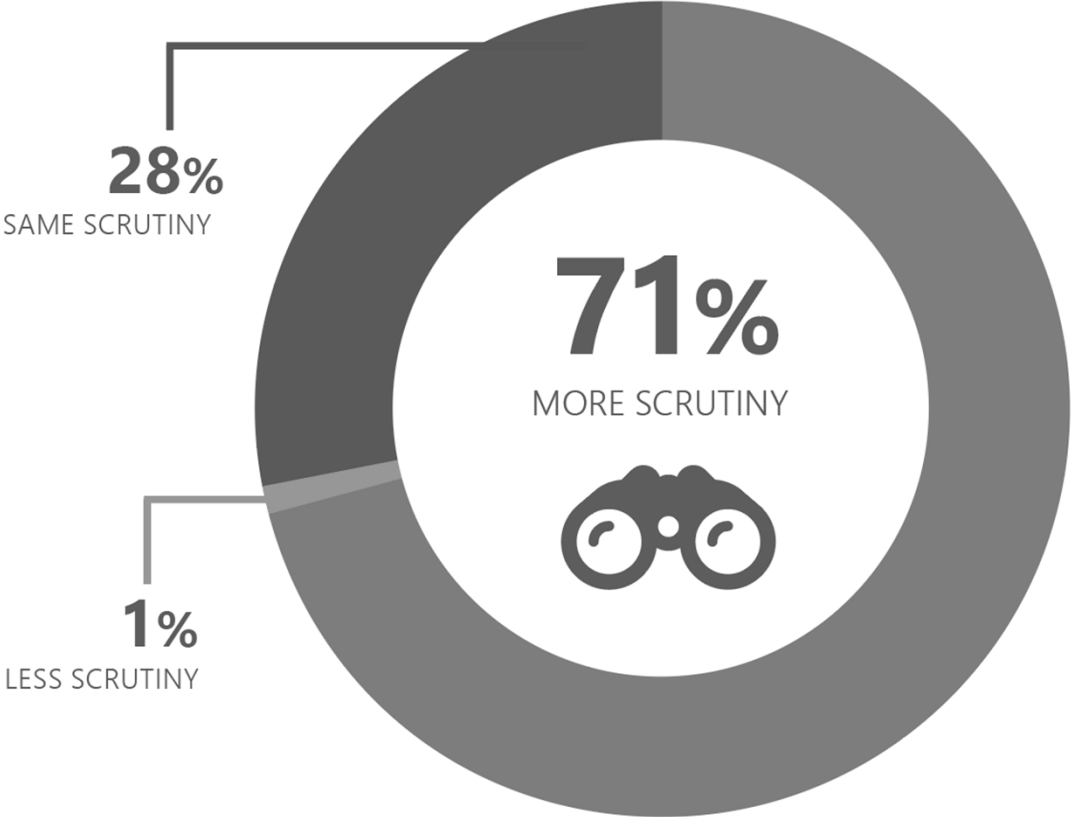
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**Are you feeling pressure to improve your vendor management program? If yes, what is the source?**

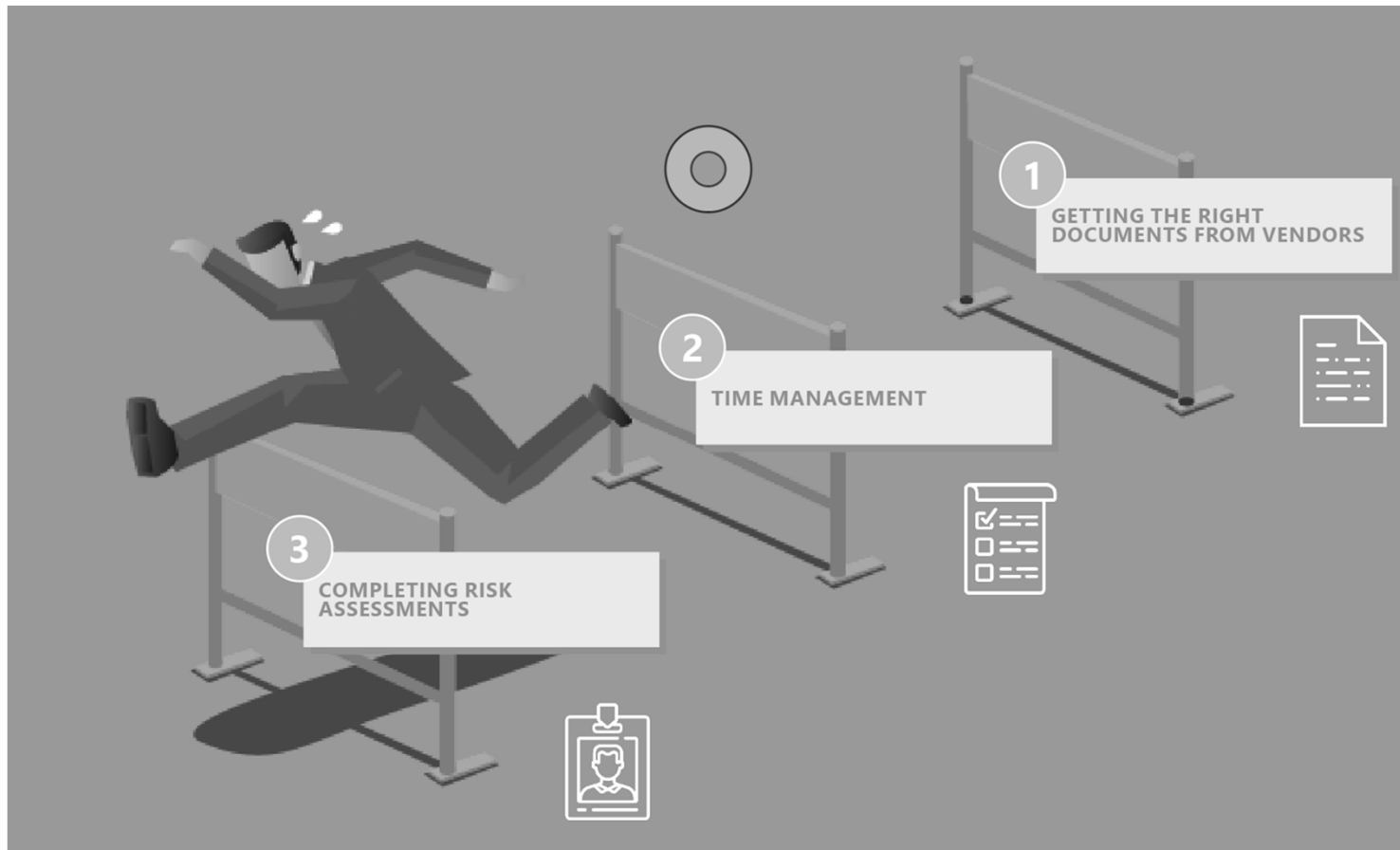
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**From your perspective, is third party risk management getting more scrutiny or less scrutiny by the regulators?**

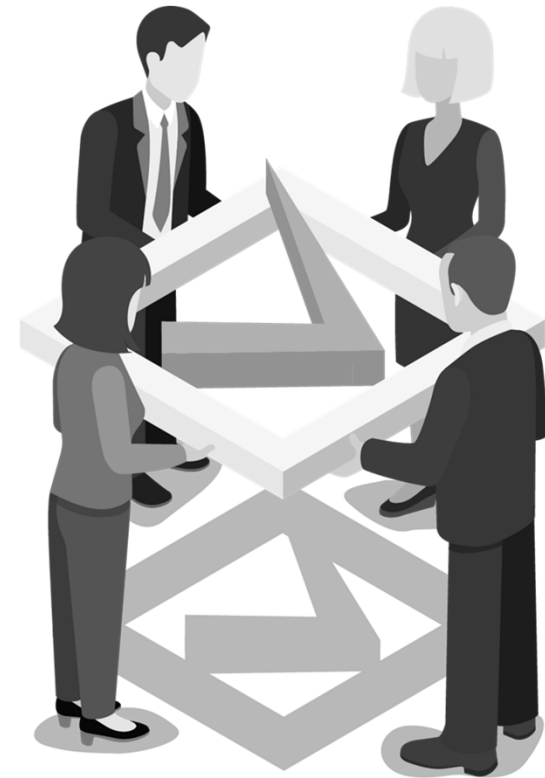


# What are your top 3 vendor management challenges today?



# BEST PRACTICES IN 2020

- ✓ Stick to the basics – don't be influenced by regulatory uncertainty
- ✓ Study new regulations
- ✓ Be responsive to new regulations
- ✓ Invest in education and industry resources
- ✓ Continue to grow the maturity of your third-party risk management
- ✓ Keep policy and program updated
- ✓ Use enforcement actions as a lens through which to view your business



# Q & A

## EMAIL US

[branan.cooper@venminder.com](mailto:branan.cooper@venminder.com)

## POST A QUESTION

[ThirdPartyThinkTank.com](http://ThirdPartyThinkTank.com)

## ALSO JOIN US AT Our Upcoming Webinars:

**March 10, 2020:**

Bring Your "A" Game to Vendor Risk  
Management Webinar Featuring Guest Speaker  
Renee Murphy from Forrester

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Thank You

  
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