

10 COMMON ERRORS TO AVOID in a Vendor Management Program

It's easy to get so deep in the weeds of your vendor management program that you make some pretty basic errors. Sometimes you need to take a step back and evaluate your program.

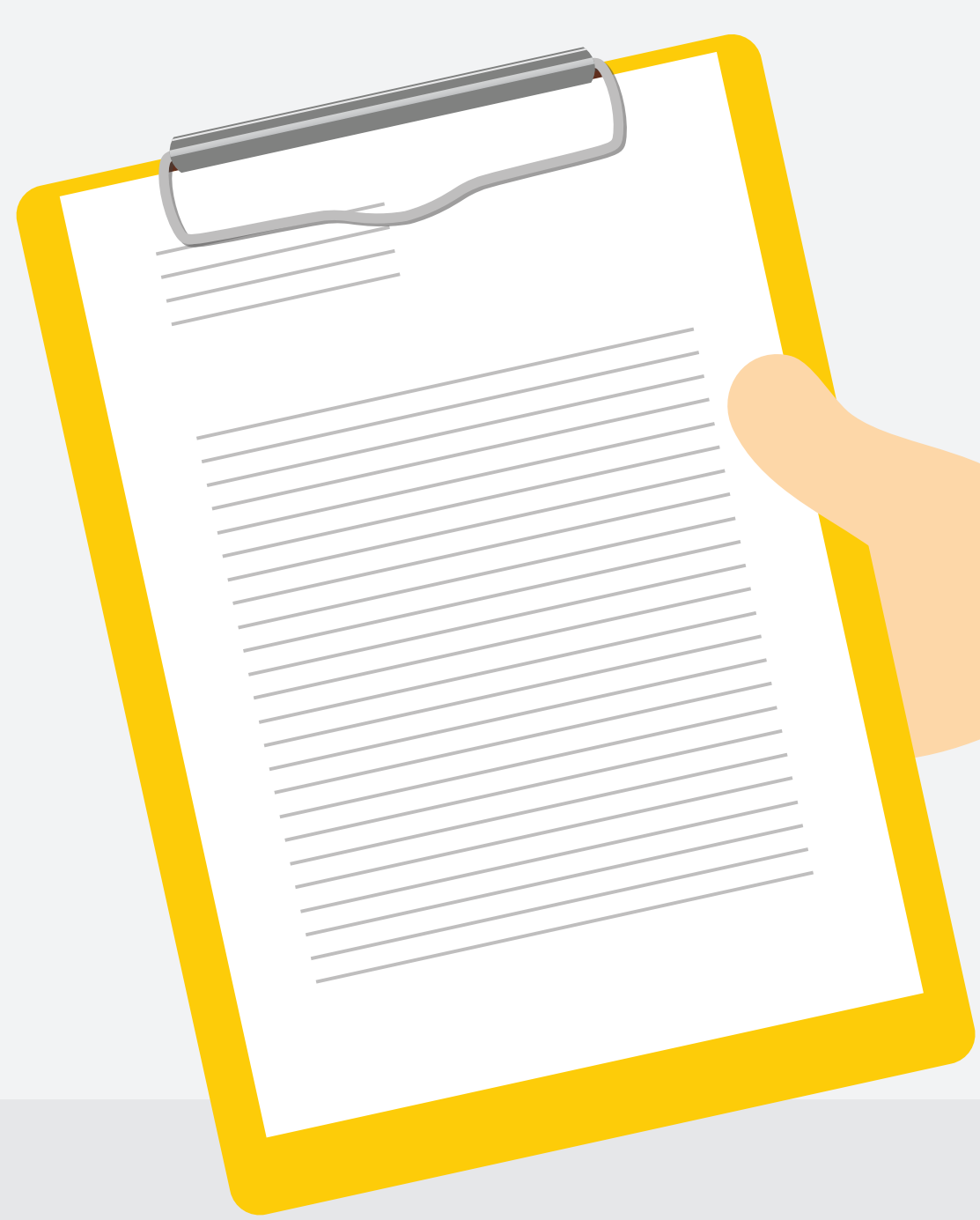
Here are 10 common errors to watch for and avoid in your vendor management program.

01 TOO FEW RESOURCES COMMITTED TO YOUR VENDOR MANAGEMENT PROGRAM

Do you have sufficient staff?

Do you have enough expertise on key areas?

Do you have an automated solution?

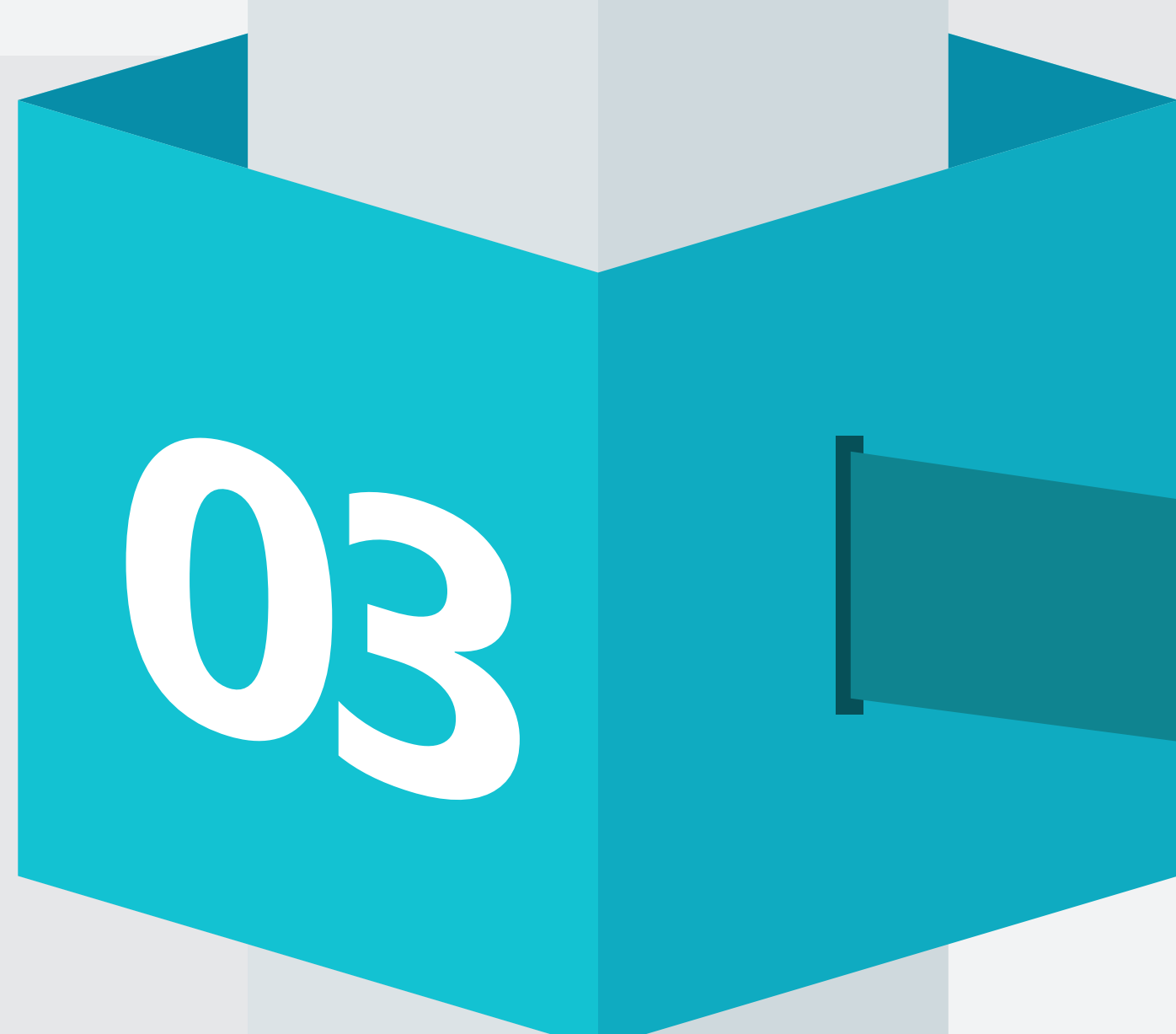


02 TOO LITTLE DOCUMENTATION

The examiners will expect a robust policy and program, make sure yours isn't a one pager and make sure it gets reviewed and approved annually (and when guidance changes).

03 NOT ENOUGH DETAIL IN YOUR PROGRAM

Make sure the key points in the guidance are addressed and you cite specifically what consumer protection laws and regulations are considered.

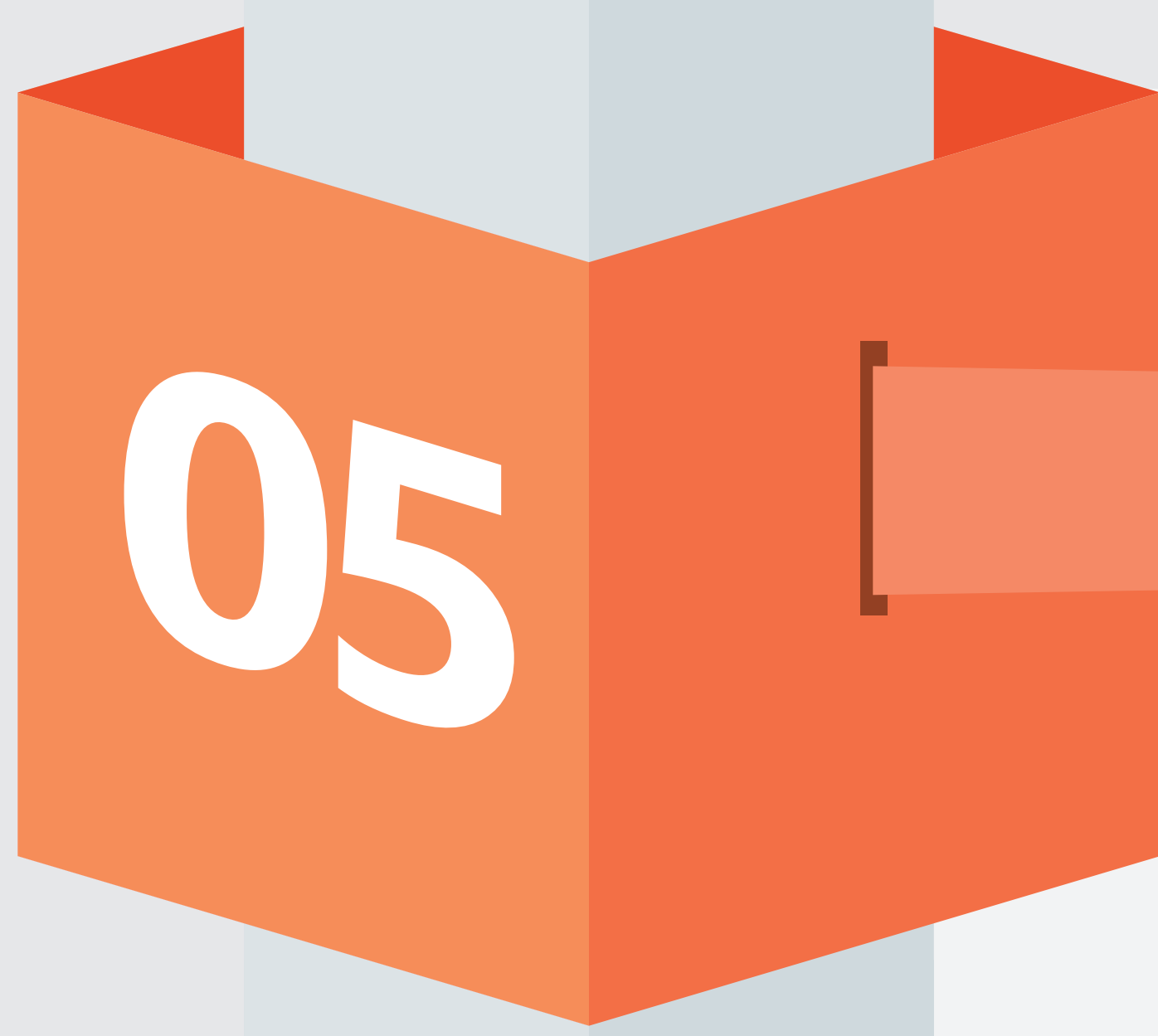


04 INSUFFICIENT SCOPE OF COVERAGE OF THIRD PARTIES

Are you missing a whole tranche of third parties? Sounds basic, but you'd be surprised!

05 INADEQUATE RISK ASSESSMENT OR DUE DILIGENCE PRACTICES

Is your risk assessment just a perfunctory exercise? Are you using just a checklist mentality rather than thorough expert analysis of the due diligence documents?



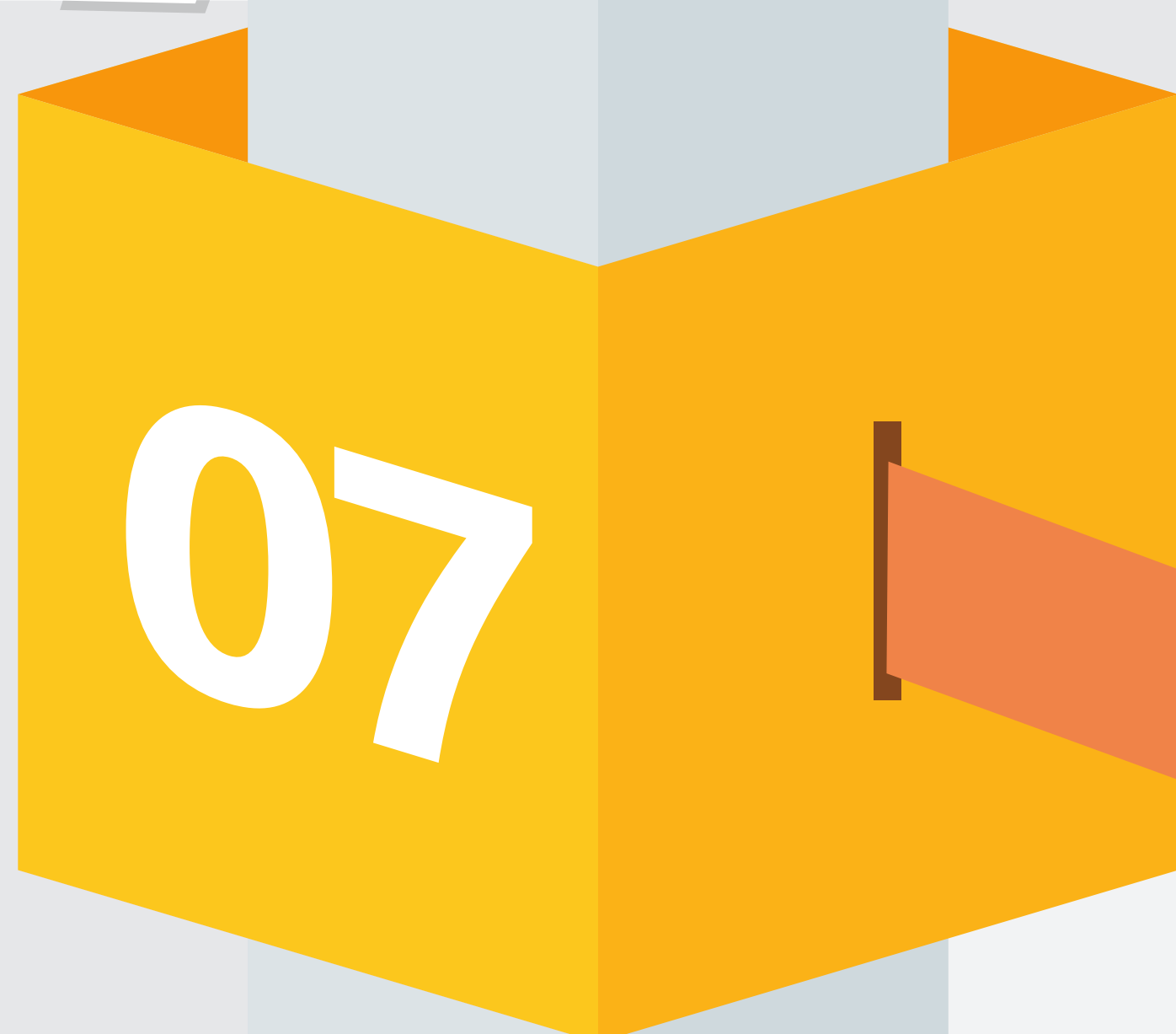
06 DE-CENTRALIZED CONTRACTS

This is one of the most common and most difficult ones particularly if you didn't start with a centralized approach and are now searching for ways to get all of the contracts together.



07 FAILURE TO KEEP YOUR MANAGEMENT TEAM INFORMED

When's the last time you presented to the board or risk committee?



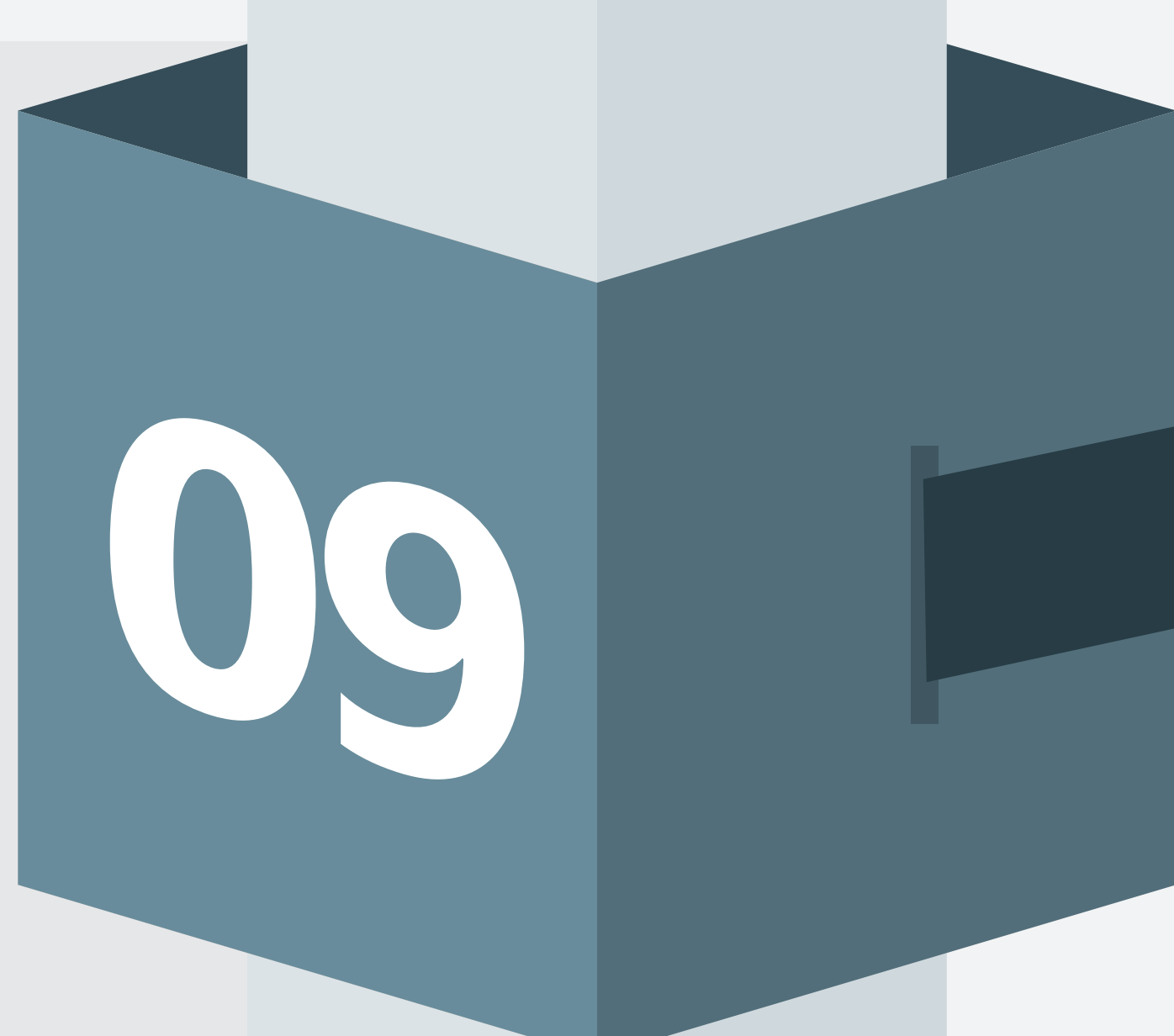
08 HAPHAZARD OR INCONSISTENT REPORTING

Develop standard reports and stick to them.



09 FAILURE TO RESOLVE OUTSTANDING AUDIT CRITICISMS

It's easy to move on and try to forget about the last exam, but you need to follow through.



10 INADEQUATE SUPPORT FROM THE AREAS OUTSIDE OF YOUR OWN

Do your lines of business follow the rules you've set around vendor management? Is there good communication and mutual respect?



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