VENDOR MANAGEMENT?

Vendor management, as it's commonly called, or more accurately, third party risk management in recent years, is the process of fully identifying all of the significant vendors that aid in the delivery of a product or service to your company or to your consumers on behalf of your company.

That's quite a mouthful – let's break it down a bit:



IDENTIFY VENDORS

It's important that you throw a wide net and look at every vendor involved in servicing your company. That sounds easy, but it's a multi-step process:



What is written in the scope of your program? Who does accounts payable say you've paid for a service?



Which ones need to be actively managed (hint: you're probably



not too concerned with pizza deliveries or Staples orders)?

CONFIRM THE LIST IS ACCURATE

Check with your risk committee and haven't missed any and to be sure actively terminating. Once you've been through this process once or twice, it's a whole lot easier.





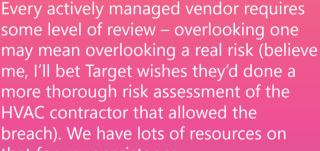
spend threshold, one-time use, special limited designation by board, etc.)

Your due diligence should have a formal process, a timing that dictates a beginning, an end and a schedule for updating based on risk (or contract

the motions but analyze the documents.

GO THROUGH A THOROUGH **RISK ASSESSMENT PROCESS**

renewal in some cases). Make sure to be thorough and not just go through



HVAC contractor that allowed the breach). We have lots of resources on that for your assistance. **COMMIT** IT TO WRITING





to review.

CONCENTRATE

Be certain you have adequate tracking of your contracts (and renewal dates and key terms) and be certain you have adequate reporting for your board



PARTIES Prioritize according to the level of risk – that's what risk based is all about and make sure you have identified steps to help control those risks in an effort to lower the exposure for your company.

FIRST ON YOUR CRITICAL

AND / OR HIGH RISK THIRD

ones that represent different levels of risk to your subsidiaries. We also call these fourth parties.

Looking at these vendors will likely be a joint effort

level deeper and look as well at subservice providers or

between your vendor management team and the appropriate people at your third party (since they have the direct contractual relationship with the subservice provider) and at your subsidiary. In those cases, it's important that if you cannot do your own direct review of that subservice provider, your contracted

third party provides you their own policies for doing so and then adequate evidence that they are routinely completing those activities.

See how Venminder can help you reduce your

vendor management workload.





Vendor management is both a science and an art you need to have a process and be ready to be

creative when needed to protect your company.

400 Ring Road, Suite 131, Elizabethtown, KY 42701 | (270) 506-5140 www.venminder.com

DOWNLOAD NOW

PRINTABLE VERSION