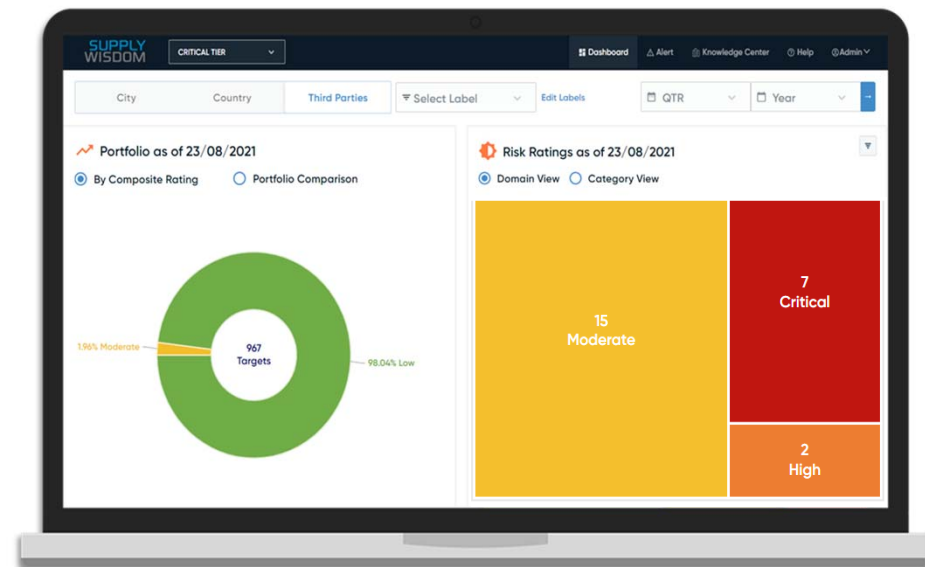




Maturing your Risk Program with Continuous Monitoring and Real-Time Risk Intelligence



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KEY DISCUSSION TOPICS

- 1> Reactive models hamper agility?
- 2> A Maturity Model for Risk
- 3> Supporting the end-end vendor lifecycle
- 4> Supply chain risk: Sources
- 5> Risk Operations Center: Bringing it all together

RISK ASSESSMENT PROCESSES HAMPER AGILITY



Periodic
Assessments –
Stale Data



Limited Risk
Coverage



Ignores Location
Dependent
Vectors



People &
Resource Heavy



Lack Depth of
Coverage



Difficult to Scale

ASSESSMENT-ONLY MODELS ARE REACTIVE

Third-party risk events are rising in frequency and severity while reliance on third parties is increasing.



COVID19 – New
Variants



Cyber Incidents –
Log4j, SolarWinds,
Kaseya



Supply Chain
Bottlenecks – China
Covid Zero, Suez



Ukraine War –
Humanitarian Crisis,
Sanctions

CASCADING EVENTS CAN SET YOU BACK

15%

of FS organizations faced a
**high-impact
incident** from external
parties in the last 3 years

Deloitte 2020

37%

of FS organizations still in
Respond phase -
reacting to the need for
business continuity and
resilience

Deloitte 2021

THE TPRM MATURITY MODEL

Target Maturity →

01 Initial

- Siloed, ad hoc practices
- No third-party risk framework, tools or formal program

02 Defined

- Pockets of good practice
- Basic segmentation
- Some standardization

03 Managed

- Understanding of geographic issues and concentration
- Continuous monitoring for financial, cyber issues to prevent cascading issues
- Dedicated tools, resources and teams

04 Integrated

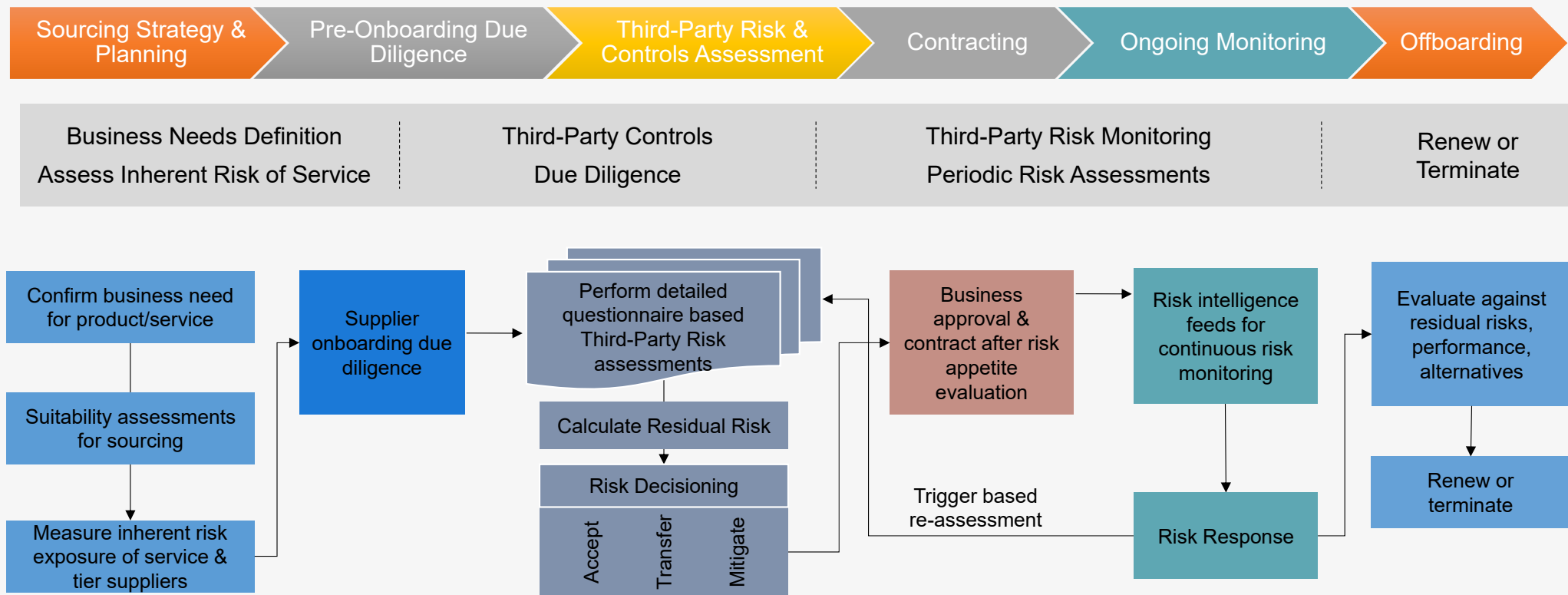
- Fully aligned policies
- Fully standardized processes
- Global full-spectrum risk metrics and real-time monitoring for third parties and locations through the lifecycle
- Leaders drive risk monitoring and reporting culture

05 Optimized

- State-of-the art practices
- Leverage predictive analytics and tools for differentiation and value
- Executive champions align services delivery to strategic objectives

Source: Deloitte

TPRM MUST SUPPORT THE END-END THIRD PARTY LIFECYCLE



LOOK BEYOND CYBER AND FINANCIAL

EARLY WARNING ACROSS A FULL SPECTRUM OF RISKS

ESG

**Shell announces intent to
withdraw from Russian oil and
gas**

Mar 8, 2022

Compliance

**Ecobank gets punished by
Central Bank of Kenya for
breaching forex regulation**

Operations

Infosys is shutting down its Russia office: report

Location

**Czech Republic – State of Emergency
over Migratory Crisis Extended Until
May 31, 2022**

**KwaZulu-Natal, South Africa – Heavy
Rain and Flood Warning Issued Across
the Country; Three Deaths Reported**

LOCATION-BASED EVENTS CAN CREATE CASCADING EFFECTS



Conflict



Epidemics



Regulation



Natural Disasters

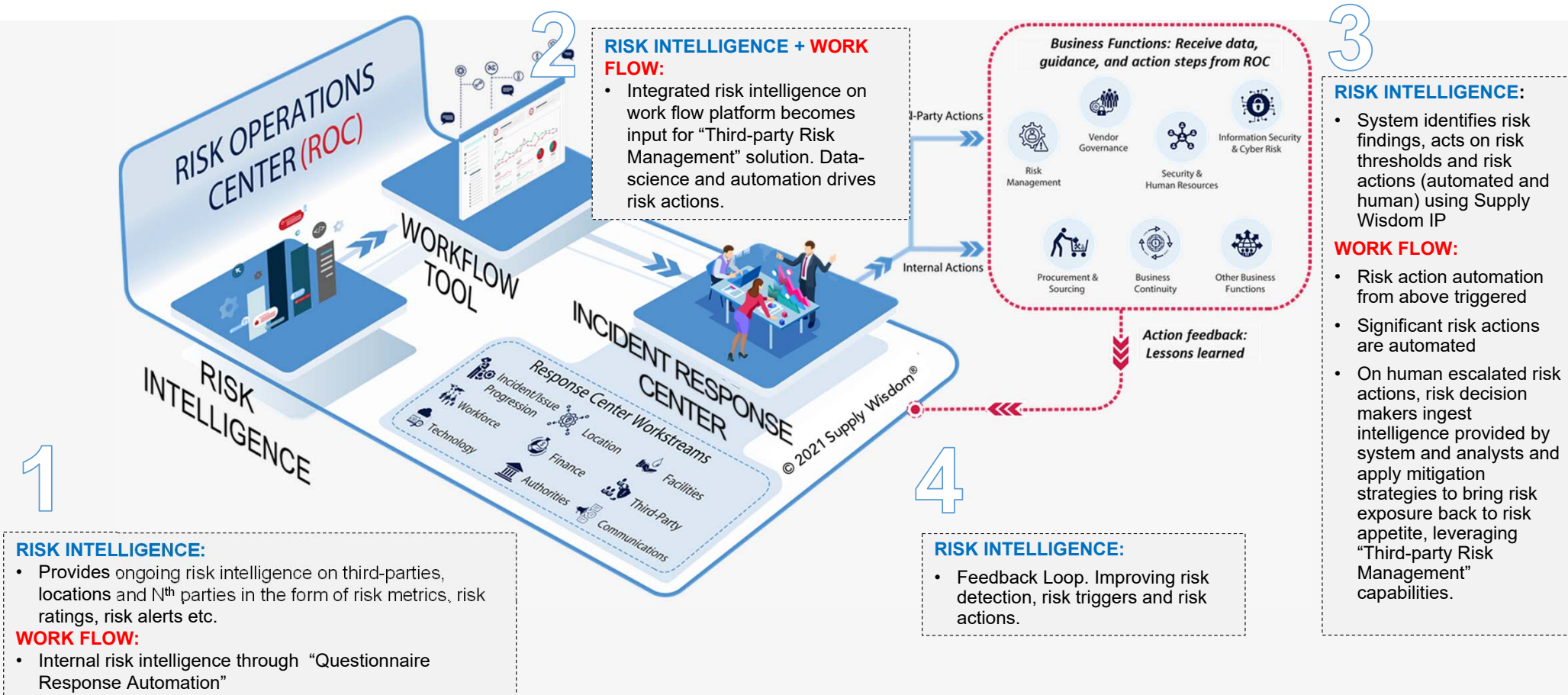
IMMEDIATE

- Russia, Belarus – Sudden change in sentiment
- Sanctions
- Increased cost of doing business
- Possible new variants
- Vaccine availability
- From reporting to regulation -> TCFD, Conflict Minerals, Modern Slavery
- Earthquakes, volcanoes, nuclear disasters, floods

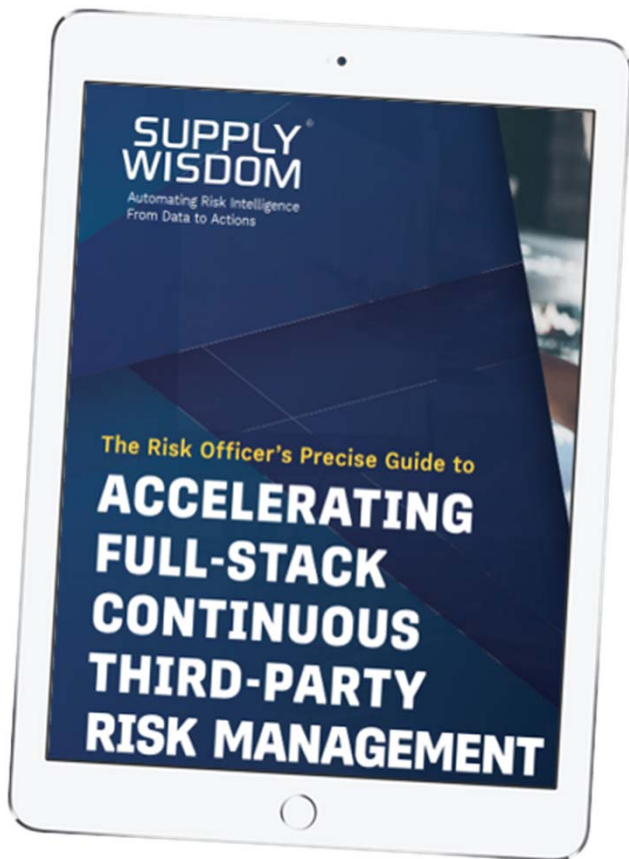
LONG TERM

- Uncertainty in sourcing, hiring from region
- Regulation, travel and safety concerns
- Continuing supply chain pile-ups
- Differing vaccination and travel policies around the world
- Ambiguity around the shape of future regulation around the world
- Increasing cost of compliance
- Fines and regulatory scrutiny
- Persistent risks
- Need active monitoring and robust response mechanisms for business continuity

A RISK OPS CENTER APPROACH TO RISK MANAGEMENT



GET FREE CURRENT RISK REPORTS FROM OUR BOOTH



Accelerate Your Supplier Due Diligence

To meet today's business requirements, you need to quickly and efficiently understand the qualifications and risks associated with a supplier.

Unfortunately, lengthy questionnaires and outdated assessments are neither quick nor cost effective, and most critically, often fail to provide an accurate view of the current risks.

ASSESSMENT QUESTIONNAIRES:

- ☒ Take too long to complete & return
- ☒ Become stale quickly
- ☒ Require external validation
- ☒ Are costly

Business Disruptions are Rising in Frequency & Severity

Unfortunately, most TPRM programs are limited and not equipped to handle the increased risks in a timely manner.

DOES YOUR THIRD-PARTY RISK PROGRAM:

- ☒ Rely on static periodic assessments?
- ☒ Ignore risks like ESG & location?
- ☒ Lack continuous monitoring?
- ☒ Lack an integrated view of all risks?
- ☒ Rely on manual processes not automated risk actions?

Accelerate Adoption of Continuous Monitoring

For a trial or preview, contact info@supplywisdom.com