

Vendors:

# The Third Rail of Security and Compliance

Like a third rail, third parties can help power your enterprise but they can also pose a significant risk if not handled correctly.



Prevalent and Shared Assessments surveyed third-party risk decision-makers in order to provide a state-of-the-market report with **actionable recommendations to help grow and mature vendor risk programs.**

## Drivers

Respondents are evenly split on why they perform third-party risk assessments.

**36%** are driven by **regulatory compliance requirements or industry frameworks.**

- #1 **GDPR**
- **SOC 2**
- **NIST**
- **ISO**
- **PCI**
- **CCPA**

**36%** need to ensure that third parties do not introduce **cyber risks to their businesses.**

Companies are most concerned about protecting privacy data (PII, PHI), followed by customer and financial information.

## Challenges

**Companies are unable to assess even top-tier vendors.**

**48%** admitted that they're currently assessing **less than half of their top-tier vendors.**

**1 in 3** companies say it takes **more than a month** to complete an assessment.

**Programs aren't mature enough to inspire confidence.**

**54%** have experience in conducting third-party risk assessments...

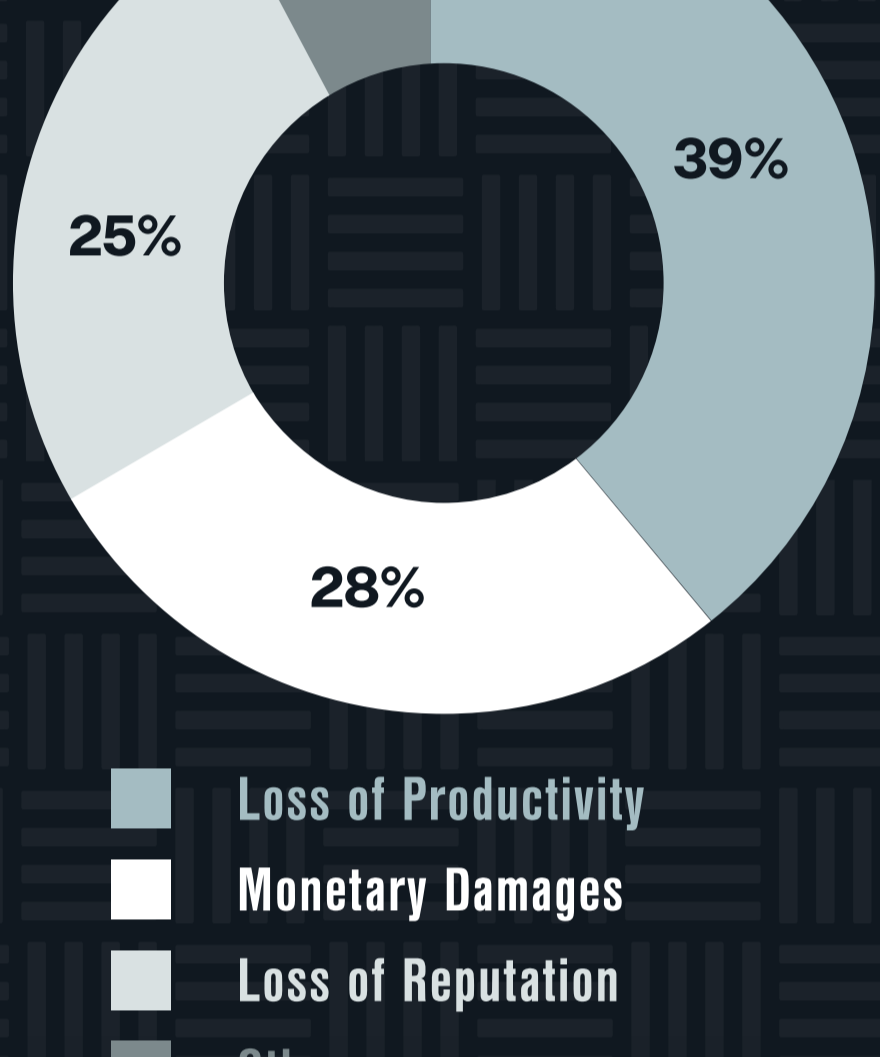
...But only **10%** are extremely confident in their current programs.

**Many organizations are unprepared to manage vendor risk.**

**3 in 4** cite **lack of resources** as a top success inhibitor.

## Consequences

There are real consequences to not getting third-party risk right.



**In the past two years, companies indicated they experienced an issue that originated with a third party and...**

**76%**

Impacted vendor performance

**74%**

Caused operational issues

**55%**

Led to a compliance violation

## Frustrations

Few companies are happy with their existing toolsets.

**Current vendor risk tools only have a 50% satisfaction rate, with GRC tools at only 41%.**

**1 in 2 companies are looking to change their existing strategy or toolset within the next year.**

## Initiatives

Integrated Risk Management (IRM) is a top 2020 initiative, but it's not without its blockers:

**42% plan to invest in an Integrated Risk Management (IRM) solution in the next year...**

**...But challenges can prevent deployment:**

- Limited resources, etc.
- No real-time awareness of changes
- No integration with current risk management tools

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## Recommendations

Third-party risk management doesn't have to be a complex and time-consuming process.

Here are some recommendations to help jumpstart your vendor risk activities:

### Define Processes

Develop programmatic, standardized, and repeatable methodologies the entire team can follow.

### Make TPRM a Team Sport

Increase team collaboration and leverage partner expertise to not only identify risk, but also mitigate it.

### Create Comprehensive Questionnaires

Use pre-defined and standardized content to streamline assessments instead of maintaining multiple unique question sets.

### Enable Agile Assessments

Make life easier by leveraging self-service, managed service, or/and shared service vendor assessment options to assess all top-tier vendors.

### Use Risk-Based Intelligence

Implement a vendor risk platform that integrates with current business and risk solutions for better insight.

[Download the Full Report >](#)

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Existing toolsets and integrated risk management solutions are not enough to overcome today's top vendor risk challenges. Prevalent is the only company with a comprehensive, 360° third-party risk management solution.