

Law Firms & Third-Party Risk

The top 5 considerations for managing vendor risk to protect client data & privacy

Law firms handle some of the most sensitive and private information, yet many haven't taken the necessary security steps to protect themselves or the private data of their clients. Fueled by a dramatic rise in vendor outsourcing, along with the expansion of digital business, both regulators and managing partners see the threats arising from the actions of third parties as real and worrisome.

Here's what you need to know about the importance of developing and maintaining a scalable third-party risk management program to meet the regulatory requirements of your clients, while ensuring the security of your own intellectual property and private employee information.

1

It's your responsibility to manage vendor IT security, data and privacy risks

It often makes good business sense to focus on core competencies and outsource any functions that can be operated more efficiently by other companies. So while your clients are concerned with how well you manage IT and data security, they also need assurance that you require your vendors to provide

the same levels of protection. **Remember, when you outsource to a third party, that doesn't mean you outsource the risk.** A data breach at one of your vendors that involves your client's data is your responsibility and directly impacts your relationship with all of your clients.

2

Your clients expect your third-party risk management program to be as robust as their own

Clients expect that their law firms' third-party risk management programs will mirror their own, due to the ever-expanding regulatory requirements requiring them to be aware of how their vendors manage risk. **Therefore, it's important to understand your clients' regulatory requirements and their expectations for how you will manage your vendors.** Achieving proper

visibility and monitoring of your vendors' compliance with security regulations and best practices is required by many regulatory and security guidelines, including PCI DSS, OCC, HIPAA, 23 NYCRR 500, NIST, and ISO, just to name a few. Law firms should also be concerned with data privacy legislation, such as GDPR and CCPA.

3

Your firm is an extremely attractive target for criminals

Many of your client relationships require you to have access to your clients' customer data, their systems, and intellectual property. This makes you a very attractive target for criminal activity. Cyber criminals look for the weakest link in the supply chain and have developed sophisticated attack tools and techniques to gain access to valuable PII. You may continue to improve your security posture and build up perimeter defenses, but if the same cannot be said for your vendors, then you are putting your clients' data, and your reputation, at risk.

4

Many regulations & frameworks require internal assessment & external monitoring

With no vendor attestation, scores and ratings provide a limited, external view of vendor risk; they do nothing to determine what controls are in place, or what IT security and data privacy policies and procedures a vendor follows. Telling half the story doesn't meet regulatory guidelines either. **Several regulations and industry frameworks require a complete, inside-out and outside-in, view of risk from a combination of vendor questionnaires and continuous monitoring.** Your clients can't afford for you to be out of compliance.

5

Third-party risk management is costly without an automated, standards-based approach

Manually performing the vendor assessment process requires substantial time and resources. A manual approach may be fine for one vendor, but what if you have relationships with hundreds or thousands of third parties? **Spreadsheets, emails, and haphazard data-sharing efforts are inefficient, error-prone and not scalable.** Moreover, different assessments must be developed for each type of outsourced service. Each vendor must go through a scoping process to ensure that the appropriate assessment is used to evaluate proper risk controls. Then, the results must be fully analyzed and remediated. Managing third-party risk needs to be automated and standards-based.

The Legal Industry's Preferred Third-Party Risk Management Platform

Prevalent delivers an efficient, scalable third-party risk management platform to satisfy client compliance requirements and reduce risk. Prevalent is the only third-party risk management provider that unites deep controls-based internal assessments with external scanning for a complete, 360-degree view of vendor risk.

Key Benefits

Massive time and cost savings

Prevalent customers report saving 50% of their time assessing vendors, identifying risks 40% faster, and improving their team's productivity by a factor of 3.

Immediate line of sight into risk

Gain instant access to centralized cyber, business, operational, reputational, and financial risk intelligence.

Greater efficiency

Eliminate manual tracking and spreadsheets with an automated, standards-based approach.

Meets auditor demands

Demonstrate compliance with contractual or regulatory obligations with stakeholder-specific reporting.

Strong data control practices

Protect against cyber-attacks and data breaches.

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