

# Why Care About Third-Party Risk Management?



**You rely heavily on third parties**

to conduct your business.



The average mid-sized company engages in a business relationship with over 1,000 third-parties.

And those third parties come in  
**a variety of types including:**



**Outsourcing Companies**



**Software Providers**



**Professional Service Firms**



**Subcontractors**



**Agents, Brokers and Distributors**



**And many more...**

Each relationship brings a unique set of  
**risks you need to identify and manage**



**Reputational Risk**

Risk that a third party's actions result in negative public opinion for your organization.



**Strategic Risk**

Risk that a third-party adversely impacts your ability to implement strategic initiatives.



**Operational Risk**

Risk that a third-party causes a moderate to severe disruption to your operations.



**Transactional Risk**

Risk that a third-party causes financial loss or credit damage to your organization.



**Compliance Risk**

Risk that a third-party failure (or lack of oversight) results in you violating international, federal or state regulations.



**Data Security Risk**

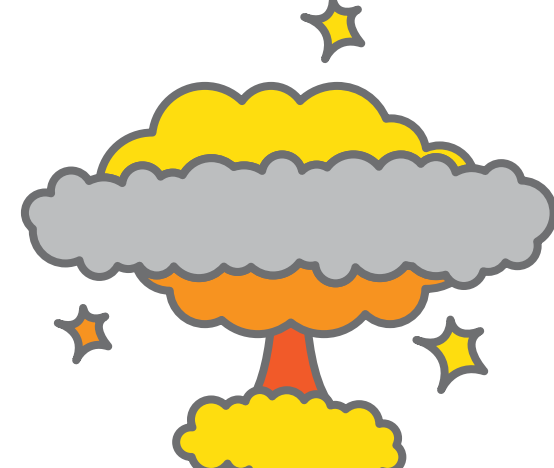
Risk that a third-party failure to protect your data results in a breach of non-public information.

Because if you don't manage risk...  
**it will cost you.**



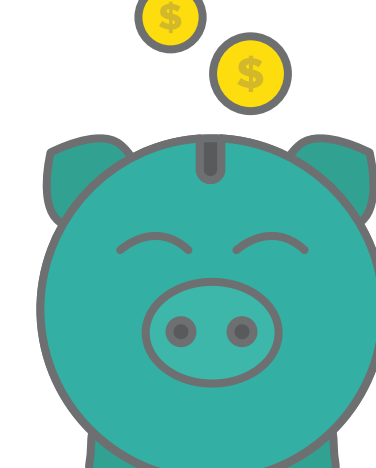
**83%**

of organizations experienced a third party incident in the past three years<sup>1</sup>



**46%**

of these organizations experienced a moderate to severe impact on customer<sup>2</sup> service, financial position, reputation or regulatory compliance



Breaches and other incidents affecting infrastructure hosted by a third-party cost the average small business

**\$135,000**

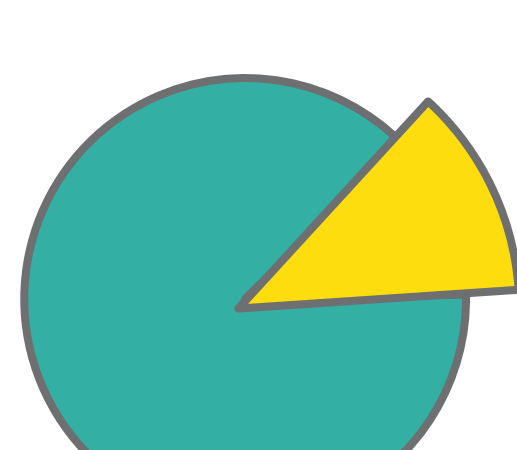
to remediate.<sup>3</sup>

**YOU**

Are Ultimately Responsible for  
**Managing Your Third-Party Risk**

"An organization's board of directors and senior management are ultimately responsible for managing activities conducted through third-party relationships, and identifying and controlling the risks arising from such relationships, to the same extent as if the activity were handled within its own organization."

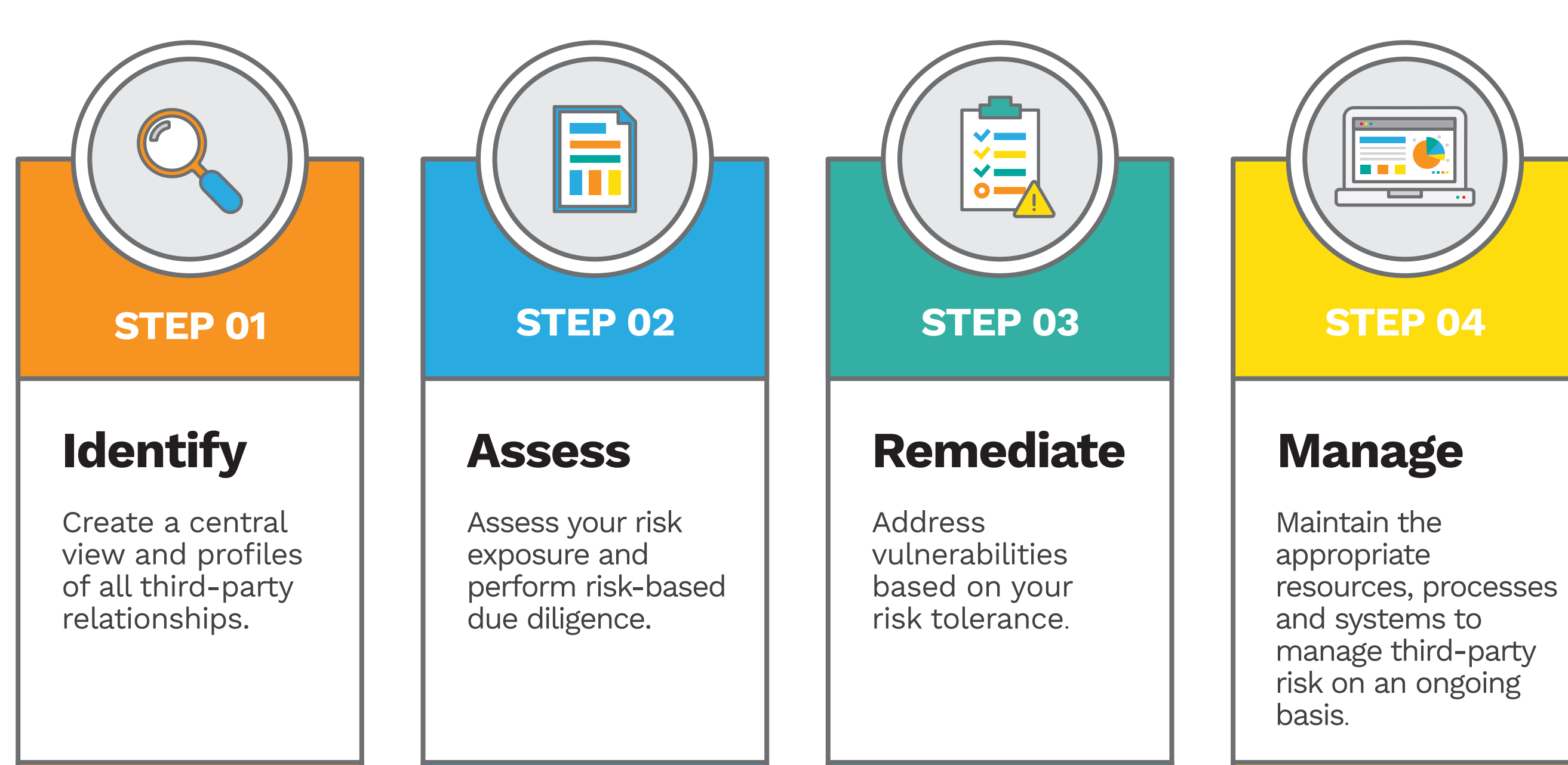
But do you even know who your  
**third parties are?**



**83%**

of organizations **do not have a single inventory of their third parties.** You can't manage what you don't know.

Don't worry.  
You can take control of your third-party risk  
**by following our 4-step process.**



Don't wait until **it's too late.**

Vendor Centric Specializes in  
**Third-Party Risk Management**

Vendor Centric helps organizations implement and maintain effective third-party risk management controls and procedures. We provide third-party risk assessments, due diligence services, remediation support and much more. We'll help you align the right people, processes and systems to keep your organization protected and your regulators happy.

Learn more at [www.vendorcentric.com/third-party-risk-management](http://www.vendorcentric.com/third-party-risk-management)

## References

<sup>1</sup> Deloitte's Third party governance and risk management global survey  
<sup>2</sup> Deloitte's Third party governance and risk management global survey  
<sup>3</sup> Kaspersky Lab



[www.VendorCentric.com](http://www.VendorCentric.com) | [info@VendorCentric.com](mailto:info@VendorCentric.com)