

# Federally Chartered Bank Streamlines Vendor Risk Processes, Reduces Vendor Onboarding and Assessment Cycle Time



**The Customer:**  
FHLBank Topeka

**Industry:**  
Financial Services

**Number of Vendors:**  
~650

## Key Benefits:

- Accelerated deployment and time to value
- Eliminated time-consuming manual effort
- Reduced vendor onboarding and assessment cycle time
- Streamlined vendor risk processes and reporting
- Improved information accuracy and process efficiency



“ProcessUnity Vendor Cloud has enabled us to implement a consistent, repeatable vendor risk management process that reduces manual effort.”

- Autumn Franks  
Officer, Vendor Risk Program Manager  
at FHLBank Topeka

FHLBank Topeka, a privately owned, federally chartered corporation, promotes housing and homeownership by providing wholesale products, services and programs that help member financial institutions expand the availability of mortgage credit, compete more effectively in their markets and foster strong and vibrant communities. As of March 31, 2019, FHLBank Topeka had approximately \$57.4 billion in assets and more than \$2.45 billion in capital. FHLBank serves 716 banks, thrifts, credit unions and insurance companies throughout Colorado, Kansas, Nebraska and Oklahoma. FHLBank is located in Topeka, Kansas, and employs around 230 people.

## The Challenge

For many years, FHLBank Topeka had a formal vendor risk management program in place to provide end-to-end oversight and governance of third-party relationships—from initial identification of a new product or service through contract termination. However, as the number of vendors continued to grow, it became increasingly inefficient and time consuming to manage this complex process using a combination of Excel spreadsheets, Word documents, and email communications.

“It was difficult to track and manage third-party relationships using manual processes,” explained Autumn Franks, Officer, Vendor Risk Program Manager at FHLBank Topeka. “As we looked to implement a risk-based approach and expand the program scope to include all our vendors, we knew it was time to think about automation.”

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That’s why, in 2017, FHLBank Topeka set out to find a centralized, automated third-party risk management platform. The bank formed a selection committee to research and purchase a best-fit software solution to streamline end-to-end vendor risk activities and capture key documentation to fulfill regulatory requirements and ensure compliance.

### The Solution

During the evaluation process, the selection committee focused on finding a solution that could support the bank’s vendor risk management program without requiring changes to agreed-upon processes. For example, it was critical that the system be able to support the inherent risk assessment—a questionnaire used to evaluate a vendor’s susceptibility to risk across defined risk domains—which serves as the foundation for vendor classifications, risk ratings, and required due diligence.

“We took a close look at each application’s functionality including workflow, notifications, questionnaires, reporting, and all that the system could do,” said Franks. “We wanted a system that could support our new process from end-to-end while offering the flexibility and configurability to make changes ourselves—without relying on the vendor—as we adapt to evolving requirements and expectations. And, of course, we wanted a cost-effective solution that we could implement quickly.”

After an extensive review of available options, FHLBank Topeka selected ProcessUnity Vendor Cloud, a software-as-a-service (SaaS) application that identifies and remediates risks posed by third-party product and service providers. Combining a powerful vendor services catalog with risk process automation and dynamic reporting, Vendor Cloud streamlines all phases of the vendor risk management lifecycle—from onboarding, due diligence and self-assessments to contracts, performance reviews, SLA monitoring, and issue management.

### The Results

FHLBank Topeka purchased ProcessUnity Vendor Cloud in April 2017 and went live with the software less than three months later. “The implementation went very smoothly for us,” commented Franks. “Because the solution is so easy to use and configure, we were able to do a lot of the set up ourselves. We’ve also been able to maintain the system and leverage new functionality with little support from ProcessUnity.”

During implementation, the project team was able to import the vendor inventory, user accounts and questionnaires—along with calculations—into the Vendor Cloud platform with minimal effort. Working with ProcessUnity, the risk team quickly configured the vendor risk process workflows and notifications to align with the bank’s program.

The bank started realizing efficiency gains almost immediately. “The Vendor Cloud portal makes it easy for our business units to request a new vendor relationship,” stated Franks. “Plus, the automated workflows direct the right people to the right actions via communication tools integrated into the platform. We now have complete visibility into our vendors and their potential risks, so we can minimize operational exposure and manage our vendors.”

According to Franks, Vendor Cloud’s dynamic scoping and bulk automation features have been the biggest time savers for her team. The inherent risk assessment is set up as a questionnaire that vendor risk owners complete to determine the risk rating calculation. The system uses those responses to automatically scope assessments to include only those questions or sections that make sense for each vendor’s risk profile. Using the bulk automation feature, the risk team can initiate ongoing monitoring for a set of vendors with a few simple clicks, triggering automatic distribution of tailored questionnaires based on the dynamic scoping set up in the system.

“Thanks to dynamic scoping, a process that used to take most of a day can now be completed in less than an hour,” noted Franks.

In addition, Vendor Cloud has simplified reporting by eliminating the need for tedious, time-intensive copying and pasting. All monthly and quarterly reports are set up in the system to show exactly how the bank’s vendor risk management program is performing—highlighting problem areas and prioritizing where the team needs to spend its time. These reports provide the details Franks needs to evaluate the program, demonstrate success to management, and prepare documentation for regulators.

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### The Future

FHLBank Topeka continuously monitors its vendor risk management program to identify opportunities for reducing costs and increasing quality and efficiencies. Franks and her team leverage feedback from the bank’s vendors and business units to make ongoing improvements, helping to ensure they maintain the most effective program while still following best practices and fulfilling regulatory requirements.



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