

## Introduction: Changes to the Status Quo

When an event like COVID-19 occurs, business leaders work together to assess the potential impact and lay out contingency plans – from instituting work at home policies, to reprioritizing projects and establishing financial resiliency timelines. As many of an organization’s day-to-day operations rely on third parties, it’s equally critical to understand the health of vendors and suppliers as part of this planning process.

New risks, while sometimes identified and evaluated during business-as-usual processing, take on a greater sense of importance and time sensitivity. For example, companies may need to shift their focus to concentration, geo-political and financial risk while adjusting the lens of cybersecurity to ensure all work-from-home controls and procedures are operational and effective.

COVID-19’s importance on specific risk domains:

- **Concentration Risk**

Concentration risk is a term describing the level of risk arising from concentration to a single fourth party, or location. The risk arises from the observation that more concentrated products / services are less diverse and therefore more at risk from a single event. [COVID-19 Importance – Third parties and fourth parties could be in high impact zones and be unable to provide continuous products/services.](#)

- **Geo-Political Risk**

Geopolitical risk is commonly defined as the risk of one country's foreign policy influencing or upsetting domestic political and social policy in another country or region, but its scope is much wider. Geopolitical concerns include military conflicts, civil wars, terrorist's attacks, riots, sanctions etc. [COVID-19 importance – Border restrictions, government policies and trade impacts make cross-border products/service delivery more difficult.](#)

- **Financial Risk**

Financial risk derives from the financial health of a third party, reflecting its ability to remain operational and deliver contracted products/services. The risk can be difficult to identify within private organizations but is an important indicator of financial solvency. [COVID-19 importance – Financial resiliency plans typically are correlated to timelines and the health of the overall economy. Pauses in financial markets can weaken third- and fourth-party ability to sustain operations.](#)

- **Resiliency Risk / Business Continuity Risk**

Business resilience is the ability an organization has to quickly adapt to disruptions while maintaining continuous business operations and safeguarding people, assets and overall brand equity. [COVID-19 importance – Instituting work-from-home policies and continuity plans are essential to handle event-driven business disruptions.](#)

The pages that follow include ProcessUnity’s Third-Party Pandemic Questionnaire, a set of questions that quickly assess and gather relevant, event-driven information on an organization’s partner network and supply chain. Use it to open lines of communication with your key vendors and help protect against potential interruptions in product or service delivery.

Use the questionnaire:

- As a reference to develop your own pandemic-response questionnaire
- As a ready-to-send survey to vet your critical and high-risk vendors ([click here to download an editable spreadsheet version](#))
- As a template in your Third-Party Risk automation platform for immediate and future use

If you have questions or need help, please feel free to [contact us](#).

### Primary Impact Questions

1. Are there any disruptions to the product/service that are being planned for or expected with regards to COVID-19 (release dates, travel arrangements, delivery timelines)?
2. Are there any known community outbreaks within any of your facilities or third parties (our fourth parties)?
3. Please provide plans on how we will receive communication in the event of a disruption.
4. Are products/services reliant upon any non-US personnel or facilities?

### Concentration Risk

1. Where are your greatest geographic concentrations of product/service delivery?
2. Where are your greatest geographic concentrations of third parties (our fourth parties)?

### Remote Work Risk

1. Are you able to deliver the product/service via a remote workforce?
2. Are you initiating work-from-home policies for personnel involved in delivering the product or service?
  - a. If yes, please attach security policies relevant to work from home.
3. Are your third parties (our fourth parties) initiating work-from-home policies for personnel involved in delivery of the product or service?
  - a. If yes, have you reviewed their security policies to ensure customer data is adequately protected?
4. Regarding your work-from-home employees, does your company support multifactor authentication (MFA)?
5. Regarding your work-from-home employees, does your company have protocols around their IP VPN?

### Financial Solvency Risk

1. Please rank your financial resiliency plan that is in place to weather this event within the next three (3) months of disruption.
  - No impact
  - Minor impact
  - Major impact
2. Please rank your financial resiliency plan that is in place to weather this event between 3-6 months of disruption.
  - No impact
  - Minor impact
  - Major impact

### Business Resiliency Risk

1. Are your third parties (our fourth parties) providing regular updates on their ability to deliver products and services?
2. Have you done an assessment of your third parties' resiliency plans?
3. Please provide your Business Continuity Plan.
4. Please provide your Incident Management Plan.

### Pandemic Risk

1. Do you have a pandemic policy?
  - a. If yes, is it being executed and please provide an update?
2. Do your third parties (our fourth parties) have a pandemic policy?
  - a. If yes, is it being executed and please provide an update?
3. Do you have a communication plan with local government?