# Building Resilience with Third-Party Risk Management

MANAGING THE UNSEEN (Third-party risks with an impact)

91% **of organizations conduct risk and compliance screenings during supplier onboarding.**

Reactive risk management for compliance purposes is the most common organizational challenge, indicating that many procurement teams are falling short on opportunities to predict and anticipate risk events.

	Manufacturing	Services
Companies mostly react to risk in their efforts to ensure regulatory compliance rather than getting ahead of problems.	**56%**	**50%**
We do not have an explicit supplier risk measure as part of our supplier scorecard.	**52%**	**20%**
Third-party risk is too big of a responsibility with too many stakeholders and risk factors to manage well.	**44%**	**35%**
Procurement is responsible for supply risk problems but does not have the necessary mandate or resources.	**44%**	**45%**

Source: The Hackett Group Third-Party Risk Management Study

THE COST OF FAILURE

Manufacturing organizations

59% Lost profits/revenue

47% Physical operations–related costs

41% Not quantified

29% Other business costs

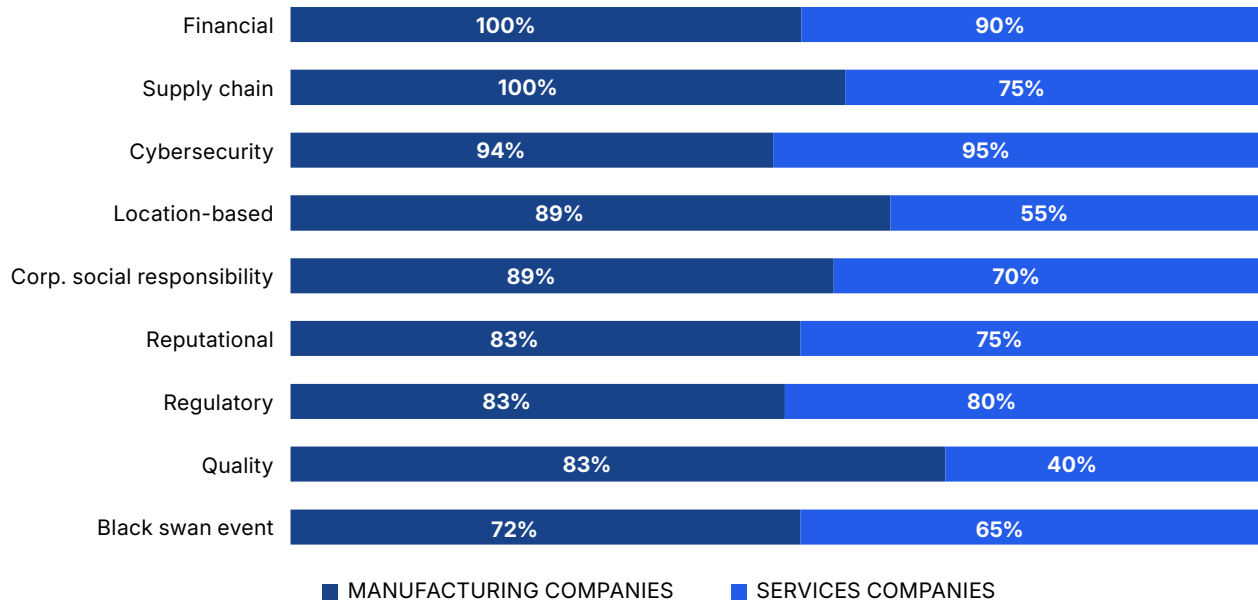### Services organizations

55% Not quantified

35% Lost profits/revenue

15% Other business costs

15% Regulatory costs

Source: The Hackett Group Third-Party Risk Management Study

Monitoring and tracking the cost of failure for your supply risk management program is vital for understanding the magnitude of the impact caused by risk mitigation failures and identifying improvement.
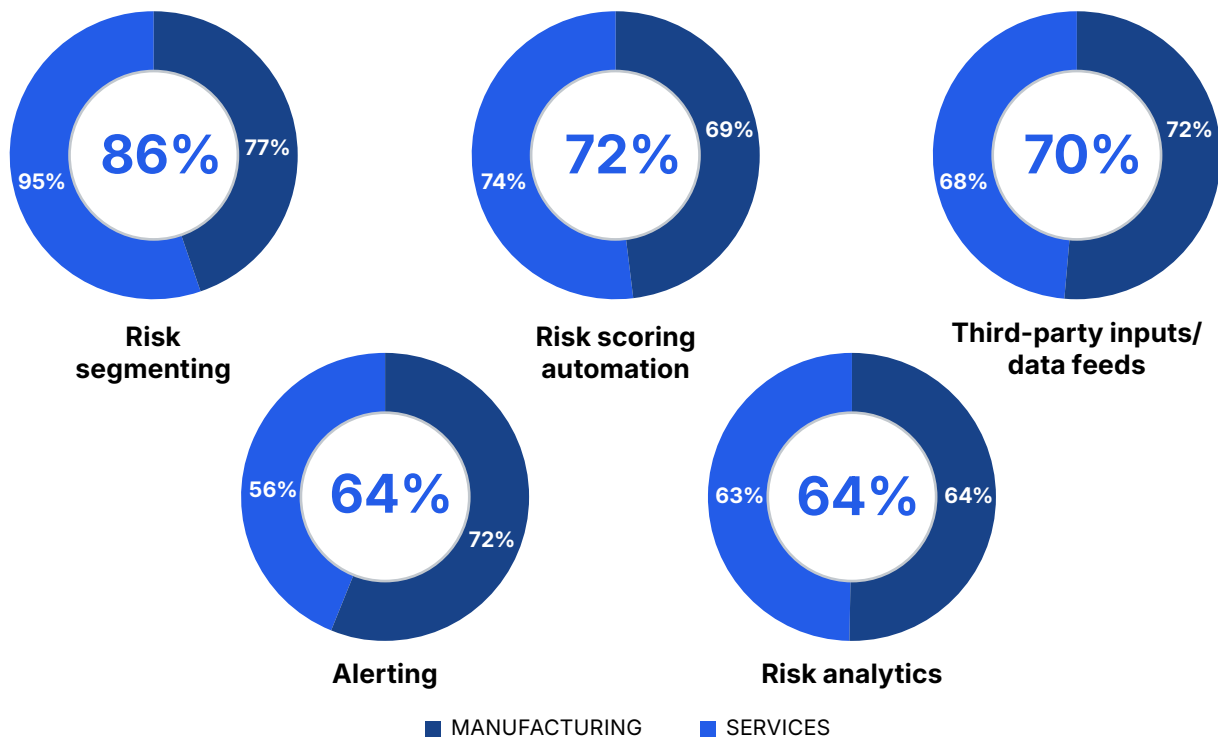
FINDING VALUE IN THIRD-PARTY RISK MANAGEMENT

Critical supply risk categories

Category	Manufacturing	Services
Financial	100%	90%
Supply chain	100%	75%
Cybersecurity	94%	95%
Location-based	89%	55%
Corp. social responsibility	89%	70%
Reputational	83%	75%
Regulatory	83%	80%
Quality	83%	40%
Black swan event	72%	65%

■ MANUFACTURING COMPANIES ■ SERVICES COMPANIES

TOP RISK MANAGEMENT FEATURES

Risk segmenting — 86% (95% / 77%)

Risk scoring automation — 72% (74% / 69%)

Third-party inputs/ data feeds — 70% (68% / 72%)

Alerting — 64% (56% / 72%)

**Risk analytics** — 64% (63% / 64%)

■ MANUFACTURING ■ SERVICES

Technology features in risk management are crucial. They help organizations segment suppliers by risk category and criticality, issue alerts based on pre-selected triggers and incorporate third-party data feeds. These features also enable automated supplier risk-scoring, maintain a business criticality index, facilitate risk analytics and assess suppliers through end-user surveys.
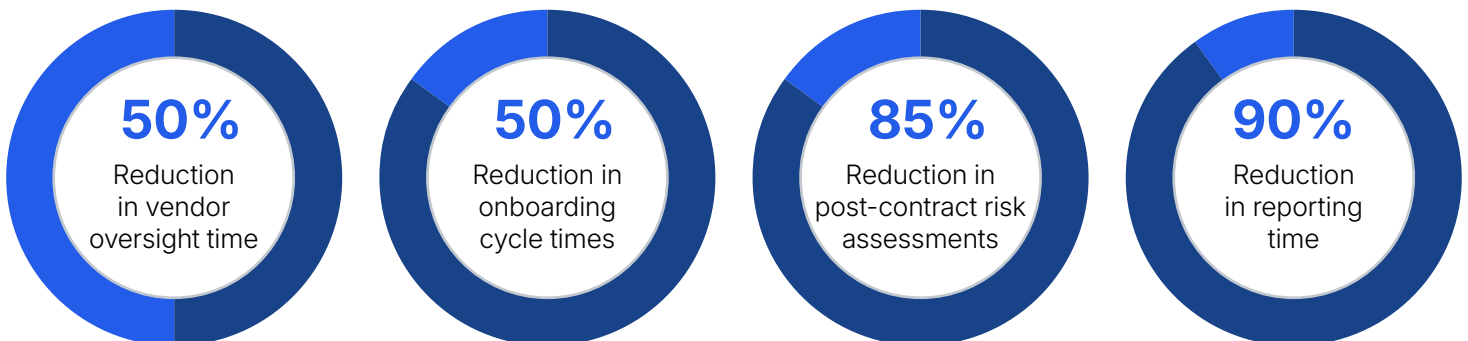
MODERN, EFFECTIVE THIRD-PARTY RISK MANAGEMENT

Take control of third-party risk with a solution designed to handle the volume and complexity of modern vendor networks. ProcessUnity's TPRM platform automates every stage of the third-party lifecycle, including onboarding, inherent risk scoring, due diligence, continuous and ongoing monitoring, performance management, and offboarding. Trusted by the world's leading brands, ProcessUnity's solutions leverage purpose-built AI to help you reduce risk exposure, accelerate compliance and enhance operational resilience – without increasing headcount.

Extend the power of the ProcessUnity TPRM platform with a subscription to the Global Risk Exchange, the world's largest database of third-party risk assessments and curated risk profiles. Tap into our library of more than 18,000 attested assessments and 370,000 vendor profiles to reduce your team's assessment workload while gaining access to assessment data from large, hard-to-assess third parties that typically don't respond to your questionnaire requests.

TPRM Platform

Global Risk Exchange
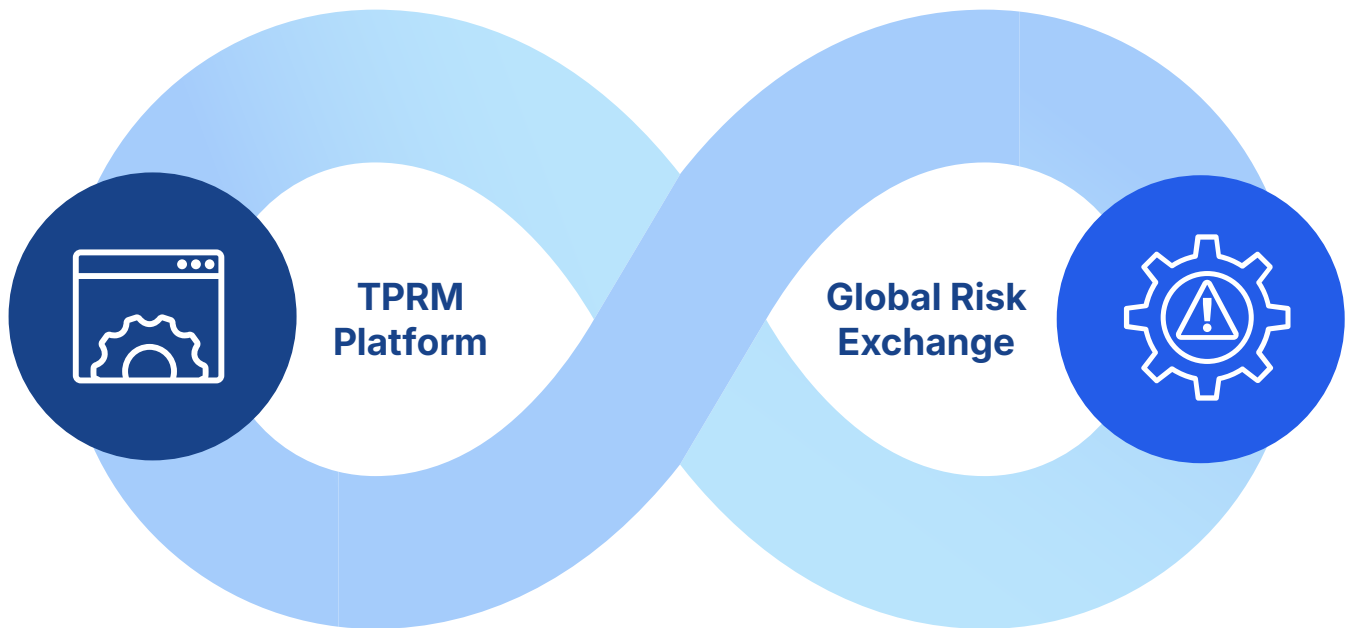
The ProcessUnity TPRM platform is purpose-built to eliminate inefficiencies from your TPRM program and maximize risk reduction. Our customers gain significant return on their investment via measurable improvement gains, **including:**

50%
Reduction in vendor oversight time

50%
Reduction in onboarding cycle times

85%
Reduction in post-contract risk assessments

90%
Reduction in reporting time

ProcessUnity

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