

# Holistic Third-Party Risk Management

## Why you need a complete program in an evolving environment

Forward-thinking organizations understand that as their vendors, suppliers, and partners increase, so too must their third-party risk management program to ensure the benefits of the relationship outweigh potential consequences. A successful program needs to be comprehensive enough to accommodate all current and emerging risks, compliance requirements and strategic goals. Focusing on these elements in isolation can create silos and functional blind spots, potentially exposing organizations to operational disruption and reputational damage. A robust third-party risk management program needs to offer a unified view of risk that automatically updates third party statuses to allow for faster, more effective decisions that will ensure business success.

By effectively surfacing all areas of risk third parties present, organizations have greater visibility into who they're doing business with and can better achieve their goals. To reach this goal, a solution that is uniquely designed for each area of risk is required for the best results.

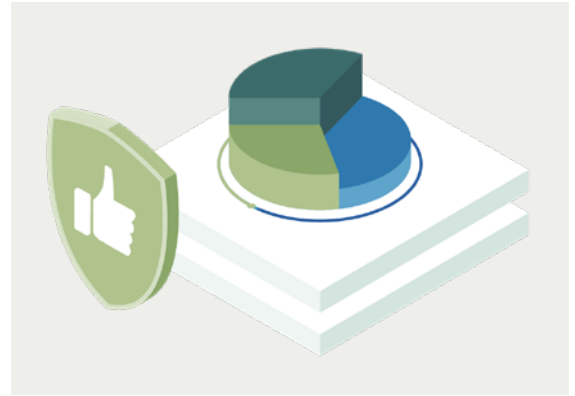
**82%** of organizations still use spreadsheets to manage third parties<sup>1</sup>

1. [WWW.RSA.COM](http://WWW.RSA.COM)

## Protecting the business from regulatory and reputational risks

Due diligence is at the forefront of the most effective third-party risk management programs, and for good reason – the need to be compliant with regulations from global enforcement agencies and the Department of Justice's guidance. A well-designed compliance program applies risk-based due diligence to its third-party relationships to effectively gather all necessary information and uncover all related risks. While organizations can gather general corporate information and other publicly available information, most do not have the internal resources available to build an accurate risk profile.

NAVEX One Governance Risk and Compliance information system's third-party risk screening & monitoring solution surfaces third party regulatory and reputational risks, including sanctioned individuals or parties, politically exposed persons (PEPs), adverse media, and ESG-related risks. This solution also offers the flexibility to uncover beneficial ownership data, allowing you to truly understand the ownership structure of your third parties, and conduct enhanced due diligence for additional insight into risks to make informed decisions. Having a system in place that provides an efficient way to quickly onboard third parties, conduct the appropriate level of due diligence, automate risk mitigation tasks, receive reports with clear and actionable insights, and maintain an audit trail for perpetuity is essential as business needs and regulatory demands multiply.



## Understanding and managing business risks

It is also important for organizations to have an integrated risk management (IRM) system in place that focuses on information related to operational risks. By taking a closer look at the risks third parties present a company's day-to-day operations, organizations can better evaluate third-party performance, assess cost-to-value, and protect the business from risks.

Our integrated risk management solution captures risk data from and about the third party that helps manage risk throughout the relationship. This helps organizations gather operational, information security, financial and compliance risk information in a centralized location to better understand the risks each third party presents. By enabling you to focus on IT and operational risks, you can uncover details around how third parties handle their data, what cybersecurity risks they may bring, and how these external risks may lead to internal vulnerabilities. With this information, organizations can easily conduct risk assessments and link third parties to policies, risks, controls, and more to understand the risks a third party presents in the context of their business.

## Ensuring alignment with core business values

When conducting due diligence, it is also important for organizations to determine if their third parties uphold the same values and practices they hold and expect internally. As organizations strive to become more ethical, diverse, and responsible, they need to see those same strengths reflected in the vendors they engage with. Now a mainstream activity of all resilient organizations, companies must ensure their supply chains act responsibly and actively promote sustainability in their own operations.

NAVEX One assesses vendors in the frame of responsibility and sustainability metrics that directly impact their relationships. Through custom surveys, organizations can focus on the risk and compliance that is most relevant to vendors and their role in the supply chain. As organizations continuously improve their efforts to operate more responsibly, these tools enable compliance to demand – and verify – the same of their third parties.

## Covering all risk areas

It is critically important for organizations to have a comprehensive third-party risk management program in place to address new and emerging risks as their business grows, needs change, and regulations develop. Organizations can begin by adopting tools to help them more easily assess, identify, monitor, and manage their third-party risks through automation, centralization and data visualization. With a robust program that covers all risk areas, organizations can rest assured knowing that their third-party relationships are effective and efficient. In the end, the third party's risk is also the organization's risk.

**NAVEX's platform provides a holistic view of your third-party risk landscape, empowering you to proactively manage those risks and implement a robust third-party risk management program.**



### We do this by:

- Onboard & screen third parties
- Gain a deeper understanding of risks & beneficial owners
- Monitor third parties continuously
- Assess third party ESG performance
- View all risk with a comprehensive risk score
- Know how third parties protect their IT risks
- Uncover supply chain integrity & plan for interruptions

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NAVEX is trusted by thousands of customers worldwide to help them achieve the business outcomes that matter most. As the global leader in integrated risk and compliance management software and services, we deliver our solutions through the NAVEX One platform, the industry's most comprehensive governance, risk and compliance (GRC) information system.

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