



SUPPLY[®]
WISDOM
Real-time Risk Intelligence

Third Party Risk Committee
(Executive Support)

USPTO Patent No. 10,643,165B2 | Granted May 2020

November 11, 2020

COVID-19: LESSONS IN THIRD-PARTY & SUPPLY CHAIN RISK

- Why were boards and management caught off guard by the virus itself and the speed with which it impacted business and the economy?
- What should risk directors do to respond better to catastrophic risk events in the future and enhance their resilience?
- How can Risk Committees be empowered with the right risk intelligence?

THE NEXT CATASTROPHIC RISK COULD COME FROM ANYWHERE...

Top 5 Global Risks in Terms of Likelihood

Top 5 Global Risks in Terms of Impact

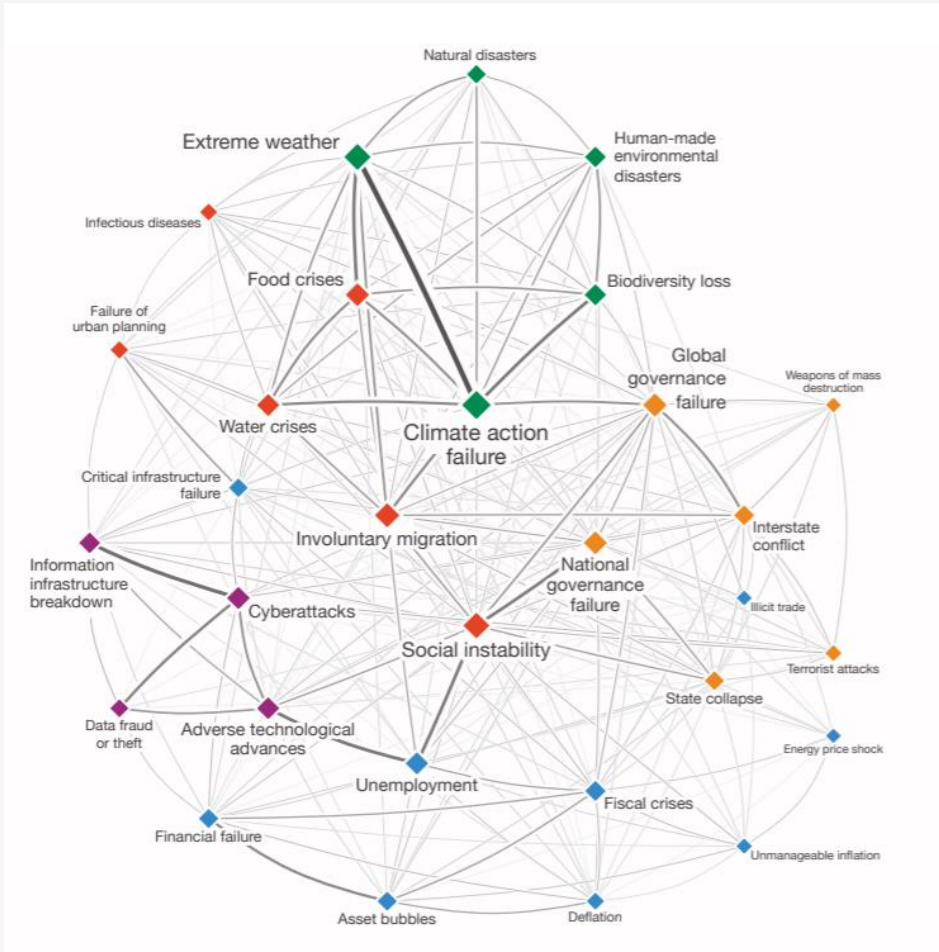
2015	2016	2017	2018	2019	2020
Interstate conflict	Involuntary migration	Extreme weather	Extreme weather	Extreme weather	Extreme weather
Extreme weather	Extreme weather	Involuntary migration	Natural disasters	Climate action failure	Climate action failure
Failure of national governance	Climate action failure	Natural disasters	Cyberattacks	Natural disasters	Natural disasters
State collapse or crisis	Interstate conflict	Terrorist attacks	Data fraud or theft	Data fraud or theft	Biodiversity loss
Unemployment	Natural catastrophes	Data fraud or theft	Climate action failure	Cyberattacks	Human-made environmental disasters

2015	2016	2017	2018	2019	2020
Water crises	Climate action failure	Weapons of mass destruction	Weapons of mass destruction	Weapons of mass destruction	Climate action failure
Infectious diseases	Weapons of mass destruction	Extreme weather	Extreme weather	Climate action failure	Weapons of mass destruction
Weapons of mass destruction	Water crises	Water crises	Natural disasters	Extreme weather	Biodiversity loss
Interstate conflict	Involuntary migration	Natural disasters	Climate action failure	Water crises	Extreme weather
Climate action failure	Energy price shock	Climate action failure	Water crises	Natural disasters	Water crises

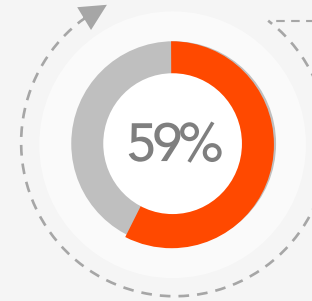


Source: WEF Global Risk Report, 2020

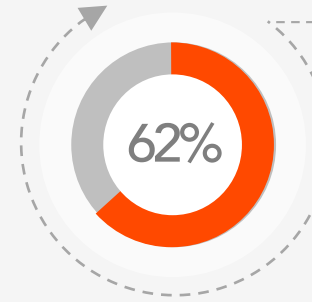
... ARE BOARDS PREPARED?



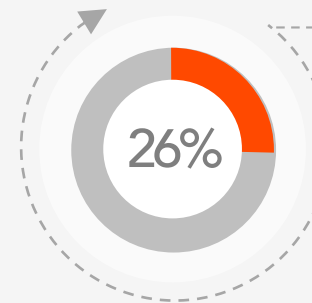
Source: WEF Global Risk Report, 2020



59% of organizations believe they under-invest in risk



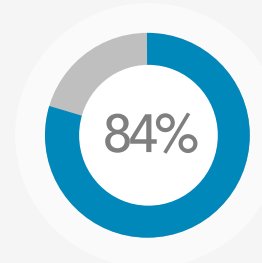
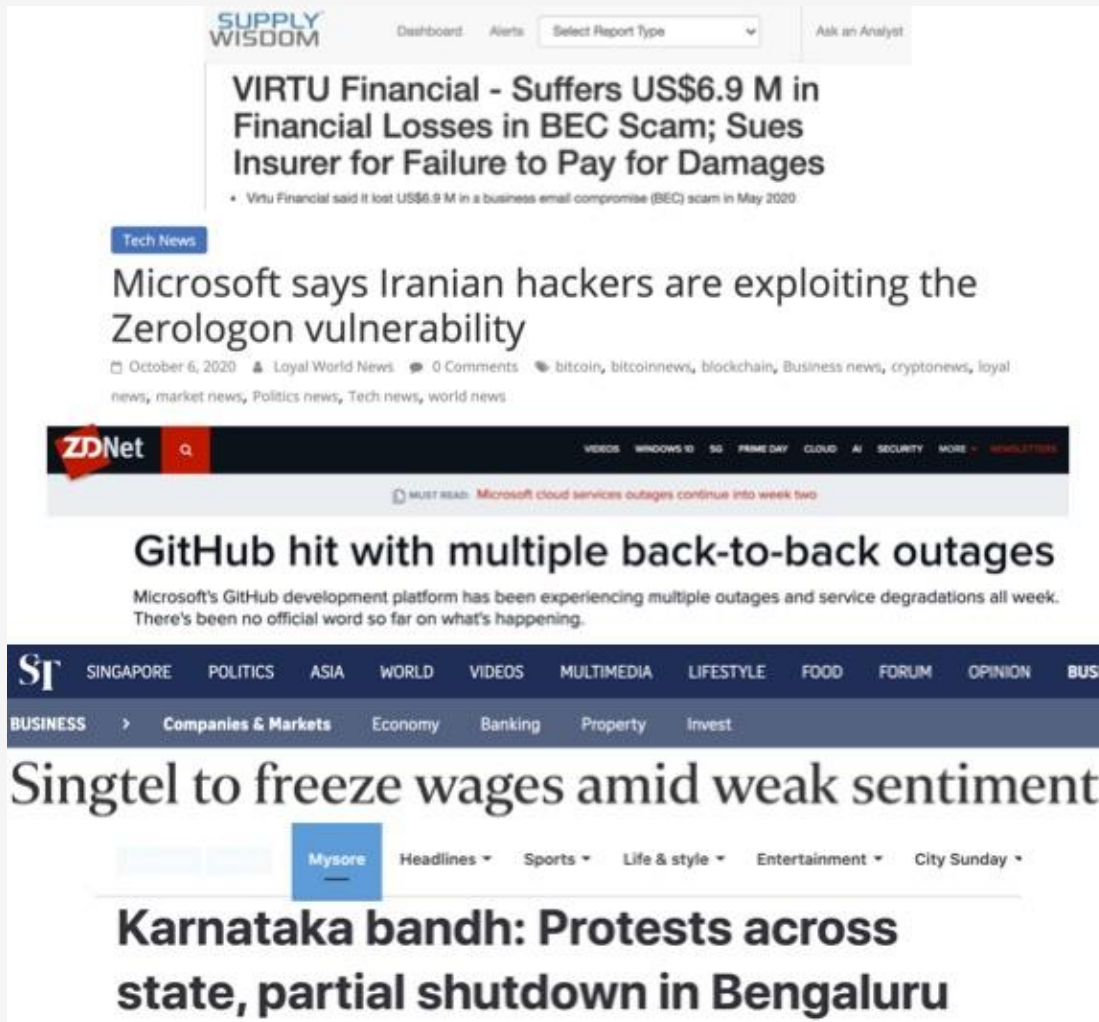
62% believe their ongoing monitoring of third parties is inadequate



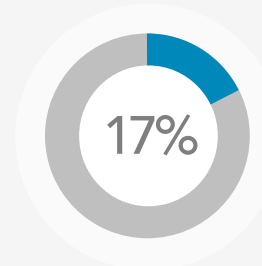
Only 26% had allocated budget for **geopolitical risk** (compared to 60% for cyber risk)

Source: Deloitte EERM Survey, 2020

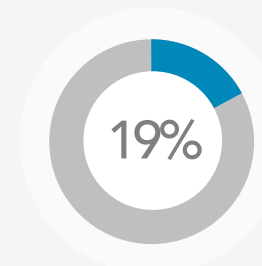
RISKS ARE RISING



Have faced at least one third-party related incident in the last three years



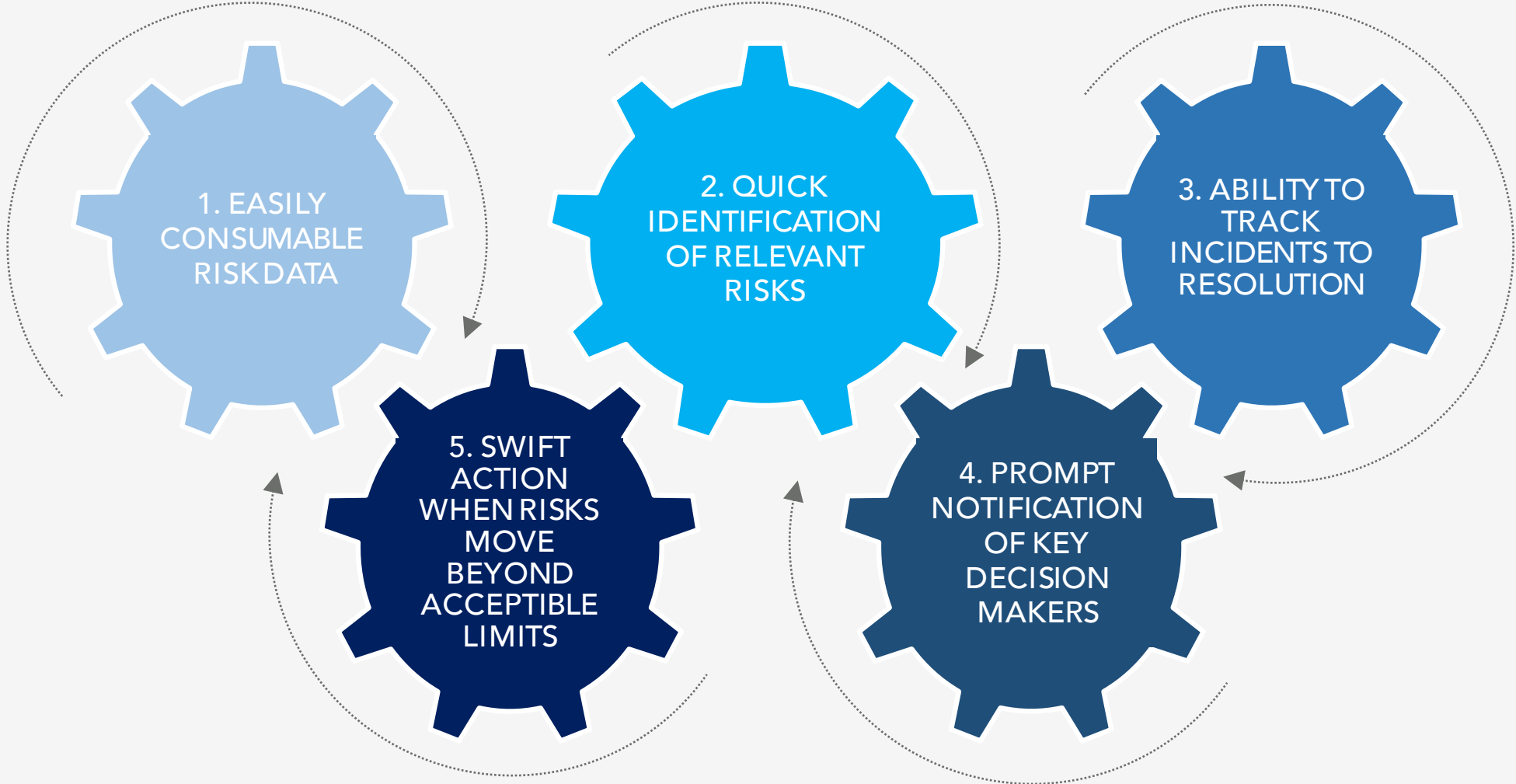
Have faced a 'high impact' third-party incident in the last three years



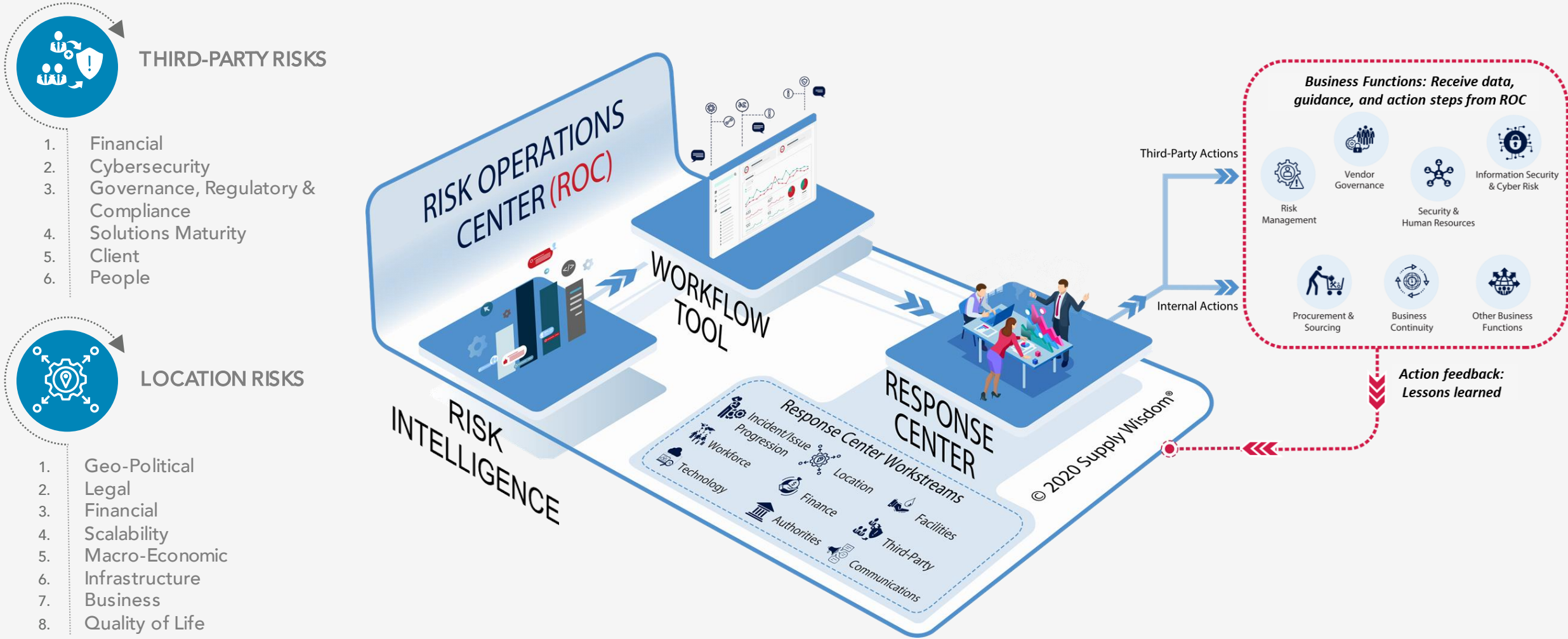
Organizations estimate their financial exposure to a major thirdparty incident at US\$500 million or more

Source: Deloitte EERM Survey, 2020

PROACTIVELY MANAGE & RESPOND TO RISK

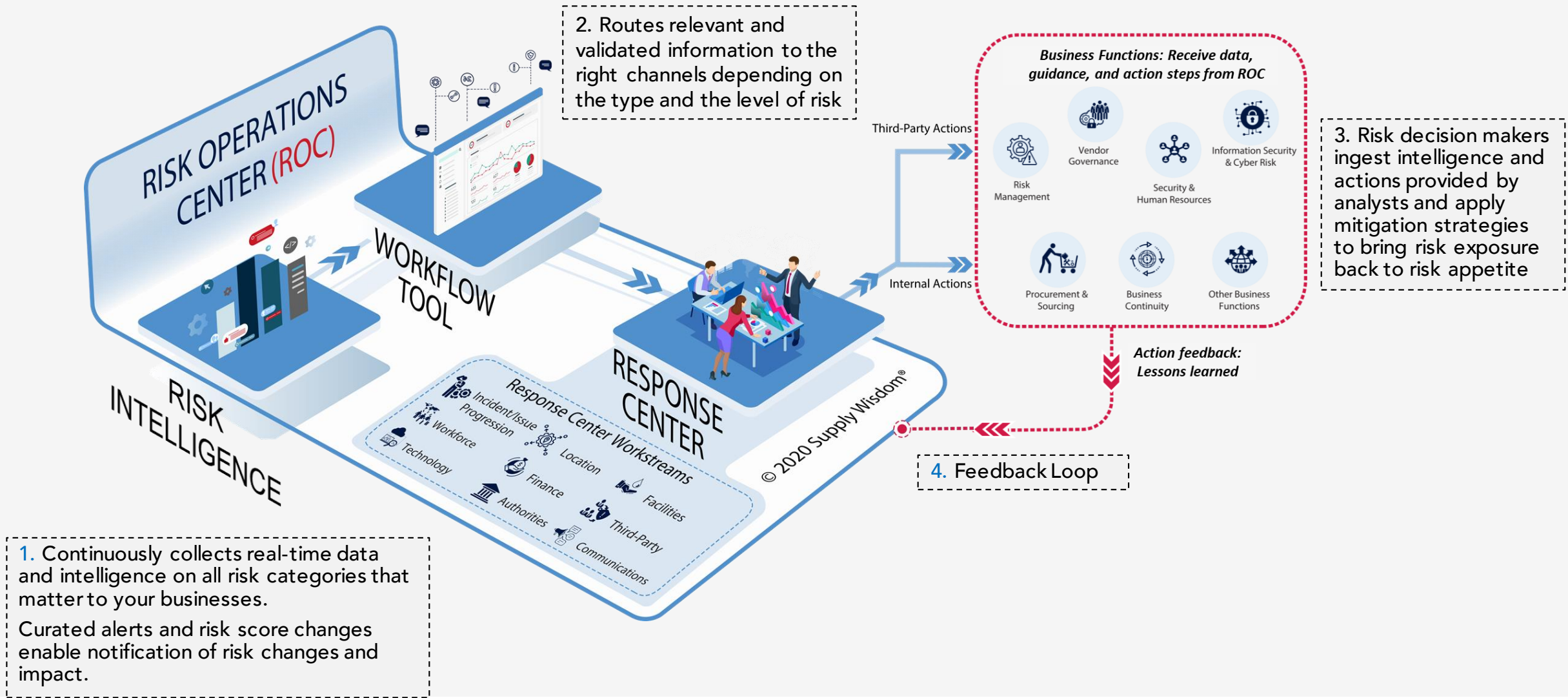


BROADEN THE RISK APERTURE WITH CONTINUOUS MONITORING



THE RISK OPERATIONS CENTER (ROC)

INTEGRATE MONITORING, WORKFLOW AND RESPONSE CAPABILITIES



SUPPLY WISDOM CASE STUDY: GLOBAL BANK



PROBLEM

- No clear insights into potential disruptions
- Risk program static and point in time assessment based
- Lacking continuous monitoring capability
- Lack of insights into cascading risks
- Limited risks assessed (financial, cyber and regulatory)
- Slow response to location or third-party issues



SOLUTION

Risk intelligence and monitoring is continuous with expanded coverage.

Supply Wisdom's RAaaS team provides:

- Daily, weekly and monthly impact analysis and reports
- Fortnightly reports on a sub-set of 12 critical locations (out of portfolio of 50) to analyze geographic concentration risk from a Continuity and Resilience perspective.
- Regular cascading risk trend analysis specific to service by location



OUTCOMES

- Single risk dashboard
- Expanded risk coverage
- Higher executive engagement
- Disruptions avoided
- Faster move to Work From Home
- Cost avoidance
- Capabilities provide assurance to auditors and regulators
- No disruptions to operations

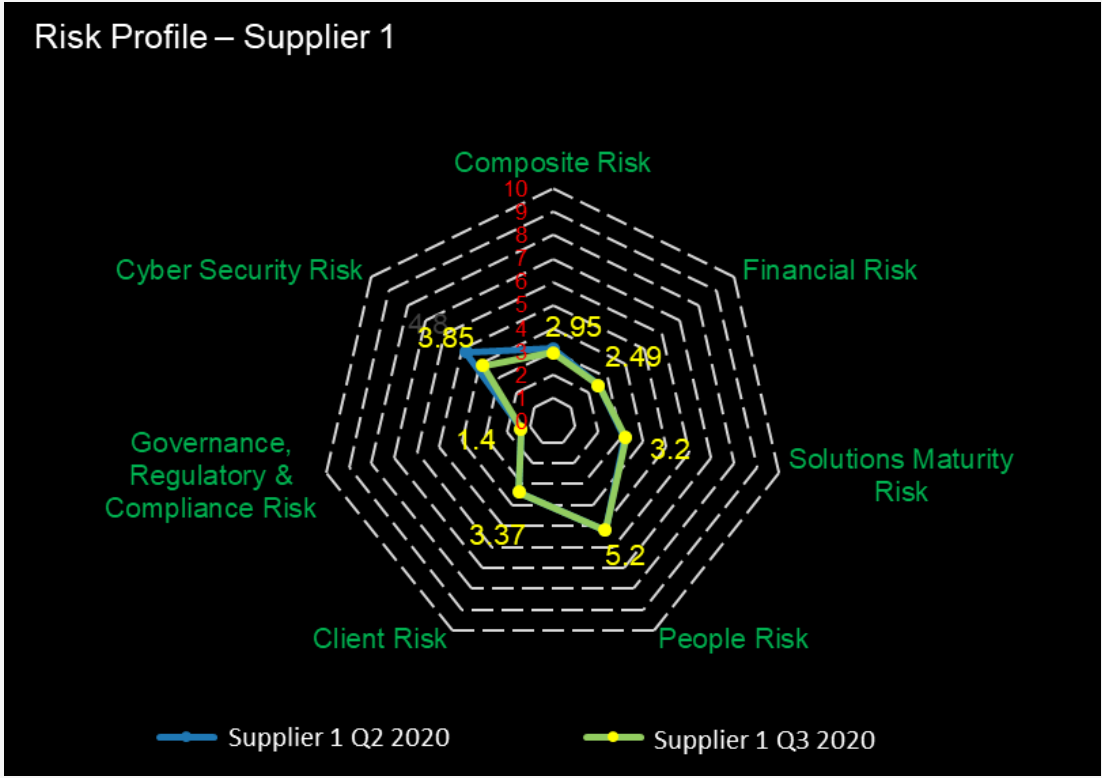
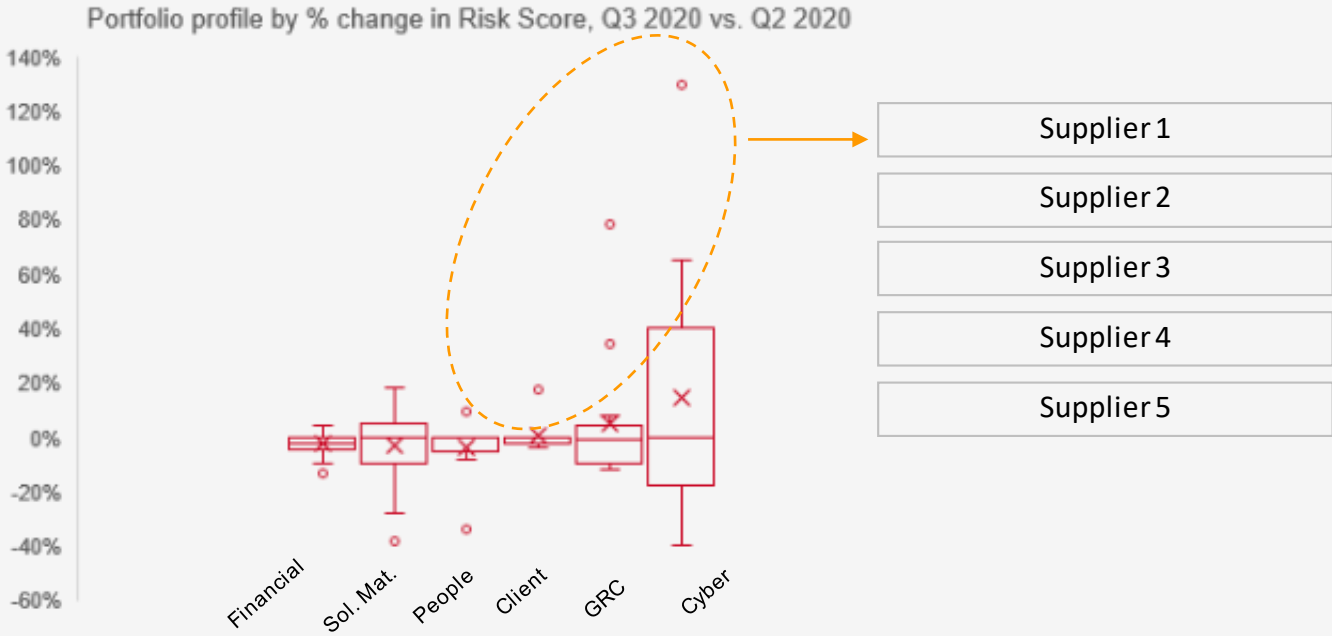
Testimonial

“ The team is responsive and timely. This type of information aligns really well with what we want to share with our senior leadership.

Our risk program is maturing, thanks to your solutions and team.

Again, this is fantastic and greatly appreciated. ”

SUPPLY WISDOM: ACTIONABLE INTELLIGENCE FOR RISK COMMITTEES



* Anonymized data based on Supply Wisdom executive reports



THANK YOU



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Supply Wisdom: Patented Real-time and Continuous Risk Intelligence

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