



# Data and Risk Drivers for Third Party Risk Management Strategy

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The Strategy of Third-Party Risk  
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**What is the goal of your  
third-party program?**

**“When I was a nurse, I  
would say 5 minutes of  
planning is worth 5 hours  
of productivity”**

Gina Baker

**For those of you that have started  
a third-party risk program:**

**What was your first step approach?**

## Executive support and oversight

“40% of respondents surveyed practitioners said their board doesn’t have a good handle on third-party risk”<sup>1</sup>





## Executive support and oversight

- Initial and ongoing
- Include compliance expertise
- Regulatory- guidance for board and senior management involvement from the DOJ and OCC
- Holistic representation

## Know your Assets

“Among respondents, 20% didn’t know how many third parties their organization worked with <sup>1</sup>.”

“Almost half of organizations don’t have all their third parties in a single inventory <sup>1</sup>.”





## Know your assets

- Vendors and partners
- Data type
- Data location

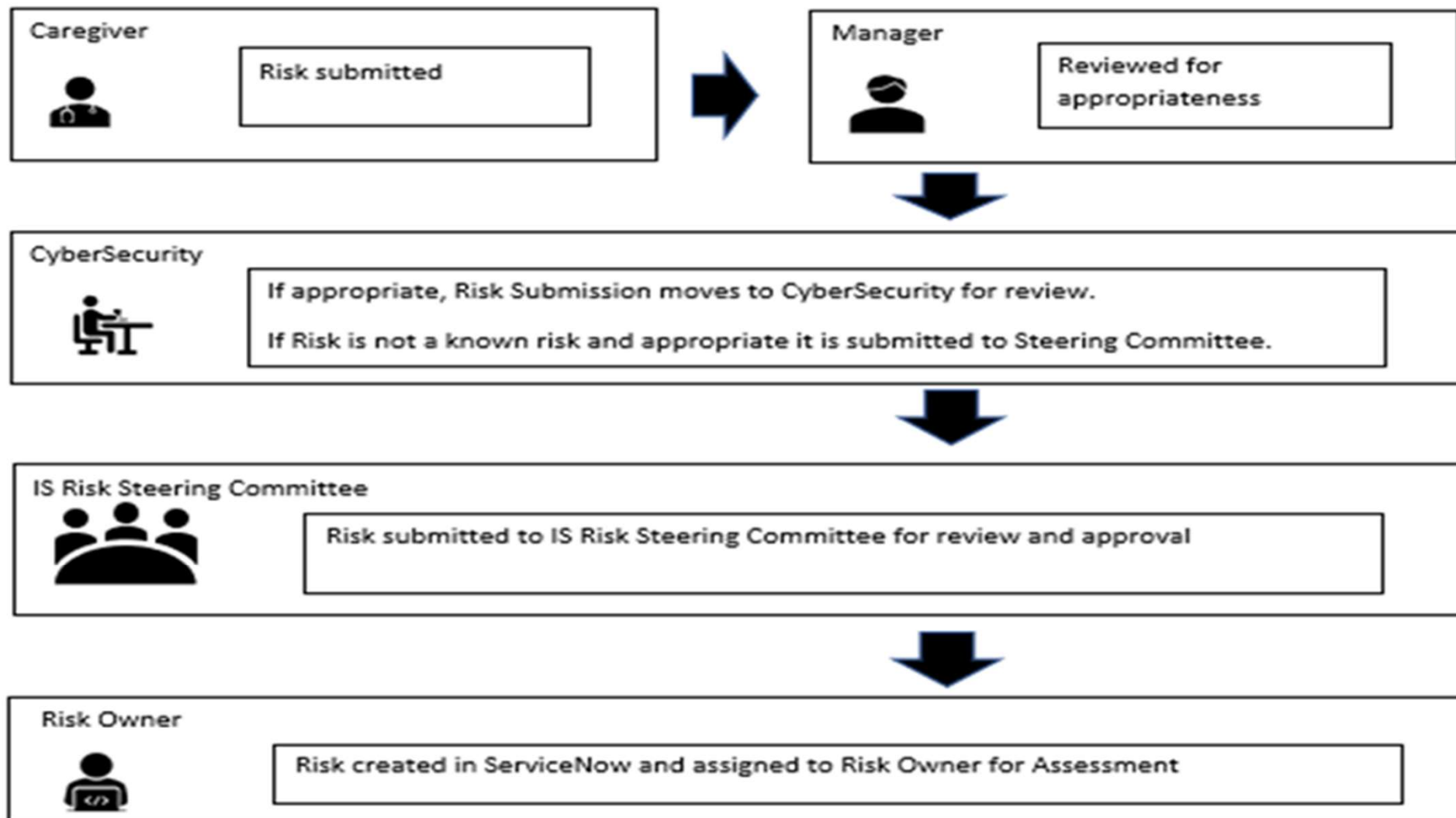


# Let's talk about risk

- Holistic- supply chain, privacy, security
- Measure your vendor risk (qualitative vs. quantitative)
- Decide your current risk appetite/threshold (with executives)
- Ongoing



$$\text{Risk} = \text{Threat} \times \text{Vulnerability} \times \text{Impact}$$



# How to measure risk?

Just get started.

## Resources available

- Budget
- Personnel
- Tools- market and industry evaluation
- Insurance
- Industry requirements and resources



## So what is your life cycle strategy?

Considering all your new knowledge... what can you do?

- Establish a relationship with the vendor.
- Consider cadence and depth of review?
- Process of escalation? When you have a finding in the review?
- End of vendor contract process.

“The vast majority (83%) of respondents are not conducting ongoing monitoring or due diligence on all their third parties” <sup>1</sup>



## Pre-Program Planning for third-party risk management

- Executive Leadership sponsorship
- Know assets associated to vendor
- Evaluate risk
- Know your resources
- Develop your life cycle strategy

“DATA IS THE NEW  
OIL? NO: DATA IS  
THE NEW SOIL.”

DAVID MCCANDLESS



**What is the goal of your third-party program?**

What if the goal was protecting data as an asset?



# Questions?

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## Resources

<sup>1</sup> *Mind the Gap- Where Third Party Risk Management Programs Fall Short.* 2020. Aravo

<sup>2</sup> *OCC New Bulletin.* 2013. <https://www.occ.gov/news-issuances/bulletins/2013/bulletin-2013-29.html>