Understanding Social Media

Implications for your 3rd Party Risk Management Programs

Hiperos Banking
Webinar Series
June 2013
Presenters:

Nicole Muryn
Director Regulatory and Legislative Affairs, BITS

Greg Dickinson
CEO, Hiperos
Agenda

• Opportunity vs. threat: striking the right balance
• Social Media:
  ▪ Definition
  ▪ Use Cases
  ▪ Regulatory Guidance
  ▪ Privacy Concerns
  ▪ Risks
  ▪ Introduction to BITS
• Déjà vu all over again?
• Hiperos - 3rd Party Risk Management Process
• Next steps
• Q&A
The Social Media Opportunity

VMO

Risk
- Customer
- Reputation
- Regulations

Reward
- Revenue
- Competition
- Communication
Social Media Regulation

Nicole Muryn
Director
Regulatory and Legislative Affairs, BITS
Definition

• Any form of online interaction that allows for the highly scalable publication of user-generated content of any kind (text, audio, video, images) that is meant for general public consumption and uses interactive dialogue with others.
Use Cases

• Growing a Brand
• Connecting with Customers
• Protect and Understand Customers
• Responding to Concerns
• Transactions
Regulatory Guidance

- FINRA Regulatory Notice 11-39
- SEC April 2013 Announcement
- Proposed FFIEC Guidance
- Potential CFTC Guidance
- FFIEC IT Booklet Vendor and Third Party Management
Privacy Concerns

- Consumer Communication
- Consumer Data
- Access to Data
Risks

• Operational
  – Identity Theft
  – Malware
  – Social Engineering
  – Access Management
  – Associate Productivity

• Reputational
BITS

- Social Media Risks and Mitigation

- Letter to FFIEC on Proposed Social Media Guidance

- Social Media Risk Management Forum
Social Media - déjà vu all over again?

- Are you measuring risk or status?
- What risk do your business processes pose to the bank?
  - Business process criticality
  - Delivery options
  - Vendor experience/execution
- Which 3rd parties – including subcontractors - are involved with that business process?
- Which 3rd parties – including subcontractors - are involved in many business processes?
Industry Standard for Banking

- Industry standard:
  - 15+ top banks/financial services firm
  - Regulator vetted & approved
  - Specific to risk, compliance, report performance needs
- Pre-built, proven, best-practice templates
- Change oriented – adapt to your business changes
- Rapid, predictable implementation
- Supplier oriented for rapid adoption
- Your suppliers are already participating
- Proven to drive down costs and reduce execution time
Next Webinar – July 11th

Panel Discussion:
Best Practices for Today’s 3rd Party Risk Management

DISCOVER
FINANCIAL SERVICES

STATE STREET

Huntington
Questions?
Contact Us

Nicole Muryn
Phone: 202-589-2435 | nicole@fsround.org | www.bits.org

Follow our blog at: http://blog.hiperos.com/blog/

View past banking webinars at: www.hiperos.com/webinars.html
Thank you for Attending

Previous Financial Services Webcasts -
www.hiperos.com/webinars.html

The Uh Oh Moment: Supply Chain Risk – Theory vs Reality
with ISG Consulting Services – Joe Yacura

3rd Party Management in Financial Services: Implementing Efficient, Effective and Agile Processes
with GRC 20/20 - Michael Rasmussen

Regulation and Re-Regulation: 3rd Party Management in Today's Regulatory Environment
with C. Russel Hansen, Jr. - Partner at Chu, Ring & Hazel LLP