

## Leading bank selects Hiperos to assess 3rd party risk

At this leading bank, the sourcing group is responsible for the procurement of more than \$4 billion of goods and services. As a result, this group has a direct impact on the quality of services delivered to internal stakeholders as well as to the bank's customers—a responsibility it takes very seriously as it must protect the company's strong brand and reputation as the bank is considered to have the best customer service in the industry.

Protecting the company's brand, maintaining customer service levels, and complying with regulations requires close scrutiny of 3rd party providers. In an environment with thousands of 3rd parties and stringent internal policies and external regulations, this presented a real challenge. As with many companies, the sourcing group initially approached this challenge with a variety of tools and processes that were manually intensive and not designed to handle the growing scale, complexity, and demands associated with growth and greater regulatory oversight.

These tools were primarily stand-alone spreadsheets that could not adequately support the workflow of requests, consolidation of results, or updates based on new requirements. Because of the complexity and volume of the compliance requirements, a new solution and improved process was needed. To add to the challenge, the bank was required to assess risk and compliance not only for each 3rd party, but for each relationship (contract) those 3rd parties had so the company could understand potential concentration risk.

That is why the bank chose Hiperos 3rd Party Management (3PM).

Therefore, the sourcing group set out to implement an on-demand solution that would allow them and each business unit to accomplish four things:

1. Dynamically segment suppliers and relationships according to their risk profile
2. Define the program elements required to mitigate risk

### **Company**

A leading North America bank

### **Industry**

Financial Services

### **Annual Revenue**

Greater than \$10.0 billion

### **Employees**

Greater than 40,000

**Featured Area:** 3rd Party Risk

**Scope:** 1,000+ users assessing the risk of thousands of 3rd parties

### **Key Challenge:**

- Consolidate multiple 3rd party risk management platforms
- Perform risk assessments for a growing number of 3rd parties without adding headcount
- Provide access to end users across multiple business units despite different IT infrastructure

### **Hiperos 3PM Key Components**

- Risk Assessment

### **Key Benefits**

- Assessing the critical component of the supply base without a corresponding increase in headcount
- Communicating compliance requirements to lines of business
- Ensuring a consistent process for how compliance is monitored across diverse business units
- Laying a strong foundation for a 3rd party management solution

3. Communicate the program requirements to each line of business and then monitor compliance
4. Monitor policy compliance and performance of critical suppliers and 3rd parties

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Phase I of the project focused on assessing and segmenting relationships according to their risk profile.

Depending on the nature of the relationship, the 3rd party risk team sends out any combination of assessment programs to categorize risk (e.g. materiality, data security, business continuity, and financial solvency). Managers and executives in the lines of business receive email notifications of pending risk assessments and respond to them online via Hiperos 3PM. These assessments request information on a variety of factors that are leading indicators of risk.

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For example:

- What is the value of the contract?
- Is the work being performed on site or off site?
- Does the 3rd party have access to customer data?
- Does 3rd party deal directly with customers?

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Based on the answers, the Hiperos 3PM solution calculates a risk score. This score is then used to dynamically segment each 3rd party into a risk category and determine which additional risk assessment program is required.

To help keep information up to date, assessments are launched according to a pre-defined schedule and routed to end users based on workflow rules. The result is fewer “back and forth” emails, consolidation of all assessment data in a single repository, and enterprise-wide visibility of risk profiles.

Now that the risk program has been implemented in the business lines, the bank is using Hiperos 3PM to manage compliance and performance programs. These programs help mitigate the risk of doing business with the bank’s 3rd parties and allow lines of business to enhance 3rd party oversight.

“Hiperos has been great to work with throughout our implementation. They have fully listened to our requests and feedback and have been able to quickly deliver enhancements.”

- Head of Supplier Risk Management

“Hiperos had excellent references.”

- Head of Supplier Risk Management

## CONTACT US

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