

The 2021 Prevalent

Third-Party Risk Management Study

In February and March 2021, Prevalent conducted a study on current trends, challenges and initiatives impacting third-party risk management practitioners worldwide.

Four Key Observations:

- 1. Organizations Are Missing Important Risks – at Their Peril**
- 2. Attention Should Be Paid to More Stages in the Third-Party Risk Lifecycle**
- 3. Procurement and Business Teams Are Struggling for a Seat at the TPRM Table**
- 4. Most Organizations Don't Want to Tackle Third-Party Risk on Their Own**

Why Assess Third Parties?

87% of study respondents cited the need to ensure that third parties **do not introduce risks** to their businesses.

60% of study respondents said they are required to report against specific **regulatory, industry or data privacy requirements**.

2021 TPRM Drivers

Study respondents cited these as the top factors that pointed the rudder toward increased organizational focus on TPRM:

83% COVID-19

47% SolarWinds Breach

Despite these factors, **only 40%** of respondents said their **TPRM programs are expanding**



Cybersecurity: The Tip of the Iceberg

88% Cybersecurity

It's no surprise that the top risks tracked by organizations today include cybersecurity (88%), regulatory compliance (78%), privacy (73%) and business continuity (71%). But more risk lies beneath the surface...

Off the Radar

Respondents reported that their organizations are NOT tracking these risks, but should be:

47% Geo-political

45% Labor Standards

45% Environmental

44% Supply Chain

40% Human Rights Trafficking and Slavery Risks

39% Anti-Bribery and Corruption

While respondents most frequently reported assessing cybersecurity risks, procurement and business teams are not always getting the visibility they need.

59% Are not tracking the offboarding of vendors

47% Are not assessing SLA and performance management

42% Are not assessing business and financial risks

Lost in the Fog

These top-reported challenges left organizations without clear visibility into their vendor risk:

51% Not Enough Pre-contact Due Diligence

46% Lack of Real-time Vendor Risk Insights

35% Manual Collection of Vendor Information

Who's Captaining the TPRM Ship?

IT and Security Are Still at the Wheel

50% of respondents indicated that IT or IT security owns third-party risk management in their organizations, and 55% noted that IT security teams were more responsible than ever for TPRM.

Procurement Is Not on the Bridge

55% of respondents say their organizations have seen an increase in ownership by security over the past year...

While only **22%** say their organizations have seen an increase in procurement ownership.

Top Officers Are on the Lookout

Likely in response to recent breaches, third-party risk management is gaining increased visibility among executives and boards:

40% Executives Have More TPRM Visibility

36% Board of Directors Have More TPRM Visibility

Still Using the Stars to Navigate?

42% Stuck on Spreadsheet-based Questionnaires

42% of respondents said they still assess their third parties using spreadsheet-based questionnaires, while only 24% reported using a third-party risk management platform.

Many respondents aren't thrilled with their current assessment method, with almost no one feeling "extremely satisfied."

26% Dissatisfied with Spreadsheets

48% Neutral Satisfaction with Spreadsheets or Current GRC Tools

Seeking Help at Sea

55% Prefer a Hybrid Approach

A majority of respondents cited a hybrid approach that balances internal management of some assessments and outsourcing others as their ideal TPRM approach.

Conclusion

Though organizations are recognizing the importance of expanding third-party risk visibility beyond cybersecurity, most respondents this year made it clear that their organizations are still trying to achieve a more holistic understanding of third-party risk through the right people, processes and solutions.

Recommended Course Corrections

From onboarding to offboarding, here are our recommendations for unifying IT security and business for better outcomes:

Expand Assessments Beyond Cybersecurity

Bridge the Gap Between Business and IT

Manage Risk at Every Step of the Third-Party Lifecycle

Outsource all of the Hard Stuff

Download the 2021 Prevalent Third-Party Risk Management Study for comprehensive findings, analysis and recommendations.

[Download the Study >](#)

Prevalent™

Prevalent takes the pain out of third-party risk management (TPRM). Companies use our software and services to eliminate security and compliance exposures across the entire vendor lifecycle. We offer a flexible, hybrid approach to TPRM, where our customers gain solutions tailored to their needs, mature their programs AND realize a rapid return on investment.

To learn more, please visit prevalent.net