

THE MISSING MEASURE IN THIRD-PARTY INFORMATION RISK

Making third-party information risk governable, comparable, and transferable.

THE PROBLEM: ACTIVITY WITHOUT A TRUSTED MEASURE

What TPRM Does Today

- ✓ Collects evidence
- ✓ Reviews questionnaires, certifications & reports
- ✓ Evaluates control gaps
- ✓ Requires contracts & insurance
- ✓ Routes exceptions



LIMITED COVERAGE



Organizations evaluate only a subset of vendors based on inherent risk.

DIVERSE INPUTS, DIFFERING FORMATS



The Impact

- Inconsistent decisions
- Thresholds drift
- Exceptions accumulate
- Hidden concentrations
- Weak benchmarking
- Unclear risk transfer value
- Incomplete view of total residual exposure



Limited time, resources and input complexity prevent adequate evaluation of the entire vendor population.

KEY DECISIONS NEEDING A TRUSTED MEASURE



VENDOR DECISIONS

Is the vendor within risk tolerance after controls, contracts, and insurance?



THRESHOLD GOVERNANCE

Apply risk appetite consistently across vendors, reviewers, and business units.



EXCEPTION MANAGEMENT

Weigh residual risk against business impact and document accepted exposure.



PORTFOLIO RISK AGGREGATION

Identify cumulative risk and concentration across the vendor portfolio.



BENCHMARKING AND CALIBRATION

Compare posture and calibrate thresholds with peers.



RISK TRANSFER DECISIONS

Determine what risk is retained, reduced, or transferred.

THE SOLUTION: A UNIVERSAL, ASSURED MEASUREMENT INDEX



1. Intake & Normalize

Standardize diverse artifacts (questionnaires, certifications, audit reports, contracts, insurance, remediation).



2. Assess & Weight

Evaluate evidence by scope, independence, rigor, recency, completeness, and applicability.



3. Calculate Residual Risk

Adjust inherent risk for controls, assurance confidence, gaps, compensating controls, and business context.



4. Measure & Score

Produce a comparable residual-risk score on a common scale (the Index).



5. Act & Monitor

Inform decisions, aggregate portfolios, report, benchmark, and monitor change over time.

WHAT AN EFFECTIVE INDEX DELIVERS



CLARITY

See what risk remains after controls, contracts, remediation, and insurance.



CONSISTENCY

Interpret evidence consistently across teams and vendors.



PORTFOLIO INSIGHT

Spot concentrations across vendors, processes, data types, geographies, and technologies.



COMPARABILITY

Benchmark with peers and calibrate thresholds with confidence.



BETTER RISK TRANSFER

Understand what is retained, transferred, and the financial impact that remains.



EFFICIENCY

Move quickly when risk is acceptable; escalate material exposure and evidence gaps.



Consistent measurements makes third-party information risk governable, comparable, scalable, benchmarkable, and transferable.