

TPRM Program on a budget

Question 3: [Can you shed some light on the measures enterprises can take to run their TPRM program efficiently and lower the initial capital and operating expense?](#)

Yes, absolutely. So, a couple of areas, a few areas, which we've been kind of working with some leading enterprises in the space.

First and foremost, what is extremely critical is to bring and marry the whole process, right from a time you onboard a third-party or a supplier, to the time when you terminate them from the system. So having a centralized third-party assessment process is an extremely critical investment to make. So from a time, all of it should be defined and binded through a very centralized process, with all the stakeholders being called out and clear roles and responsibilities defined, This typically helps organizations bring a lot of efficiency to the process side of it. And just to ensure that, from a time when vendor management team gets a request to onboard a supplier to the time, business raises a request, how multiple aspects of third-party assessments can be clubbed together, as a part of a centralized assessment process and not have to do the cybersecurity and risk assessments separately, and financial liability separately, and legal review separately, so on and so forth. I mean, organizations are kind of looking at adding more dimensions into the risk assessment space, for example, they're looking at environmental, social and governance related aspects also to be a part of the assessment process. So a critical aspect is that how these different aspects of assessments can be clubbed and centralized, as part of one assessment process, and is married through, initially with a central process, which would define roles and responsibilities called out for each of the stakeholders in the process. So that's a very critical aspect to help, you set up the tone for the program, and it's an extremely important aspect. The second aspect is which really helps set the tone for your assessment is that once you have a centralized process, how are you initiating or performing something called an inherent risk assessment. It kind of uses different word terminologies in the space, some call it inherent risk assessment, some would call it a quick tear assessment or a profile assessment. But the objective of that is, you are onboarding a new supplier, there are a lot of unknowns to you. So evaluating and determining the risk profile for that third-party is critical step to begin with. And this is what leads to having the respective risk profile for the third-party. So creating a questionnaire, which really helps gauge what this third-party is all about, what services they would provide, eventually what sort of access they would have to our environment. So these are some of the leading questions, which helps you determine an inherent risk tearing, our risk or our respective risk profile for the third-party, that's, again, a very critical aspect. Just to ensure that the process helps you lead and map it to the respective tearing process or the risk profile for the third-parties, because that's the first step in the process, which you can then initiate asking the relevant questions as I was elaborating to earlier that helps you identify, what are those set of must have questions you should ask, and not present them with a generic set of a questionnaire. The next one is, an organization should look at investing on a managed services sort of a model. And this can be done in a couple of aspects, we all know, anyone embarking on a transformation program, if you really had to rewrite the process, set up a focused risk tearing process, create all those risk profiles, questionnaires, bring in a technology to support that initiative, all of it calls out for big capital investment to begin with. Typically talking to and working with a managed services provider on this pace, they would bring all these aspects to you at the start of the service, because that's something managed services provider who provide services on the TPRM space, do it for a living, so they would come to you with the best of the breed process, inherent risk assessment process, how the risk profiles, what different risk profiles can exist, what are the relevant set of questions you should ask, and then while they provide that to you, it is not a vanilla approach, there's always options to tailor it and further streamline it based on the

nature of services the enterprises are into, because, again, you work with, say some big pharma companies, they'd like to introduce some specific pharma regulations like GSP, into the assessment process, if you're talking to a retail client, they would want to include some PCI related information in there. So it's definitely contextualized. And moderated based on the vertical and specific enterprise requirements. But with an investment, in our getting it operated and set up through a managed services provider, helps cut down on the initial effort and cost which will have a port to optimize the program, bring in technology, because most of the managed service providers like us, we bring in all the aspects of people process and the right fit technology to support it, and truly deliver it as a service to our customers. So, ensuring that all the different aspects of processes, which are tailored as we onboard, and not just one time, we have a repetitive cycle to ensure these processes are updated, the regulations are changing, there are multiple standards, getting introduced now on TPRM space. So how we continue to abreast ourselves with changing technology, we're changing landscape of third-parties with the changing regulations, and standards in this space. You know, all of that kind of brings in an awful lot of optimization and sustenance to the whole program. And last, but not the least is how you optimize the ongoing assessment process. And that's again, a critical aspect to manage the spend on the TPRM in programs especially, the operating expense topics part of it. And we have seen typically, there are, available, industry leading solution providers or independent third-party risk monitoring solutions, which can help monitor your third-parties on an ongoing basis. So you don't need to be repetitive and performing these assessments, year-on-year, you can subscribe to some of these solutions, which we work with again very heavily and really monitor their security risk and compliance posture, and really evaluate an action when you see their security scores are declining, or there's a known breach which has happened, then kind of reinitiate that assessment process and it definitely brings in a lot of optimization to the operating and run expense of doing assessments, at least for the existing third-parties. So these are few areas, that we believe the enterprises are looking at, or should look at, to kind of make the program more efficiently and eventually leading to reduction on the capital as well as an operating expense for the program.

Question 4: [So, Manmohan, you explained in detail the steps that enterprises can take to lower their initial capital and operating cost. But I am sure, like me, our listeners are also curious to know how we, at HCL, are helping customers manage TPRM on a budget?](#)

Yes, Devleen. And so, as mentioned earlier, HCL has been providing TPRM services to our end customers, for close to about a decade now, and especially over the last three feet, but now, three, four years or so, the whole process or the whole area has kind of taken a revised focus because of the criticality TPRM, as a process, has attained, it's been looked at, by the board directly. So, a few things which we have done, firstly, is really embed the core aspects of people process and technology. And the significant amount of investments we have made on creating the best of the breed process leveraging cutting-edge technologies, which helps run the TPRM program end-to-end as well as investing on people who come with a skill set of having done this work in the past, and they typically come with a risk mindset to evaluate responses, and identify risks as a part of the process. So, the investment we have made is to kind of ensure, that when we get to our customers, we cut down on the initial effort, which is spent on relooking at the process and revising the process and creating some of those areas, which, I mentioned, we continue to see as the core challenges. Be it, having the right inherent risk assessment questionnaire, so, we created the best of the breed and processes, which has, in our pre-built libraries of the right fit process, what questionnaire goes with it, what templates to use, what metrics we should define, and measure the effectiveness of the TPRM and programming or TPRM in program, and we can have, go ahead as a part of our service offering to our end customers, and onboard them to that process, obviously, it has what amount of optimization pre-built in, at the same point in time flexibility

to absorb customer requirements and make those necessary changes, depending on customer's existing process, as well as the environment, they operate in, just to ensure that some of the current ways of working, be it the current process, or the industry they operate, and all those relevant requirements are embedded as a part of the process. So, we were able to drive in very significant value for very quick turnaround time on onboarding our customers to our managed services TPRM program. We have done engagements where the whole onboarding, with regards to process optimization and enabling everything and technology is taking about two to three weeks, not more. So that's one significant value we are kind of bringing to our customers. And the last critical aspect is which we see a lot of enterprises, struggle with is to handle the sheer volume associated, in the whole TPRM space, companies are adopting to digitalization that's bringing in a new dimension of risk. They're working with more partners on the digital space. A lot of companies are into expansion and acquisition. They eventually get to a big problem statement of evaluating a lot of partners or a lot of third-parties in a very shorter turnaround time. And with our managed services model, we ensure that the scalability, as well as quality and ability is built as a part of our process framework. And we commit that upfront to our customer that if you know the volume of a set assessment increases, we're able to commit about 20 to 30% of increase in volume at no additional ramp up time, so we don't go back and say, since you've come back with additional workload, I would need some time to ramp up the team to support that. So that's all kind of built as a part of the process model. And these are some of the areas we kind of focus very heavily on and how we kind of work with their customers to ensure that they continue to operate under the budget, what they continue to spend or what they envisage to spend to kind of run their TPRM and program.

That was very insightful, Manmohan, thank you for providing your expert insights on managing TPRM and program on a budget. I'm sure our listeners had a lot to take away from this discussion. Thank you again, Devleen. Thanks for having me on. It was a great conversation. Thanks.