

Third-Party Risk Management at Decentralized Companies

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Third-Party Risk Management at Decentralized Companies

Decentralize the commitment to compliance

- Be present and 'sell' compliance in person
- Secure commitment from local senior management: Win hearts and minds and drive the 'Why'
- Have autonomy: Direct reporting on compliance independent of the business
- Ensure continuous improvement: Independence of testing Risk Assessment & Review

Third-Party Risk Management at Decentralized Companies

Standardize policy, localize procedure

- Policy on evaluation, selection, depth of diligence, contract terms, training etc. should be globally consistent
- Local supporting procedure should reflect differences in risk assessments, business cycle, culture

Leave room for local uniqueness to be addressed

*Leave NO room for inter-division competition
on questionable transactions*

Third-Party Risk Management at Decentralized Companies

Solutions: Standardize globally, deploy locally

- Questionnaires, training, workflow, diligence, approval requirements
- Globally consistent technology, data and content is the key to transparency of process adherence
- Allows for consistent approach when decisions are decentralized
- Think beyond initial third party diligence into internal