

#### Cost of failure

The financial impact of a failure by a third-party or subcontractor has at least doubled over the past five years, according to almost half of respondents. One in five believe the financial impact has multiplied tenfold.



# Balancing responsibility and cost

The desire to be a responsible business has become one of the top drivers of investment in EERM. But because of cost pressures, many organizations do not have sufficient budgets to embed responsible business initiatives across all their third-party relationships.



#### Wider focus

Senior executives are extending their focus beyond risk to include a broader view of third-party management. This will enable synergies in the long term but creates coordination challenges during the transition.

2020 key themes

### Increasing regulatory activity

A rise in regulatory activity encourages nimble organizations to progress towards a greater EERM maturity. Those unable to keep pace with changing expectations fall behind their peers on the maturity journey.



### Leveraging external assistance

A growing number of organizations use external support to improve and supplement their EERM programs. That includes assistance with risk intelligence, utility models, and managed services.

## Vision for transformation

Organizations are developing longer-term visions of EERM transformation for the coming two or three years. This involves holistic rather than piecemeal management of third parties, enabled by a "single source of the truth": a centralized repository of intelligence built on cutting edge technology.

