

# Guard Against Third-Party Risk to the Nth Degree

## PROTECT YOUR DATA FROM THE UNKNOWNNS AND COMPLEXITIES OF VENDOR ECOSYSTEMS

*In January 2019, eSentire commissioned Spiceworks to conduct an online survey of 600 information technology and security decision makers in the U.S., Canada, U.K., Ireland and Scotland with purchase influence over security solutions and familiarity with third-party risk.*

For many, cost-effective scalability usually means outsourcing some or all of your business functions to a complex web of third-party vendors. Do you have formal procedures to manage the potential web of cyber risk that comes with outsourcing? Have you thought about the nth number of parties in your vendors' ecosystems who also may have access to your data?

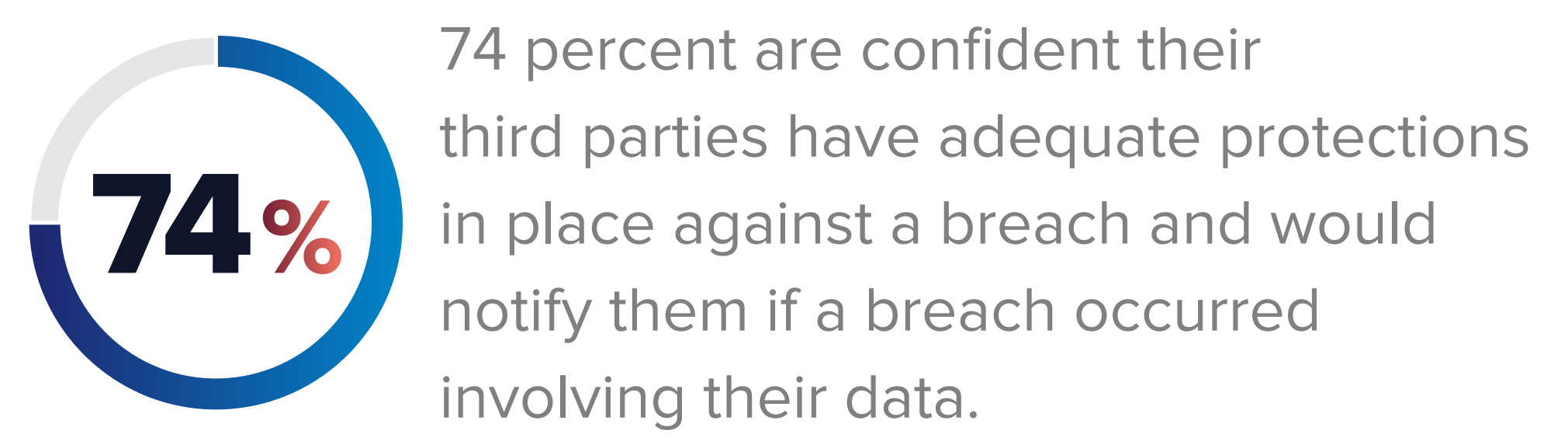
### THE NTH-PARTY WEB



An organization typically has many vendors and those vendors have vendors. This creates a hidden web of potential data risk. You are responsible for third parties and you must consider fourth and fifth parties who may have access to critical information without providing direct consent.

### PERCEPTION

Most organizations report they have effective third-party risk policies in place.



### WHY DOES MANAGING THIRD-PARTY RISK TAKE A BACKSEAT?

#### Prioritization

Only **35%** say managing third-party risk is a priority

#### Lack of Resources

**32%** lack internal resources to audit third parties

### TRUSTING BLINDY

**20%** trust their third-party vendors' privacy

**14%** trust their third-party vendors' reputation



### A REALITY CHECK



**44%**

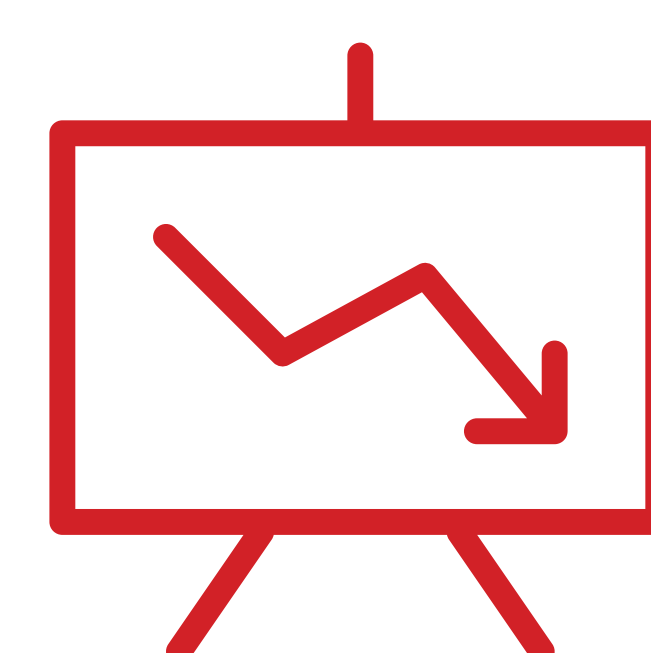
44 percent experienced a breach in the past 12 months involving a third party

**15%**

Only 15 percent were notified of the breach by the third-party responsible

### CONSEQUENCES

The cost of a third-party breach is not just measured in short-term dollars and lost productivity, but **long-term reputational damage and abnormal client churn.**



**27%**

reduced productivity/efficiency

**19%**

reputational damage

**15%**

finances/financial loss

**14%**

lost business from abnormal client churn

### THE RISING TIDE: A THIRD- AND NTH-PARTY WEB THAT DEFIES DIRECT VISIBILITY



Only **28%** of respondents are confident their vendors notify them when data is shared with **nth parties**

### YET...



**60%** say they are confident they have full visibility into **nth parties** accessing their data



### KEEP A WATCHFUL EYE ON NTH-PARTY VENDOR SPRAWL AND KNOWING WHERE YOUR DATA MIGHT LIVE



A comprehensive third-party risk management program is essential. eSentire can help you with:

- Reviewing and assisting in either the development or improvement of an ongoing Third-Party Risk Management program
- Conducting questionnaire-based risk assessments on specific third parties based on the core 15 areas of eSentire's Security Framework
- Interpreting and communicating the findings and develop a pragmatic plan for changes to reduce risk