

Industry: Financial Services

Geographies: North America

Challenges

- MRA Regarding 3rd-Party Risk Controls
- Excessive Manual Work

Solutions

- Supplier and Risk Management

Results

- Digitized 3rd-Party Risk in 17 Weeks
- Reduced Manual Touches by 70%
- Centralized 3rd-Party Process and Data
- Streamlined Audit Prep

Leading Bank Digitizes 3rd-Party Risk Management in 17 Weeks Following MRA

After receiving an MRA (Matter Requiring Attention) in its audit findings, the bank realized that it needed to move quickly to improve its program for third-party risk management (TPRM). Until that point, TPRM was decentralized and handled by business units across the bank, leading to inconsistencies. The bank immediately created a new, centralized vendor management office, led by a new VP of Vendor Management. After spending the first two years developing a consistent global process, the new risk team concluded that it needed a dedicated TPRM solution and chose Coupa to fully digitize TPRM across the organization for streamlined risk management and audit prep.

MRA Forces Fast Change

In 2012, the bank's approach to TPRM was similar to other large financial institutions: decentralized and managed by various groups throughout the organization. Then it received the MRA, and everything quickly changed. The newly created central vendor management office was tasked with implementing a bank-wide framework and toolset to assess and continuously monitor vendor risk across multiple risk domains. This team jump-started their efforts by using an existing Governance, Risk, and Compliance (GRC) system, but soon realized the system was not well suited to collaborating with third parties, leaving excessive manual work in assessments, scoring, and workflow.

Manual, Time Consuming Activities Added Little Value

The initial approach at centralizing TPRM using the bank's GRC platform had two significant challenges that created more work for the risk team and stood in the way of scaling vendor management:

- **Ineffective External Collaboration:** The system was not well suited to gathering information and documents from external stakeholders, which required the vendor management team to use spreadsheets and manual processes to collect information.
- **Manual Scoring:** The process for workflow, reviews by subject matter experts, and scoring was extremely manual, requiring significant time spent on low-value work.

New VP of Vendor Management Charts a New Path

The new VP of Vendor Management recognized the flawed approach of customizing an internal-facing GRC system and committed to a new direction: find a new solution purpose-built to digitize TPRM and implement it in just 18 weeks. The bank selected Coupa and was able to configure, deploy, and go live on the new solution in just 17 weeks without excessive IT work or any custom development.

Consistent, Transparent Approach with Third Parties

Following the deployment of Coupa, the bank was able to reduce its manual effort by 70% across the TPRM process. The centralized platform has delivered several key benefits:

- **Direct Collaboration with Third Parties:** Vendors now complete assessments and submit needed documentation directly through the Coupa platform, eliminating the need for manual coordination and spreadsheets. Vendor responses are automatically scored and routed to the appropriate SME when needed.
- **Consistent Transparency:** Relationship managers can find the information they need without having to ask the vendor management team. Audit prep has been streamlined with consolidated digital records, and the vendor management team can monitor process turn times to identify issues and further optimize the process.
- **Continuous Risk Monitoring:** External data sources, such as Dun & Bradstreet, are used to continuously monitor vendor risk. Vendors in higher risk tiers are reassessed and monitored on a monthly basis.

“We saw a 70% reduction in manual touches by our team across the TPRM process with Coupa.”

— AVP, Vendor Management

Expanding Digital TPRM

The bank is an operating unit of a Fortune 500 Financial Services organization. Based on the successes seen at the bank in centralizing TPRM, increasing efficiency, and reducing risk, the parent firm is reviewing opportunities to extend the bank's approach and use of the Coupa platform across the broader organization.

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