

A close-up photograph of a heavy metal chain against a dark background. One link in the center is brightly lit from within, glowing with a yellow-orange light, while the other links are dark and shadowed. Wisps of smoke or steam rise from the background, and small sparks or particles are scattered around the glowing link. Two vertical red bars are positioned on the left side of the image, one at the top and one at the bottom.

TPRM

3rd Party Risk Management

*"A chain is only as strong
as its weakest link"*



Noam Hendruker
Partner
BDO Israel

NOAM LEADS THE CYBER CONSULTING SERVICES

Noam (Israel ground forces, retired with the rank of Major) has more than 20 years of experience in IT, software, risk management, cybersecurity and crises management. Prior to BDO, Noam was the CEO at SECOZ, a leading cybersecurity boutique consulting firm which was acquired by BDO Israel

RELEVANT EXPERIENCE

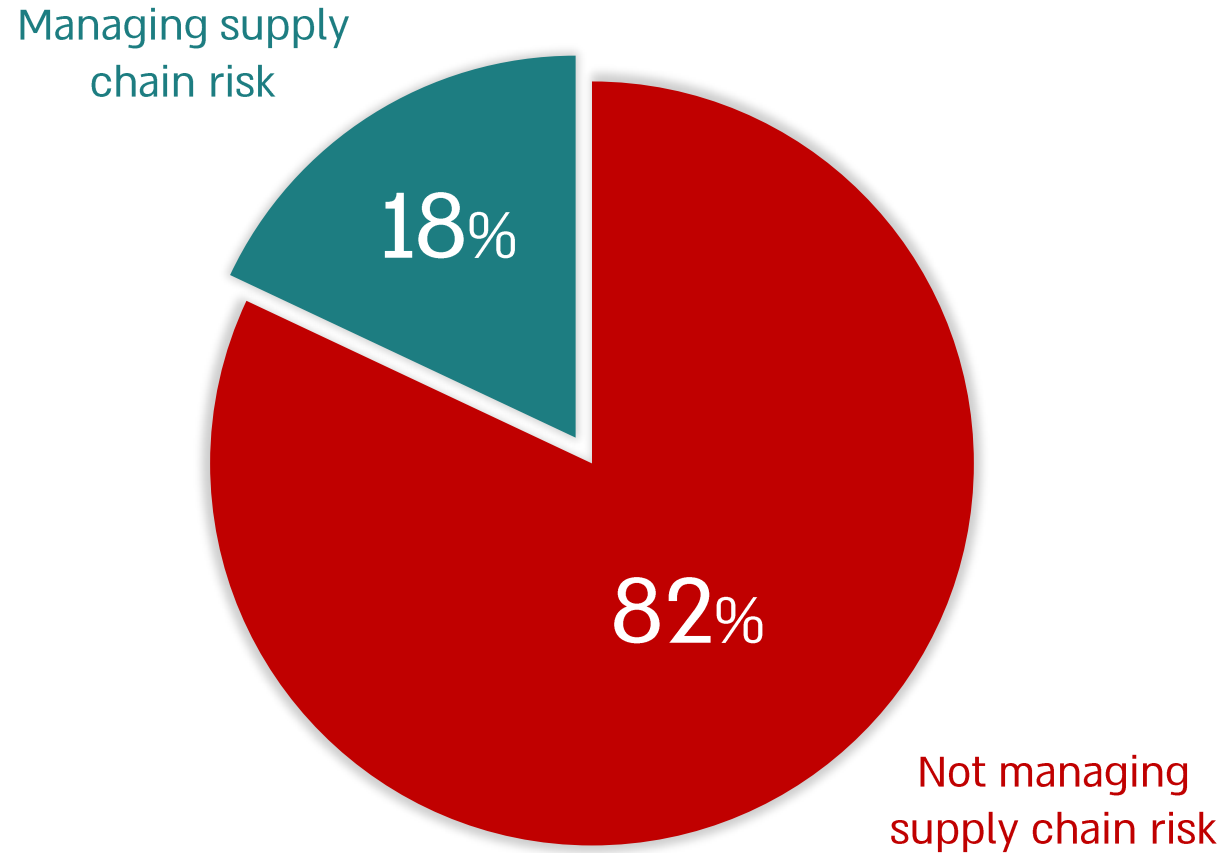
Noam is responsible for all the consulting business and activities in the Cyber practice in Israel. As part of that, he is responsible for the methodology and strategy, innovation, new services and collaborations. Noam manages the consulting activities including strategic consulting for key customers in the field of information security and cyber defense, Intelligence, Attack simulation, risk assessments, 3RD party Cyber Risk, Crisis management and on-going guidance of senior management in decision-making regarding information security strategy and its implementation.



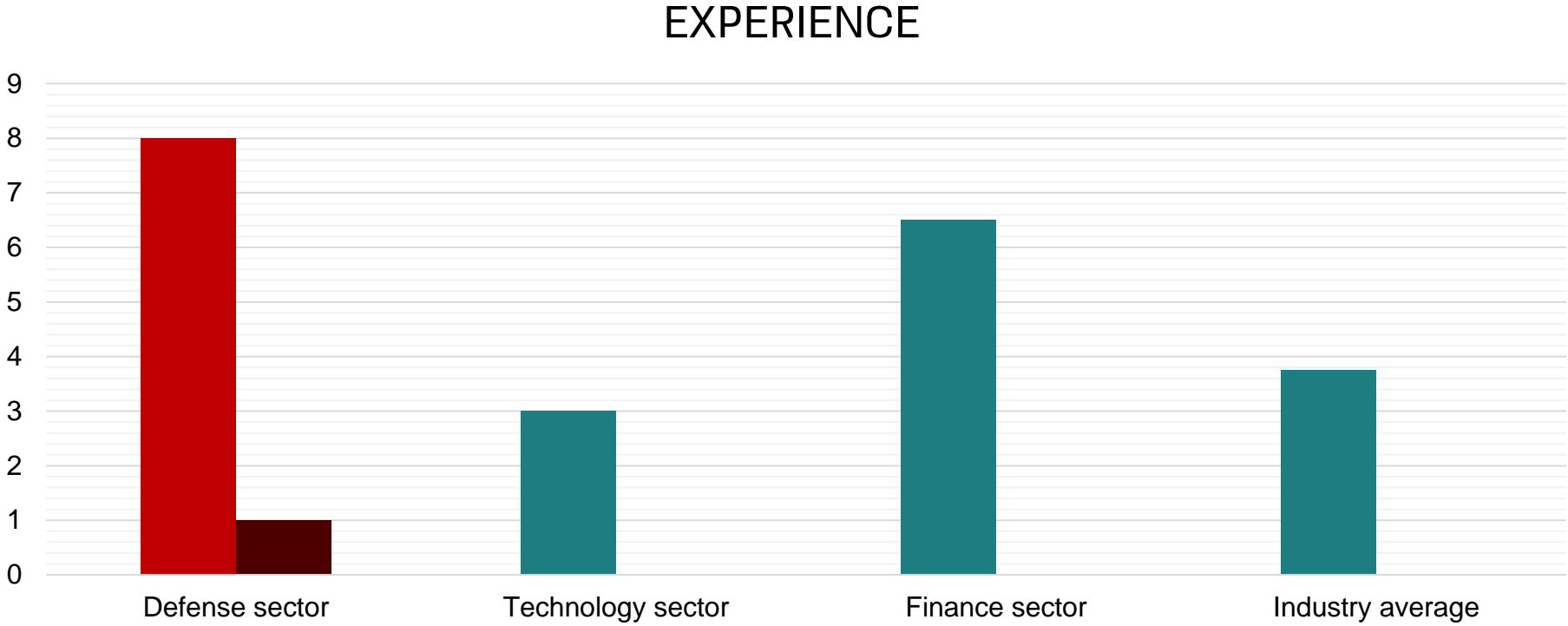
Measurements & Statistics

Based on THIRD-PARTY SECURITY RISK MANAGEMENT PLAYBOOK - RiskRecon
<https://www.riskrecon.com/third-party-security-risk-management-playbook>
as well as our practice experience and market knowledge

82% of the organizations do not regularly manage cyber supply chain risks

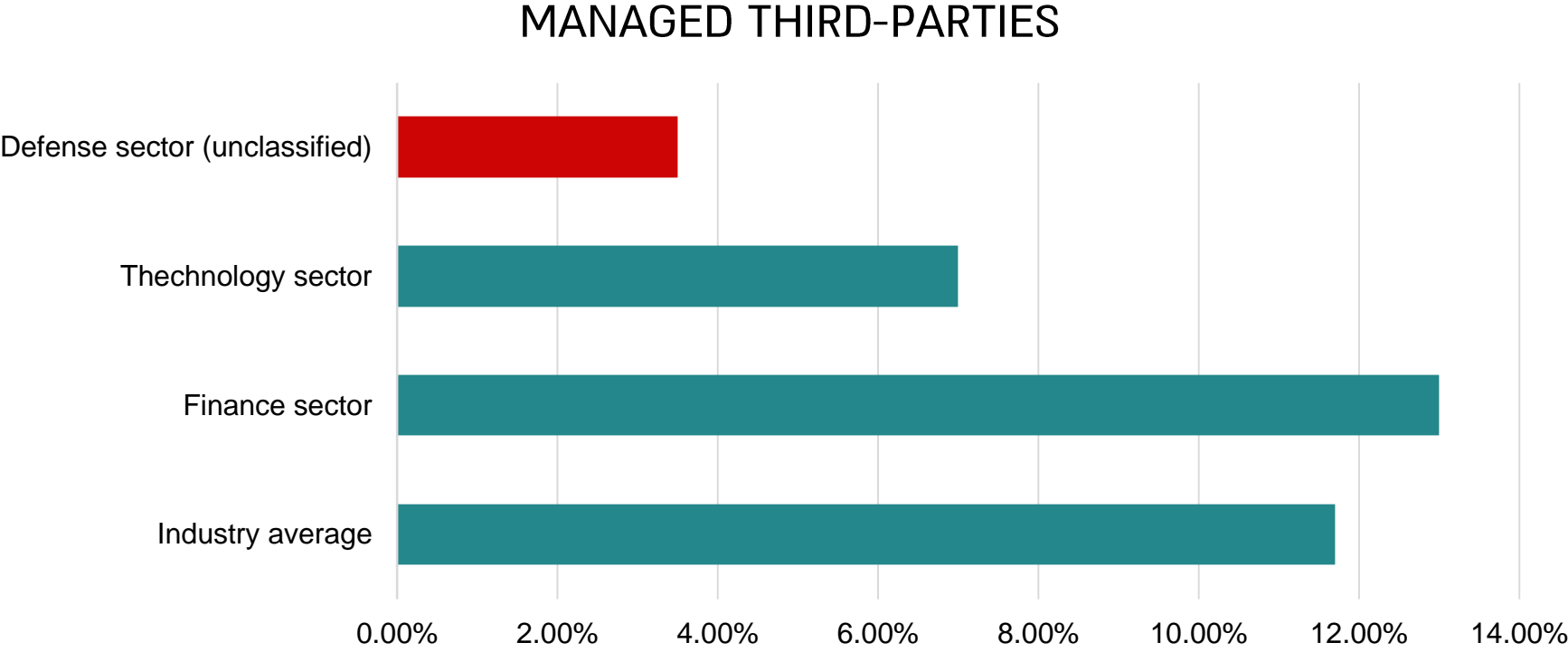


Majority of the organizations are operating TPRM program for 3-4 years, while the Finance sector is the most experienced with about 6 years experience



The defense sector is very experienced in 3rd party management, however focused on "red network" suppliers only.

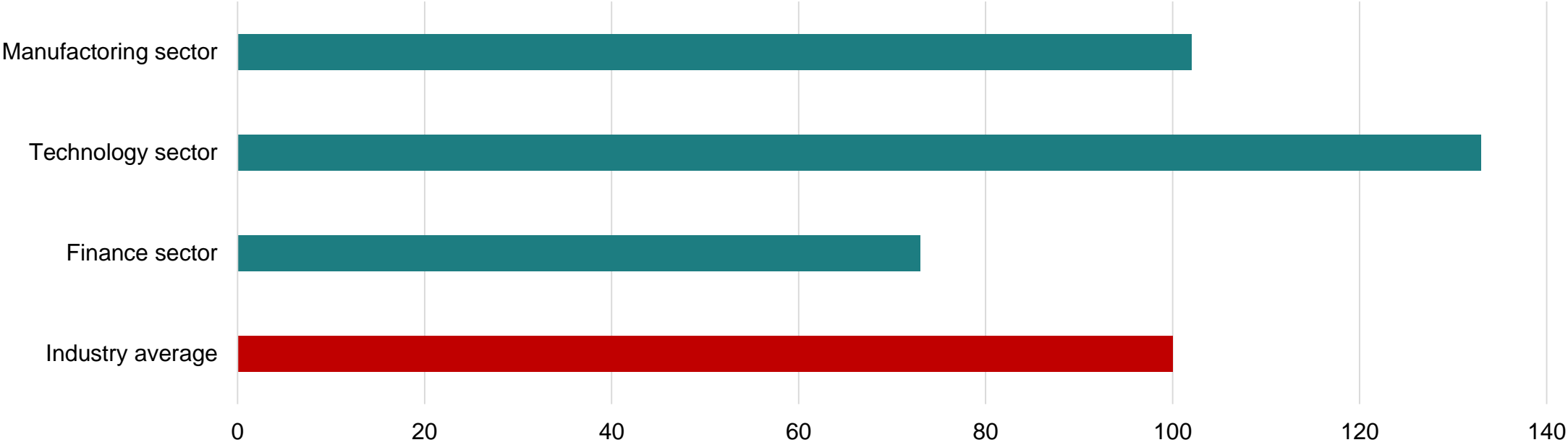
Organizations assess only 7% to 15% of their 3rd parties, most of them are suppliers and not other connection types (counterparties, etc.)



The defense sector organizations are focused on "red" 3rd parties and not "unclassified" 3rd parties, where the actual risk is

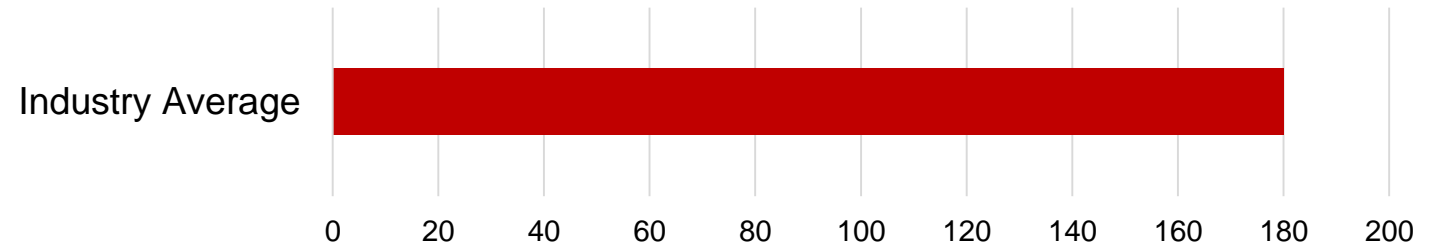
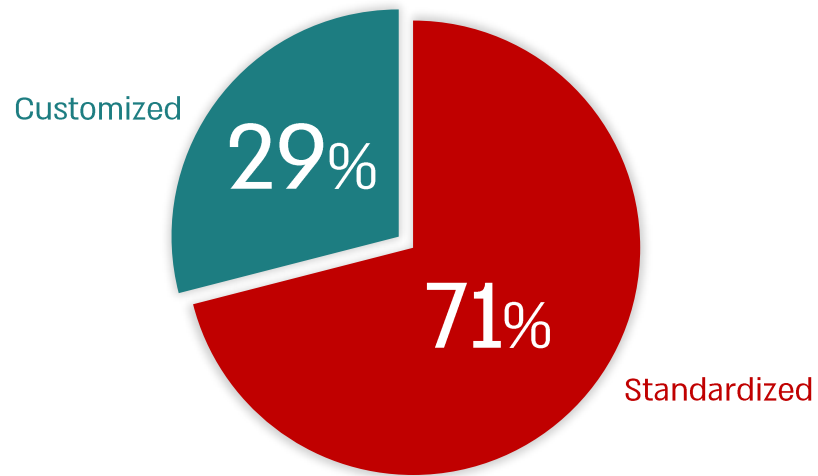
The industry management scope average is **one analyst per 100**
3rd parties, with diversity upon the different sectors

VENDOR PER ANALYST



**The average number of questions per questionnaire is 180,
the questions are based on regulation
(i.e. the more detailed the regulation, the wider the questionnaire)**

QUESTIONNAIRES - INDUSTRY AVERAGE



Over than 70% of the organizations are assessing their 3rd parties via a standardized questionnaire, rather than customize it to their needs

Motivation



Summary of current challenges

MITIGATION

The process focuses on questionnaires instead of handling findings

3rd PARTY DIVERSITY

Focusing on protecting the "red network" while ignoring the unclassified 3rd parties risk



RESOURCES

Lack of resources to address supply chain risk

METHODOLOGY

lack of methodology

Best practice for TPRM

1 GOVERNANCE

Define **Roles & Responsibilities**, Measurements, and Process objectives

3 3RD PARTY RISK ASSESSMENT

Define and implement assessment domains and controls, **considering risk profile** and cyber defense objectives

5 RISK MONITORING & RESPONSE

Define and implement **risk-based findings mitigation** plan, and continuous process monitoring

2 DISCOVERY & CLASSIFICATION

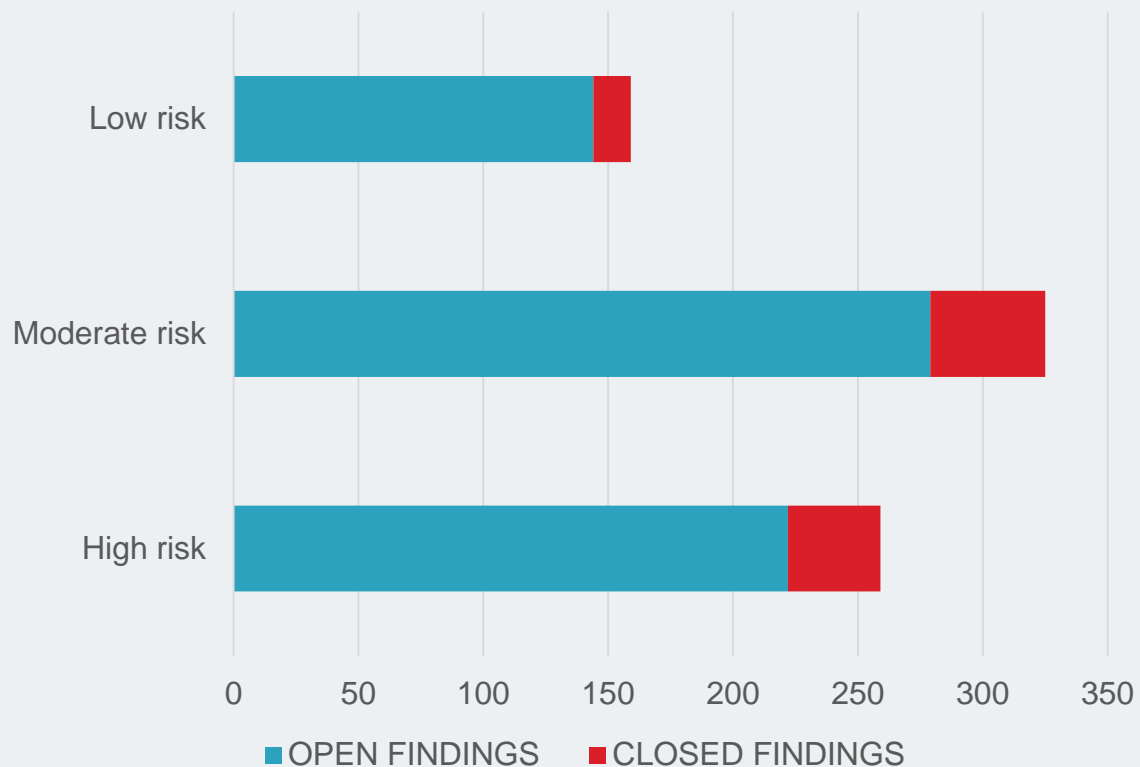
Define accurate and valid reference point of 3rd party management, and processes for **3rd party classification** according to organization's risk profile

4 RISK VALIDATION & PRIORITIZATION

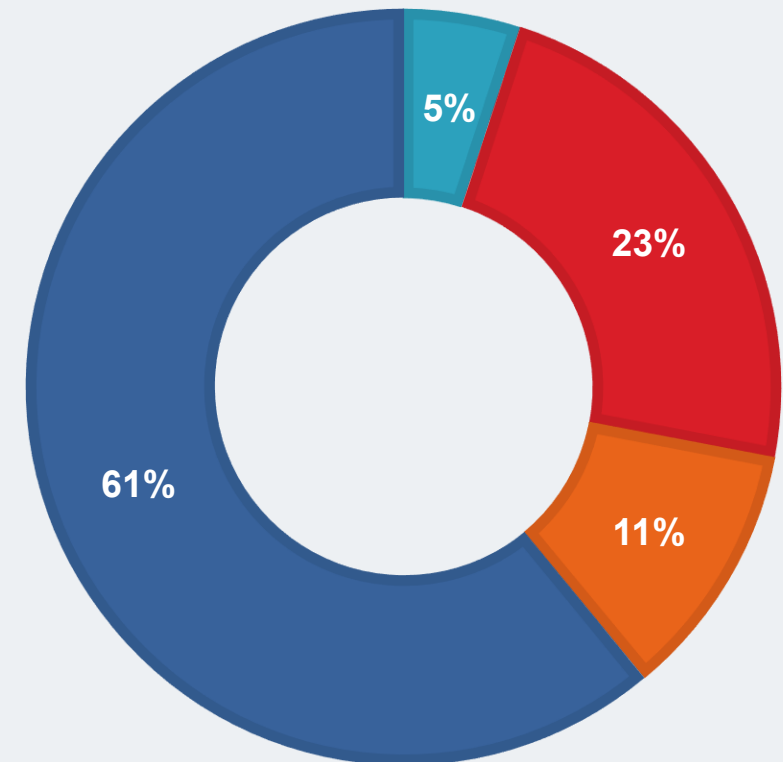
3rd party risk level assessment and **work plan** establishment according to engagement nature

TPRM use case – current status of a key client; The mitigation process focuses on prioritized findings first

Within three months from TPRM process establishment, 98 of the findings closed (13% of all suppliers' risks), 38% of them are HIGH PRIORITY.



Finalized In Progress Not Started Reviewed



The questionnaires are being reviewed after finalization

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THANK YOU

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