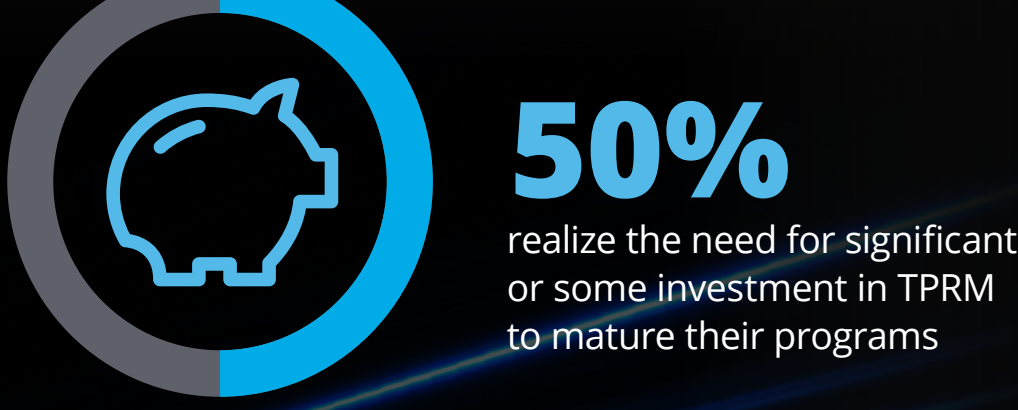
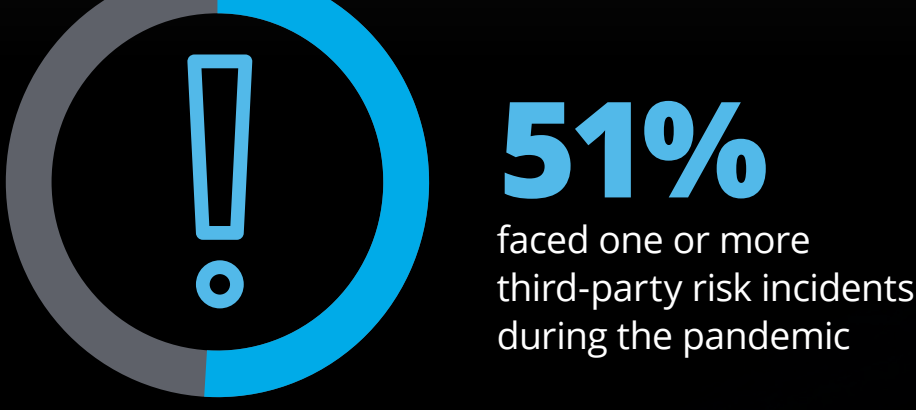


Stretching the extended enterprise to its breaking point

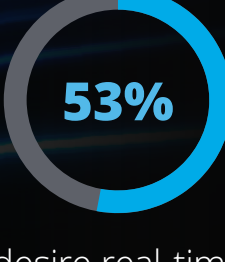
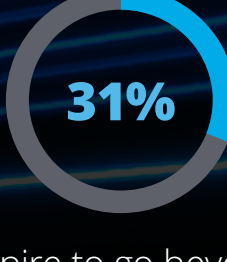
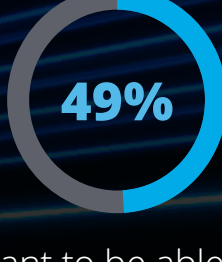
The pandemic brought to light the need to invest in third-party risk management and implement intelligent programs

COVID-19 brought third-party risk into sharp focus, revealing vulnerabilities in supply chains, procurement, and digital capabilities just to name a few. Deloitte Touche Tohmatsu Limited's extended enterprise risk management survey¹ was not only a deep dive into third-party risk management (TPRM) maturity across industries but also exposed the need for new technology solutions to enable real-time information and effective decision-making.

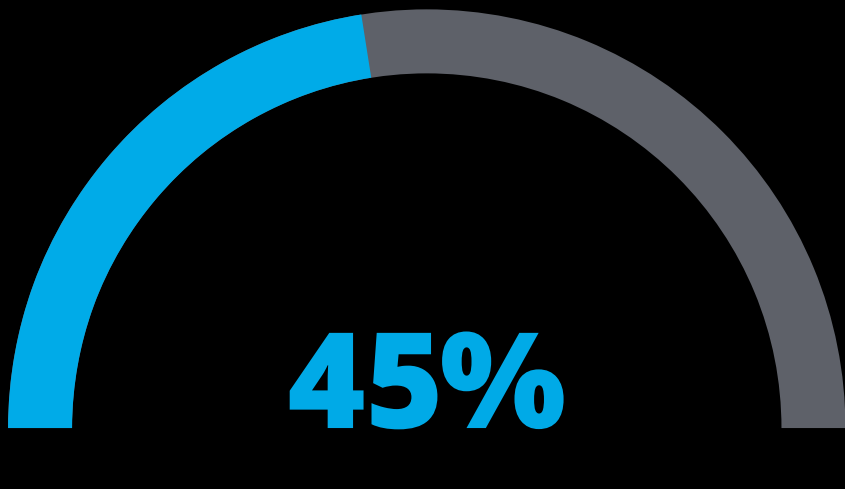
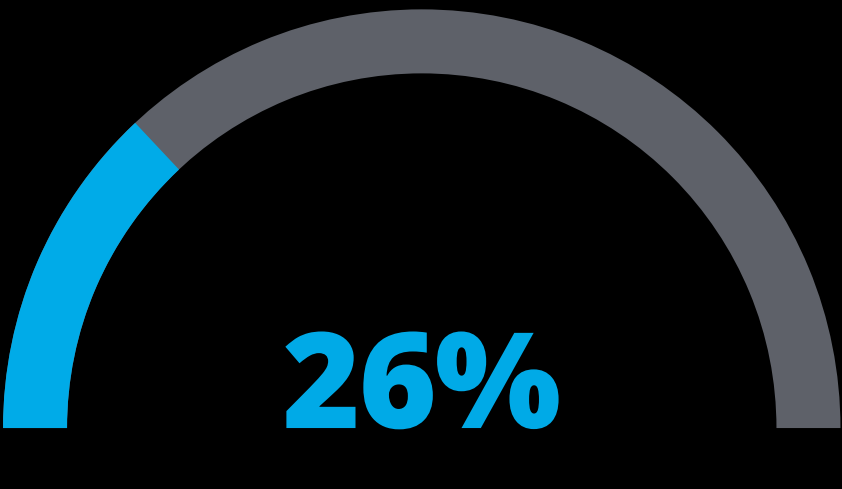
A wake-up call for TPRM



Maturity aspirations:



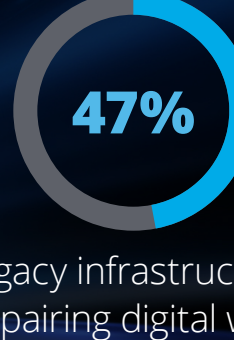
Recovering and responding—but not yet thriving



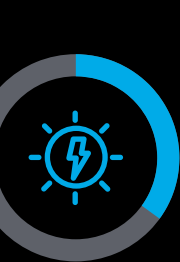
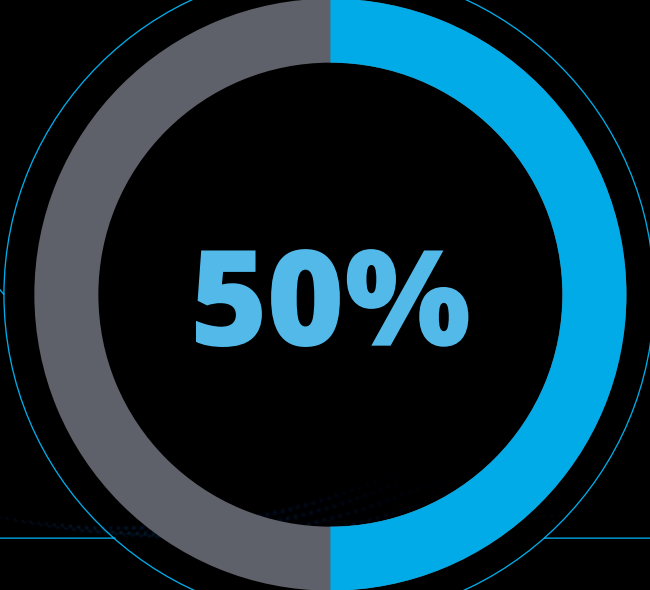
Digital risks: A top TPRM priority, yet underinvestment persists



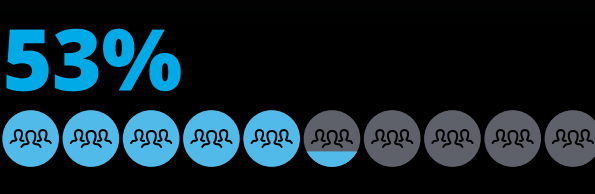
The most commonly reported third party challenges include:



Purpose-driven risks: Demanding responsible business practices in third parties



Cost considerations factor against insourcing



Broken links in the supply chain was only the beginning

While the most negatively affected third-party relationships were in the supply chain, the ripple effects spread beyond it

Greatest industries impacted:



Consumer



Technology, Media & Telecommunications

Most affected



Overseas suppliers of goods and services



Distributors



Retailers



Sales agents



In-country suppliers of goods

Least affected



Globalization, cost-savings, just-in-time lean manufacturing—the rationales for reliance on third parties are reasoned and varied, and will continue to be. But the interdependence so characteristic of third-party relationships requires new vigilance, timely insights, and the tools that can enable organizations to understand and respond with speed and resilience.

Endnote:
¹ Deloitte Touche Tohmatsu Limited, "Extended enterprise risk management survey 2021," September 3, 2021

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

Copyright © 2021 Deloitte Development LLC. All rights reserved.