



OVERVIEW

Seize control of third-party risk with digital technologies

And get the upper hand over competition

A retail giant faces over 90 lawsuits—and losses in the billions—after thieves steal its credit card records. A global company faces an enormous corruption-related regulatory fine of \$3.5 billion due to a foreign bribery case, and brings down several other associated companies, including a petrochemical giant in its wake. Disasters like these, triggered by third parties, are happening more and more often, with terrible consequences.

Today's global enterprises face more risks than ever. These threats come from internal and external sources—employees, suppliers, data breaches, natural disasters, and more. To complicate matters, complex supply chains and more onerous regulations are stretching traditional controls and safeguards to the limit.

Reacting is not enough. Companies need to identify, assess, mitigate, and counter these threats. Only a powerful, integrated, responsive, and proactive third-party risk management (TPRM) framework can deliver on these goals. Genpact's TPRM solution, built on best-in-class digital technology, covers the breadth of potential risks. It's scalable, works faster than traditional risk management methods, and provides visibility and control as it does. It cuts costs and helps predict potential outcomes throughout global operations.

The visibility imperative

Many firms aren't equipped to prevent disasters from happening. And when they do, they can't always limit the losses, often because of shortfalls in their risk management frameworks. These include:

- Too many departments with differing mandates and multiple systems –when no one owns risk management, redundancies, inefficiencies and higher costs result
- Businesses need to dedicate significant manual efforts to collate and analyze increasingly large data sets but have limited industry or process knowledge
- Business processes, such as e-sourcing or payment, fail to integrate appropriate risk management practices
- Nobody conducts periodic framework reviews
- The risk management process fails to factor in changing regulatory requirements
- The company does not give sufficient focus to governance, quality assurance, or reporting
- Fragmented processes make risk management costs too high

Competitive advantage is everything in an interconnected global marketplace. To stay ahead, companies need better visibility into their third-party associates. They need integrated responses that engage multiple stakeholders. In other words, they need a powerful, all-in-one solution that helps them seize control of third-party risk. They need it to be cost effective. And they need it today.

Genpact's end-to-end solution

Genpact's approach to TPRM draws on our Lean DigitalSM methodology to deliver on client goals. It merges leading-edge technologies, design thinking, and classic lean management principles to produce a modular, all-in-one service. The solution, which leverages Genpact's unique digital, analytical, reporting, and risk management expertise, consolidates information from both external and internal data sources.

Our approach builds on our deep domain knowledge to gain visibility on key supplier issues. By deploying smart workflows, fuzzy search logic, automation rules, artificial intelligence and machine learning to clear false positives and only present relevant, concise, actionable insights

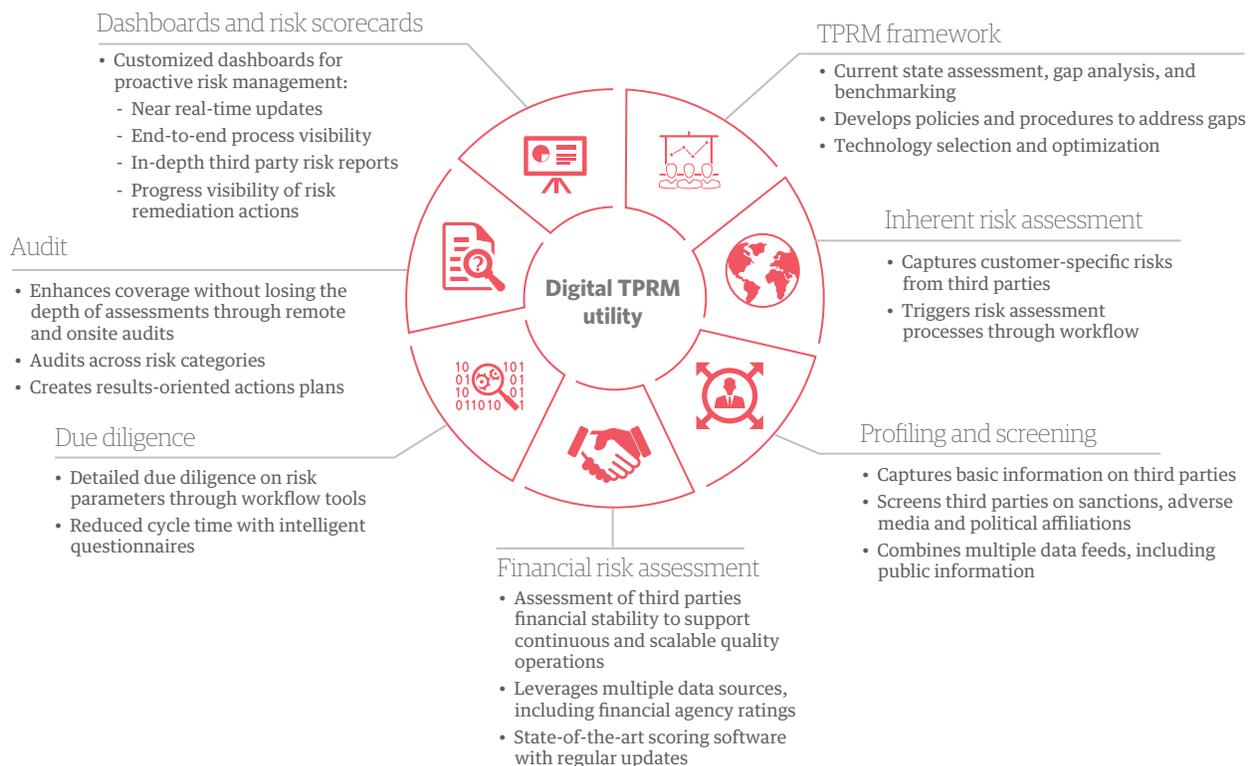


Figure 1: Genpact's end-to-end third-party risk management solution

from true hits to compliance and procurement teams through near real time dashboards. Companies get an unprecedented view of the complexities of third-party risk.

Genpact's TPRM solution offers complete risk coverage over third parties as shown in figure 1.

Best-in-class visibility and control

Third-party risks can damage or even destroy a company.

As businesses work with increasingly more vendors and partners around the world, levels of complexity and risk are rising with no end in sight. That's why successful organizations need a best-in-class TPRM solution.

We have unmatched analytical, reporting, and risk management expertise and have access to leading technologies. Genpact can provide forward-looking enterprises with enhanced visibility, insight, and control. That's critical. Because taking chances is not an option.

CASE STUDY

Ten-fold increase in supplier coverage for a consumer goods major

A \$60 billion global consumer goods company with over 50,000 suppliers from high-risk countries such as Russia, Brazil, and China faced increasingly complex regulatory demands. The reason: with so many third parties, its risk-management program could not cope.

Its existing program only covered direct suppliers, which increased the company's risk exposure. And procurement managers and compliance teams had to spend significant time and resources to identify and manage third party risks.

To solve the problem, Genpact designed a comprehensive third-party-screening framework with ongoing monitoring. We conducted an annual screening for all suppliers across the globe using compliance databases to identify red flags related to sanctions, ABAC, political exposure, and adverse media.

As a result, the company gained a clear understanding of the risks it faced and how to mitigate, reduce, and eliminate them..

CASE STUDY

Eliminating a manufacturer's corrupt suppliers

A footwear and clothing manufacturer with operations in over 150 countries—some, in high-risk territories—couldn't handle the challenges of TPRM. Because the firm had no way of knowing whether the 120,000 third parties in its sphere complied with local regulations, it risked violating anti-corruption laws. To address these concerns, Genpact partnered with LexisNexis to design an end-to-end screening process with built-in data analytics. Genpact also screened the company's existing network of third parties in high-risk territories and flagged for elimination those engaged in questionable activity.

The new framework helped the company pinpoint over two dozen potentially problematic third parties. That greatly reduced the risk of regulatory penalties and safeguarded the enterprise from potentially incalculable damage to its reputation.



About Genpact

Genpact (NYSE: G) is a global professional services firm that makes business transformation real. We drive digital-led innovation and digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes primarily for Global Fortune 500 companies. We think with design, dream in digital, and solve problems with data and analytics. Combining our expertise in end-to-end operations and our AI-based platform, Genpact Cora, we focus on the details - all 87,000+ of us. From New York to New Delhi and more than 25 countries in between, we connect every dot, reimagine every process, and reinvent companies' ways of working. We know that reimagining each step from start to finish creates better business outcomes. Whatever it is, we'll be there with you - accelerating digital transformation to create bold, lasting results - because [transformation happens here](#).

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