

## Time—too much and too little—key roadblock to effective third-party vendor management

MADISON, Wis. (08/18/2010)—More than 90 percent of credit union executives believe vendor management will be a top priority for their CEOs, their third-party auditors and their regulators over the next 24 months.

It's a necessary evil: Federal regulators require credit unions to perform an appropriate level of due diligence on their third-party relationships.

Effective vendor management is about time: Too much and too little of it, according to a recent survey from Abound Resources, a new alliance provider for CUNA Strategic Services. Additional findings are available in the resulting white paper, "The Vendor Management Disconnect: Why Credit Unions Are Unhappy with Their Vendor Management Program" ([http://aboundresources.com/index.asp?p=p\\_vendor\\_mgmt](http://aboundresources.com/index.asp?p=p_vendor_mgmt)).

CFOs, CIOs, COOs and compliance executives who have executive level responsibility for vendor management say they are spending more than a quarter of their own time on vendor management—often on a program that doesn't meet their expectations. A third of those executives are dissatisfied with their programs. The main reasons for their frustration are a lack of time to do what is required; vendors not providing the due diligence documents; and the lack of expertise to evaluate financials and SAS 70s.

"Our job is to dramatically reduce the time credit unions spend on vendor management while providing an objective, repeatable and defensible program that meets or exceeds regulatory guidelines," said Brad Smith, CEO of Abound Resources.

Abound Resources' vmRisk™ module helps credit unions comply with the ongoing risk monitoring regulatory requirement by providing:

- Vendor risk assessments and risk ratings
- Due diligence document gathering, evaluation and scoring
- vmRisk™ reports that highlight areas of concern from vendor due diligence documents and suggest risk mitigation strategies
- vmNotify™ service that updates executives on their vendors' "bad news"
- Integration with CUNA Strategic Services' VendorTrack program
- Compliance guarantee

Smith is the speaker for the upcoming webinar "Six Ways to Save Time and Improve Compliance with Vendor Management," scheduled for 3 p.m. CDT Thursday, Aug. 19, and 10 a.m. CDT Tuesday, Aug. 24. For more information and to register, visit [http://www.cunastrategicservices.com/Abound\\_Resources\\_96.html](http://www.cunastrategicservices.com/Abound_Resources_96.html).

### About Abound Resources

Based in Austin, Texas, Abound Resources Inc. is a vendor-neutral advisory firm that helps credit unions grow, become more efficient and make the right technology decisions. Its flagship product is the vmRiskReport™, which provides an objective review and risk score (similar to a credit score) to highlight concerns and recommend mitigation strategies to lower risk regarding third-party relationships. For more information, contact Kimberly Williams, (512) 351-3703, or [kwilliams@AboundResources.com](mailto:kwilliams@AboundResources.com), or visit [AboundResources.com](http://AboundResources.com).

### About CUNA Strategic Services

CUNA Strategic Services Inc., owned jointly by Credit Union National Association (CUNA) and the state leagues, saved credit unions \$40 million in 2009 through its national pricing programs. It provides credit unions with access to high quality products, services, and technologies delivered with a competitive advantage made possible through volume pricing and strategic program development. For more information, call (800) 356-8010 and press 3, or visit [cunastrategicservices.com](http://cunastrategicservices.com).