

WHY THIRD-PARTY RISK MANAGEMENT MATTERS MORE THAN EVER

*By Bill Fortwangler
Adjunct Faculty and Coach,
Heinz College of Information
Systems and Public Policy*

When it comes to technology and business performance, one truth has become clear: you are only as strong as your weakest vendor.

Third-party risk management isn't just a back-office function anymore. It's a strategic priority. Organizations today rely heavily on suppliers, vendors, and partners—and not just them, but also *their* suppliers. Every one of those relationships carries risk that can affect your customers, your operations, and your reputation.

CUSTOMERS DON'T SEE YOUR VENDORS—THEY SEE YOU

When a vendor fails, your customers don't blame the vendor. They blame you. Whether it's a data breach, an outage, or a performance issue, it's your brand that takes the hit. That's why third-party risk management has become mission-critical.

Cybersecurity threats, business resiliency, and operational performance all depend on vendors meeting expectations. If they fall short, the risk flows directly to your organization.

WHY RISK IS GROWING

There are a few reasons why this issue is more important now than ever:

- **Reliance on external partners.** Companies increasingly buy “best of breed” solutions instead of developing in-house. That means more dependency on external providers.
- **Cyber activity.** Vendors are frequent targets of attacks, and any breach in their environment can expose your customer data or disrupt your services.
- **Business resiliency.** Supply chain disruptions, geopolitical instability, and even vendor acquisitions can quickly impact your operations.

The bottom line: you can't afford to treat vendor oversight as optional or occasional. It has to be built into the way you operate.

MAKE IT STRATEGIC

Third-party risk management should be part of your business culture, not just a compliance exercise. That means:

- Classifying vendors by criticality.
- Monitoring performance and security on an ongoing basis.
- Having an exit strategy if a vendor fails, gets acquired, or no longer meets your needs.

The pandemic made this reality painfully clear. Companies that had resiliency built into their vendor strategy adapted quickly. Those that didn't, struggled.

FINAL THOUGHT

Every organization depends on third parties. The difference between success and failure is how well you manage those relationships.

If you build resiliency, monitor risk continuously, and treat vendor oversight as a strategic function, you protect not just your supply chain—you protect your business.

Contact Info: heinzexeced@cmu.edu



Bill Fortwangler is Executive Vice President and Chief Information Officer at Dollar Bank and an adjunct professor in Carnegie Mellon University's Chief Information and Digital Officer (CIDO) Certificate Program. With more than 30 years of IT leadership experience across financial services, manufacturing, and education, he is known for transforming legacy organizations into proactive, value-driven business partners. Recognized as CIO of the Year by the Pittsburgh Technology Council, Fortwangler brings a pragmatic, people-first approach to leading large-scale technology and culture

change—expertise he now shares with CIDO participants preparing to elevate their own impact as digital leaders.

Learn from leaders like Bill Fortwangler in the **Chief Information and Digital Officer (CIDO)** Executive Education Program at Carnegie Mellon University's Heinz College.

EXPLORE THE PROGRAM ►

Lead the Future of Digital Transformation

Carnegie Mellon University's **Chief Information and Digital Officer (CIDO) Certificate Program** prepares leaders to master the expanded and evolving responsibilities of today's digital-first executive - combining technology leadership with strategy, innovation, and enterprise transformation.

Why Choose CMU's CIDO Program?

- Learn from our **world-renowned experts** in technology and policy (CMU is **ranked #1** in Information & Technology Management).
- Gain the **frameworks and tools to drive digital transformation** across the enterprise.
- Explore cutting-edge topics including **AI, data strategy, cybersecurity**, and emerging technologies.
- Build a powerful **peer network** with experienced executives from diverse industries.
- Position yourself and your organization to **thrive in a rapidly evolving digital economy**.

Elevate your leadership. Expand your impact. Become the digital strategist your organization needs.

Program Logistics



~6 months



Hybrid: virtual modules, plus in-person sessions (mid-session and practicum) in Pittsburgh, with virtual option available



Virtual modules are held in the evenings (4 - 9 p.m. ET), generally on Wednesdays

