**Understanding the significance of Cyber Vendor Risk Management**

With the increase and discovery of new technologies, the world of the internet has seen both waves of advantages and disadvantages. In this state, the rate of cyber crimes has increased rapidly.

**What is vendor risk?**

The risk that is associated with the intervention of third-party vendors and various suppliers of different Information Technology or IT firms and services is known as vendor risk.

**What is vendor risk management?**

The tracking and management of different kinds of risks and cyber crimes associated with the intervention of third-party vendors and IT suppliers are known as vendor risk management or VRM. The primary concern of vendor risk management is to ensure that the third-party, suppliers do not cause any harm or disrupt the overall business structure in terms of financial concern, reputation, overall growth, etc.

Cyber Vendor risk management programs have an extensive plan for the recognition and mitigation of different forms of business disruption such as business uncertainties, legal liabilities, reputational damage, financial loss, etc.

As business firms increase the use of outsourcing, vendor risk management, and third-party risk management become an integral and very important part of any kind of enterprise risk management framework. Business firms are entrusting more of their business processes to third parties and different business partners, so they can focus more on what they do best. This means they must make sure that the third parties are managing all kinds of information security, data security, and cyber security well. The risk of cyber-attacks, data breaches, and spoofing from third-party vendors must be recognized and mitigated.

**Why is vendor risk management needed?**

The third-party vendors and the suppliers that are directly connected with the business organizations have various impacts on the overall growth and reputation of the business infrastructure. Some are positive while many are negative. These vendors can impose serious threats and risks to the overall organization. In this regard, the use of cyber vendor risk management is of utmost importance.

1)Vendor risk management program helps to prevent any sort of data breaching, spoofing, data hijacking, etc of the organization and therefore it helps to maintain the integrity of the business infrastructure.

2)Business firms get protection against all forms of losses, be it financial loss, reputational loss, etc.

3)Legal breaches which are a matter of serious concern are also prevented with the help of a risk management program.

**What is the significance of cyber vendor risk management?**

Cyber risk management program protects the business enterprise from all sorts of cyber threats and risks that are associated with different forms of cyber crimes. The importance of this management program is profound. Below are some of them.

1. Labeling and conveying future risks and threats takes comparatively less time and fewer resources.

2. Responsibilities of both the company and vendor are understood very well and executed in the proper place and the proper frame.

3. The quality of the services offered by the enterprises isn't damaged or degraded.

4. The overall costs are lessened wherever possible.

5. Availability of all the services is overall improved.

6. Business firms can focus more on their functional responsibilities and cater to the needs of the organization.

7. All kinds of operational and financial efficiencies are much more secured with the help of vendor risk management.

8. All the security risks concerning the third-party vendors and the suppliers are significantly reduced and the businesses are protected from all kinds of risks and threats.

**References**

1.<https://www.agilus.ai/why-is-vendor-risk-management-important/>

2.<https://www.upguard.com/blog/vendor-risk-management>

3.<https://www.gartner.com/reviews/market/it-vendor-risk-management>

4.<https://www.csoonline.com/article/3634375/6-steps-for-third-party-cyber-risk-management.html>

5.<https://www.bitsight.com/blog/how-to-develop-a-vendor-cyber-risk-management-framework>

6.<https://www.synopsys.com/glossary/what-is-vendor-risk-management.html>

7.<https://www.onetrust.com/blog/vendor-risk-management/>