Creating a TPRM Budget

In Third Party Risk Management (TPRM), a well-structured budget supports current program needs while planning for future growth. It also demonstrates the value TPRM brings, helping executives see your direction, impact, and return on investment (ROI).

Sample Budget Format

Executive Summary
State the purpose of the budget and connect it to organizational goals.

Value of TPRM Organization
Show how TPRM supports compliance, reputation, and supply chain stability.

Cost Avoidance
Highlight avoided expenses (breaches, fines, disruptions).

Operational Resilience
Demonstrate how critical vendors and operations stay protected.

Return on Investment (ROI)
Compare program costs vs. financial losses prevented.

Budget Breakdown
Provide details by category (tools, staffing, training, etc.).

KPIs & Metrics
Show measurable outcomes like lower incidents or improved risk scores.

Risk Assessment & Mitigation
Note program risks (budget/resource gaps) and plans to address them.

Multi-Year Budget Forecast
IHighlight areas for future investment (automation, AI, added staff).

Conclusion
Reinforce TPRM's value and link the request to strategic objectives.

TPRA Third Party Risk Association