

The Art of War:

Applying Historic Strategic Insights to
Fortify Your TPRM Program

Jonathan Ehret





About the Speaker

Jon Ehret is Vice President of Customer Enablement for RiskRecon, a Mastercard company. Jon brings 20+ years of experience in technology and risk, including extensive experience building, maturing and running third party risk programs in both the finance and healthcare industries.

Before joining RiskRecon, Jon built and lead the third-party risk program for BlueCross BlueShield of WNY and also served as President and Co-founder of the Third Party Risk Association, an international professional association of third party risk practitioners and vendors.

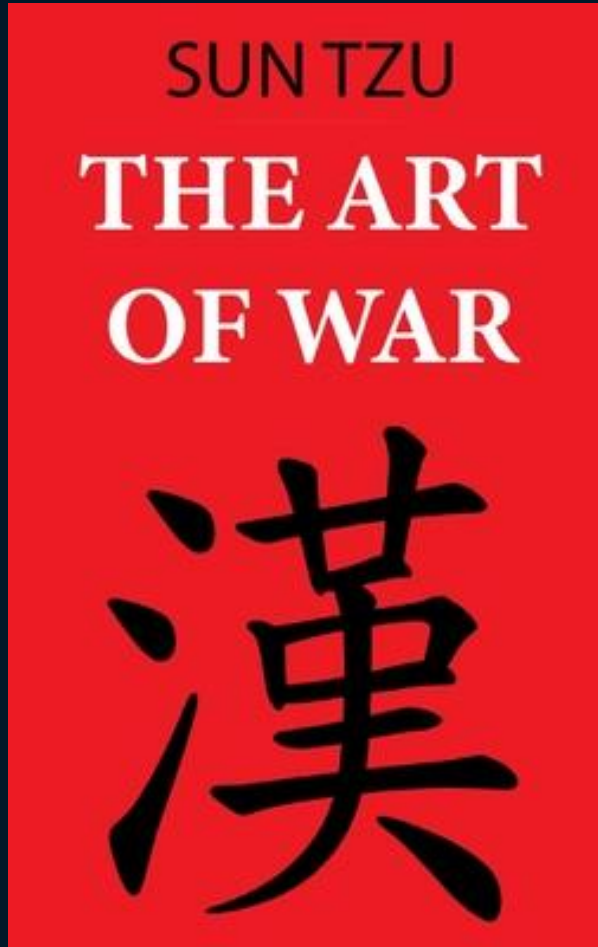
The World We Live In

- For millennia, battles were traditionally fought on the physical battlefield
- Battles are increasingly being fought in cyber space.
- The combatants are no longer always nation vs nation.
 - Increasingly it is nation state vs corporation
- TPRM practitioners, while not offensive in nature, play a key role in ensuring that strong fortresses have been implemented to protect our crown jewels when they leave our castle.

Like it or not, you are part of the war



What is The Art of War?



- Ancient Chinese military strategy treatise dating back to the 5th Century BC.
- Attributed to Chinese military strategist Sun Tzu
- Standard reading in military academies and many business schools.
- Addresses topics across thirteen different strategy topics

Let's look at how we can utilize lessons learned from the physical battlefield and apply them to our TPRM programs fighting in the cyber battlefield.

Art of War Quotes

*“If you know the **vendor’s controls** and know **your controls**, you need not fear the result of a hundred **relationships**. If you know **your controls** but not the **vendor’s**, for every **secure engagement** you will also **have and insecure one**. If you know neither the **vendor** nor yourself, you will succumb in every **relationship**.”*

– Jon Ehret

Classic Battlefield Warfare – Volley Fire Warfare



- Soldiers shoot in the same direction in masse.
- Once the front line of shooters fires, they step to the back and are replaced by the next line while they reload
- Used as early as 2nd century BC with crossbows, eventually with muskets and flint-lock rifles



Volley Fire Warfare Assessment

- Effective method with large number of troops and opposition fighting in similar fashion.
 - Quantity vs quality
 - Resulted in high casualty rates
 - Examples:
 - Gettysburg – 3 days (Union only): 23,000
 - Antietam – 1 day (Union only): 12,000
- Eventually became completely ineffective with the invention of automatic weapons and more precise firearms.



TPRM Lesson – Volley Fire Approach

Episodic Questionnaire Assessments



- Blindly sending out questionnaires is resource intensive/wasteful
- Doesn't always address current risk areas – point in time
- Doesn't make use of intelligence
- Just doing what we have always done!

High Risk



Medium Risk



Low Risk



Art of War Quotes

“Victorious *companies assess* first, then *sign contracts*, while
defeated *companies sign contracts* first and then seek to *assess*”

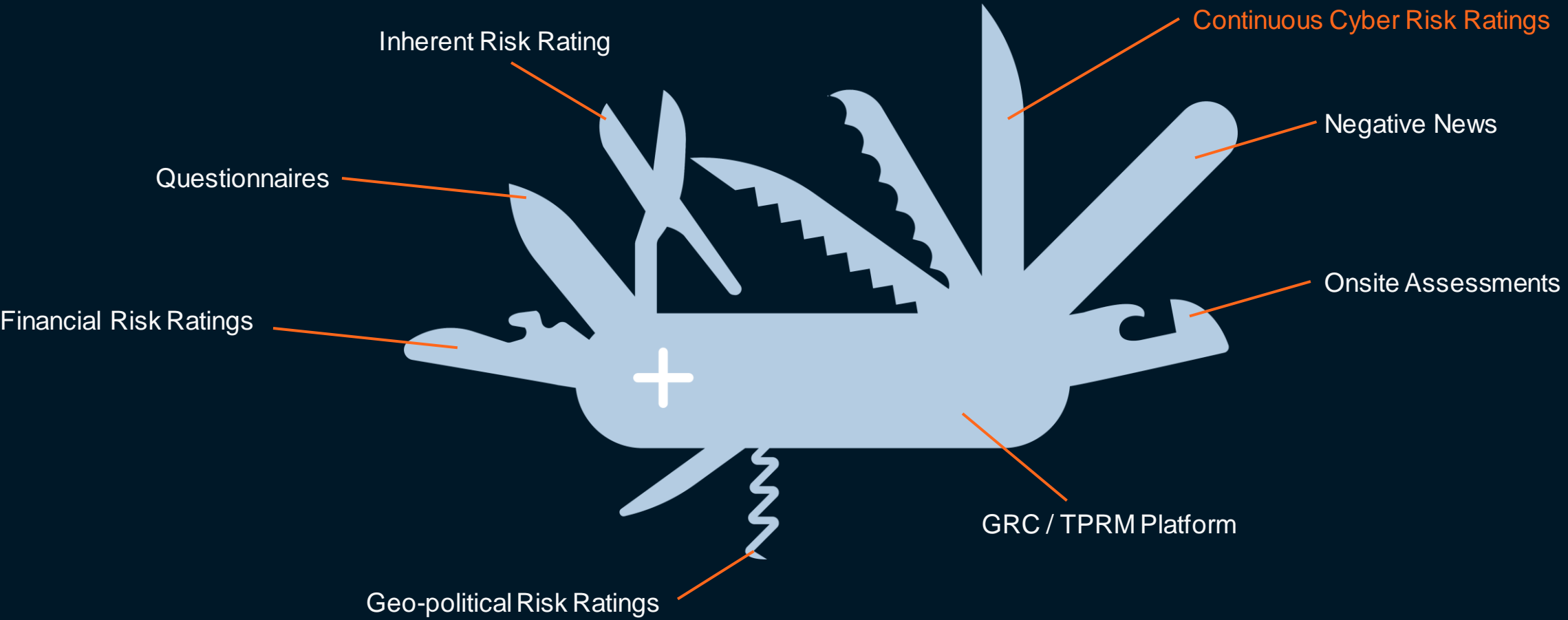
– Jon Ehret

Modern Battlefield Warfare – Strategy and Intelligence

- Utilize variety of intelligence streams to pinpoint targets
- Precision-based vs brute force
 - Less likely to waste resources
 - Smaller, more mobile groups of forces utilized
- With a variety of tools at the disposal, ability to pick the best possible tool for the job
 - Results in lower casualty rates
 - Examples:
 - Operation Desert Storm/Shield – 42 days (US Only): 606
 - Global War on Terror – 20 years (US Only) 57,430
 - Vietnam – 19 years (US only): 362k



Building TPRM Programs - Strategy and Intelligence



Utilizing Strategy and Intelligence

- Efficient use of TPRM resources
 - No longer doing what we always did
 - Able to put resources into areas where risk is the highest at any point in time
- Gain a more holistic view of vendor risk
- Gain some predictive capabilities
- Bring better ROI to your TPRM program



Art of War Quotes

*“He who wishes to **outsource** must first count the **risk**”*

– Jon Ehret

THE COST OF WAR



The Cost of War – TPRM

- Questionnaire fatigue is real
 - As TPRM programs expand in various verticals, vendors are answering more and more questionnaires
 - The quality of the responses sometimes suffers
- TPRM teams are getting burned out
 - Understaffed teams assessing more and more vendors
 - If applying the “volley fire” method of assessment, it’s unsustainable and not focusing on what matters
- If both above occur, we may be putting our companies at risk.
 - Unidentified or missed risks



Art of War Quotes

“Assess the vendor, and learn the principle of their controls or lack there of. Force the vendor to reveal themselves, so as to identify their risks.”

– Jon Ehret

Learn From History – Intelligence is Only Good if you Use It

- The Japanese attack on Pearl Harbor
 - Inadequate information sharing between the Navy and the US Army Air Force
 - Each service had a different responsibility with little collaboration
 - Classification of some intelligence meant that it couldn't be shared
 - The Navy wasn't allowed to share their knowledge of the Japanese fleet
 - As a result, the US Army Air Force anti-aircraft weapons weren't prepared
 - Radar captured the approaching air invasion, but it was assumed to be US bombers arriving even though the radar signature was much too big to be the US planes
 - Initial sightings of Japanese submarines were ignored



Learn From History - Application to TPRM

- If you are still doing only a “volley fire” assessment, you are wasting your time and resources
 - Potentially missing risks that can impact operations
- Use intelligence provided by various tools to prioritize resources to where risk is
 - Gain the ability to address changes in risk as they happen
 - Better utilization of resources
 - Better prepare yourself against bad actors
- **BUT** having intelligence about your vendor is only good if you utilize it
 - Avoid check the box compliance assessments

Those that fail to learn from history are doomed to repeat it.

- Winston Churchill

Questions?

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