Third-party risk management (TPRM) programs serve a wide variety of business needs. From vetting data processors to managing a growing list of cloud software providers, TPRM teams are searching for ways to simplify the due diligence process while sharpening their ability to identify cyber risk. The FICO® Cyber Risk Score can help.

As TPRM programs become increasingly mature and influential within an organization, there are scalability constraints that must be removed. This is why FICO developed the Cyber Risk Score, to help you better manage a growing list of vendors by employing more automated processes and delivering the most accurate cyber risk measures, all backed by a recognized leader in risk quantification.

Cyber risk quantification is vital to TPRM. To be effective, risk scores must meet four key criteria:

- The assessment must be predictive, a forward-looking indicator of risk, rather than simply a current state assessment.
- The predictive score must be accurate. The credibility of the TPRM program is directly related to the ability to correctly assess third-parties based on relative risk.
- The model used to produce the score must be empirical, meaning it is based on fact rather than opinion-based criteria.
- The score must provide continual assurance. Basing business decisions on outdated information can easily undermine the efforts of an otherwise strong program.
An Evidence-Based Approach

The FICO® Cyber Risk Score provides an empirical assessment of the network assets and organizational behaviors that define the security posture of any organization. By continually monitoring the risk indicators of third parties, at internet scale, the FICO Cyber Risk Score provides a current assessment of risk while removing the burden of maintaining static vendor security surveys.

The data behind the Cyber Risk Score contains more than five years of internet-scale risk indicators, including pre- and post-breach details from global security incidents. This data is continually sourced to reflect the current security landscape. Machine learning is employed to discover relationships between evidence and known outcomes in order to produce a security score that is a data-driven, not opinion-based, assessment of risk.

Demonstrating Third-Party Risk Management

You can rely on the FICO Cyber Risk Score to vet and monitor third parties as well as demonstrate the effectiveness of your risk management controls. The scores can be segmented, benchmarked and shared with partners to collaborate on process improvements. The efficacy of each partner’s score can be evaluated and the network assets supporting the score can be reviewed and modified in real time via a self-service portal. Unlike other forms of security ratings, there’s no need to wait 12 months for an ombudsman to make the necessary data corrections.

From a technical perspective, the FICO Cyber Risk Score offers a dynamic range of 24x. On a scale of 300–850 this dynamic range indicates that an organization receiving a score of 300 is 24 times more likely to suffer a data breach over the subsequent 12 months than an organization receiving a score of 850. This clear separation of risk allows triaging of third-party relationships and represents the greatest level of accuracy in the security ratings market.

Fourth-Party Insight

Your suppliers have suppliers as well. Their risks can become your risks very quickly in the event of a breach. When you use the FICO Cyber Risk Score to assess the risk of your third-parties, you will also gain a view into the third-parties of your third-parties (i.e., fourth-parties). FICO provides insight into the technology supply chain of your third-parties, so you can assess concentrations of risk where many of your suppliers may be dependent upon the same high-risk fourth parties.

Getting Started

The FICO® Cyber Risk Score is a cloud solution that does not require the installation of new software. Once the vetting and credentialing processes are complete, it takes just minutes to begin creating a custom view of your third-party organizations. To get started, you can assess the cyber risk of your own organization by registering for a free account at http://cyberscore.fico.com.