



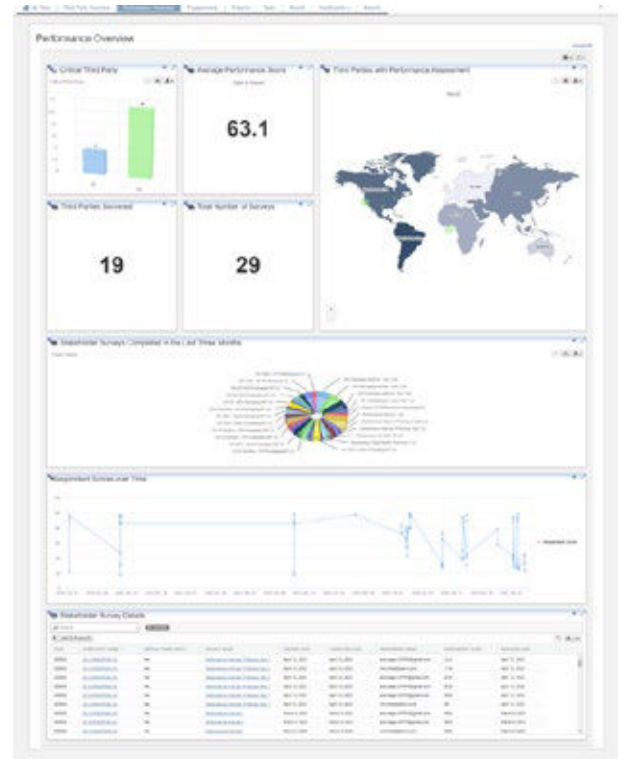
From Aravo

Performance Management Application

Tracking Third-Party Performance Management for Organizational Resilience

Businesses across industries depend on third parties to extend their market reach, deliver products and services, create market advantage, and improve their performance. Virtually all businesses depend on partnerships and external relationships to make their own businesses run better. The degree to which a business and its third parties are integrated often determines whether it can deliver critical services to its customers, maintain consistent operations, and if it succeeds. Assurance that a critical third party performs as needed is indispensable for businesses today.

At Aravo, the lifecycle of a third-party engagement can be optimized from onboarding, assessment, validation, performance monitoring, and offboarding. This delivers confidence that your business can rely on and adapt to third-party performance. Through active monitoring and capturing crucial data on individual third-party performance, you can better anticipate risks, plan for potential issues, proactively resolve concerns, and ensure sustained organizational resiliency. When third-party timeliness, quality, and confidence are critical to your business, Aravo offers assurances.





Third-Party Performance Assessments Drive Proactive Business Strategies

Aravo's Performance Management Application provides the tools to collect, measure, analyze, and report on supplier-related key performance indicators (KPIs) in one centralized, standardized system. It complements TPRM functionality to deliver a complete supplier lifecycle management solution and seamlessly integrates into Aravo's market leading TPRM platform.

Designed to simplify and enable assessments and monitoring of relevant third-party performance, customers can proactively plan for potential delivery lapses, strategize to compensate for anticipated service misses, and augment controls and options prior to issues arising. With an ability to actively evaluate the engagement, both parties can improve supplier visibility, enhance processes, and build long term collaborative engagements.

Risks associated with third-party delivery assurances are top of mind for many businesses, up and down the value chain. Active performance management executed through the Aravo solution, can allow businesses the flexibility to adapt when risks increase and optimize their value chains as needed.

The Aravo Performance Management Application captures performance indicators through multiple available channels, creating a three-dimensional evaluation of a third-party's performance.

These include:

- **Stakeholder Surveys:** Aravo customers can periodically survey internal and external stakeholders across the extended enterprise that engage with a third party to collect, aggregate, and score that third party's performance through a centralized and consistent methodology.
- **Contract Performance Assessments:** An active evaluation of third-party performance contrasted against Service Level Agreements (SLAs) defined in the third-party's agreements and contracts. This may also involve configuring pre-defined service attributes, spend management criteria, and contract lifecycle management.
- **Customer Defined Assessments:** Designed directly by customers, CDAs can include project, third-party, location, and delivery-specific questions. Each CDA can be evaluated and measured based on customer scoring and weighting models and tracked over time to evaluate third-party performance trends.

This data creates aggregate scores that represent a third party's performance and indicators of potential issues, supply disruptions, and needs for corrective actions. Aravo customers can contextually evaluate the third party's relative performance and associated risk factors to define issues and corrective actions required.

In a Risky World, Proactive Performance Assessments Help Businesses Succeed

Third-party risks are defined by multiple factors, including the type of engagement, the value of the engagement, the location, industry, and history of the third-party provider. Companies that work with third parties are expected to pursue a risk-based approach, keeping a careful eye on those third parties that represent higher risks. An agile TPRM program necessitates resiliency planning for when issues arise. Proactive performance evaluation and management, as executed through Aravo's Performance Management Application, empowers companies to deliver agile and resilient TPRM programs.

Ready to learn more? Have any questions? Our experts are on hand to help you on your TPRM improvement journey.

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