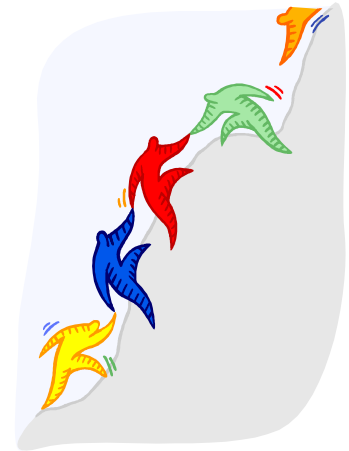


Disclaimer

- The materials provided in this presentation and any comments or information provided by the presenter are for educational purposes only and nothing conveyed or provided should be considered legal, accounting or tax advice.
- Please contact your own attorney, accountant or tax professional with any specific questions you have related to the information provided that are of legal, accounting or tax nature.

Connect the Dots

- Why vendor management plays a key role:
 - Agreements include data & lifecycle orientation
 - Agreements provide framework for data
 - Agreements protect against risk & provide controls
- Critical to:
 - Identify what type of data is in scope of the agreement
 - What laws and regulations apply
 - What risk mitigation and contractual provisions are necessary based on technology & business model
- Partner with Law, IT & Business:
 - Templates for Agreements and provisions
 - Understand business model and IT
 - Align your processes with these groups



What's the Path?

Information Life-cycle part of Vendor Management

What Type of Data is in Scope for the Agreement?

- Data Identification/Classification/Ownership
 - Type of Data? Proprietary or Personally Identifiable Information of Individuals? Is health information included?
 - Who owns the data?
 - Is the vendor Creating, or Collecting information?

What protections are afforded?

- Access & Security Controls
 - What is the protection needed for the data?
 - Legal requirements? Just US laws/regs?
 - Do the requirements conform with internal policy?
 - Is a risk assessment/due diligence required?



Importance of Agreement/Due Diligence

Things to consider:

- Privacy & security of data
 - Require the vendor and their service providers to comply with security and privacy requirements.
 - Limit use & access to data- don't forget physical security & structure.
 - Put in applicable Confidentiality requirements, Business Associate Agreements, & Security addendums based on type of data & law.
 - Cloud Provider must provide intrusion detection, data leakage & other protections; Must warrant against malicious code.
 - Audit provisions- have ability to review their controls.
- Indemnification/Limitation of Liability
 - Indemnification for intellectual property considerations.
 - Make sure provisions provide carve out for breach of data.
 - Understand risk to data being compromised -Provide for third party claims and operational aspects of breach.

Importance of Agreement/Due Diligence

Things to consider:

- Consider ownership of data
 - Intellectual Property, rights if modifications made to code, escrow and interaction with other licensed applications.
 - If custom code is created, who owns such code? Do you want to own?
 - Open source software Agreement? part of delivery?
 - Who is the custodian of the record?
 - Work made for hire? Who is inventor?
 - License or Assignment?
 - Will content become public? Will the vendor receive a license to data?
- Representations & Warrantee considerations:
 - Where or how the services are performed.
 - Quality of the individuals performing the services.
 - Reliability on technology & ownership of IP.

What's is the Path?

Information Life-cycle part of Vendor Management

What is the location of the Data?

- Location of Data/Data Discovery
 - Who is storing or retaining the data? Hosted provider? On-premise or cloud?
 - Who is the hosting service/back-up provider?
 - What is the downtime or interruption of hosting services?
 - How quickly is support provided? Maintenance?
 - Where is the data located physically or in transit? What country?



Importance of Agreement/Due Diligence

Things to consider:

- Location of data
 - Limit geographic location of where data is stored and processed.
 - Restrict location of data based on your company's requirements and risk appetite.
 - Understand legal requirements with location of data.
 - Don't let the vendor move the data at will- have control, get say.
 - Consider what happens if assignment, legal action or bankruptcy.
- Control the data and modifications
 - Many agreements note they can change provisions at any time without advance notice- don't allow this!
- Stability of services: Make sure the SLA is clear and consider the hosted provider if applicable.

What's is the Path?

Information Life-cycle part of Vendor Management

What is the Retention, Back-up and Disaster Recovery plan & process?

- What is the retention of the data?
 - What is the purge, deletion and return cycle?
- Business Continuity Management/Risk Mitigation
 - What is the back-up, recovery of the data?



Importance of Agreement/Due Diligence

Things to consider:

- Retention & Retrieval of Data
 - Can you retrieve your data at any time?
 - How long is the data retained prior to deletion?
 - Can you apply company purge and retention requirements?
 - What happens under assignment or bankruptcy?
- Term & Renewal
 - Based on liability and change in data – is the term appropriate?
 - Is there a process to review arrangement prior to renewal?
- Effect of Termination- Timing
 - How do you retrieve data? What is the form/format?
 - How long do they retain prior to deletion? Do they provide certification of deletion?

Understand & Move with the change

Understand the impacts to changes in privacy & technology on Procurement:

- Know the impacts to CRM, IT, Legal, Procurement, Business and Privacy
 - Alignment is crucial & law must manage information & privacy risks
- Update disclosures and information collection & use practices
- Know if there is global influence on requirements
- “Business” may become an IT knowledge worker or owner of IT
- Understand what delivery models are important- the cloud
- Know the type and path of the data
- Be transparent and apply privacy at all stages
- Identify the risks and discuss the risks with business
- Remember – you are an important part of the picture!

