



DRI 2024 – New Orleans March 3-6, 2024

ACP – Old Dominion Chapter Meeting

March 14, 2024

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Presented by Kathy Scourby CBCP, KNS Consulting

DRI SESSIONS ATTENDED

Interesting General Session/Keynote Presentations Attended:

- Resilience in Crisis – Lessons from former FEMA Director Craig Fugate
- Leading Resilient Organizations in a Changing Climate – Lolita Jackson (formerly worked in NYC Mayor's Office and was a survivor of both NYC World Trade Center Attacks)

Interesting Breakout Sessions:

- Unveiling the Crucial Role of Third -Party Management
- Business Continuity in a Hybrid World (New York Times)
- Advantages and Adversity of Artificial Intelligence
- Artificial Intelligence Toolkit



UNVEILING THE CRUCIAL ROLE OF THIRD- PARTY RISK MANAGEMENT

Connection between Business Continuity & Third-Party Risk:

- Critical Business Operations
- Business Processes
- Business Products
- Business Services

Third Party Dependencies: 73% of organizations reported a high level of dependencies on third parties*
(2022 Survey conducted by Deloitte)

➡ Expected to increase to **88%** in coming years

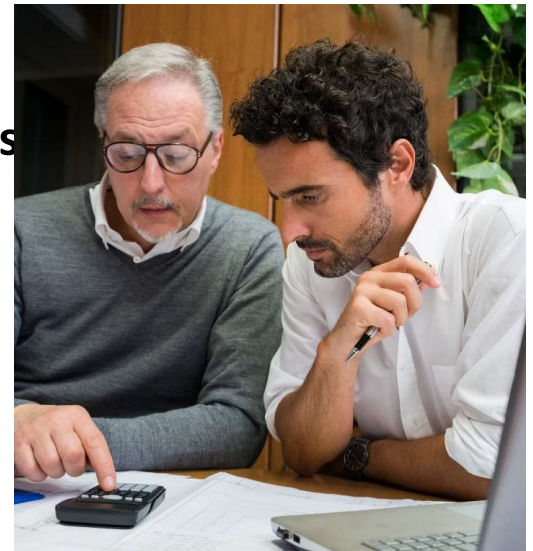
- Regulations:
- DORA
- CPS 230



UNVEILING THE CRUCIAL ROLE OF THIRD- PARTY RISK MANAGEMENT

BEST PRACTICES FOR VENDOR RISK MANAGEMENT:

- ✓ Know your Third Parties
- ✓ Continuous vendor monitoring in between assessment cycles
- ✓ Perform scenario testing
- ✓ Visibility into supply chains supporting critical products and services
- ✓ Develop strong relationships with critical vendors
- ✓ Practice sustainability and ESG considerations
- ✓ Ownership shared across the enterprise



UNVEILING THE CRUCIAL ROLE OF THIRD- PARTY RISK MANAGEMENT

BEST PRACTICES FOR VENDOR RISK MANAGEMENT:

- ✓ Deep dive identification and analysis of sole, single and specialized sourced vendors, suppliers and contractors
- ✓ Ensure appropriate investment and staffing
- ✓ Offboarding diligence and rigor
- ✓ Must leverage technology
- ✓ Top-tier Quarterly Business reviews
- ✓ Trust but verify



BUSINESS CONTINUITY IN A HYBRID WORLD - NEW YORK TIMES

BUSINESS CONTINUITY PROGRAM REVAMP FOR A PERMANENTLY HYBRID WORKFORCE:

- ✓ Review of Program Analysis for gaps
- ✓ Actions, Benefits and adaptations
(Facilities and critical personnel)
- ✓ Engagement and Awareness – People Resiliency
- ✓ Testing and Exercising
- ✓ Third Party Risk Management
- ✓ Data Aggregation and Reporting/Financials



BUSINESS CONTINUITY IN A HYBRID WORLD - NEW YORK TIMES

BUSINESS CONTINUITY PROGRAM REVAMP FOR A PERMANENTLY HYBRID WORKFORCE

Ongoing Challenges:

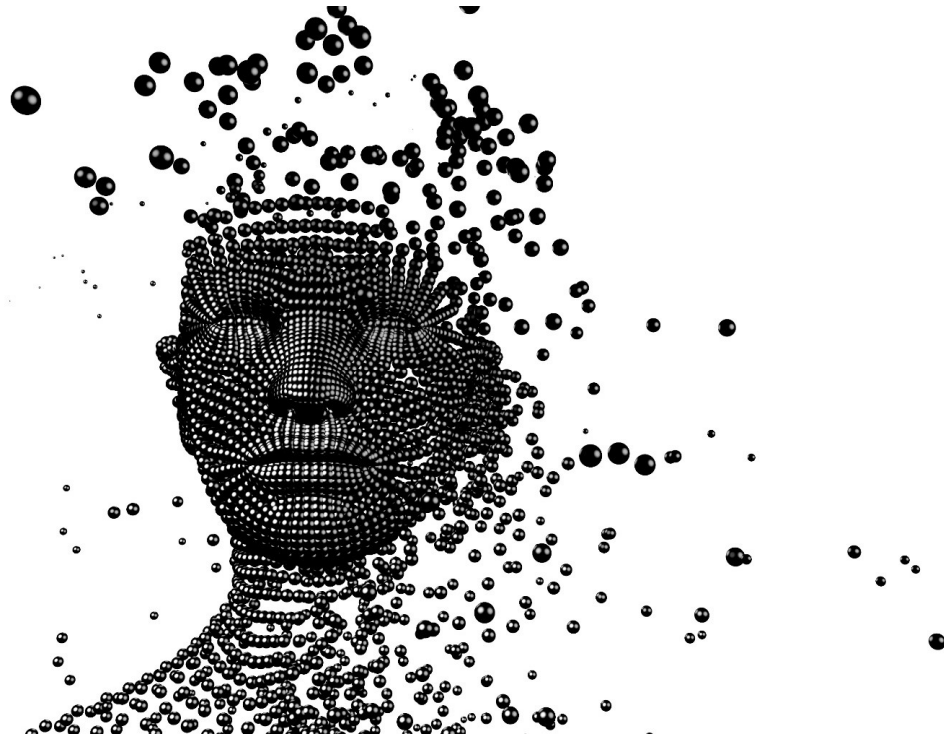
- ✓ Measurement/Metrics
- ✓ Exponential Third Party Risk Growth
- ✓ Risk Over Distributed Footprint
- ✓ At-Home Equipment Updates
- ✓ At-Home Elements not in NYT Control
- ✓ Education and Evolution of Stakeholders, Policies and Procedures



ADVANTAGES AND ADVERSITIES OF ARTIFICIAL INTELLIGENCE

FOCUS ON AI FROM A RISK AND RESILIENCE PERSPECTIVE:

- ✓ Artificial Intelligence
- ✓ Deep Fake
- ✓ Computer Vision
- ✓ Machine Learning
- ✓ Bias
- ✓ Ethics



ADVANTAGES AND ADVERSITIES OF ARTIFICIAL INTELLIGENCE

Top 10 Questions to Ask Before Adopting AI in your Organization

1. **Do you have a fundamental understanding** of how AI works, including its training, limitations, and potential risks?
2. **Have you identified and prioritized** specific emergency management/resiliency/risk tasks and organizational processes that AI could enhance?
3. **Do the identified AI uses align** with organizational governance structures, standards, organization and community values (employees and customers), and risk frameworks?
4. **Are data protection and privacy policies** in place, especially for sensitive data?
5. **Can you audit the AI tool's outputs** for biases and risks, and are you prepared to take responsibility for these outputs?

ADVANTAGES AND ADVERSITIES OF ARTIFICIAL INTELLIGENCE

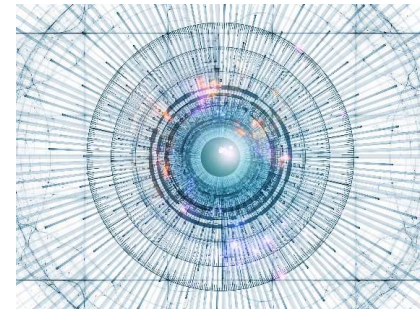
Top 10 Questions to Ask Before Adopting AI in your Organization continued...

1. **Does your organization have** in-house skills and allocated resources for AI initiatives?
2. **Are training resources available**, and are employees adequately prepared to use AI tools effectively?
3. **Is there organizational transparency** and trust concerning the AI's processes and outputs, both internally and in the community?
4. **Have you considered the initial and ongoing costs** of the AI tool? Is the cost fixed or scaled with use?
5. **Have you envisaged potential crises** that could arise from AI utilization, and is there a robust crisis response plan to address AI-induced challenges?

ADVANTAGES AND ADVERSITIES OF ARTIFICIAL INTELLIGENCE

FUTURE TRENDS:

- 1. CYBERSECURITY IS THE TOP PRIORITY BY A WIDE MARGIN**
- 2. ARTIFICIAL INTELLIGENCE IS AN EMERGING RISK WITH SIGNIFICANT GAPS IN ORGANIZATIONAL PREPAREDNESS AND INTERNAL**
- 3. HOW WE POWER ARTIFICIAL INTELLIGENCE TO PREVENT STRESS ON EXISTING ENERGY INFRASTRUCTURE**
- 4. THE TALENT GAP IN IT IS A GROWING CONCERN**



ARTIFICIAL INTELLIGENCE TOOLKIT

EMERGING AI THREAT LANDSCAPE

- Deep Fakes

EVOLVING REGULATORY LANDSCAPE

- EU AI Act
- Biden's Executive Order

BUILDING AWARENESS AND CAPABILITY





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