


Quick Guide to: Vendor Tiering

If everything is a priority, nothing actually is, which is a risk in itself.


Vendor tiering is the strategic process of grouping vendors by their inherent risk and business criticality, ensuring risk management effort is focused, proportionate, and defensible.

Why tier vendors




Focused risk management

Focus where it matters by applying greater scrutiny to the highest-risk vendors, rather than treating every one the same. A risk-based approach reduces oversight fatigue and limits reactive firefighting.




Resource efficiency

Tiering eliminates unnecessary work by scaling due diligence. Apply rigorous controls to critical vendors and reduce assessment depth for lower-risk vendors.




Improved business continuity

Prioritizing critical vendors improves resilience by reducing risk where it matters most. A Tier 1 failure is catastrophic, whereas a Tier 5 failure is minor. Tiering enables proportionate, risk-based expectations.



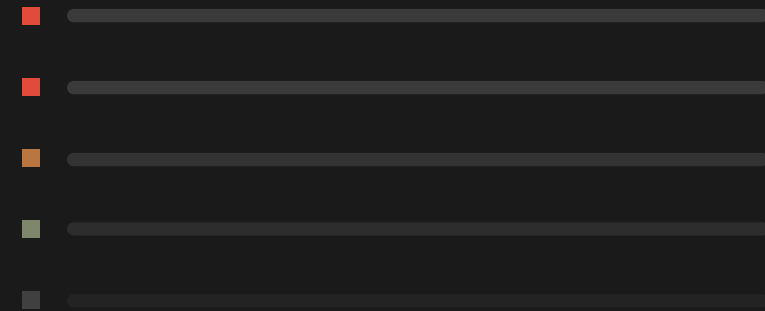
Compliance assurance

Tiering provides a defensible, risk-based approach to third-party oversight, helping organizations meet regulatory expectations. Frameworks like NIST CSF and ISO 27001 emphasize prioritizing controls based on risk rather than uniformity.



Business and brand protection

Vendor tiering strengthens your third-party risk program's defensibility. It shows auditors, customers, and stakeholders that you manage vendor risks rationally, demonstrating maturity and strong governance.




The 5-tier framework at a glance

Tier	Inherent Risk Score	Scoring Logic	Assessment Frequency	Continuous Monitoring
● Tier 1: Critical	80–100	Mission-critical with direct access to sensitive data and systems. Failure is catastrophic with no manual workarounds.	Onboarding & every 6–12 mos.	Required
● Tier 2: High-Risk	65–79	High exposure, handling PHI/PII or significant business processes. Essential with significant inherent risk/compliance impact.	Onboarding & annually.	Required
● Tier 3: Medium	45–64	Moderate access to internal-only data. Important but replaceable.	Onboarding & every 2 years.	Recommended
● Tier 4: Low-Risk	25–44	Limited scope, with no sensitive data or system access. Non-essential and replaceable.	Onboarding & every 3 years.	Recommended
● Tier 5: Transactional	0–24	Ad-hoc, one-time use with no system or data access. Easily dispensable with minor impact if failures occur.	Onboarding only.	Optional

Build your resilient TPCRM program today

This 1-pager is just the starting point. To build a mature program, you need to know how to weight your scores, when to trigger critical overrides, and what specific questions to ask during intake. The eBook is how you execute theory into functional defensibility.



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