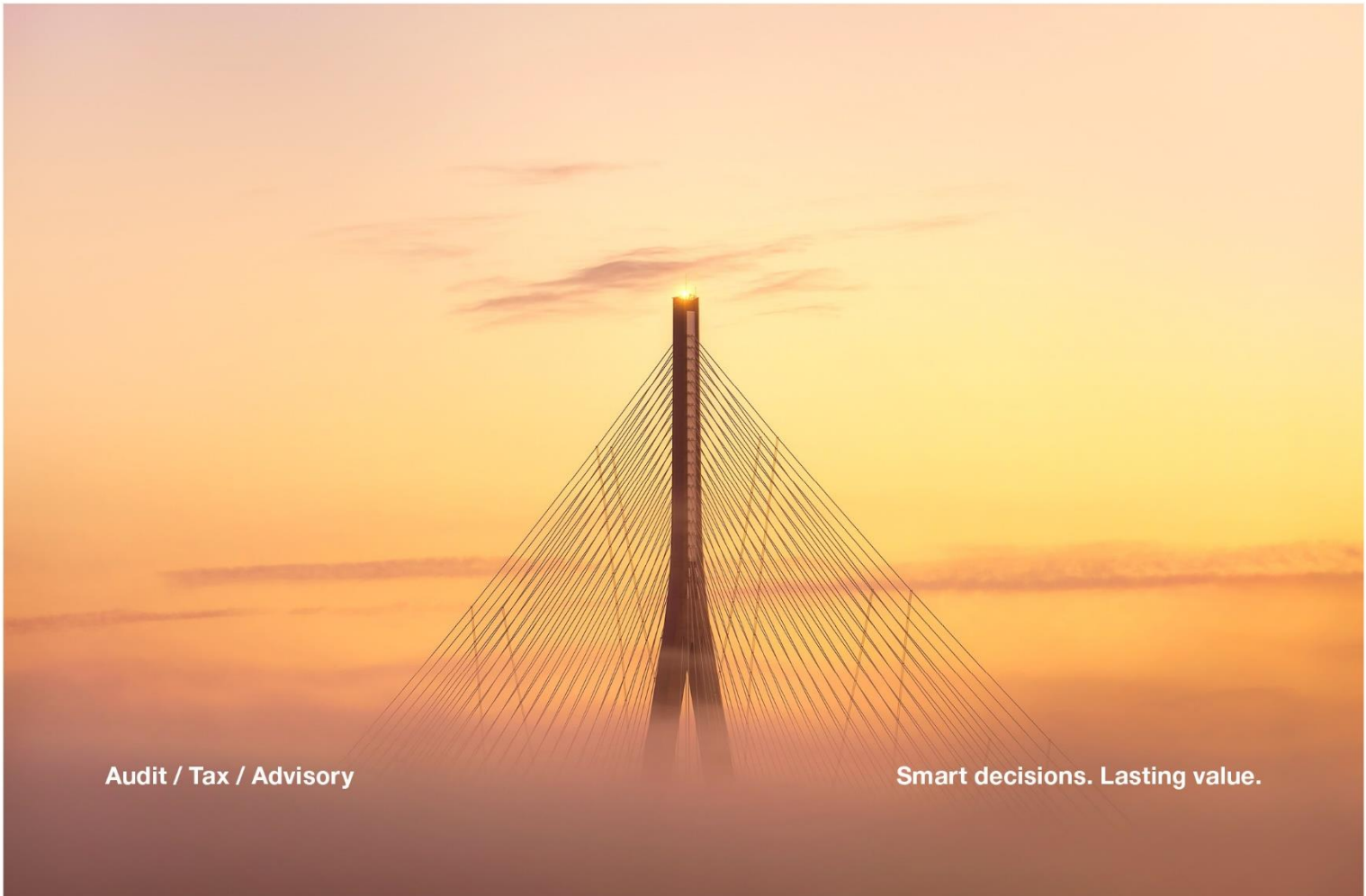




# Third party Risk - Hotels



Audit / Tax / Advisory

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## What is Third Party Risk?

As hotel operations transform, multiple entities are part of the ultimate service provided by hotels to their guests. This increasing inter-linkage creates third party risk for the hotel. Third party risks can be commercial, operational, technology related, IP related. An unsavoury risk event can lead to loss of business and reputation, and carry financial implication.

## What are the Key Risks?

*Commercial and Operational Risks:* These mainly revolve around

- Quality
- Continuity and longevity
- Compliances, including ethics compliance
- Competitive Advantage – its gain, or loss.

*Technology risks:* These involve

- Data security and compliance
- Data integrity
- Data mining and analytics
- Tech availability and quality.

## Who can cause the Risk?

The Risks can arise from any third party within your business ecosystem, on whom your hotel is reliant to provide a product or service. Mainly these will comprise

- a. Product Vendors – daily use products such as perishables and food stuff; brand standard items; imports; all other products; centralized contract vendors
- b. Service Vendors – daily use services such as security, housekeeping, contract staff, laundry, car rentals; tech services such as internet, data security, and tech platforms; marketing and sales; PR & communications management; cluster services; back-office support; banking
- c. Asset related services – maintenance & upkeep; on-going contracts for asset supply and for construction, replacement and renovation; insurance; value protection
- d. Operator and Management company – matters other than typical asset management at hotels
- e. Technology Risks can arise from all players within your hotel's ecosystem, who are connected with the hotel's tech systems and needs – including phones, tablets and individual instruments used by hotel managers and staff.

## What are the GRC needs and benefits?

*Needs:* Awareness; Identification and analysis; Mitigation; Sustained effort.

*Gains:* Business sustainability; minimised and better managed crises; enhanced shareholder value.

Seemingly straight-forward, the needs are seldom recognized and acted upon. Effective management Third Party Risk is not a one-time effort; it needs a sustained program towards identification, evaluation, prevention and mitigation.

## Crowe Third Party Risk Services

Our specialised teams can help

- a. Identify and assess your third party risk
- b. Develop mitigation measures, for one-time correction and for sustained implementation
- c. Support one-time and sustained implementation

## About Crowe India

Crowe Advisory Services (India) LLP provides Risk Advisory, Corporate Finance, Taxation, Business Advisory, Digital Security Consulting, Data Sciences and Business Process Outsourcing services. We have offices in eight cities in India.

We are a member of Crowe Global, the eighth largest accounting and consulting network worldwide, with 765 offices across 146 countries.

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