

Vendor Site Visits: When, Why, and Examples

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We all know the due diligence process can be a bit tedious and time-consuming. Still, it's an absolute must before **onboarding** and monitoring your vendors. The due diligence process generally involves collecting and reviewing vendor information based on the vendor's inherent risk.

Virtual or on-site visits may also be part of your due diligence process and can be especially valuable when you're dealing with **critical or high-risk vendors**. Site visits may seem like yet another task to add to your endless to-do list, but they can play an important role in your due diligence process and your overall third-party risk management program.

What a Vendor Site Visit Is and Why It's Necessary

A **vendor site visit** is essentially an opportunity to check in on your critical or high-risk vendors and get a point-in-time assessment of their risk management practices. It's important to note that a site visit isn't intended to be a surprise inspection focusing solely on a vendor's issues. Rather, it's a scheduled event requiring proper planning and coordination between the vendor and your organization.

Whether site visits are conducted virtually or in person, they can reveal useful information about the vendor that might not be discovered through regular document collection. They also open the door for more genuine and trustworthy relationships with your vendors.



Types of Situations That May Require a Vendor Site Visit

Now that you understand the basics of a vendor site visit, you might wonder when a site visit would need to be conducted. How can your organization benefit by visiting a vendor virtually or in person?

Here are a few examples:

- **The vendor is unwilling to provide physical documents.** Some vendors may be unable or unwilling to provide copies of their due diligence documents. A vendor site visit would allow you to review those documents in person.
- **You need to see the physical workspace.** During a site visit, you can confirm whether the vendor's workspace meets your contractual expectations around security and organization. You can also validate if important safety measures are in place or better understand who is doing the work and how it is accomplished.
- **Employees need to be interviewed.** A site visit provides a good opportunity for one-on-one discussions with individuals, such as the director of information security or call center team leaders. During the visit, you can ask follow up questions related to your findings.

Common Red Flags to Watch for in a Vendor Site Visit

When performing a vendor site visit, you should be aware of several red flags to document and report on as needed. You'll want to discuss any issues with the vendor and confirm

how and when they'll resolve them. If necessary, you can then provide your findings to your [organization's senior management and the board.](#)

Some common red flags during a site visit include:

- **Poor cybersecurity practices.** Unsecure passwords, outdated penetration testing reports, and a lack of acceptable encryption standards are just a few examples of poor cybersecurity practices you might discover during a site visit.
- **Lack of safety protocols.** Emergency first aid stations and accident or incident logs are especially critical for vendors within the manufacturing industry. A site visit can reveal whether these safety protocols are adequate.
- **Minimal security controls.** Physical security is sometimes overlooked during site visits, but it can be just as critical as cybersecurity. Non-working cameras, open access to restricted areas, and poor basic security protocols are other red flags you may discover during the visit.

Remember that a vendor site visit should be used as a supplement, not a substitution, for your [overall due diligence activities.](#) It's helpful to visit your vendor to get first-hand insight into controls that can't be validated through desktop research. Site visits also allow you an opportunity to directly address any issues that arise and create a plan to resolve them. Virtual and on-site vendor visits can also create a more open relationship between your organization and the vendor.