

CASE STUDY

Retailer Uncovers Risks in Chinese Vendor Portfolio for Immediate Intervention

Due Diligence on China Based Vendors to Identify Key Risks During Periodic Review

QUICK SUMMARY

Company:

- The Largest Retailer Based in Middle East

Requirements:

- Conduct Due Diligence on high value vendors as part of periodic review
- Diligence to cover 27 risk areas for thorough assessment
- Conduct review in local language and review local and global litigation and watchlists

Outcome:

- Uncovered risks for immediate management intervention on an existing relationship
- Identified
 - Litigation cases on trademark infringement
 - Negative media outlining - failed inspections and safety tests

Featured Products:

- RZOLUT Diligence

Due Diligence on China based vendors to identify key risks during periodic review

The organization faced challenges as its existing risk assessment framework lacked comprehensive coverage of critical parameters such as identity verification, reputation analysis, litigation history, safety compliance, and the validity of quality certificates. This deficiency left the organization vulnerable to various risks, including litigation cases related to trademark infringement and negative media coverage highlighting failed inspections and safety tests. Furthermore, the absence of robust risk scans failed to uncover immediate risks necessitating management intervention in existing relationships. Consequently, the organization faced heightened exposure to legal, reputational, and operational risks that demanded urgent attention and mitigation strategies..

Potential Impact

- Legal consequences: costly litigation and damages from trademark infringement.
- Reputational damage: negative media coverage affecting trust and confidence.
- Regulatory scrutiny: fines and penalties for safety compliance failures.
- Business disruption: managing litigation and repairing reputational damage.
- Strained partnerships: risks in existing relationships leading to contract terminations.
- Market position: weakened competitiveness due to repeated risk exposure.

Identifying significant risks that would prove detrimental to ongoing business and operations with significant risk around reputation and quality

Utilizing RZOLUT Diligence the organization implemented an advanced risk assessment strategy that comprehensively addressed the identified risks. Leveraging the products capabilities, the team was able to conducted thorough scans with a lookback period of 20 years across diverse geographies and languages, ensuring a holistic view of potential risks.

Comprehensive Risk Identification: Conducted in-depth searches and analyses, covering critical parameters such as identity verification, reputation assessment, litigation history, safety compliance, and the validity of quality certificates.

Global Coverage: With its extensive reach, scans were conducted across geographies, including high-risk regions, to identify risks associated with partners, suppliers, and counterparties worldwide.

Multilingual Capabilities: Offered robust multilingual support, enabling effective risk assessment across languages such as Chinese, Portuguese, Arabic, and others, ensuring no linguistic barriers hindered the process.

Historical Perspective: By incorporating a lookback period of 20 years, the reports provided insights into long-term trends and patterns, allowing for the identification of recurring risks and historical incidents relevant to the organization's risk profile.

Actionable Insights:

The detailed reports provided actionable insights, enabling the organization to proactively mitigate identified risks and strengthen its risk management practices.