THE POWER OF BEING UNDERSTOOD

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CYBERSECURITY UPDATE

Key trends in an evolving landscape

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RSM

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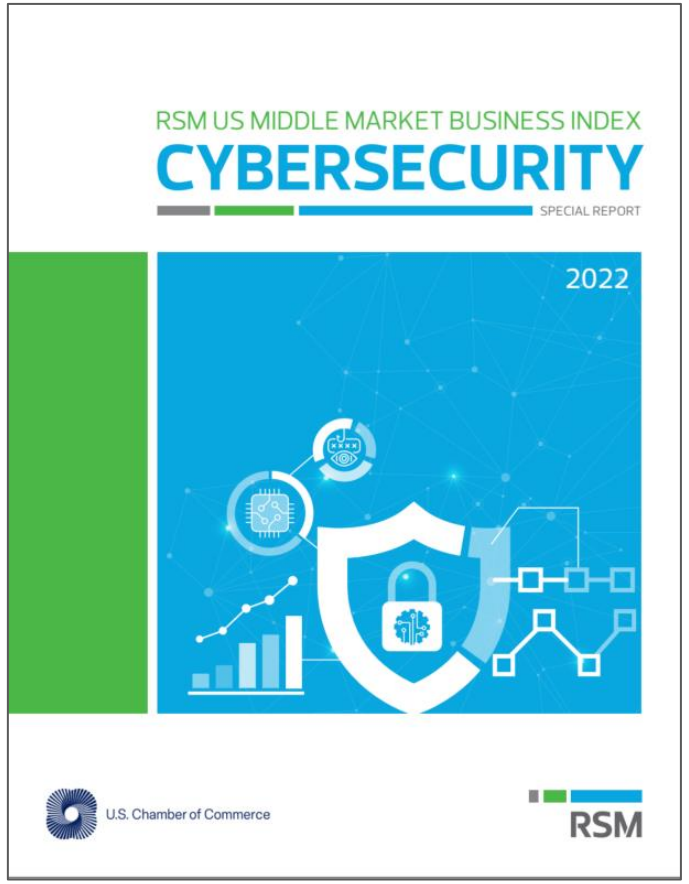
2022 MMBI Cybersecurity Special Report

- Five years of research
- Over 400 middle market executives
- Report details:
  - Common cybersecurity and data privacy challenges
  - Frequency of cyberattacks
  - Best practices for implementing security controls and strategies



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Key trends in the cybersecurity landscape

RSM US MIDDLE MARKET BUSINESS INDEX
CYBERSECURITY
SPECIAL REPORT

- **Breaches are slightly down, but significant cybersecurity concerns persist**: 6% decrease in number of executives claiming they had a data breach last year
- **However, executives are still worried:** 72% anticipate that unauthorized users will attempt to access data or systems this year
- **Technology is changing**: 36% of organizations have moved to the cloud in the past year due to security concerns and 90% believe the cloud is more secure
- **So is cyber liability coverage:** 61% of companies carry a cyber insurance policy, and 67% say premium costs have increased

22% of middle market executives claimed their company experienced a data breach in the last year

72% of executives believe unauthorized users will attempt to access data or systems in 2022.

90% of respondents that have moved data to the cloud for security concerns believe it is more secure.

67% of respondents saw an increase in cyber insurance policy premiums. Only 2% saw a decrease.

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Topics of discussion

- Cyber resiliency: Learn how establishing a cyber resiliency plan can minimize the impact of a cyber event
- Privacy: Understand how data privacy standards continue to increase and evolve
- Cybersecurity outsourcing: Recognize how outsourcing helps companies meet the demands of the changing cyber landscape
- GRC technology: Discover how companies are transforming risk management through GRC tools
- Cloud trends: Understand why companies are adopting cloud strategies more often to help address increasing risks

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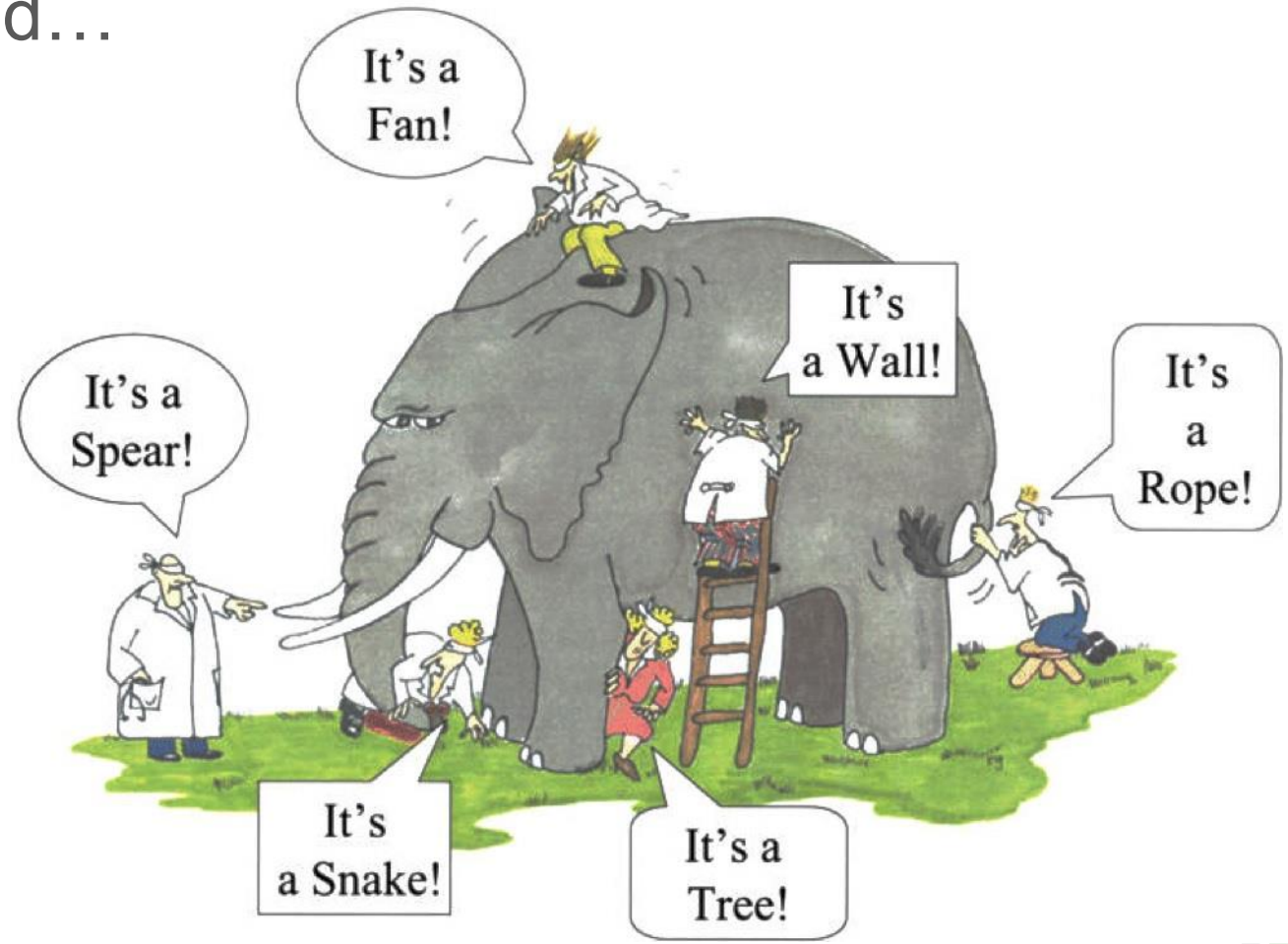
CYBER RESILIENCY

Bob Eckman

What is resiliency?

Parable of the six blindfolded…



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What is resiliency?

Resiliency is a paradigm shift

Crusty shell, perimeter security

- Rigid and inflexible
- Cannot adapt
- One defeat means all is lost
- Focus is often ONLY IT

Cultural shift
It's not if….
but WHEN.

And it could be NOW!

Bend but don't break security

- Flexible, context-based
- Adaptive
- One defeat, informs the next defense
- Focus is on BUSINESS OUTCOMES

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Resiliency focus areas

Business drivers adapted for continuity

Business and emergency preparedness
Admin, Backoffice, IT, OT

Immediate focus
Business continuity
Disaster recovery

Prevent, detect and respond

Cybersecurity and privacy
Data Security

Immediate focus
Incident response
Vulnerability management

Think strategically
Identity, authentication, architecture, awareness, compliance, data security

Resiliency

Think strategically
People, process and technology
Vendor, supply chain, system continuity and downtime
Data management

Operational readiness
Critical customer facing
CRM, AR/AP, SLAs

Immediate focus:
SLA's, Contracts, Hx

Maintaining customer expectations despite widely expected and accepted disruptions to operations, processes, and/or technology.

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DRAFT

The resiliency stack

Proactive solutions

Reactive solutions

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Resiliency: assess, plan, respond

Resiliency assessment **Lite/full**	Identify BUSINESS loss scenarios	Identify gaps in continuity for each scenario	Establish risk matrix based on scenarios	Assess operational effectiveness under stress
Resiliency planning **BCP/DR/IR/VM**	Align recovery Strategies with Business and Cyber Strategies	Develop a plan to close gaps and improve maturity.	Test the plans: At rest and under stress	Measure continuity KPIs, monitor maturity
Crisis response **ER/IR/DR**	React: Contain the incident, preserve BUSINESS scenarios	Investigate: Determine root cause and downstream impacts	Recover: Reduce harm, get back to 100%	Recommend: Inform and advise, lessons learned, improvements

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PRIVACY

Alison Brunelle

Privacy trends in an evolving landscape

Keeping pace with the patchwork of privacy requirements	Be anticipatory and future-proofed in the approach
Establishing and sustaining personal data governance	Derive business value from sustainable governance
Understanding applicable roles and responsibilities	Know the compliance obligations by business impact
Designing and implementing a privacy function that is right-sized	Say yes to Privacy by Design (PbD) and integrate methodologies
Having access to the right subject matter expertise	There is a talent shortage causing a competitive landscape
Interpreting the enforcement impacts	Control the narrative by being prepared

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CYBERSECURITY OUTSOURCING

Dave Mahoney

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Security outsourcing and managed services

Challenges	Outsourcing solution	Key factors
Skills shortage	Access to a talent pool	Hiring practices Autonomous response/remediation Data normalization/aggregation/correlation Incident handling and investigation procedures Hybrid cloud visibility Device/user identity monitoring Threat intelligence overlays Managed detection/response
Significant operational and capital expense	Cost efficiencies through economies of scale	
Rising insurance premiums/minimum security requirements	24x7 monitoring Technical vulnerability/configuration/compliance monitoring Reduced MTTD/MTTR	
New regulatory requirement/stringent third-party cyber assessments	Security operations maturity	

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GRC TECHNOLOGY

Dietz Ellis

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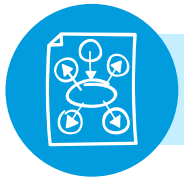
Expanding GRC to cyber risk

Layering in cyber risk into ERM programs for increased executive visibility and treatment

Privacy compliance tracking and remediation, including emerging standards



Monitoring of risks presented from third- and four-party relationships

Potential cyber insurance cost reduction – demonstration of cyber risk management capabilities

Increased appetite for GRC-as-a-Service (GRCaaS) with managed risk management services

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Continuous monitoring

Consolidation of data (e.g., metrics) within GRC platform, can include middleware like RPA

Cloud services and available tools help promote easier data collection

Can decrease the manpower required to maintain a monitoring program

Early deficiency or regulatory incompliance – sufficient time to remediate

Map to GRC controls to promote automated control attestation

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CLOUD TRENDS

David Llorens

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Cloud trends

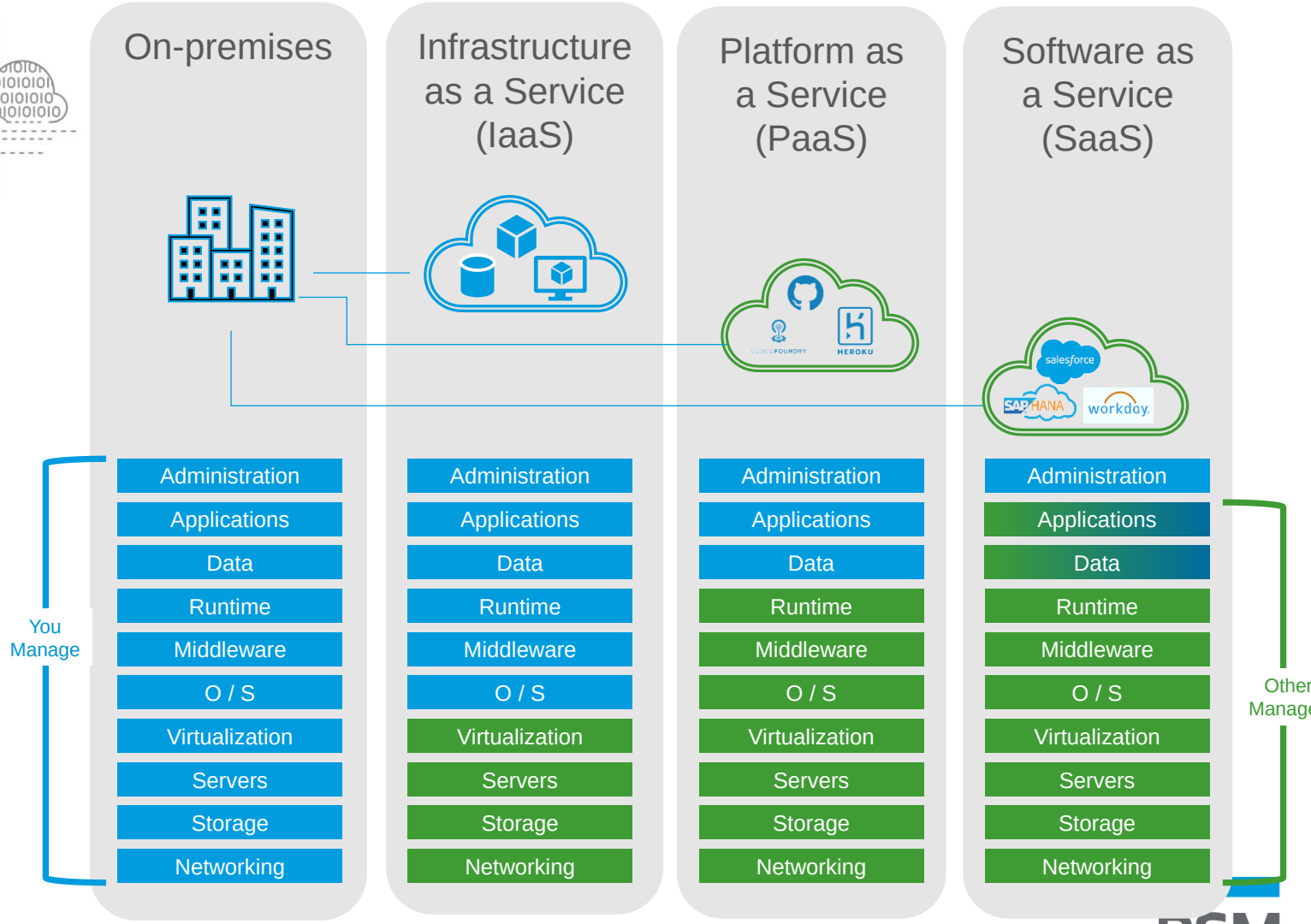
Increased adoption

Rising costs

Increasing complexity

Talent gap

Evolving risks: regulatory, cyber, data, vendor, etc.



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Cloud trends (cont.)

Increased adoption	**Cloud strategy:** Holistic strategy with clearly defined milestones
Rising costs	**Asset management:** Consistent naming nomenclature across clouds
Increasing complexity	**IAM & architecture:** IAM strategy and Landing Zones
Talent gap	**Training:** Limited quality multi-cloud training. Certifications.
Evolving risks: Regulatory, cyber, data, vendor, etc.	**Governance:** Policies/guardrails, IAM, cloud controls and 3rd risk.

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