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CORPORATE OVERVIEW

The Board & Digital Risk Management

NOVEMBER 10, 2020

Ben Plummer - CMO

FortifyData Overview

Founded By Security Experts

- Headquarters, Atlanta, GA
- Founded in 2015 by Security Experts
- Managed Major Security Projects

First Integrated Cyber Risk Management Platform

- 2018 Platform Released
- Multi-Dimensional Cyber Security Scoring
- Continuous Monitoring of Internal, Third Party and People Cyber Risks

Committed to Success

- Partnered with Security Experts
- Access to the "Brains Behind the Product"
- Customer Success Management team

OUR VISION

To help every business, regardless of size, to safeguard and defend themselves from cyber crime by providing the most comprehensive cyber risk management platform in the industry.

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Why Boards Care

Boards Manage Risk

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Why Boards Care About Cyber Risk

Gartner's 2020 Board of Directors survey, 69% of respondents stated they view digital as the top business challenge for 2020 and 2021. Not only that, but 49% of directors cite the need to reduce legal, compliance and reputation risk related to digital investments. For corporate boards, digital risk reduction is the "goal most important to achieve in 2020 with respect to digital business" according to the survey.

$3.86M

Global average total cost of a data breach in 2020

$7.13M — Healthcare has the highest industry average cost.

$150 — Customer PII data has the highest cost per record.

$8.64M — United States has the highest country average cost.

Source: IBM Cyber Security
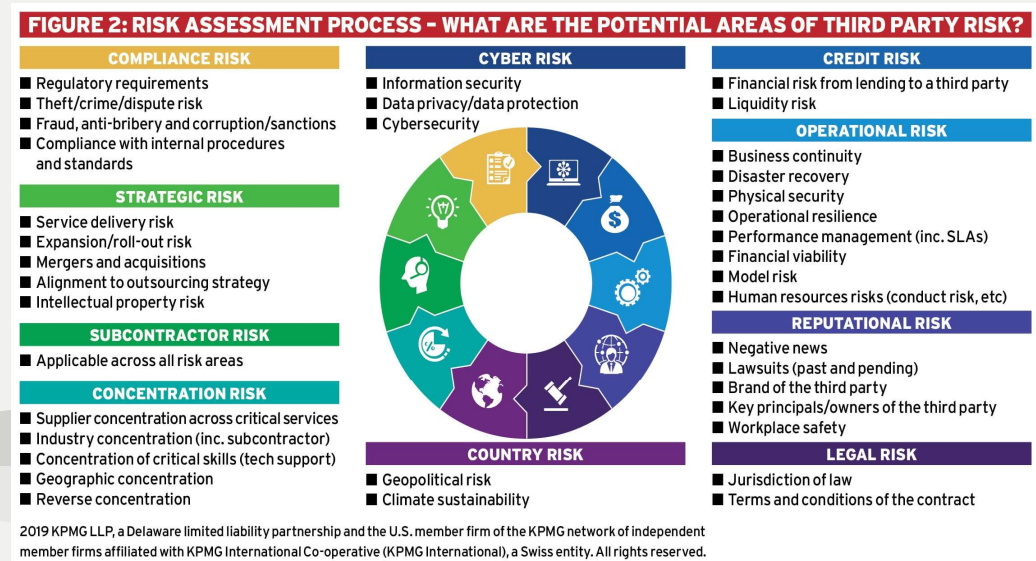
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Digital Risk Management Profile

- **Holistically Evaluated**

- **Evaluates all Digital – Not just Cyber**

- **Managed in an Integrated Manner**

- **No One Vendor Exists …**
  - Focus on Improving Area Integration
  - Insuring a Road to Continuous Evaluation
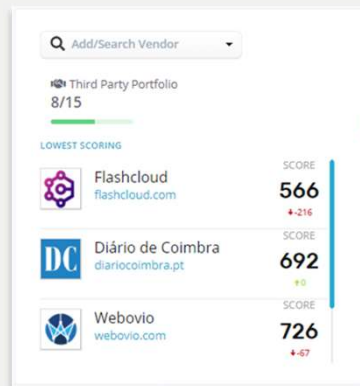 - Driving towards Standards

5

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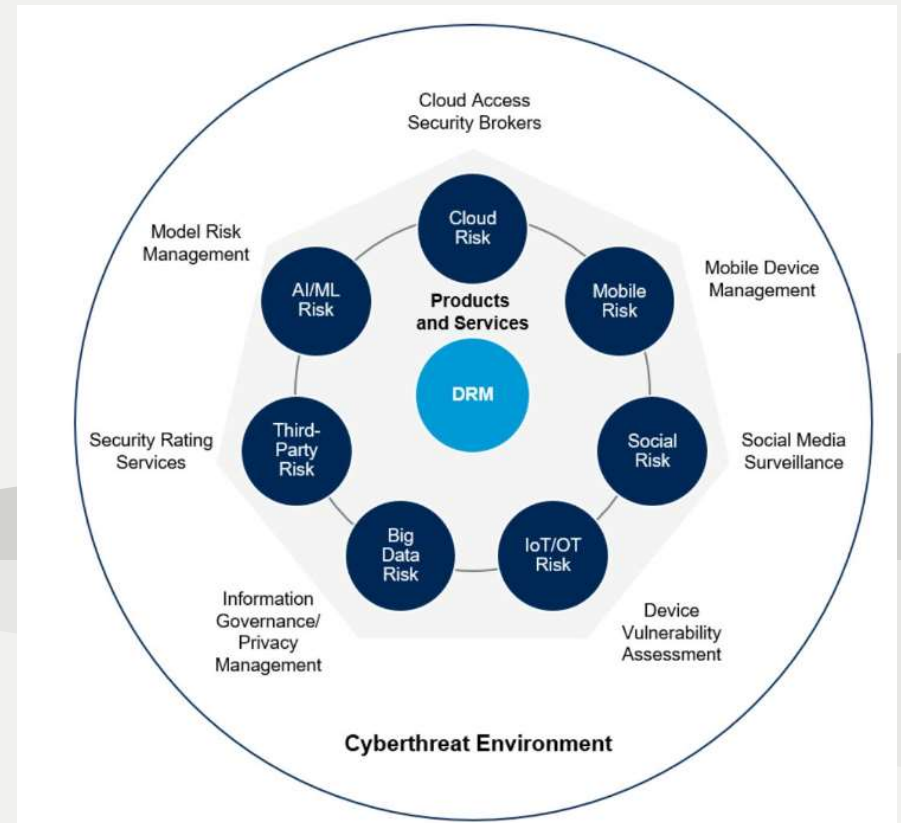
Define the Process

- **Classification of Third Parties**

- **On-boarding**
  - Approach
  - Frequency

- **Remediation Measures**
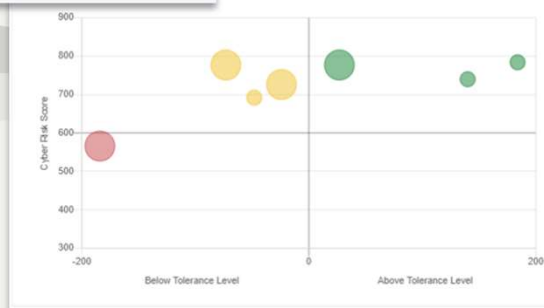
- **Regulatory Alignment**

FIGURE 2: RISK ASSESSMENT PROCESS – WHAT ARE THE POTENTIAL AREAS OF THIRD PARTY RISK?

COMPLIANCE RISK
- Regulatory requirements
- Theft/crime/dispute risk
- Fraud, anti-bribery and corruption/sanctions
- Compliance with internal procedures and standards

STRATEGIC RISK
- Service delivery risk
- Expansion/roll-out risk
- Mergers and acquisitions
- Alignment to outsourcing strategy
- Intellectual property risk

SUBCONTRACTOR RISK
- Applicable across all risk areas

CONCENTRATION RISK
- Supplier concentration across critical services
- Industry concentration (inc. subcontractor)
- Concentration of critical skills (tech support)
- Geographic concentration
- Reverse concentration

CYBER RISK
- Information security
- Data privacy/data protection
- Cybersecurity

COUNTRY RISK
- Geopolitical risk
- Climate sustainability

CREDIT RISK
- Financial risk from lending to a third party
- Liquidity risk

OPERATIONAL RISK
- Business continuity
- Disaster recovery
- Physical security
- Operational resilience
- Performance management (inc. SLAs)
- Financial viability
- Model risk
- Human resources risks (conduct risk, etc)

REPUTATIONAL RISK
- Negative news
- Lawsuits (past and pending)
- Brand of the third party
- Key principals/owners of the third party
- Workplace safety

LEGAL RISK
- Jurisdiction of law
- Terms and conditions of the contract

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Clarify the Measurements

- **Security Ratings**
  - Source
  - Relevance

- **Questionnaires**
  - Approach
  - Frequency

- **Compliance Validation**

- **Re-evaluation**

7

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Increase the Agility

- **Digital is Dynamic**

- **Boards Demand Rapid Response**

- **People are Not the Answer (Cost)**

- **What Role Can Automation Play**
  - Evaluation
  - Management
  - Reporting
  - Integration
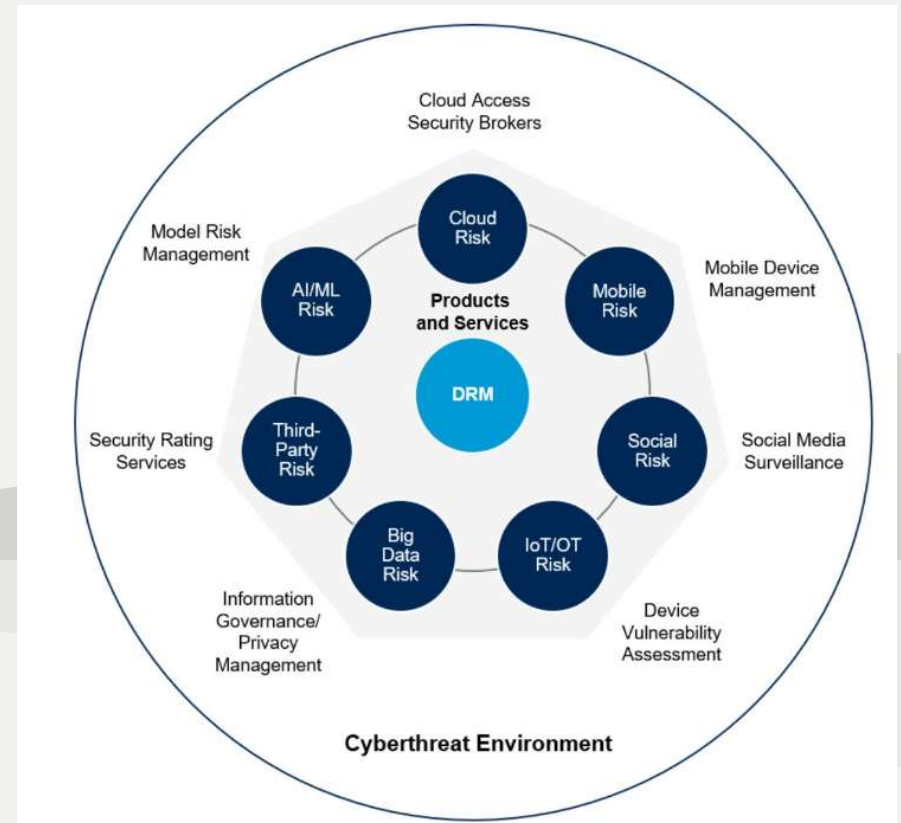
A Market Perspective

Wrap Up

Digital Risk – Especially Third Party Risk are Board Issues

Better Understanding

Clearer Measurements

More Agility

To become a part of an integrated digital risk management (IDRM) system you must seek better ways to manage and report on third party cyber risk.

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The Leader in Cyber Risk Management

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