Analytics in Motion Trusted Advisory Services

Data Breach Management

Preparation is the best defence. Are you prepared?

ANALYTICS IN MOTION

Data breach threats are the new norm in today's information age

Navigating the challenges of a rapidly expanding data landscape is becoming increasingly complex

The interconnected nature of today's digital world has meant the amount of data being generated and collected is growing exponentially.

The increasing size, scope and frequency of data provides significant opportunities for organisations through more insightful and timely intelligence.

Consequently, data collection and analysis has become an increasingly important strategic asset to many organisations.

However, managing large scale information assets from a technical, operational, regulatory and security perspective has also become increasingly more challenging for organisations.

The value of data to criminals (especially personal, financial and health related data) has increased the risk of organisations being targeted, compromised and their data being breached.

As a result, data breaches are now just another threat that companies need to manage as part of their overall risk program.

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Data breaches are a major risk to organisations as the number, scale and cost continue to rise

The global average cost of a data breach is higher now than at any time over the last 17 years[‡]

Data breaches are a very real and potentially significant financial threat to many businesses. The average total cost for a data breach is **US$4.24 mill**[‡]

There are a multitude of costs associated with a breach that can quickly lead to expenses totalling in the millions. Some of these cost include:

- *Legal* - Compliance and Defence lawyers
- *Regulatory* - Notifications and potential fines
- *Consultants* - Forensic and Crisis Management
- *Public Relations* - Media and PR
- *Customer Support* - Call centre and Monitoring

However, in addition to these direct costs their are a number of opportunity costs arising from the reputational and brand damage a breach may cause to an organisation.

Average Total Cost of a data breach[‡]
2015 - 2021
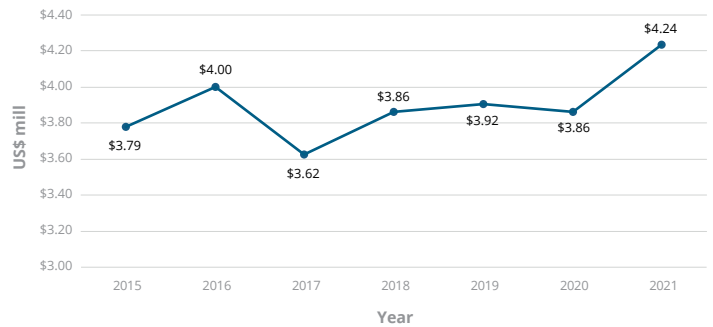
A breach can lead to the diminished confidence and trust in a company. This results in higher than normal customer attrition rates. In addition, firms that have been breached also tend to have lower customer acquisition rates. Both of these factors can have a significant impact on revenue.

Average Total Cost (US$ mill) per breach by country[‡]
USA, Canada, France, UK, Japan, Australia, South Africa, Brazil & India
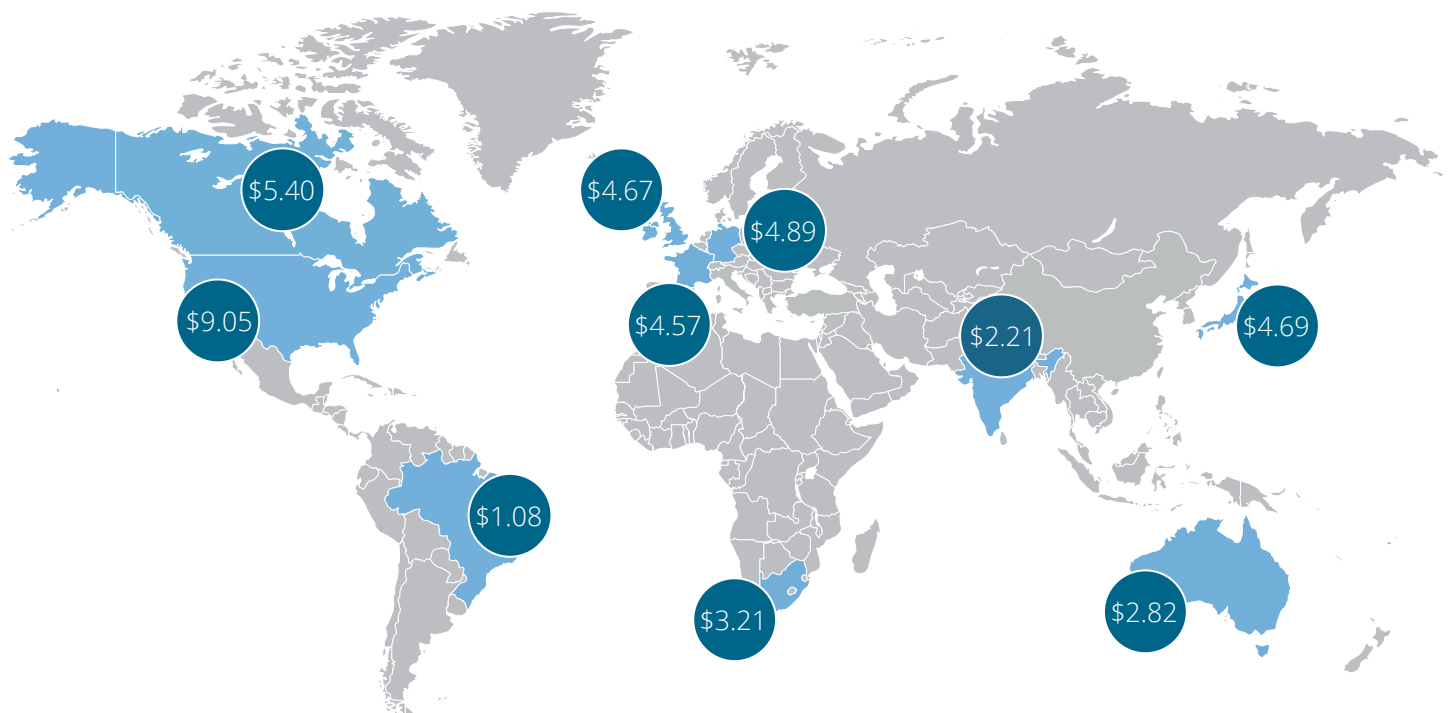
$5.40
$4.67
$4.89
$9.05
$4.57
$2.21
$4.69
$1.08
$3.21
$2.82

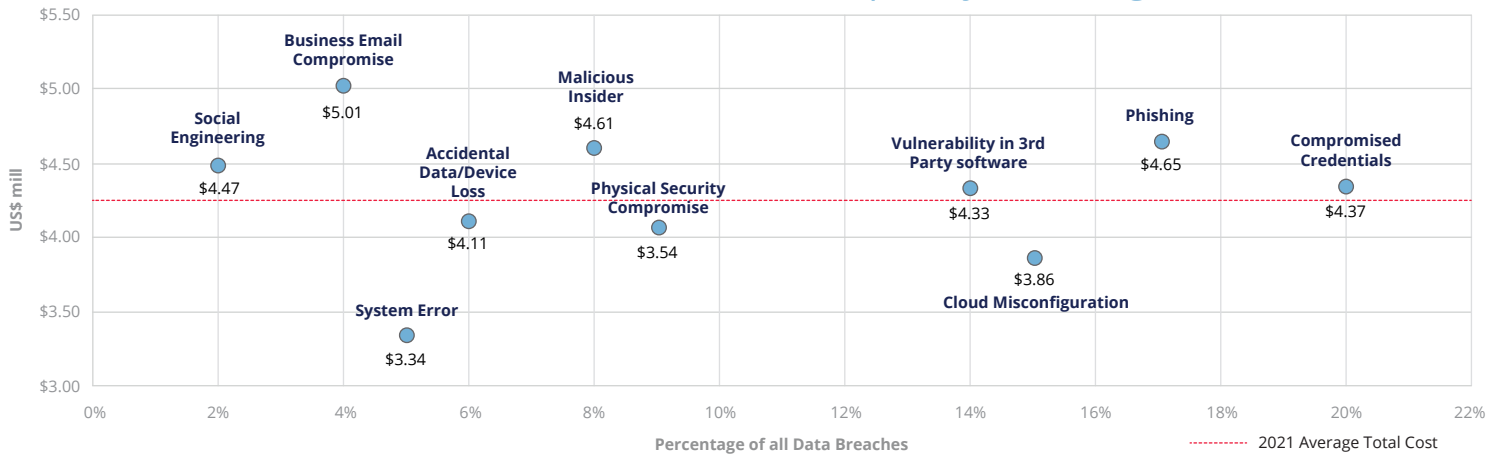analyticsinmotion.com

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Data breaches pose a serious risk for all firms, regardless of their size, industry or country

There are many different ways in which data can be compromised in an organisation. Understanding both the external and insider threats that exist can greatly assist in mitigating the risk they represent.

In 2021, one in five data breaches (20%) were caused by Compromised (lost/stolen) Credentials. While relatively uncommon, data breaches due to Business Email compromises were on average the most costly (US$5.01 mill per event).

Data Breach Attack Vectors - Frequency & Average Cost*

Scatter plot — US$ mill (y-axis, $3.00 to $5.50) vs Percentage of all Data Breaches (x-axis, 0% to 22%):
- Social Engineering: $4.47
- Business Email Compromise: $5.01
- Accidental Data/Device Loss: $4.11
- System Error: $3.34
- Malicious Insider: $4.61
- Physical Security Compromise: $3.54
- Cloud Misconfiguration: $3.86
- Vulnerability in 3rd Party software: $4.33
- Phishing: $4.65
- Compromised Credentials: $4.37
- ----- 2021 Average Total Cost

Healthcare continues to be one of the most targeted sectors by criminals, with the average total cost of a data breach rising significantly by 29.45% from last year. Energy fell the most with a 27.23% decline in the average cost of a data breach from 2020.
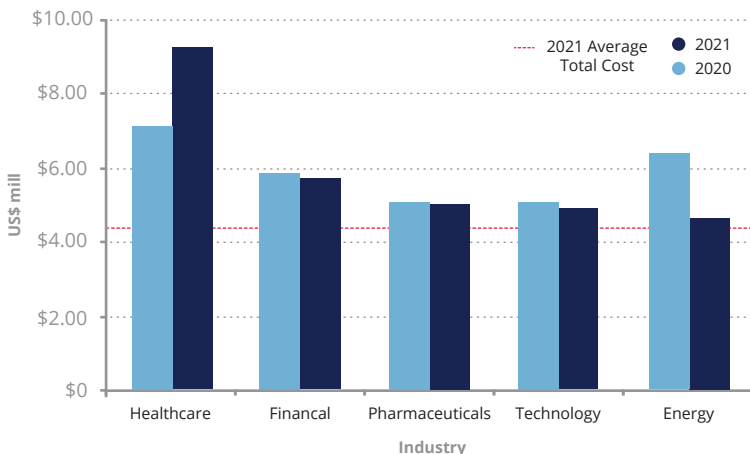
Top 5 Industries - Average Total Cost*

Bar chart — US$ mill (y-axis, $0 to $10.00): Healthcare, Financal, Pharmaceuticals, Technology, Energy; 2021 (dark) and 2020 (light); ----- 2021 Average Total Cost

Largest year-on-year % change*

Industry	2020	2021	% Change
Research	$1.53	$3.60	+ 135.29%
Media	$1.65	$3.17	+ 92.12%
Public Sector	$1.08	$1.93	+ 78.70%
Hospitality	$1.72	$3.03	+ 76.16%
Retail	$2.01	$3.27	+ 62.69%

While most industries exhibited relatively moderate fluctuations, a handful of sectors experienced significant cost increases (65% to 135%) from 2020.

This highlights the fact that no industry is impervious to attack, and criminals will pivot and focus their attention to any area that can be exploited for financial gain.

★ *Source:* Cost of a Data Breach Report 2021 - produced jointly between Ponemon Institute and IBM Security

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How Analytics in Motion can help your organisation

Accelerating organisational readiness to proactively prepare and strategically respond to a data breach

While businesses are becoming increasingly aware of the threat associated with data breaches, many are not necessarily equipped to respond in a timely and effective manner.

Many organisations still adopt a 'wait and see' approach, often only creating a response plan after the data breach or security incident has occurred.

This reactive approach often leads to greater financial, legal and reputational damage.

At Analytics in Motion our Data Breach Management services are aimed at assisting organisations to proactively reduce the risks associated with a data breach.

This entails implementing a multi-layered strategy covered under the following major components:

▸ **Readiness**
▸ **Containment**
▸ **Remediation**

These form the strategic three pillars of our Data Breach Management service and focus on coordinating and implementing best in class solutions across the entire breach life cycle from start to finish.

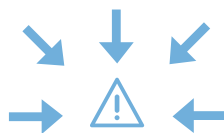## The Three Pillars of Data Breach Management

Pre Breach	*Breach*	*Post Breach*
Readiness	Containment	Remediation
Preparation & Prevention	Detection & Analysis	Assess & Respond

Involves assessing the current state of the business and developing a comprehensive data breach readiness plan. This should be conducted prior to any data breach occurring and include any stakeholders that potentially have a responsibility in the remediation process.

Proactive identification and rapid containment/removal are major factors in reducing the threat severity from a data breach. Any breach should be proceeded with an IT forensic investigation and analysis to assess the extent, scope and potential impact to the organisation's customers.

Based on the assessment of the breach an action plan is put in place to effectively respond and communicate with all applicable stakeholders. Companies must ensure they follow all regulatory requirements while supporting and protecting their customers who have been affected.

Our approach places a significant focus on planning the necessary remediation process **BEFORE** a breach has occurred. This promotes a more timely, strategic and coordinated response in the event of a data breach, leading to better outcomes for the affected customers.

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About Analytics in Motion

Advanced Analytics & Intelligence

Analytics in Motion are a multi-disciplinary technology and analytics company, focused on helping organizations around the world to strategically utilize their data.

Through applying our advanced analytical capabilities, we are able to deliver data driven solutions that empower customers to make more informed and timely decisions.

Our expertise across all aspects of big data, machine learning, statistical analysis, cyber intelligence, technology and management consulting make us uniquely skilled to help organizations proactively prepare and strategically respond to a data breach.

For more information about our products or services please email pi@analyticsinmotion.com

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