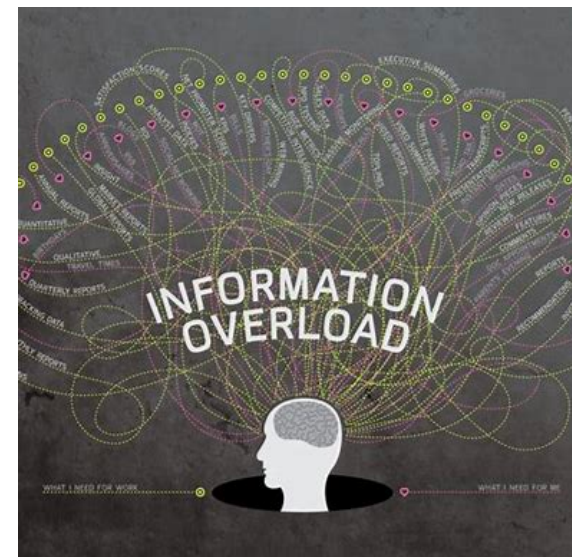


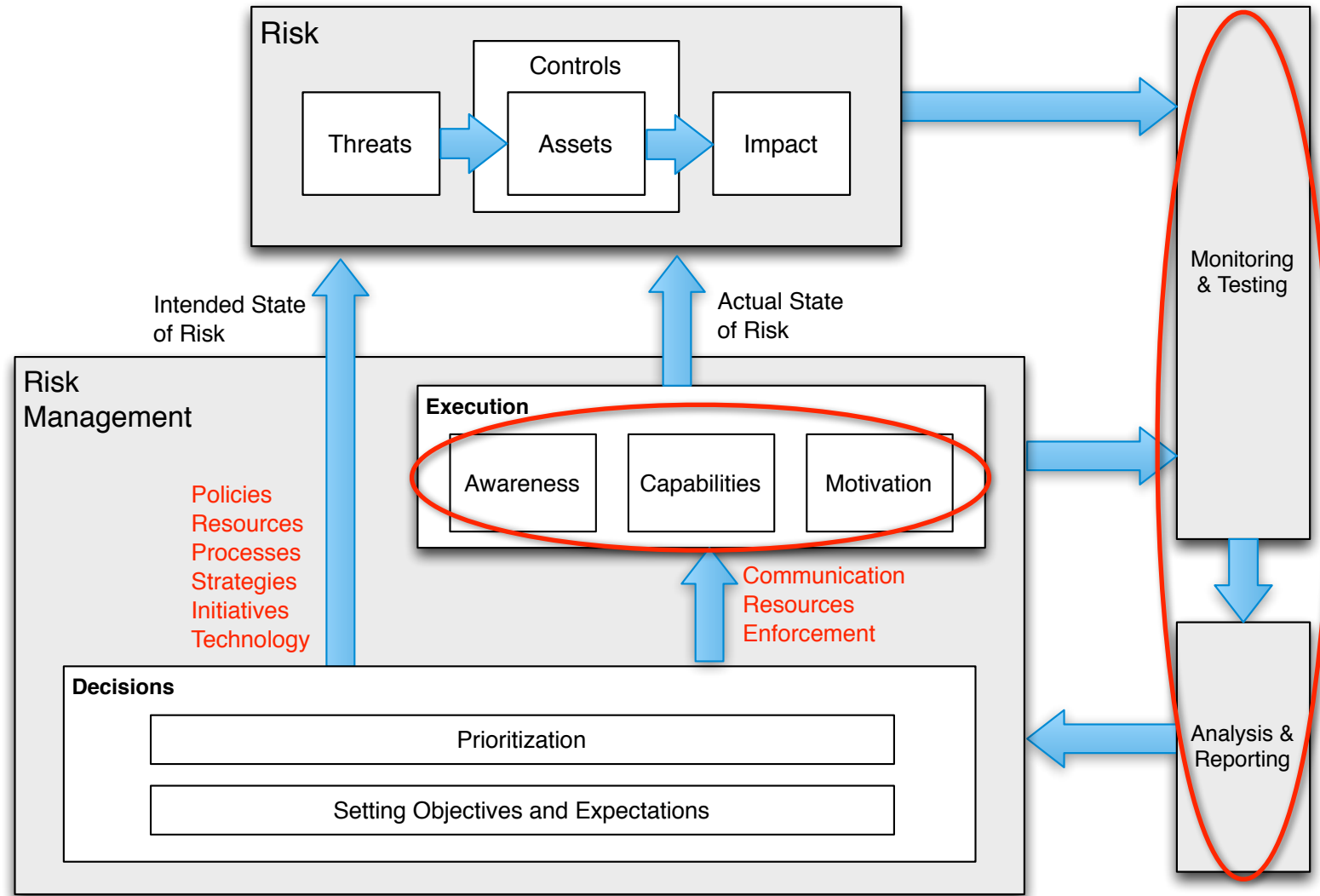
Information Overload: How much do boards really need to know about cyber risk?

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You need to know your organization's ability to...

- Make well-informed decisions regarding cyber risk
- Execute reliably on its cyber risk objectives



Most organizations don't know what/
where their crown jewels are

Most organizations don't measure cyber
risk accurately

70% to 90% of cyber “high risks”, aren’t

Which of the following are risks? **None of them are.**

- Disgruntled employees **Threats**
 - Reputation **Asset**
 - Untested recovery plan **Control**
 - Sensitive consumer information **Asset**
 - Weak passwords **Control**
 - Cyber criminals **Threats**
- True “risks” are loss event scenarios, which are the only things you can assign a likelihood and impact value to.

Other causes of inaccurate risk measurement

Absence of critical thinking



Broken models



Focus on possibility
vs. probability



Other causes of inaccurate risk measurement



Poorly defined
measurement scales



Bad estimates

Math on
ordinal scales

$$\left(\text{Red} \times \text{Green} \right) / \text{Yellow} = ?$$

Most organizations fail to identify or treat the root causes behind non-compliant conditions (which are execution failures)

Triaging your organization's foundation...

- Do we know what/where all of our crown jewels are?
- What are our top ten cyber risks?
- How much exposure does the top cyber risk represent?
- Who is responsible for measuring cyber risk?
- What is the prevailing root cause behind non-compliant conditions?

With a solid foundation laid, you can ask for...

- What your top cyber risks are, and how much risk they represent
- How much cyber risk is increasing or decreasing, and at what rate
- The status of improvements that are taking place, and how much less risk you'll have at what cost
- What else you could/should be doing, and the potential cost-benefit
- What the organization should stop doing that isn't cost-effective
- How much uncertainty exists in the measurements above

Questions?