

Case Study: Embedding CRQ in the Infosec Governance Process of a Fast-Growing Pop Culture Retail Organization

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Tom Callaghan – C-Risk

Tuesday, September 27, 3:30 - 4:15 PM

Introductions



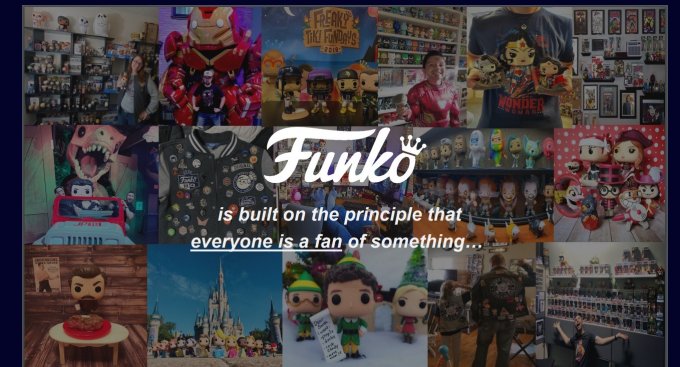
- Markus Kaufmann: CISO, Senior Director of Information Security, Funko



- Tom Callaghan: Co-Founder of C-Risk, CRQ solutions and enablement services.

Funko

- Funko is a fast growing but still relatively 'small' organization.
- Retail Pop Culture
- Mix of B2B and Direct to Consumer
- Business model based on strong partnerships with licensors
- Highly Visible Brand
- Creative Culture
- Emerging NFT business
- \$1B+ revenue, 1000+ staff & 30+% yoy growth



Why CRQ with FAIR?

Decisions and use cases

- Align Internal Executive team on the cyber risk
- Make the case for a new information security and compliance program.

Year 1

- Roadmap Prioritization
- Improved relationship with external stakeholders concerned about risk : Major Investors, External Audit
- Validate our Cyber Insurance coverage

Year 2

- Cyber and Tech risk associated with new business ideas – NFT's, M&A, etc..
- Quarterly Board level support and sponsorship
- Track Risk Trending over time in line with investment

Year 3

Using CRQ to demonstrate value of a project

- Roadmap Prioritization
- Adhoc scenarios as needed in addition to annual top risks

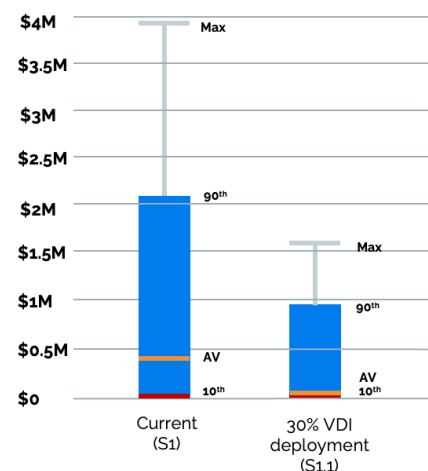
C-Risk

Scenarios 1 & 1.1 Annualized Loss Exposure comparison

Analysis Scenario – Risk Expressed as an Annualized Loss Exposure	10 th percentile	Average	90 th percentile	Max
S1 - End User Devices - Loss of Availability due to malware	\$0	\$400K	\$2.1M	\$3.9M
S1.1 - End User Devices assuming VDI deployment - Loss of Availability due to malware	\$0	\$100K	\$900K	\$1.6M

Scenario : This risk scenario describes the loss of availability of a significant percentage of end user devices resulting from a widespread malware attack conducted by a cyber criminal group.

Assumption : For S1.1, we're assuming that of the 1200 end user devices, 30% would be VDI (Virtual Desktop Infrastructure).



Annualized view



FINANCIAL IMPACT
\$300K Reduction of Risk
versus
Investment TBC

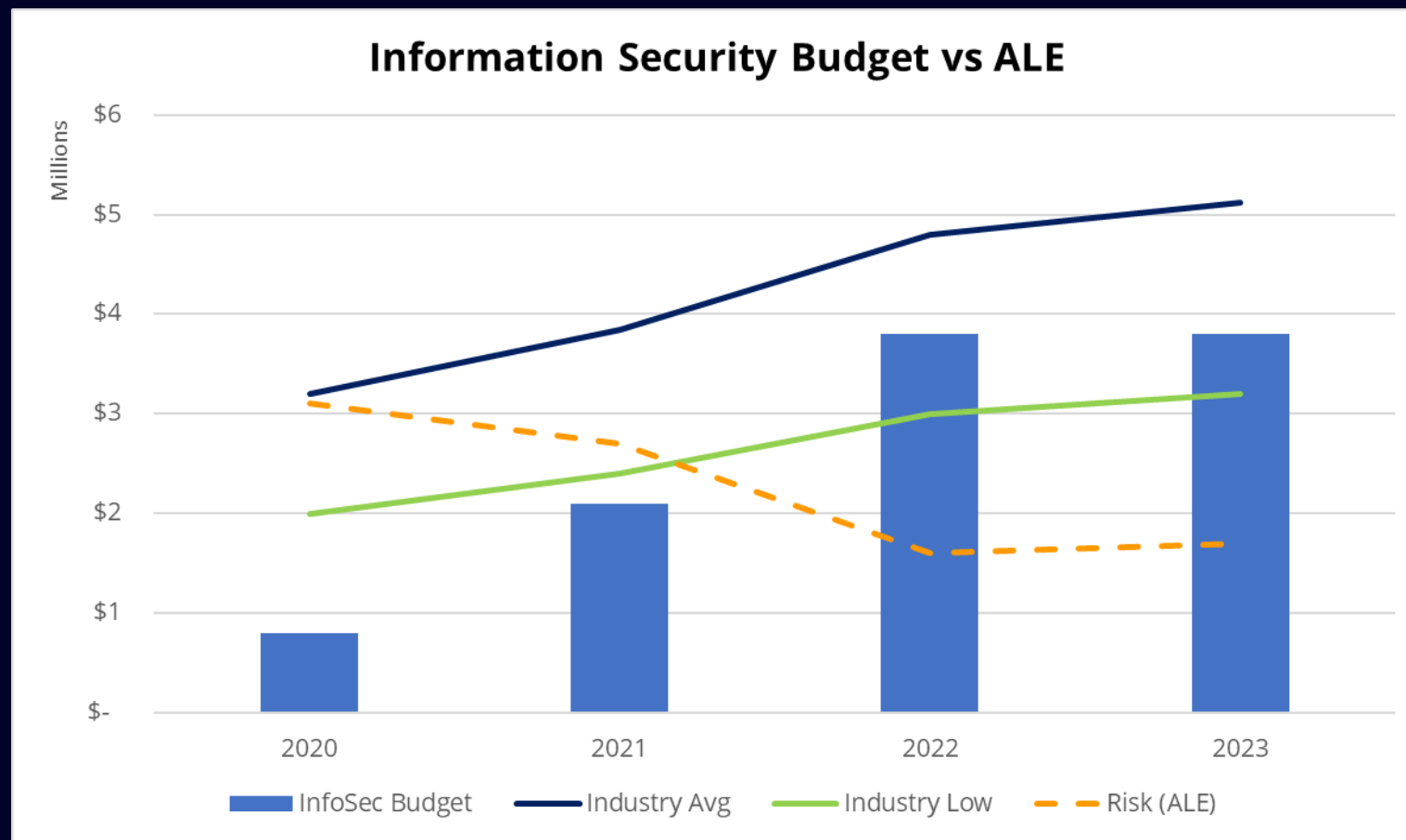
Conclusion :

An investment of <=\$200K to reduce this risk by \$300K to an average ALE of \$100K is recommended.

Using CRQ to demonstrate value of program

Communicate the effectiveness and value of an information security program by comparing investment (budget) against risk (ALE).

Industry Avg numbers were calculated using % of total revenue.



How did we scale the program?

CRQ Operating model

- High level top 5 risk assessment with a focus on scenario scoping
- Annual one time project with C-Risk

Year 1

- Integration of control maturity and scenarios to cover extended digital assets
- Engagement with larger SME group
- Partnership with cross functional business SME's
- Adhoc scenarios as needed in addition to annual top risks
- External as a service model with internal SME support for data

Year 2

- Board and C-level expecting risk in financial terms aligned with investment
- Annual + quarterly updates to track program and adhoc decision support as needed
- Extension of external as a service model to include quarterly trending and decision support

Year 3

Challenges

- Expertise required and Cost
- Stakeholder skepticism – how is this possible!
- Data and understanding the technology landscape and business process
- Getting the risk scenarios right

Challenges

- As a Service model adoption of CRQ
- Stakeholder Education on the method to counter initial skepticism
- Transparent data model
- Engagement with business SME's
- Iterations and refinement of scenarios over time

Solutions

Uniqueness of CRQ approach

Benefits of program

- Rapid way of effectively communicating Risk to business leadership

Year 1

- ROI of individual initiatives
- Management of External Stakeholder concerns
- Confidence in Insurance coverage

Year 2

- ROI over time of infosec program
- Board level engagement
- Ability to respond to dynamic business decisions

Year 3

Q&A Session