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# 50% of all SMBs will suffer a data breach in 2016

## The situation

The Ponemon Institute recently reported that 50% of all small to medium businesses (100 - 1000 seats) will suffer a data breach in 2016, based upon historic data.

The question is not "will you have a breach" but "when will you have a breach". It is no longer a question of preventative measures, but rather how to quickly and effectively respond the breach, remediate the issues and protect your critical data moving forward. In cyber parlance, it's call "Resiliency".

The financial impacts are high. In the Ponemon study, the extrapolated cost of the data breach is **$879,582** because of damage or theft of IT assets. In addition, disruption to normal operations cost an average of **$955,429**.

This is based upon responses from over 650 organizations that participated in the study.

# What can you do?

Organizations have options that won't break the bank.

First, know how ready you are to respond in the event of a breach. To do that, perform a "Readiness Assessment". This is a relatively inexpensive exercise that enables you to test the controls, processes and methodologies you have in place. The assessment will help you identify gaps and discuss how to explicitly remediate those gaps. In doing so, you will help limit the damage from a breach.

Second, work with **several** IR firms to put retainers into place. I recently spoke with a client who had a data breach and they lacked any retainers. The most painful period they had was the first 3 days after the breach was discovered. They were unable to do anything as they spent those 3 days negotiating terms and conditions with an IR provider. Had they had a retainer in place, the IR firm could have begun work immediately. Instead, they spent 3 days as the front page headline of a major newspaper.

Why several firms? No IR firm keeps a deep bench as the IR professionals are responding to hundreds of incidents per month. If you wish to spend the money, you can contract with an IR firm and put in explicit response SLAs. If you don't wish to spend that money, and you have an incident, you will be in the back of the queue. Thus, if you have more than one IR Retainer in place, you can contact all of the IR firms with whom you have a retainer and see who can respond first -- and you go with that firm.

# How much is an IR Retainer

IR retainers vary in cost. Most last for 1 year unless they're custom and go from $0 (yes, really!) to in excess of $500,000 (a custom IR retainer will start at about $250,000 and quickly go up from there). So, how do you decide? No IR firm can you tell you that. It's your call based upon the potential risk and cost to your firm. You know your business best -- so you will have to tell the IR firm what you believe is the most cost effective approach. We can help you with the calculation but it's your call.

# Where can you get the Ponemon report?

Contact me at steven.wertheim@sonmax.com and I will be happy to forward you a copy.