

ENABLING PRIVATE EQUITY FIRMS TO CAPITALISE ON INVESTMENTS BY MANAGING CYBER RISK

Cyber security issues are becoming a day-to-day struggle for all businesses across the globe, for PE firms specifically, these cyber risks are changing the way investment choices are made.

Understanding how to approach cyber security due diligence can for some feel complex, yet ignoring this threat can be devastating in terms of financial loss and reputational damage.

Being on a receiving end of a cyber breach can result in: damage and destruction of data; stolen money; loss of productivity; theft of intellectual property; theft of personal and financial data; embezzlement; fraud; and once the issues have been uncovered, the post-attack disruption to business, including the intrusive investigations and the slow, expensive restoration of hacked data.

A recent study shows that in the immediate aftermath of a cyber or data incident, companies see an average of 5% loss in share value and following that, the average permanent damage is around 1.8%*.

A classic example of this is Verizon's acquisition of Yahoo in 2016; after news of Yahoo's data breach, the sale price was re-negotiated downward by \$350 Million.

Most private equity-owned firms are in the mid-tier and according to a 2018 Gartner survey, over 40% of these organisations have no cyber security experts.

This is a worrying statistic, especially as the National Cyber Security Centre (a part of GCHQ) reports that almost half of mid-tier businesses suffered cyber incidents in 2017, and 99% of these expect this to rise.

Leading industry publication, Cybersecurity Ventures, estimates the cost of cyber crime will soon double worldwide to \$6 trillion.

Our credentials

Working with private equity companies, ITC has developed a suite of cyber due diligence and assessment services to clarify, manage and so minimise the threats coming from cyber attackers of all kinds. Throughout the lifetime of an investment we provide clients with a clear understanding of cyber risk management and ultimately confidence that their investment is protected.

Cyber due diligence

Working remotely, we use proprietary software to analyse the maturity of cyber security controls and practices within prospective investments. By providing insight, advice and an understanding of the risks they may be acquiring, we give investors confidence ahead of their acquisition.

Portfolio Management

Aside from acquisition, private equity firms also face the challenge of managing cyber threats to every company in their portfolio. Our software provides clients with a clear understanding of risk levels across their portfolio, enabling investment directors to prioritise risk management where it is most needed, to obtain the most value and to protect growth.

Integration

One of the periods of greatest cyber risk is immediately after acquisition, during the integration into an existing portfolio company. The merging of two or more IT systems is always challenging and security is sometimes overlooked. Working alongside the acquisition team, our cyber advisors analyse security maturity on site, giving detailed best-practice advice, and ensure that security is baked into new portfolio partners from the start.

Lifecycle

Our cyber security review provides investors and their portfolio companies with the most comprehensive cyber advice available. We build strategic, practical solutions and aid in their delivery. And we provide on-going managed security services tailored to our clients' requirements.

Contact us

If you would like to know more about our market leading security advisory services, our managed security services portfolio or want to hear more about our Security Insights programme; go to www.itcsecure.com, call 0207 517 3900 or email us at enquiries@itcsecure.com.

Why ITC Secure

ITC Secure provides cyber threat advisory and managed security services to help organisations assess, manage and mitigate their risk.

ITC Cyber Advisors is a specialist cyber security advisory group that helps organisations understand and solve their security risks, providing independent assessments and trusted guidance that anticipates and simplifies complex cyber security challenges.

Using a proven methodology to show organisations their current cyber maturity, we deliver clear outcome-based recommendations that assist in making the right investment choices.

ITC Managed Security Services deliver comprehensive threat intelligence, detection, management and response services that help organisations understand their cyber risk and protect their information assets.

With the capability to scale solutions to fit any organisation's cyber maturity level and needs, whether on-premises, in the cloud or both, we simplify complex cyber security management through our state of the art UK based Security Operations Centre.

In addition to these services, we have an international group of senior security specialists, each of whom has held high office in either government or military intelligence services. This capability clearly sets us apart from our competitors in the cyber security arena and is why ITC is chosen to protect some of the World's best known brands.

*Ponemon Institute