

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

To find out more about our cyber security reviews or to discuss your particular requirements call **0207 517 3900** or email us at **enquiries@itcsecure.com**

About ITC

Established in 1995, ITC Secure provides cyber threat advisory and managed security services to help organisations assess, manage and mitigate their risk.

With cyber security professionals including former members of British intelligence and some of the World's leading security experts, we provide discreet risk advice to a number of high-profile global brands.

Using a proven methodology we determine an organisation's cyber maturity. This enables us to deliver clear, outcome-based recommendations that help organisations make the right cyber investment choices.

We have designed a comprehensive suite of advisory services, defensive solutions and counter measures which enable our clients to mitigate the risk

of targeted cyber attacks. Our services prevent financial loss, reputational damage and invasion of privacy.

To achieve this, our expert cyber security professionals provide the following bespoke services:

- Cyber due diligence
- Cyber security review
- Vulnerability assessment
- Digital footprints
- Online threat monitoring
- User awareness training
- Reputation management
- Crisis response and mitigation

*Ponemon Institute