

# SecureTheVillage

## September 9, 2021

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Inserting Risk  
into the  
Enterprise  
Vocabulary



# Some thoughts on Risk

- Risk = Threat X Vulnerability (we need to understand **all** elements of risk)
- The possibility of something bad happening (uncertainty, likelihood)
- ERM - in business this includes the methods and processes used by organizations to manage risks and seize opportunities
- Types of risk (business, economic, environmental, financial, health, information/data, insurance, safety/security, occupational, human, systemic)
- Factors (globalization, digitalization, automation, climate, shifting workforce, burnout, skills shortages, mis/dis information, mental health crisis, cybercrime, speed of change, pandemics, naivete, water, energy)
- Risk management: assessment, analysis, identification, evaluation, resilience through preparedness
- Risk comes from not knowing what you are doing (Warren Buffett)

# We are Living in a VUCA World

V

Volatile

U

Uncertain

C

Complex

A

Ambiguous



# We are Living in a BANI World

**B**

Brittle

**A**

Anxious

**N**

Nonlinear

**I**

Incomprehensi  
ble



# VUCA

- US Naval War College introduced this in 1991
- Intended to help counter accelerating change/disruption post cold war
- It quickly adapted to the business environment to help prepare for an unpredictable future based more so on what you know about a given situation
- Volatility - investments must match the risk
- Uncertainty - change is possible but not a given
- Complexity - too many variables
- Ambiguity - you expand beyond your core competencies - understand cause and effect

# From VUCA we Transition to BANI World

- Many say BANI is an 'upgrade' from VUCA (1991)
- Recently the Davos Forum Founder referred to the 'Great Reset' of capitalism as being necessary - a move from material goals to being much more aware of people's well-being (having greater empathy)
- We need more resilience in the BANI world
- The purpose of a company must be geared towards all stakeholders
- A lack of linearity could be offset by more flexibility and anticipation
- With Covid-19 the concept of flattening the curve is a war against linearity
- Within months what were once offline sectors became online

# OnRisk 2021

IIA - Guide to understanding, aligning and optimizing risk - BOD/C-Suite/Internal Audit  
survey results

- *Cybersecurity* - remains at the top with the pandemic heightening this. WFA, increasing connectivity, IT strain, attack sophistication, criminal impunity, safe-harbors, naivete, automation,
- *Business Continuity and Crisis Management* - near to the top of the list with cybersecurity. This examined the organizations' ability to prepare, react, respond and recover. Again, elevated by the pandemic
- *Third Party* the decreased ability of an organizations to select and monitor these relationships. Systemic risk is high



# OnRisk 2021 cont'd

- *Board Information* - complete, timely, relevant and accurate information is critical for the Board (business intelligence is becoming critical)
- *Sustainability* - the growth of environmental, social and governance (ESG) awareness increasingly influences decision-making. Shareholders, employees, media, competitors are all increasing their focus
- *Disruptive Innovation* - this era involves innovative business models, fueled by disruptive technologies. Can you adapt/capitalize on this?

# OnRisk 2021 (cont'd)

- *Regulatory Risk* - WH EO's, new regulations, SEC/OFAC/FinCEN requirements. DOD CMMC. Data governance. Data Privacy.
- *Economic/Political Volitivity* - increasing debt, job loss, healthcare dependencies, reduced travel, real estate reduced occupancy needs, elections, trade agreements, sanctions, tariffs
- *Organizational Governance* - the system of rules, practices, processes and controls by which an enterprise operates. Do these things hinder or help?
- *Data Governance* - our reliance on data is expanding exponentially, complicated by new technologies and regulations. This examines your overall strategic management of your data: collection, use, storage, access, security, and disposition

# OnRisk 2021 (cont'd)

- *Talent Management* - the growing gig economy, dynamic labor conditions, impact of increased digitalization have redefined how we work. This risk examines challenges: identifying, acquiring, upskilling, selecting, developing and retaining the right talent.
- *Culture* - the way we get things done around here has been at the core of several scandals. Organizations must better manage the tone, incentives and actions that drive behavior.

# Risks we must consider now!

- *Climate change*
- *Human error*
- *Mental health*
- *Cybersecurity alignment / convergence*
- *Cryptocurrency (digital cash) / Bitlocker*
- *Lack of candor / ethics / values*
- *WFA (blurring lines between business and personal information)*
- *Skills shortages (academia isn't keeping up with technology changes)*
- *Pandemics*

# Risks we must consider now cont'd!

- *Ransomware - espionage*
- *Systemic risk (3<sup>rd</sup> party failures)*
- *Moving from the infrastructure and network layer up to the web application layer. Websites are no longer just for marketing.*
- *Transnational crime (borders are open)*
- *Cloud (AMZN, Google, Microsoft can afford to do it right)*
- *Workplace violence (increasing)*
- *The Insider (accidental / deliberate)*
- *Technology (we must learn to work alongside - machines against machines)*
- *Resurgence of terroristic threats (our loss to the Taliban is inspirational to our enemies)*

# Some Quotes Worthy of Remembering

“We believe data is the phenomenon of our time, it is the worlds new natural resource, the basis of competitive advantage, transforming every profession and industry. If true, even inevitable, then cyber crime, is the greatest threat to every profession, every industry, every company in the world“ Ginni Rometti (IBM)

"Boards need to demonstrate credibly that they are thinking proactively about systemic risk" by Chief Justice Collins Seitz Jr.

“A lack of security culture and awareness remain the biggest threat to any company" from Manesh Sawant

**DATA**  
**PROTECTION**

WISH BECOME PERFORMED WELL INDIVIDUALS CONNECTION SITES CREATED MEDICAL PRIVACY ANONYMIZERS ONLINE CALLED INTERNET HEALTH RECORDS PURCHASES PATIENTS REPRESENT CONTROL DIGNITY INCLUDE FTC

TRAFFIC MIX WHETHER PRACTICES PARTIES ADDITION ONLINE BROWSING TRACK FINANCIAL STATES RATING STATES ACTIVITIES COMBINED CONFIDENTIALITY FAIR CONCERN ABILITY NETS

ONESELF OTHERS SOMETHING REVEAL TRACELESS SOMEONE WITHOUT MIGHT USE PRIVILEGE REVEALS THIRD STREAM PERSON DISTRIBUTED AWAY AUDIENCE MAINTAINING BROADCASTING USED GIVE OPEN AMOUNT ONE CASES ONE

PERSONAL ACCESS MUCH E-MAILS ENCRYPTED

PHYSICIAN-PATIENT REQUIRED VISITED WEBPAGES SOURCE TRUSTED READ ALSO KNOW

# Cybersecurity (the horizon)

- 5G (expansion, speed, access, smart cities, automation)
- Business Intelligence
- Hackers will target health and wealth / biometrics @risk
- Threat Hunting
- Accountability
- Determining normalcy in your network traffic
- WH EO (private sector expectations)
- SEC cybersecurity and timely incident reporting
- Expansion of government services in support of the private-sector
- DOD CMMC could expand
- AI will become a necessity
- Are you prepared to run your business when the internet goes dark?
- Data privacy laws will become more complex/less achievable before we see consistency
- Transference of risk (insurance) less likely > more expensive



# Resources

- **FBI - National Threat Ops Section 1 800 CALL FBI** (threat to life)
- **FBI Infragard** <http://infragard.org> (info sharing with 80k members)
- **FBI ic3** <http://ic3.gov> (incident reporting internet crime)
- **Discord - social network Project Owl** <http://discord.com>
- **International SOS** <https://internationalsos.com>
- **Good Judgement Foundation (US)** <https://www.goodjudgement.com>
- **DataMinr (US)** <https://www.dataminr.com>
- **Emergent Risk International** <https://emergentriskinternational.com>
- **Factal** <https://factal.com>
- **Stabilitas (US)** <https://www.stabilitas.com>
- **OnSolve** <https://onsolve.com>
- **Palantir (US)** <https://www.palantir.com>
- **Geospark Analytics (US)** <https://www.geospark.com>
- **Babelstreet US)** <https://www.babelstreet.com>

Time for some conversation.....