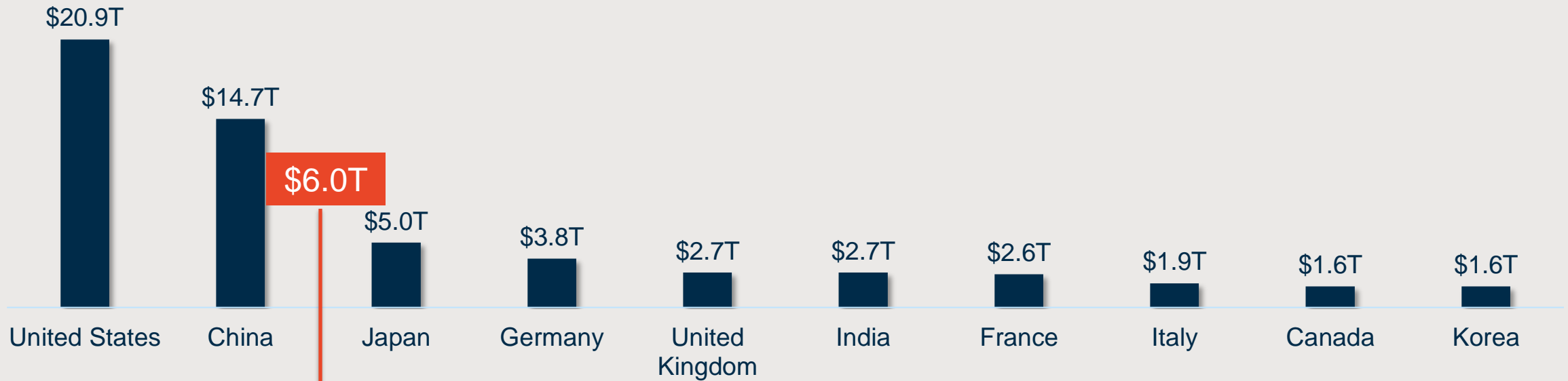


How to Spend on Cyber Security

October 5, 2021



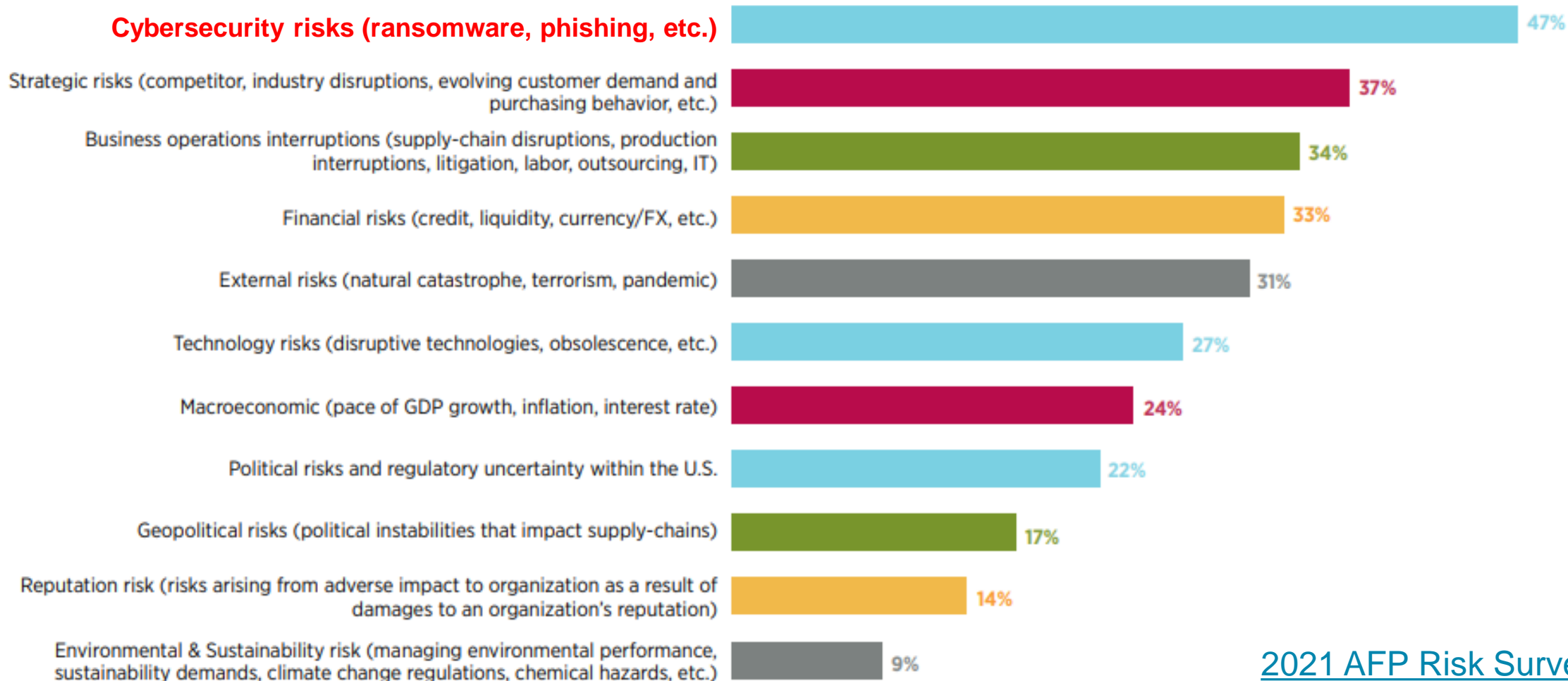
Largest Economies, Nominal GDP, 2020



[International Monetary Fund World Economic Outlook \(April - 2021\)](#)

[Cybercrime Magazine](#)

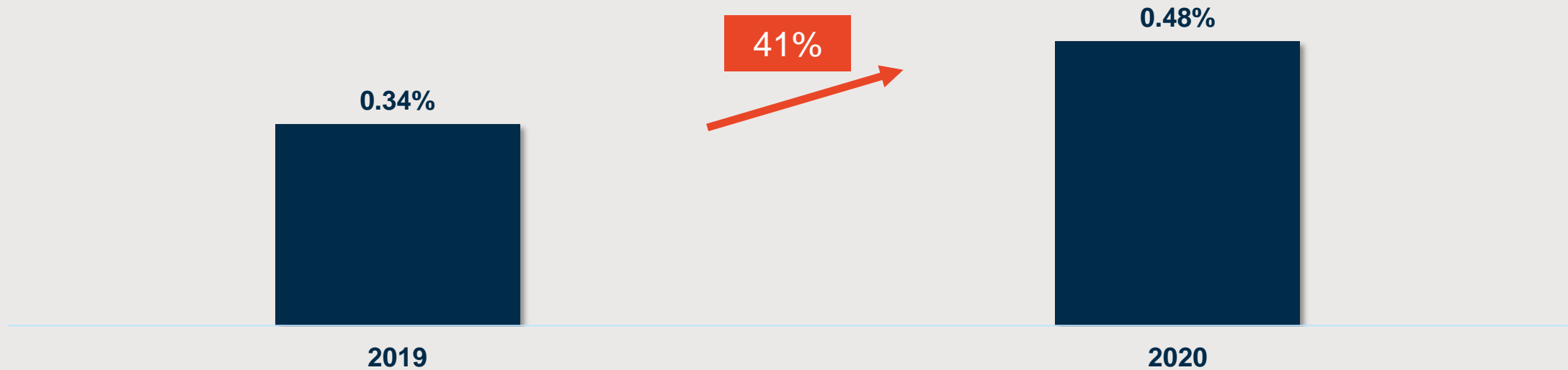
Risks Most Challenging to Manage



[2021 AFP Risk Survey](#)



Companies Increase Spending on Cyber Security % of Revenue





Objectives

- Understand how to assign value to our information assets
- Key tools to budget and invest in information security



SMEs Today

Franklin Donahoe, CEO, Lynx Technology Partners, Franklin has over 30 years of experience in data, information, cyber security, business and technology risk management and military service in the United States Marine Corps. He was the chief information security officer at Mylan Pharmaceuticals and Costco Wholesale.



Bryan Lapidus, FPAC, director of FP&A Practice for the Association for Finance Professionals (AFP), has more than 20 years of experience in the corporate FP&A and treasury space working at organizations such as American Express, Fannie Mae and private equity-owned companies.





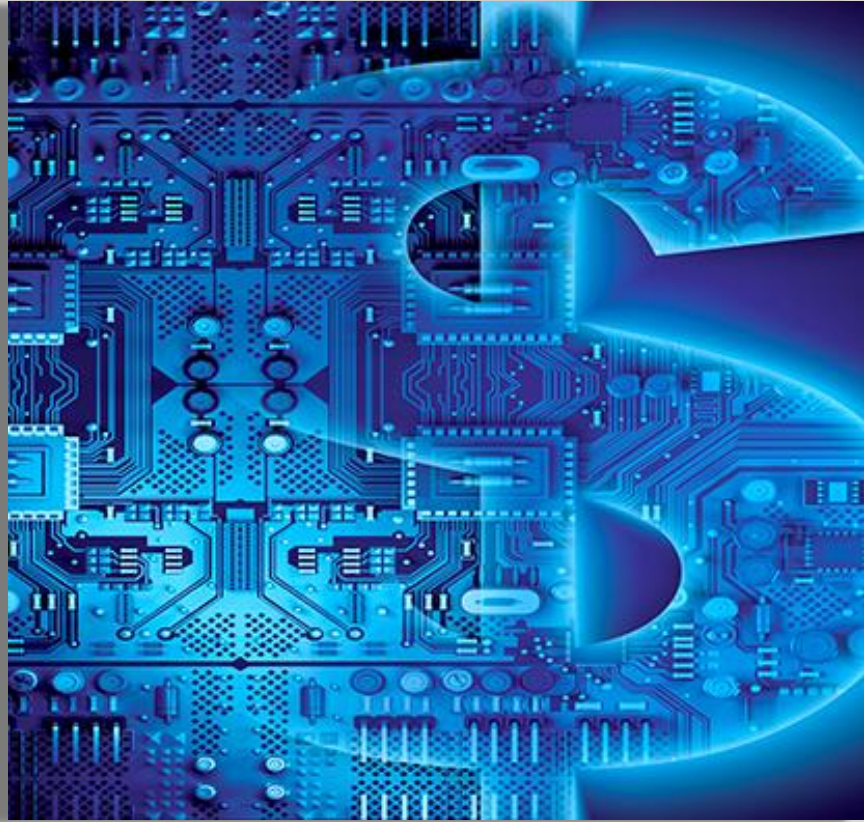
Poll Question:

Which describes the relationship between Finance understand IT? (check all that apply)

- **Transactional:** They send us numbers, we send them numbers
- **Informed:** Our liaison to IT understands technology
- **Consulted:** Finance (or the business) asks for IT input on all relevant investments
- **Partnered:** Finance ensures IT understands the financial implications of their decisions



Finance “vs.” IT



Technology and Security are Business Decisions!

- Finance needs to understand IT and risk to be comfortable with their investment
- How do you figure out the correct spend and how to spend it?

Finance ♥ IT



Poll Question:

Which best describes how you value cyber investments? (choose one)

- **NPV / IRR / ROI**
- **Total cost of ownership**
- **Option valuation**
- **We don't value / "strategic" / required cost of doing business**



Dimensions of Value



Finance must understand:

- Data
 - Business value
 - Risk profile
 - Application of technology
- } Assets
- } Approach





Poll Question:

How do you develop the budget/plan spend for information security? (choose 1)

- **Last year's spend grossed up by revenue growth**
- **Align with valuation of business assets**
- **Line-by-line review of requested spend**
- **Review IT request, then reduce by 20%**
- **Other (please use the chat)**



Tools of Analysis



- **Business Impact Analysis**

- Predicts the consequences of disruption of a business function and process and gathers information needed to develop recovery strategies.

- **Materiality**

- Defining the topics and thresholds that matter most to your business and your stakeholders

- **Data / App Classification**

- The process of organizing data by relevant categories so that it may be used and protected more efficiently



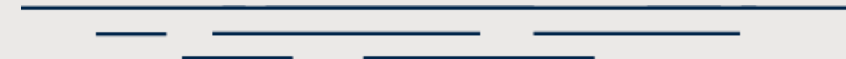


Putting It All Together

Tools of Analysis

Dimensions
of Value

	Business Impact Analysis	Materiality	Data/App Classification
Data	X		X
Business Value		X	X
Risk profile	X		X
Application of Tech	X		X





What Now?



Talk to your security teams

**Utilize the security tools;
prioritize activities around BIA
and classification**

**Security is an investment, not
an expense**





For Further Research



[2021 AFP Risk Survey](#)

