Compliance, Risk & Resilience: 
MINIMIZING DOWNTIME FROM CYBER INCIDENTS

Cybersecurity remains a ubiquitous, high-profile enterprise risk for security, compliance, legal, risk, and internal audit officers and board committees. Cyber risk universally affects organizations of all sizes across every industry sector and in every geography – as the leading cause of operational downtime. Expanding relationships in the digital supply chain, proliferation of mobile applications across the extended enterprise, and the digitalization of industrial processes mean easier points of entry, rendering every organization a potential target.

As the complexity and vulnerability of enterprise information systems evolve, so should efforts in cybersecurity and data breach crisis preparedness and operational recovery.

Not only have information technology and operating environments evolved, but also the means, motivations, and skills of threat actors — especially nation-state actors in the current geopolitical environment — have rapidly matured to a state of tradecraft that is sophisticated, patient, and perversely effective.

RESILIENCE IS THE OBJECTIVE

To be prepared, organizations should plan and budget for cybersecurity based on the value of their assets, the opportunity cost of breach-related operational downtime, and their inherent risk appetite. From the risk-adjusted perspective that compromise may now be essentially inevitable, prudent companies should establish “resilience” as their ultimate objective and a fundamental mission of their business continuity programs. Cybersecurity resilience balances funding, staffing, and operations directed at prevention, detection, and reduced time-to-respond against resources for crisis response, data restoration, and business operations recovery.

Every cybersecurity framework, standard, and regulation addresses the need for business continuity and IT disaster recovery alongside, and hopefully integrated with, cyber incident response. While the “owners” of these plans may differ, the plans should ideally cohere to help minimize the financial, legal, regulatory, and reputational risk that typically accompanies disruption to operations from cyber events, and to complement insurance coverage and risk transfer strategies.
SERVICES

B. Riley Advisory Services approaches cybersecurity risk management from the perspective of enterprise crisis management and business continuity management (BCM). This framework provides the overall model for crisis recognition, characterization, escalation, management, and recovery, using lessons learned for continuous improvement. Each type of plan is part of the tool kit for response and recovery. Our specialized team works with clients across multiple industries to address their cybersecurity risks, threats, and incident scenarios:

- Identifying risk and fortifying infrastructure
- Meeting compliance objectives
- Building security into applications and processes
- Providing crisis management, business continuity, and disaster recovery plans and strategies
- Maturing their overall cybersecurity readiness posture

REPRESENTATIVE ENGAGEMENTS

BCM Model and Cybersecurity Strategy for a Fortune 500 Insurance Company
We assessed the client’s business continuity plan (BCP), disaster recovery, and emergency management programs; developed comprehensive plans for hundreds of departments across over 50 global operating units as part of a global BCM program; and made the plans forward compatible with contemporary cybersecurity risks.

Airport Emergency Management & Business Continuity Planning Software
We developed custom software for the Transportation Research Board of the National Academy of Sciences that enables the U.S. airport sector to develop robust airport emergency plans and BCPs to respond to — and recover from — disruptive incidents that impact their critical infrastructure.

Hospitality Sector Global Crisis Management Solution
We were engaged to develop a BCM governance framework, crisis management organization and process, and a mobile incident management platform for use during cybersecurity and other potentially debilitating disruptions to the operational integrity of a global hotel system.

THE B. RILEY DIFFERENCE

We see cybersecurity risk management holistically, and we are uniquely staffed to assemble effective teams to help clients across the entire data breach timeline. Our operational risk and resilience team brings together business continuity experts fully credentialed in cybersecurity and enterprise risk management. We help clients align their cyber insurance strategy with the nature of their risk exposure. We speak the language of compliance, risk management, information security, and IT. We understand how closely these groups should collaborate for the organization to become credibly prepared for the inevitability of operational disruption from a cybersecurity incident, and to effectively recover its operational integrity.

PRACTICE LEADERS

Scott Corzine
scorzine@brileyfin.com
(917) 930-5300

Duane Lohn
dlohn@brileyfin.com
(602) 321-9818
ABOUT THE FIRM

ABOUT B. RILEY ADVISORY SERVICES

B. Riley Advisory Services provides specialty advisory services and solutions to complex business problems and board-level agenda items. Our team applies a unique mix of skill sets to address top-level, non-typical business challenges, such as developing compliance and risk systems for organizations, planning and executing a major acquisition or divestiture, pursuing a fraud investigation or corporate litigation, or managing through a business crisis or bankruptcy. In addition, we are a leading provider of valuation and appraisal services for asset-based lending applications.

Our team works with lenders, law firms, government entities, private equity sponsors and companies of all types. Our Advisory Services are a unique mix of Compliance, Risk & Resilience Services, Valuation and Appraisal Services, Restructuring and Turnaround Management, Operations Management Services, Forensic Accounting and Litigation Support and Transaction Support Services including Due Diligence and Quality of Earnings Reviews. B. Riley Advisory Services is a combination of the firms formerly known as GlassRatner Advisory & Capital Group and Great American Group.

ABOUT B. RILEY FINANCIAL (“B. RILEY”)

B. Riley Financial, Inc. (NASDAQ: RLY) companies provide tailored financial solutions to meet the strategic, operational, financial advisory and capital needs of its clients through a diverse range of collaborative and complementary business capabilities.

B. Riley’s diverse suite of business capabilities goes beyond traditional financial service offerings. By leveraging cross-platform expertise and assets, our business units are uniquely positioned to provide full service, collaborative solutions at every stage of the business life cycle and in all market conditions.