

Mitigating against cyber risks

By 2019, the impact of cybercrime on the global economy could total an estimated US\$2 trillion in financial losses. Recent headlines demonstrate the vulnerabilities of media and entertainment (M&E) to cyber criminals. Episodes of popular television shows have been stolen and held for ransom; feature films have been hacked, costing millions in lost revenue opportunity; and embarrassing Hollywood emails have been exposed, jeopardizing – and, in some cases, ending – careers. Recently, the value of one large convergence deal was significantly reduced after revelations of security breaches at the target company.

Escalating risks in M&E

Like companies in other sectors, M&E firms face the constant risk of having credit card or other personal information stolen. The increase in consumer behavioral data only heightens these risks. Every download, view and click results in massive amounts of data being created every day. This data is extremely useful for companies (data analytics) and provides a real competitive advantage. However, this same data is a magnet for cyber criminals.

New technologies and new business models present further risks. As companies embrace the Internet of Things, the number of potential entry points for cyber criminals increases exponentially. As more companies go direct to consumers, they will shoulder end-to-end security risks that they never had to before.

Being compliant

The pace and scale of regulation are changing the risk environment. In May 2018, the EU's General Data Protection Regulation (GDPR) comes into force when companies that are subject to the GDPR will have to demonstrate their compliance. The GDPR gives consumers new rights over their data, which heightens

the accountability on entities collecting, storing, analyzing and managing personally identifiable information. The regulation prevents companies from using an individual's data unless they have direct consent from that person. This covers a wide range of information, such as name, identification number, location data or one or more factors specific to physical, physiological, genetic, mental, economic, cultural or social identity on the nature of the person, as well as online identifiers (e.g., IP addresses).

The GDPR will have a global impact. Failure to comply can result in significant fines – up to €20 million or 4% of annual turnover of the preceding financial year, whichever is greater.

To become compliant for the GDPR, M&E companies must understand and manage its impact throughout their organizations. With the possibility of hefty fines, responsibility for GDPR compliance does not rest solely on the shoulders of the chief information officer. Both the board and C-suite should be well-acquainted with the issue, align oversight across the board, including cyber training for directors, and have processes to both measure and evaluate cyber risks.

Taking a multilayered approach

M&E companies need to take a four-step, risk-based approach to cybersecurity:

- 1. Prioritize.** Identify and prioritize the information and assets that matter most to the organization based on its overall risk appetite.
- 2. Plan.** Improve processes to plan, protect, detect and respond to cyber threats. This may include predictive threat models that help companies better understand and quantify the probability of a breach, the size of the vulnerabilities and the level of impact a breach could cause.
- 3. Protect.** Consider the impact of security breaches that third parties present, and develop a supplemental plan that addresses these potential gaps.
- 4. Preserve.** Develop a continuous improvement plan that enables management of constant change efficiently and effectively.



Building a better working world

1. "Protecting Small Businesses from Cyber Attacks: the Cybersecurity Insurance Option," testimony by Robert Luft, President, SureFire Innovations, House Small Business Committee hearing, 26 July 2017, Congressional Documents and Publications, via Dow Jones Factiva.



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EYG no. 01340-184GBL

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