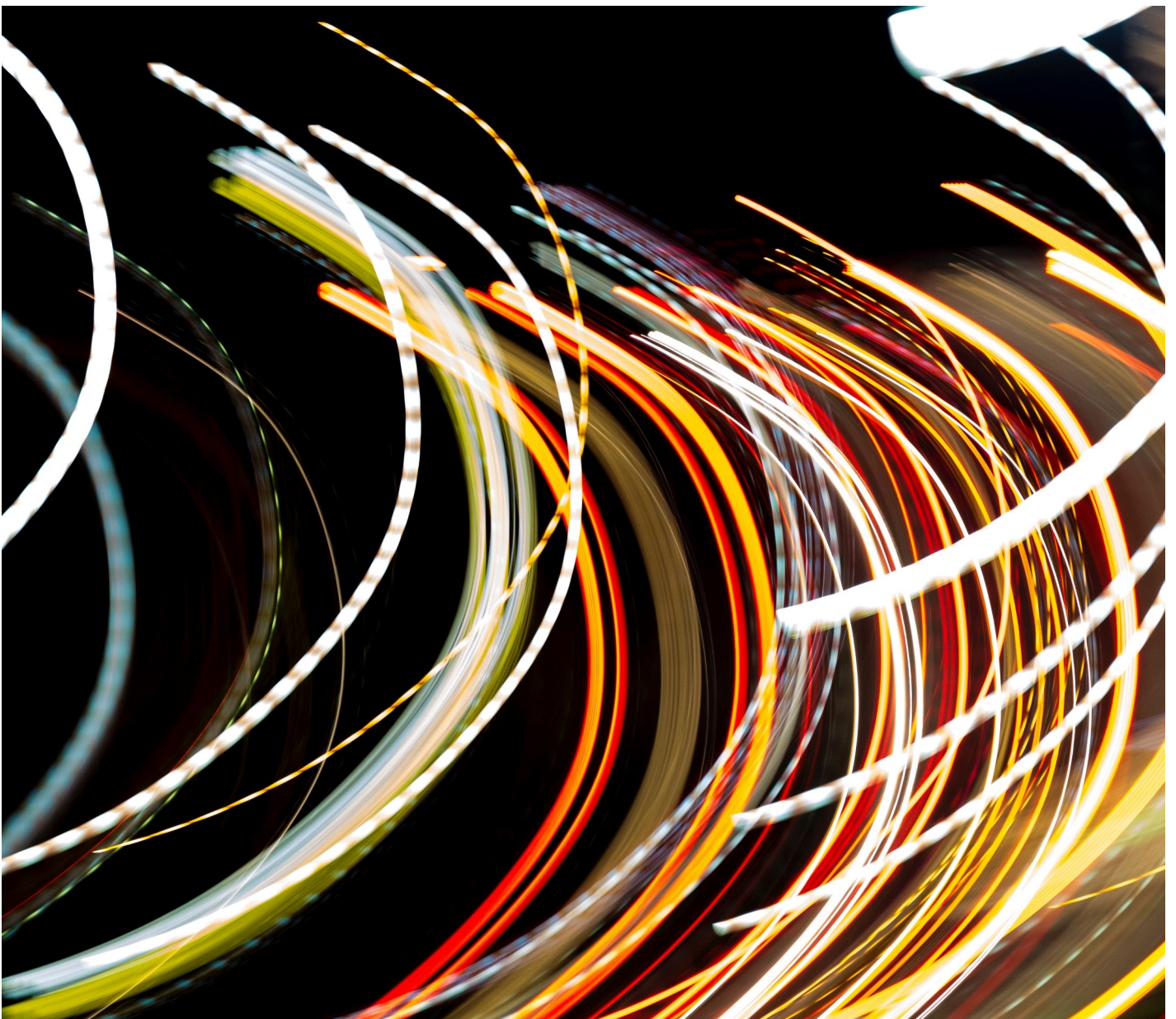


LEATHWAITE

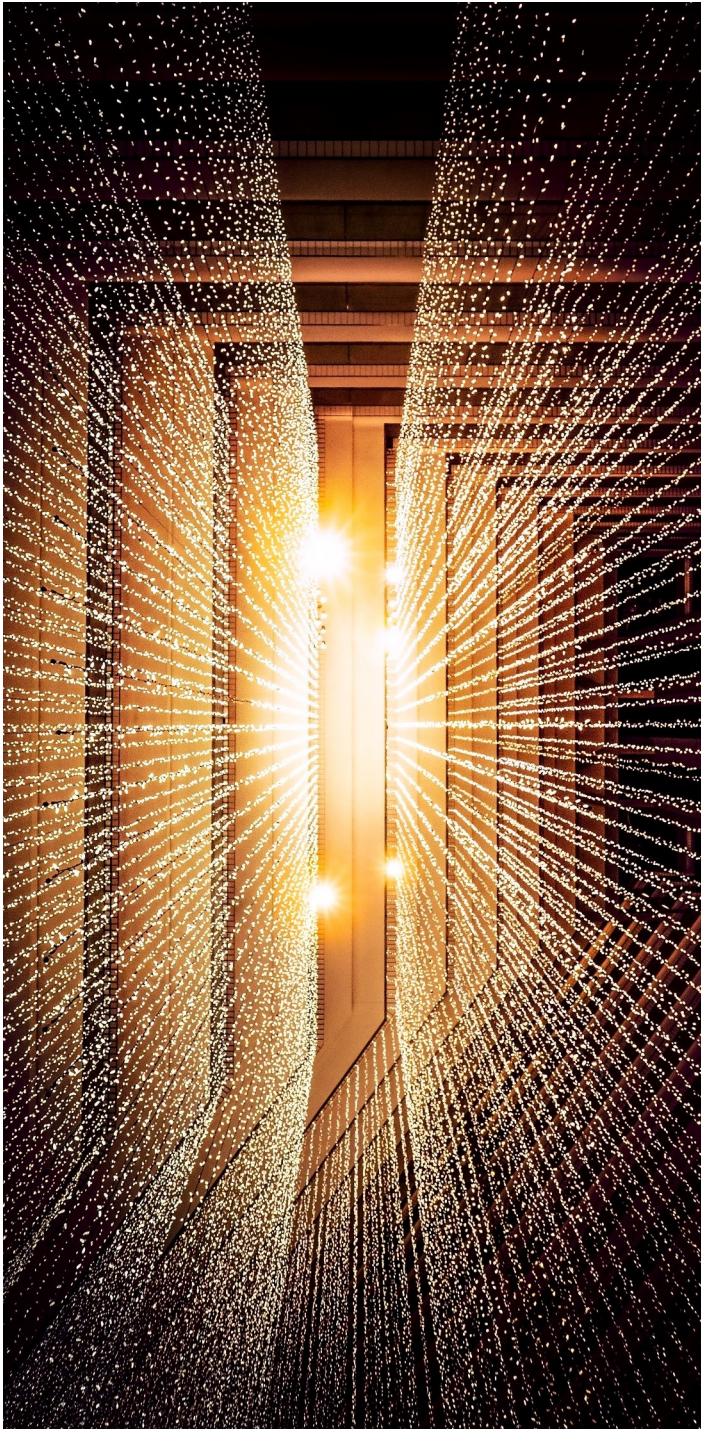
The role of the CISO:

Prioritising cyber security has never been more paramount

Where does a Chief Information Security Officer (CISO) fit in the organisation?



About Leathwaite



Leathwaite was established with one clear purpose: to help organisations secure the best Human Capital within Support, Enablement & Control Functions.

Guided by our unique company values:

Be Distinctive

You cannot lead by following. We help clients, candidates and colleagues understand why we are different from the competition, and how this makes us best placed to help them achieve their objectives.

Maintain Humility

A culture in which the hierarchy is flat and everyone is open and accessible to others, enables sharing and collaboration. We do not allow title, rank or ego to cloud this thinking.

Compete Together

A great team is bigger than the sum of its parts. By pushing in the same direction and driving towards collective goals simultaneously, we will ultimately achieve more and so will our clients.

Introduction: What is a CISO?

Prioritising and investing in cyber security has never been more paramount. The growth of data and analytics, now a US\$5 trillion industry in its own right, as well as its utilisation across a range of other sectors has been exponential. Furthermore, with cybercrime also growing in terms of number, frequency and sophistication of attacks, Accenture (“Ninth Annual Cost of Cybercrime Study” – March 2019) estimates that the cost of cybercrime for an average organisation has risen by US\$1.4 million to US\$13 million in 2019, it is vital that organisations ensure its data and information remains secure and regulatory compliant.

PURPOSE OF THIS REPORT

Against this backdrop it is unsurprising that demand for technology risk and cyber security talent, at all levels and all aspects of the function, remains in high demand. Nor is it surprising that the role, scope and positioning of the Chief Information Security Officer (CISO) continues to evolve.

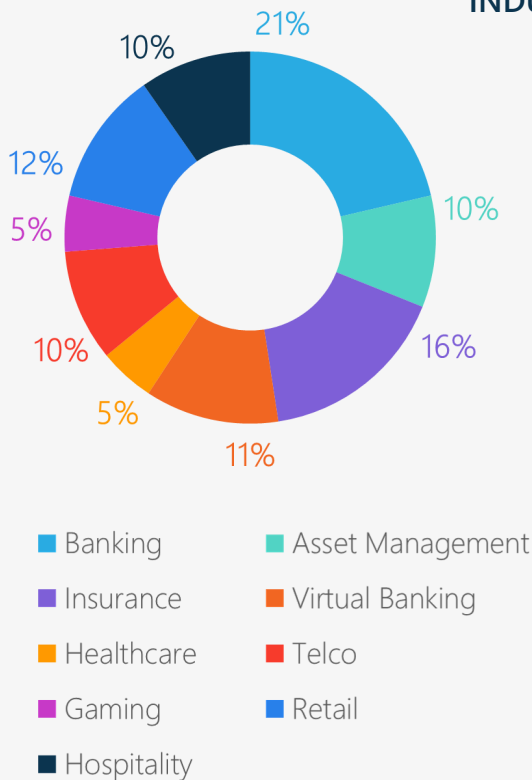
Over the course of the last two months Leathwaite has interviewed incumbent CISOs with Asia Pacific responsibility from a range of industries including banking, asset management, insurance, virtual banking, healthcare, telecommunications, gaming, retail & hospitality, with the aim of better understanding the challenges and opportunities within the function.

How the CISO is utilised and positioned varies widely across companies and industry. The positioning of the cyber function, and subsequent perception of autonomy and empowerment, is a strongly-contested point among CISOs and other governance and control leadership.



Where does a CISO fit in the organisation?

INDUSTRIES REPRESENTED



54%

of CISOs said they have least constructive working relationship with the Chief Financial Officer (CFO), mostly due to the immediate focus on ROI and CFOs not seeing immediate financial gain from CISO

72%

said they felt most supported by Technology, predominantly from a partnership perspective

67%

said they felt least supported by Finance

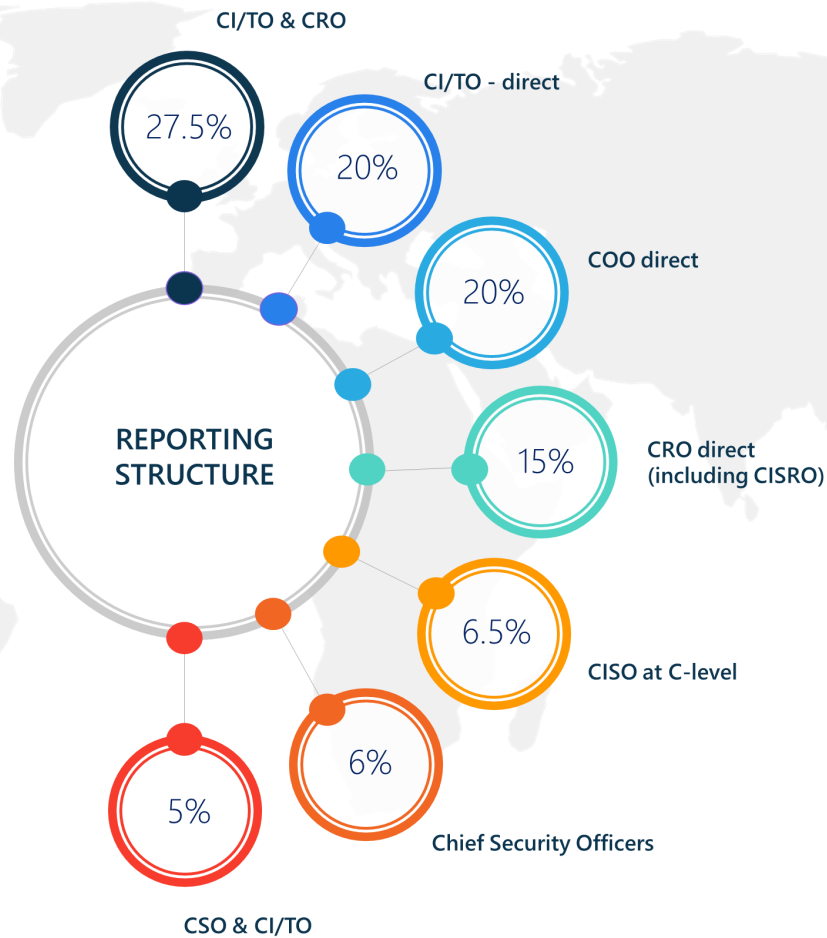
How the CISO is utilised and positioned varies widely across companies and industries. With the convergence of data, analytics and technology with corporate strategy and the increasing sophistication of cybercrime; the positioning of the function and subsequent perception of autonomy and empowerment remains a strongly contested point among CISOs and other governance and control leadership.



THERE IS AN OVERWHELMING SENSE AMONG CISOs, IRRESPECTIVE OF INDUSTRY SECTOR, OF BEING UNDERVALUED

Despite multiple high-profile cyber breaches, CISOs in the region continue to highlight a lack of understanding of the role that the function plays in protecting and enabling revenue growth among the leadership team and a continuing struggle to quantify the function's value to the wider organisation.

Where does a CISO fit in the organisation? (Continued)



A majority of the CISOs we interviewed highlighted the evolving nature of the function and the need, at the more senior end of the spectrum, to identify talent who meet not only the technical requirements of the role, but also the desired behavioural traits – problem solving capabilities, high emotional intelligence, commercial acumen and collaboration skills. Given the need for almost constant upskilling to keep pace with technology innovation, this can be challenging.

11 OF THE CISOs INTERVIEWED, ONLY 6.5% ARE PART OF THE OVERALL EXECUTIVE LEADERSHIP TEAM AT THEIR RESPECTIVE COMPANIES



An evolving role

// AS COMPANIES DIGITIZE AND UTILISE TECHNOLOGY TO ENGAGE WITH CUSTOMERS, THE CISO IS INCREASINGLY TAKING ON RESPONSIBILITY FOR CYBER, AI, DIGITAL TRUST AND TECHNOLOGY AND TRANSITIONING FROM A SECOND LINE-OF-DEFENCE TO A FIRST LINE-OF-DEFENCE ROLE

Historically the technology security role has been a smaller facet of the IT function. As companies digitize and utilise technology to engage with customers the CISO is increasingly taking on responsibility for cyber, AI, digital trust and technology and transitioning from a second line-of-defence to a first line-of-defence role. With this development reporting lines are changing (see reporting structure infographic on page 5) to the Chief Operating Officer and away from the Chief Information Officer or Chief Risk Officer. In organisations where the CISO function is more established and mature, the CISO is more likely to be a direct report to the Chief Executive Officer.

The survey also highlighted a greater feeling of empowerment and autonomy across regulated industries –

// 72% OF CISOs IN REGULATED INDUSTRIES FELT THEY WERE EMPOWERED TO IMPLEMENT THEIR AGENDA VERSUS 31.5% OF CISOs QUESTIONED IN LESS REGULATED INDUSTRIES

Similarly the survey highlighted that CISOs within publicly listed companies, given shareholder pressure, were better supported to drive improvements and changes within the function.

Asia remains a federated region with multiple jurisdictions with differing levels of security awareness and differing levels of maturity of data regulation. Given this complexity it is surprising that in many organisations the CISO has not previously had a 'seat at the table'. This is changing, often driven as much by regulators who are increasingly requiring the role to be elevated as by the Board, and with it a greater emphasis on appointing CISOs who possess a stronger commercial orientation and an ability to both advise and challenge executive leadership.



Defining how much a CISO is worth to your organisation

With an average data breach costing an organisation US\$13 million in 2019, the business benefit of the CISO function is clear. The biggest challenge that companies face is finding the right talent – finding an individual with the experience, skills and personality to thrive in their organisation and drive long-term business results.

	Tier 1	Tier 2	Tier 3	Tier 4
Compensation Bracket (in USD)	\$512,000 - \$817,000	\$358,000 - \$512,000	\$256,000 - \$358,000	\$153,000 - \$256,000
Reports to	COO / CIO / CEO / CIO	CIO / COO / Group CISO	CIO / CRO	Head of Infrastructure
Level of stakeholder interaction	Exco & Board Level	Regional Exco & Board Level	IT & Operations Level	IT & Operations Level
Synopsis of role	Global business. Oversees all aspects of security including cyber, information security, physical, fraud, behavioural analytics and risk analytics.	Regional business. Remit may exclude physical and fraud responsibilities. Smaller scale group.	Information security and cyber focused. Emphasis on analysing third party risk, developing metrics and raising awareness. Majority of capability outsourced.	Information security focused. Minimal exposure to cyber and broader aspects of security. Majority of capability outsourced.
Leadership Competencies	Manages a global team of over 100. Likely to be driving a change in operating model.	Manages a team of 50+ across a number of locations. Focus on building and developing a function.	Manages a team of 10 - 20. Some mandate to build and develop group, however budget likely to be limited.	Team of under 10 and little mandate to hire.
External Interactions	Figurehead in the CISO community. 'Marquee' name. Regularly presents on external panels and features in publications. Stays connected with government agencies and media.	Presents on external panels and occasionally quoted in publications. Visible in the regional CISO community. Stays connected with government agencies and media.	Predominantly internally focused. Occasionally speaks on minor external panels. Connected with regional government agencies and media.	Wholly internal focused. Less known in the market.
Threat level of organisation	Likelihood and impact of an attack is high.	Likelihood of a cyber-attack is low but the impact critical.	Moderate risk of business impact by a cyber-attack.	Probability and impact of a cyber-attack is low.

Why is a CISO so important?

Criminals netted US\$3.5 billion from cyber-crimes reported to the FBI alone in 2019 (Internet Crime Complaint Center 2019 Internet Crime Report – February 2020). Data protection, once only a concern for banking and financial services, is now a focus for all businesses and sectors and is only likely to increase given increased data regulation such as the 2018 General Data Protection Regulation (GDPR). The cost of cyber-crime is not limited to fraud but regulatory fines, customer settlements and reputational damage.

Some recent examples of significant data breaches (as reported by CNBC) include:

yahoo!

3 billion records affected in 2013 due to hacking; with the company facing upwards of US\$50 million in fines.

facebook

540

million records affected in 2019 due to poor security; with the company facing US\$5 billion in fines.

Marriott
INTERNATIONAL

500

million records in 2018 due to hacking; with the company facing US\$123 million in fines.

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