



# **Beyond Guesswork**

#### AN APPROACH TO DATA RISK QUANTIFICATION

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# Who's This Guy?



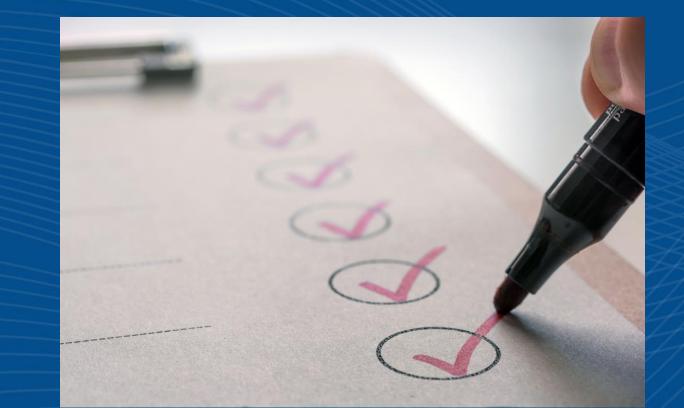


20 + years in Information Governance related roles across multiple sectors Certified Information **Governance** Professional and US Privacy Professional Currently with Alvarez & Marsal specializing in information risk and governance solutions



# Agenda

- Introduction and Purpose
- Client Case Study Overview
- Identifying Hidden Data Challenges
- Quantification Framework
- Real-World Outcomes and Results
- Key Insights and Takeaways
- ► Q&A







#### Introduction and Purpose



- Data drives strategic decisions
  Risks increase with data value
- There are clear methods to quantify and manage data risks
- Review Healthcare Sector Case Study to show one possible strategy that demonstrates actionable insights





# **Client Case Study Overview**

Sector: Healthcare Scope of Analysis ▶ 63 business processes analyzed ▶ 28 information systems evaluated ▶ 11 organizational functions covered Collaboration with over 50 stakeholders 

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#### Primary Challenges

- Managing sensitive data (PHI, PII, SBI)
- Meeting regulatory compliance requirements
- Limited visibility into actual risks

Motivation: Improve governance and quantify risks clearly to significantly reduce data exposure





# Identifying Hidden Data Challenges

#### Methodology

- Stakeholder interviews
- Comprehensive process/system mapping
- Technology assessment



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- Major Risks Uncovered
  - Sensitive data stored locally and in unsecured cloud storage
  - Limited staff awareness of compliance obligations
  - Lack of defined data disposal procedures
  - Inconsistent and unmanaged data access



### **Quantification Framework**

Scoring System Overview
 Evaluates processes based on:

 Data Sensitivity
 Degree of Unstructured System Usage
 Data Sharing with Third Parties

Data Sensitivity
 Categorized into:
 PHI (High Risk)
 PII (High Risk)
 SBI (Low Risk)

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Risk Score: PHI/PII assigned the highest weight

Total Sensitivity Score = Sum of points from each data type in the process



### Quantification Framework cont.

- Degree of Unstructured System Usage
  - Includes hard drives, shared drives, Box, Teams, OneDrive, Email
  - Risk varies by system type (e.g. Email is riskier than Box)

Data Sharing with Third Parties
 Assessed in a binary matter



#### **Real-World Outcomes and Results**

- Substantial Reduction in Data Risk Exposure
- Significant Improvement in Organizational Compliance
- Cost Savings from Reduced Redundant Data Storage

Enhanced Operational Efficiency

- Overall sensitive data risk reduction: 62%
- People Services potential risk reduction: 71%
- Accounting potential risk reduction: 68%





# Key Insights and Takeaways

- Clear Definition and Quantification of Data Risks
  - Underpins effective risk management
- Essential Steps for Risk Mitigation
  - Comprehensive data inventory
  - Structured quantitative risk assessment
  - Implementation of enforceable governance controls
- Importance of Ongoing Monitoring
  - Flexibility in adapting to emerging risks









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