Beyond Guesswork

AN APPROACH TO DATA RISK QUANTIFICATION

Christopher Hockey, Manager
Alvarez & Marsal

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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

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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

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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

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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
- 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

- 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)
- 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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Q&A

CONTACT INFORMATION:
CHOCKEY@ALVAREZANDMARSAL.COM

WWW.LINKEDIN.COM/IN/CLH14

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