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CIO JOURNAL.

FICO to Offer 'Enterprise Security Scores'

The consumer-credit score firm on Tuesday said it acquired cybersecurity startup QuadMetrics to develop a standard industry-wide metric for corporate cybersecurity risk.

By **ANGUS LOTEN**

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A computer screen at the National engineering elite school of Bretagne-Sud cybersecurity center in Vannes, western France. *PHOTO: FRED TANNEAU/AFP/GETTY IMAGE*

Fair Isaac Corp., known for its FICO consumer-credit scores, waded deeper into online security Tuesday with the acquisition of cybersecurity startup QuadMetrics.

The terms of the deal were not disclosed.

The company said it plans to leverage QuadMetrics's predictive analytics and security-risk assessment tools to develop an industry-wide "enterprise security score" for businesses.

The security score is meant to provide an "easy-to-understand" metric to help chief

information officers and other corporate IT decision-makers gauge their company's online risks, while managing risks from third-party software vendors.

It can also act as a guide for cyber-breach insurance underwriting, the company said.

“Just as the FICO Score gave credit markets a single metric for understanding credit risk, this product will give the industry a common view of enterprise security risk,” Doug Clare, FICO's vice president of cybersecurity solutions, said in a statement.

QuadMetrics, based in Ann Arbor, Mich., claims to be able to predict the likelihood of a company being breached with greater than 90% accuracy, the company told CIO Journal in January.

QuadMetrics, leveraging technology developed at the University of Michigan with funding from the Department of Homeland Security, collects more than 250 data points from a company's IT network, such as spam traffic or the configuration of servers and routers. It then runs through predictive risk models based in part on a database on past security incidents.

The deal announced Tuesday isn't FICO's first foray into cybersecurity. In January, it announced plans to develop a separate tool that uses artificial intelligence and self-learning algorithms to identify abnormal activity in a company's network, which may flag a breach.

Garrett Bekker, a cybersecurity analyst at 451 Research, says managing cyber risks from third-party vendors is becoming a “huge problem” for big firms. Target Corp., for instance, suffered a massive customer-data breach in 2103 when its third-party HVAC vendor was hacked.

“Some large enterprises are dealing with over 10,000 external vendors, suppliers and partners, and many compliance regulations now demand they have to gauge the risk of all of them and somehow remediate that risk,” he said.

While creating an enterprise-security score could help establish baseline standards for security controls, he added, it also risks becoming a rubber stamp or checkbox process.

Chris McClean, a research director at Forrester Inc., cautioned that many tools and techniques used in monitoring cyber risks are “new and untested” and may not cover all aspects of security.

“Even a company with a strong score can be wide open to attack,” he said.

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