

SMALLER BUSINESS, BIGGER RISK: WHY SMBS ARE CHOOSING MSSPS

In the *build* (in-house) vs. *buy* (outsourced) business decision regarding the information security risks faced by small and mid-size businesses (SMBs), logic points to an increased use of managed security service providers — and Aberdeen Group’s research findings confirm that SMBs are increasingly following this logic.

Aberdeen Group makes use of empirical data from the well-known Verizon Data Breach Investigations Report ([DBIR](#)) series — including the *likelihood* of a data breach, and estimates for the *cost* of a data breach — to quantify the *risk*, by industry, for a data breach of 100K to 1M records:

63%

For small and mid-size businesses (SMBs) of up to 1,000 employees, Aberdeen Group’s analysis shows that the risk of a single data breach is significantly higher than it is for larger organizations — by about 63%.

\$357K

For SMBs, there’s a 90% likelihood of a single data breach costing more than \$216,000, and a 10% likelihood of a single data breach costing more than \$450,000, with a median (50% likelihood) cost of about \$357,000.

\$217K

For larger organizations, the cost of a single data breach is between \$96,000 and \$330,000 (this is the *80% confidence interval*), with a median cost of about \$217,000.

3.5X

For the following industry sectors, SMBs have up to 3.5-times greater risk: Information Industries (69% higher); Manufacturing (159% higher); Healthcare and Social Assistance (6% higher); Retail (45% higher); Accommodation and Food Services (354% higher); Administrative and Support Services (41% higher).

100%

With respect to planned deployments of new information security solutions, literally all the growth among the SMBs in Aberdeen’s benchmark study favors the use of managed security service providers (MSSPs).

→ Read the full report: [The State of SMB Security Risks: Why Most SMBs are Looking to MSSPs](#); November 2016

The bottom line: Even if a given SMB is capable of traditional, do-it-yourself integration of on-premises information security solutions using in-house resources, it’s prudent to ask: are they better off doing IT on their own — or would they be better off leveraging the expertise and scale of a specialized third-party service provider?