INTRODUCTION

Effective as of May 25, 2018, the European Union General Data Protection Regulation (GDPR) represents the most sweeping change in data privacy regulation in decades.

GDPR imposes strict requirements on how consumer data is collected, used, and stored, including U.S. companies doing business in EU countries.

Security breaches must be immediately disclosed, explicit consent for data collection is required, and users have the right to full erasure of data - with all costs for technology, people, and processes carried by the entity collecting the data.

This report is the result of a comprehensive research study commissioned by Cybersecurity Insiders in partnership with the 400,000+ member Information Security Community on LinkedIn to provide clarity on the state of GDPR compliance.

This research uncovers the perspectives of organizations on the impact of the new regulation, how prepared they are, and how they plan to be in compliance with the new law to avoid significant penalties.

Many thanks to our sponsors for supporting this exciting research project: Alert Logic | AlienVault | Cavirin | Data443 | D3 Security | Haystax Technology | Securonix

We hope you will enjoy the report.

Thank you,

Holger Schulze

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KEY SURVEY FINDINGS

1. A whopping 60% of organizations are at risk of missing the GDPR deadline. Only 7% of surveyed organizations say they are in full compliance with GDPR requirements today, and 33% state they are well on their way to compliance deadline.

2. While 80% confirm GDPR is a top priority for their organization, only half say they are knowledgeable about the data privacy legislation or have deep expertise; an alarming 25% have no or only very limited knowledge of the law.

3. The primary compliance challenges are lack of expert staff (43%), closely followed by lack of budget (40%), and a limited understanding of GDPR regulations (31%). A majority of 56% expect their organization’s data governance budget to increase to deal with GDPR challenges.

4. Approximately a third of surveyed companies report that they will need to make substantial changes to data security practices and systems to be in compliance with GDPR. The highest ranked initiative for meeting EU GDPR compliance is to make an inventory of user data and map it to protected EU GDPR categories (71%), followed by evaluating, developing, and integrating solutions that enable GDPR compliance.
Half of respondents have some or deep knowledge about the GDPR regulation. An alarming 25% have no or only very limited knowledge of the law.
COMPLIANCE PRIORITY

GDPR compliance is a priority for the vast majority of respondents (80%); for a third of respondents (34%) it is one of the top three priorities. 20% say GDPR isn’t a priority - but that won’t relieve them from having to comply with the law.

How high a priority is GDPR compliance to your company?

- 34% It’s one of the top 3 priorities for my company
- 46% It’s one of a number of priorities
- 20% It’s not a priority
Only 7% of companies in our survey believe they are in compliance with GDPR requirements today. While this is an improvement over last year’s survey results where only 5% indicated compliance readiness - it is still an alarmingly low number. A third of companies (33%) are on their way to compliance; they are confident they will meet all requirements by the deadline. A whopping 60% of organizations are at risk of missing the compliance deadline.

How prepared is your company to meet EU GDPR regulations by the deadline of May 25, 2018?

- 28% We have developed plans, but not started the compliance process
- 32% We have initiated the process of being compliant, but not confident of meeting the deadline
- 33% We’re well into the process and confident of being compliant by the deadline
- 7% We’re in compliance today
In most organizations, IT (27%) and Information Security (25%) teams have primary ownership for meeting GDPR compliance (52%).

What team within your company has primary responsibility for GDPR compliance?

- Information Technology: 27%
- Information Security: 25%
- Legal: 15%
- Compliance: 13%
- Financial: 3%
- Other: 14%
A majority of respondents (71%) indicate that making an inventory of user data, and mapping the data to protected GDPR categories, is a priority initiative in their GDPR compliance programs. This is followed by evaluating, developing, and integrating solutions that enable GDPR compliance.

Which of the following initiatives are part of your GDPR compliance program?

- Making an inventory of user data and mapping to protected EU GDPR categories: 71%
- Evaluating solutions to enable users to exercise their data rights: 49%
- Designing applications and databases to have default data privacy enabled: 46%
- Identify and integrate internally developed solutions: 36%
- Audit to track down “rogue” data records with personal information: 35%
- Identify and integrate external applications: 28%
- Stress-testing resilience of proposed GDPR solutions: 21%
- Other 10%
Among the eleven chapters making up GDPR regulation, survey participants are most concerned about implementing chapter 3, focused on the rights of the data subject, which is at the core of GDPR regulations to protect EU citizens data privacy.

Our GDPR compliance program is most concerned about the following GDPR chapters:

- **Chapter 1**: General provisions - 16%
- **Chapter 2**: Principles - 26%
- **Chapter 3**: Rights of the data subject - 42%
- **Chapter 4**: Controller and processor - 37%
- **Chapter 5**: Transfer of personal data to third countries of international organizations - 27%
- **Chapter 6**: Independent supervisory authorities - 12%
- **Chapter 7**: Co-operation and consistency - 14%
- **Chapter 8**: Remedies, liability and sanctions - 23%
- **Chapter 9**: Provisions relating to specific data processing situations - 16%
- **Chapter 10**: Delegated acts and implementing acts - 12%
- **Chapter 11**: Final provisions - 5%
Among the many articles that make up the GDPR legislation, the right to be forgotten and erasure (article 17) and secure processing of personal data (article 30 and article 5) rank as the highest concerns. This is likely because these requirements imply significant system re-design and investment in data protection controls and impact on business processes.

Which of the following provisions are of the most concern to you?

- Article 5: Principles relating to processing of personal data - 37%
- Article 10: Processing of personal data relating to criminal convictions and offences - 7%
- Article 13: Information to be provided where personal data are collected from the data subject - 25%
- Article 15: Right of access by the data subject - 22%
- Article 17: Right to be forgotten and to erasure - 53%
- Article 18: Right to data portability - 29%
- Article 22: Automated individual decision-making, including profiling - 13%
- Article 23: Data protection by design and by default - 33%
- Article 30: Security of processing - 37%
- Article 33: Data protection impact assessment - 30%
- Article 40: General principle for transfers - 18%
About a third of companies (28%) expect substantial changes to their security practices and systems in order to be in compliance with GDPR policies. A majority of 56% expect only minor changes.
The most frequently mentioned challenge in becoming GDPR compliant is lack of expert staff (43%), closely followed by lack of budget (40%), and a limited understanding of GDPR regulations (31%).
Most organizations’ insider threat programs are currently not meeting GDPR reporting guidelines (56%). The law’s ‘Right to Explanation’ provides citizens the right not to be subject to a decision based solely on automated processing. A third of organizations (32%) confirm their current automated assessment techniques are ‘black boxed’ meaning they are not able to explain how the algorithms made a decision.

Does your current Insider Threat program currently meet GDPR reporting guidelines?

- 32% Yes
- 68% No

Are your current automated assessment techniques ‘black boxed’ or are you able to explain how the algorithms made a decision?

- 44% Yes
- 56% No
A majority of 56% expect their organization’s data governance budget to increase. 39% expect budgets to stay flat, and only 5% foresee a decline.

Over the next 12 months, our company’s data governance budgets will ...

- **Increase**
  - Increase by up to 10%
  - Increase by up to 10%-30%
  - Increase by up to 30%-50%
  - Increase by more than 50%

- **Decrease**
  - 5%

- **Stay the same**
  - 39%
  - 19%
  - 25%
A majority of companies (58%) have a formal process in place to notify authorities in the event of a data breach. However, only 43% of organizations confirm they always follow this process.

Does your business have a formal process in place to notify the data protection authority within 72 hours in the event of a data breach?

- Yes - we always notify clients and authorities: 43%
- Yes, but we avoid notifying: 15%
- No: 42%
BIGGEST DATA THREAT

The surveyed companies see cyber criminals as the biggest threat to sensitive data (60%), closely followed by accidental loss through employees (57%), and deliberate theft by employees (30%).

What groups pose the biggest threat to your organization’s data?

60% Cyber criminals
57% Accidental loss by employees
30% Deliberate theft by employees

18% Customers
16% Competitors
11% Government

Other 2%
While most GDPR relevant data is stored on premises (41%), about a third of organizations (35%) store data in cloud or hybrid environments, making control over data potentially more challenging.
60% of respondents expect to receive data subject access requests from at least 10% of their customer base.

How many Data Subject Access Requests (DSARs) as a percentage of your customer base do you expect during the first year GDPR is in force?
AUTOMATING DATA CORRECTION

About a third of organizations don’t believe they can automate any of the data correction requests coming from customers. Among the organizations who believe they can partially automate, the most common estimate is between 1% and 10%.

What percentage of Data Subject Corrections do you expect to automate?
60% of organizations in our survey have 5 or fewer data repositories subject to Data Subject searches.

How many of your data repositories do you expect to be subject to Data Subject searches?
The majority (77%) expects to spend 500 or fewer staff hours on GDPR compliance this year.

How many staff hours do you expect to spend on your GDPR compliance efforts this year?

- 29% expect to spend 50 staff hours
- 33% expect to spend 500 staff hours
- 15% expect to spend 100 staff hours
- 6% expect to spend 1,000 staff hours
- 2% expect to spend 1,500 staff hours
- 4% expect to spend 2,000 staff hours
- 11% expect to spend more than 2,000 staff hours.
COUNTING DOWN TO GDPR

More than a third (37%) expect they will need two months or less from the survey date to become GDPR compliant. The majority (63%), however, expects to need more than two months, with 14% expecting to need over 48 months.

How many more months do you expect it to take for your organization to become GDPR compliant?
The 2018 GDPR Compliance Report is based on the results of a comprehensive online survey of over 531 IT, cybersecurity and compliance professionals to uncover the perspectives of organizations on the impact of the new data privacy regulation, how prepared they are, and how they plan to be in compliance with the new law. The respondents reflect a representative cross section of organizations of varying sizes across different industries.

### Career Level

<table>
<thead>
<tr>
<th>Position</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Director</td>
<td>23%</td>
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<tr>
<td>Manager</td>
<td>22%</td>
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<td>CISO / CSO / ISO</td>
<td>11%</td>
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<td>DPO / Privacy Office</td>
<td>11%</td>
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<tr>
<td>Analyst</td>
<td>10%</td>
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<td>VP of Security</td>
<td>5%</td>
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<tr>
<td>VP of IT</td>
<td>3%</td>
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<tr>
<td>Other</td>
<td>15%</td>
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### Department

<table>
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<tr>
<th>Department</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Information Technology</td>
<td>33%</td>
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<tr>
<td>Information Security</td>
<td>30%</td>
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<tr>
<td>Data Protection</td>
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<tr>
<td>Legal</td>
<td>6%</td>
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<tr>
<td>Other</td>
<td>17%</td>
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### Company Size

<table>
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<th>Size</th>
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<tr>
<td>1-250</td>
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<td>251-500</td>
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<tr>
<td>501-1,000</td>
<td>12%</td>
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<tr>
<td>1,001-5,000</td>
<td>16%</td>
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<tr>
<td>5,001-10,000</td>
<td>7%</td>
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<tr>
<td>10,001-20,000</td>
<td>3%</td>
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<tr>
<td>20,000+</td>
<td>7%</td>
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### Industry

<table>
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<th>Percentage</th>
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<tbody>
<tr>
<td>Technology</td>
<td>47%</td>
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<tr>
<td>Financial Services</td>
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<td>Government</td>
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<tr>
<td>Healthcare</td>
<td>6%</td>
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<tr>
<td>Higher Education</td>
<td>6%</td>
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<tr>
<td>Retail</td>
<td>3%</td>
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<tr>
<td>Energy</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>16%</td>
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SPONSORS OVERVIEW

Alert Logic | www.alertlogic.com
Alert Logic® Security-as-a-Service solution delivers deep security insight and continuous protection for cloud, hybrid and on-premises data centers. Providing application, system and network protection from the cloud. The Alert Logic solution analyzes over 400 million events and identifies over 50,000 security incidents monthly for over 3,800 customers.

AlienVault | www.alienvault.com
AlienVault has simplified the way organizations detect and respond to today’s ever evolving threat landscape. Our unique and award winning approach combines our all-in-one platform, AlienVault Unified Security Management, with the power of AlienVault’s Open Threat Exchange, making effective and affordable threat detection attainable for resource constrained IT teams.

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Cavirin’s CyberPosture Intelligence provides actionable intelligence for the CISO and stakeholders to take control. It delivers continuous risk, cybersecurity, and compliance management across hybrid environments, eliminating gaps and risks inherent in current approaches. Cavirin combines automated discovery, infrastructure risk scoring, predictive analytics, and intelligent remediation to secure both the public cloud as well as target hybrid cloud workloads (servers), on-premise, within AWS, Azure, and Google Cloud, and inside containers.
SPONSORS OVERVIEW

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D3 | D3Security.com
D3 is the all-in-one incident response platform. By combining automation and orchestration, artificial intelligence, and case management, our solution helps 100+ of the Fortune 500 to manage the entire incident lifecycle, eliminate false positives, and remediate faster than ever.

Haystax Technology | www.haystax.com
Haystax Technology is a leading security analytics platform provider. Its Constellation for Insider Threats platform optimizes the SOC with a patented model-first approach to user behavior analytics. The platform’s multiple artificial intelligence techniques reason like a team of expert analysts to predict threats, prioritize investigations and automate complex workflows.

Securonix | www.securonix.com
Securonix radically transforms enterprise security with actionable intelligence. Our purpose-built security analytics platforms mine, enrich, analyze, score and visualize data into actionable intelligence on the highest risk threats to organizations. Using signature-less anomaly detection techniques, Securonix detects data security, insider threat and fraud attacks automatically and accurately.
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