Fail fast, often – Fail Forward Innovation Model for Cyber Security Risk

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Who am I?

- CEO and Principal Consultant of Secured IT Solutions A Cyber Security and IT support and service provider for public and private sector organizations
 - Some clients include the following: Switch; Long Beach, CA; Burbank, CA; U.S. Dept. of Energy; NNSA; U.S. Dept. of Defense; Clark County Water Reclamation District; Federal Communication Commission
- Certified SANS Instructor
- Experience
 - 20 years in IT
 - 15 years in Cyber Security
- Masters of Science in Management Information Systems
- Top industry certifications:
 - GLSC, GSEC, CISSP, GCIH, GPEN, GISF
 - QSA (lapse)





What do we think when we hear this word?





Why does it have such a negative connotation?





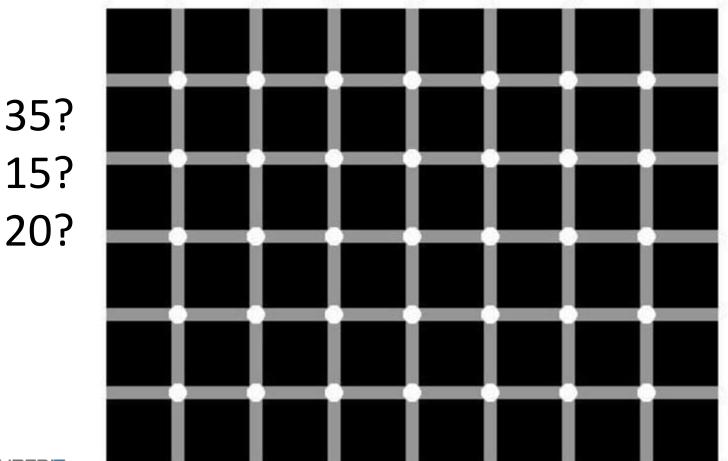


Probably because this is engrained in us as kids

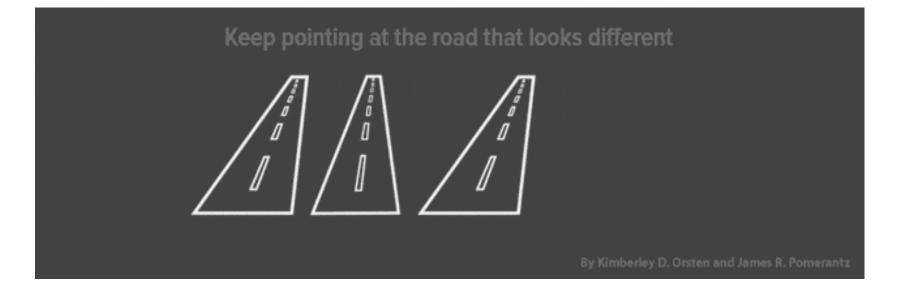




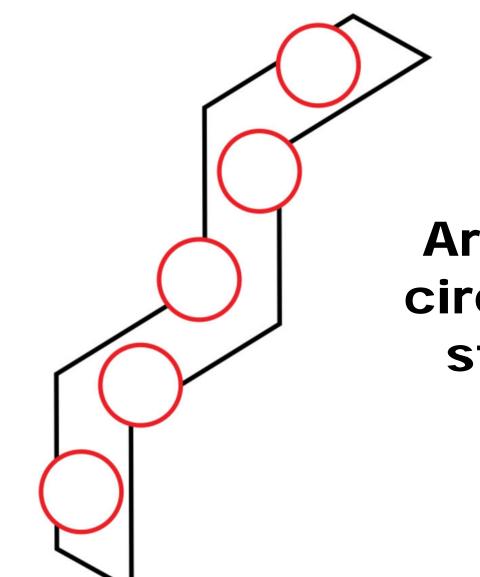
How many black dots do you count?



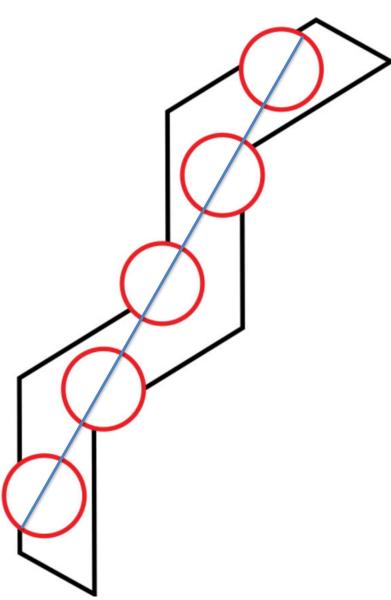








Are these circles in a straight line?





Which black line is longer?



What's the feeling we get from





Failure

• What does failure mean to us when it comes to cyber security?

- Incident? Breached?
- Fined compliance?



Does it mean... being one these firms?



Organizations with Massive Data Breaches

- Yahoo (2016 / 2013)
 - Initially thought 1 Billion
 - 3 Billion Oct 2017
- Yahoo (2016 / 2014)
 - 500 Million
- eBay (2014)
 - 145 Million
- Equifax (2017)
 - 143.5 Million
- Heartland Payment Systems (2009)
 - 130 Million
- Target (2013)
 - 110 Million
- Tk-TJ Max (2007)

- 94 Million
- JP Morgan Chase (2014)
 - 83 Million
- Anthem (2015)
 - 80 Million
- Sony Play Station (2011)
 - 77 Million
- Home Depot (2014)
 - 56 Million
 - Ashley Madison (2015) – 32 Million

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- Office of Personnel Management (2015)
 - 21.5 Million

Source: USA Today and Business Insider

OR does it mean... being victim to







https://www.rt.com/news/china-blames-us-hacking-051/





Images from: <u>IBTimes UK</u>, Security Magazine, RT

What does failure mean when it comes to compliance?







It's bad to fail our audits or pen tests.

WRONG

FAIL OFTEN AND FAST

- Fail often and grow (learn fast fail forward)
 - Ok to fail Pen Tests
 - Ok to fail audits
 - Learn to be able to respond fast
 - Improves the meantime to detected and respond

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Déjà vu, repeated cyber incidents

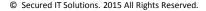
True focused or sophisticated attacks

Self-assessment and Audits

Forward Failures

Fast detected, contained, and responded incidents





Pass the audits and become like:

- Yahoo (SOX)
- eBay (SOX)
- Heartland Payment Systems (PCI)
- Target (PCI)
- Tk-TJ Max (PCI)

- JP Morgan Chase (GLBA, PCI, SOX, etc.)
- Anthem (HIPAA)
- Sony Play Station (PCI)
- Home Depot (PCI)



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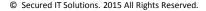
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The concept of failing fast and often

- Book <u>Art and Fear</u> by David Bayles and Ted Orland
- Ceramic class split into 2 groups and provided 2 different grading criteria
 - Group 1 was graded on quantity of pots they produce while Group 2 was graded on quality pot
 - Group 1 ended up producing the best work in quality (technical and artistic sophistication)

SPACEX

- An example of a company succeeding by experiencing many failures in the last 10-15 years.
 - became the first privately funded group to put a payload in Earth orbit, in 2008.
 - launching unmanned cargo vehicles to the International Space Station (ISS) and
 - has \$4.2 billion in contracts from NASA alone and its recent success in cracking the defense contract business
 - Late 2016 win contract (value of \$112 million) from NASA and early 2017 to fly astronauts

Failures experienced

- 2006 The first SpaceX launch fails just 33 seconds after lift-off. Cause: a rusty nut.
- 2007 The engines shut down prematurely and the rocket fails to reach orbit. SpaceX is 0 for 2.
- 2008 SpaceX's first payload for NASA; payload ended up in the sea instead. This third failure almost killed the company. It was saved—just a day after the crash—by billionaire Peter Thiel, the company's first outside investor.

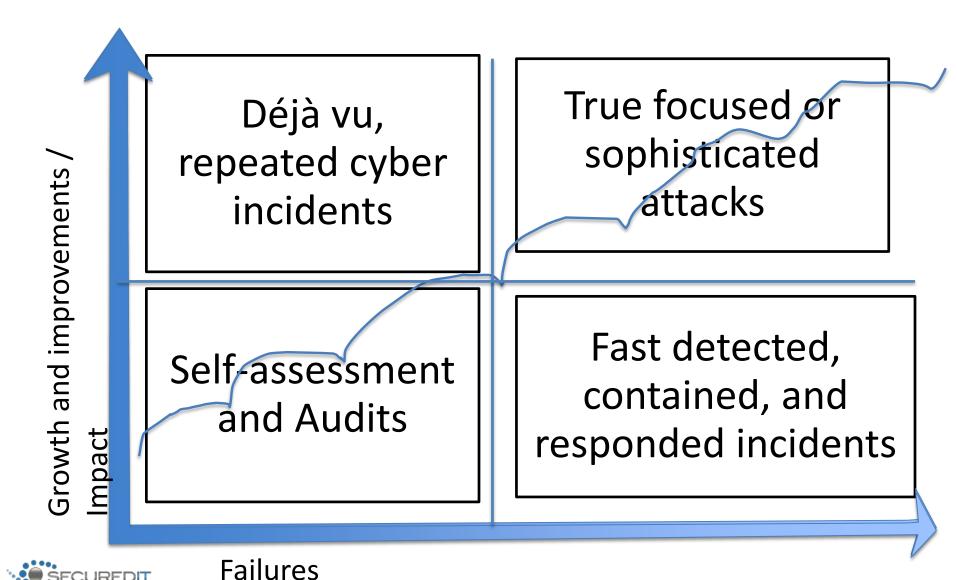
Failures experienced

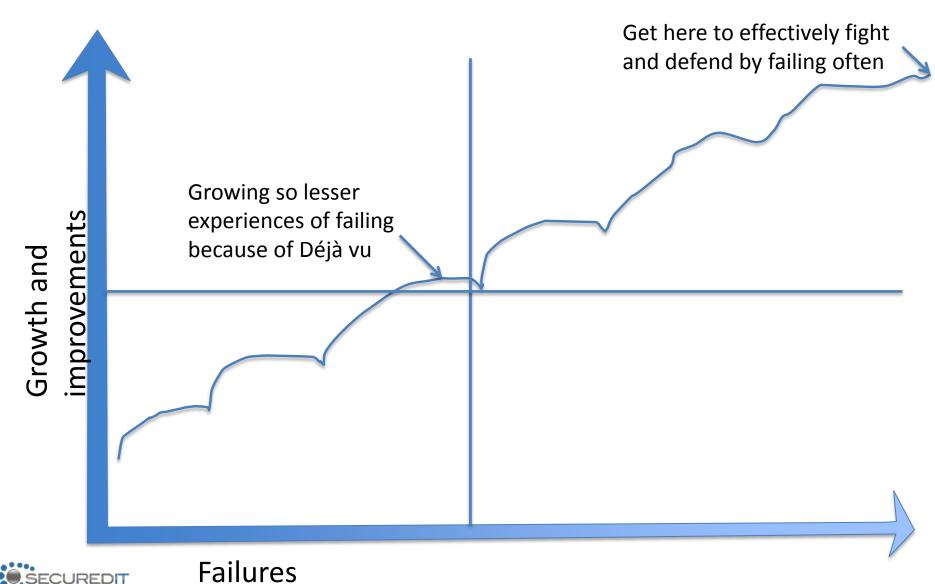
- September 2013: Hard impact on ocean
- April 2014: 1st Soft Water Landing
- July 2014: 2nd Soft Water Landing but breaks apart after landing
- August 2014: Engine Sensor Failed Rocket blew up on air
- September 2014: Ran out of liquid oxygen
- January 2015: Ran out of hydraulic fuel
- April 2015: Stick throttle valve
- Dec 2015 first Successful Landing
- Jan 2016: Landing leg collapsed
- March 2016 Landing burned failed
- April 2016: First successful drone ship landing
- May 2016 Radar glitch and Leg broke
- June 2016: Ran out of propellant

March 2017: First launch and landing of a reused first stage.



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Learning from failures not easy

- Learning is not instantaneous or automatic
 - People feel grief which obstructs our ability to learn from failure
 - People need to have the feeling
 - But you need to not allow the grief of the loss affect the inability to learn from a failures
 - Make the most of failures
 - Emotionally capable organization
 - Don't desensitize failures



How to foster learning from failures?

- Use every opportunity
 - Quantity over Quality
- Focus on the right and calculated failures. Tailoring the easy-to implement failing forward suggestion from <u>Fail Fast, Fail Often</u>
 - Identify the impacts
 - Reverse thinking: look at ways you can fail
 - Drives process improvement and maturity
 - Drives Offensive Defense
 - Do it anyways: Get out there and give it a try
 - Ex. No repercussion for blocking sites for an hour
 - Case study with watering hole



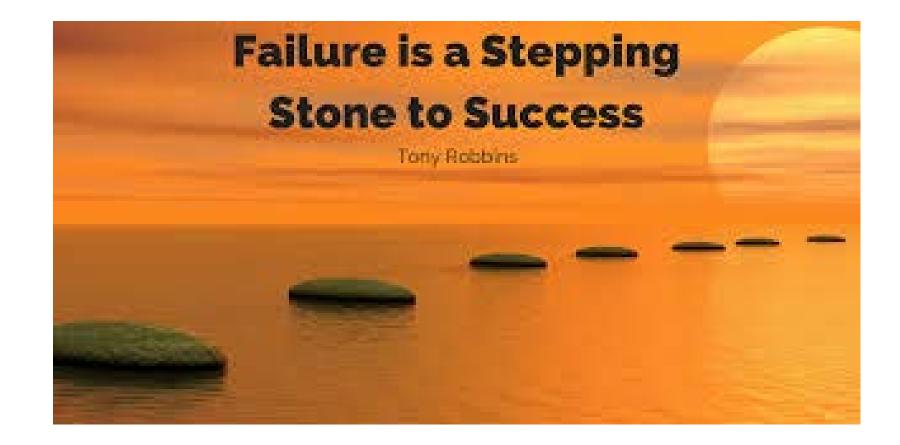
How to foster learning from failures? cont.

- Fail Forward: use exploratory action to learn and discover
 - Threat Intelligence
- Find the next challenge: Seek out the next opportunity to reach your limits.
 - Threat Hunting

- <u>Succeed!</u>!









Sources

- Times.com
- Fortune.com
- Verizon DBIR and DBD
- <u>Fail Fast, Fail Often How Losing can help you win.</u> By: Ryan Babineaux, Ph.D and John Krumboltz, Ph.D
- Timeline.com
- Forbes.com
- "How Not to Land an Orbital Rocket Booster" Youtube compilation
- <u>Art and Fear</u> by: Ted Orland and David Waylon





Questions???

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