The “Domino Effect” of Cyber incidents

Cyber incidents have catastrophic consequences for small businesses. In fact, 60% of SMEs that experience a cyber breach go out of business in the following 6 months.*

With limited resources to deal with a cyberattack, SME owners struggle to restore IT systems before their cash flow is severely interrupted. Potential liability for stolen data and ransom payments means a cyber incident can quickly cascade into a full-blown financial crisis.

This is a phenomenon we call “The Domino Effect.”

The First Domino Cascade
Websites or computer systems of SMEs are attacked and their virtual storefronts and ability to process transactions is destroyed. It’s as if the SME has gone out of business and as a result, many customers go elsewhere and a large percentage never return.

The Second Domino Cascade
When attacks involve stolen personal information such as credit card numbers, a downward spiral of negative press and shaken customer confidence can lead to crippling brand damage and further customer attrition can become stampede-like.

The Third Domino Cascade
Restoring digital data, software, and computer systems can require such a large investment of time and money that it can precipitate business bankruptcy. Couple that with a potential ransom payment and the SME faces financial ruin.

The Fourth Domino Cascade
The last possible outcome is that SMEs may be sued for liability when an attack impacts customers, vendors, suppliers, or others. These lawsuits are often extremely costly and time consuming to defend and that’s another way that a cyberattack can become an endgame event.
