Supply Chain Cybersecurity for Small and Medium Enterprise
Building an evaluation framework in cybersecurity engagement between small and medium enterprises (SMEs) and corporations in supply chain

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Weaknesses in Supply Chains

Objectives:
• Reduce risk and improve security across the supply chain
• Document current practices and issues companies face when working with 3rd parties
• Develop a framework to help SMEs prepare to be better partners/suppliers

Research Questions

• What and where are the cybersecurity weaknesses in a supply chain context?
• How do companies currently evaluate the security of SME partners/suppliers? What strategies do companies use to manage or mitigate risk from 3rd parties? What issues or limitations have yet to be addressed?
• What factors decrease willingness to engage and improve cybersecurity readiness for SMEs in the supply chain?

3rd Party Risk In the Cybersecurity Supply Chain

Background Literature:
• Supply chain cybersecurity and information management has become increasingly important as corporations integrate suppliers/vendors into their systems and supply chains
• In vendor selection, more than 73% of respondents believed a vendor’s cybersecurity approach influenced the respondent’s willingness to engage in business with them [2]
• About 40% of data security breaches arise from attacks on corporation’s suppliers [1]. Despite this, vendor oversight in terms of cybersecurity readiness is one area that lacks in-depth investigation
• Small and medium enterprises (SMEs) make up more than 97% of total businesses in North America and data breaches and cyber attacks against SMEs are on the rise [2]
• Lack of resources, expertise, and understanding are usually cited as contributing factors that hinders SME cybersecurity efforts [1-3]

Methodology

• Literature Review
• Framework and Hypotheses Development
• Interviews

References

Get Involved!

Does your company have a vendor risk management program? Would you like to help develop better strategies to evaluate 3rd party security?

Be apart of this research by participating in an interview or joining a case study to help us understand how companies are currently managing/mitigating risk from 3rd party vendors and how this process can be improved.

Stay up to date and join the research! Contact Alex Chang (ecalex@mit.edu) and Dr. Jillian Kwong (jkwong1@mit.edu) for more details.