## 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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# 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: 1<sup>st</sup> Soft Water Landing
- July 2014: 2<sup>nd</sup> 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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