

# Solving the password problem in the technology industry

Protecting passwords is key to preventing breaches

Every business struggles with cybersecurity, but perhaps none pay a higher price for failure than those in the technology industry. When your business is technology, falling prey to cybercrime is considered a serious failure.

Yet, technology companies have the same restrictions and challenges as other industries: tight budgets, compliance requirements, and a globally distributed ecosystem of employees, partners, vendors, and customers.

On top of that, tech companies deal with a much higher rate of change than businesses in other industries. Competition is fierce—especially for startups fueled by venture capital firms and trying to show an aggressive growth trajectory. Tech companies must be agile and able to implement new, internal systems and software quickly. The technology industry also has one of the highest rates of acquisitions and mergers, meaning IT must regularly incorporate new personnel and reconcile different systems.<sup>1</sup>

IT departments are expected to onboard and offboard users quickly and provide them easy access to the applications and resources they need—all while maintaining the highest levels of security. And today's workforce requires constant access via a wide variety of devices: laptops, tablets, and mobile phones.

In the tech industry, employees tend to be technology friendly and quicker to use SaaS solutions. Technology companies are also more likely to enable line of business owners to choose and bring in applications on their own, in addition to what the IT department provides.

Accommodating all these requirements is a monumental task. Technology IT departments play the pivotal role in achieving it.

## Security is costly—but a breach is even more so

According to Ponemon Institute, the technology industry had the fourth highest number of data breaches out of seventeen industries studied.<sup>2</sup> And while the year 2017 was a high-water mark for breaches, 2018 isn't far behind.<sup>3</sup>

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Whether at a desk, on a tablet, or using a mobile phone, employees expect fast access to corporate resources. At the same time, you can't compromise on security.

<sup>1</sup>"Industries Where Mergers and Acquisitions are Most Common." Investopedia, Nov 15, 2018 and "Number of merger and acquisition deals in the United States in the third quarter of 2018, by industry." Statista, 2018

<sup>2</sup>"Cost of a Data Breach Study." IBM and Ponemon, 2018.

<sup>3</sup>"Over 2,300 Data Breaches Disclosed So Far In 2018, Exposing Over 2.6 Billion Records." RiskBased Security, August 15, 2018

The risk of a breach just keeps growing, especially as new devices proliferate. 82 percent of senior IT professionals predicted that unsecured IoT devices would cause a data breach in their organization, with 80 percent saying such a breach could be catastrophic.<sup>2</sup>

#### **DATA BREACH ARE COSTLY:**

- From a pure dollar perspective, the per-capita cost for technology industry breaches has risen to \$170, according to IBM and Ponemon.<sup>2</sup>
- The average cost of a breach is \$3.86 million worldwide and \$7.91 million in the United States.
- In the United States, the cost of lost business from breaches was \$4.2 million. The largest breaches (50 million records or more) resulted in up to a \$118 million loss.
- Lost business mainly comes from customer turnover, since 75 percent of consumers say they won't do business with companies that they can't trust with their data.<sup>4</sup>

Along with losing customers, one of the biggest impacts for a technology company is lost intellectual property (IP). Losing IP or trade secrets can create an existential threat, but even if a competitor doesn't use the knowledge to undercut the market, it can take a long time for a company to recover.

For example, in 2011, an employee stole and sold source code from American Superconductor (AMSC). The impact for AMSC was enormous, with its stock price devastated and its market value reduced by about \$1.4 billion. It had to cut its workforce by 70 percent and relocate its headquarters to save costs.<sup>6</sup>

That's one reason that regulations and requirements placed on technology companies in sensitive industries, such as defense, are focused on access.

Protection costs. But failing to protect your corporate data and IP costs more. Recent security breaches show what's at stake:<sup>7</sup>

- Apple discovered malware that had obtained sensitive information for 225,000 iPhone users.
- In a recent Facebook breach, the information of 50 million users was exposed.
- In 2016, 57 million Uber customer records were stolen by hackers.

Failure to adequately protect against data breaches can lose your company clearances, IP, lawsuits, and customers.

The impact of breaches is lasting. Breached companies underperformed the NASDAQ by -3.7% after one year and -15.58% after three years.<sup>5</sup>

<sup>4</sup> *"New Survey Finds Deep Consumer Anxiety over Data Privacy and Security," IBM/Harris poll press release, April 16, 2018.*

<sup>5</sup> *"Analysis: How data breaches affect stock market share prices," Paul Bischoff, Comparitech, September 6, 2018.*

<sup>6</sup> *"The Unreal Scope of China's Intellectual Property Theft" The American Conservative, July 23, 2018.*

<sup>7</sup> *"The hacks that left us exposed in 2017" CCN, Dec. 20, 2017*

For all these reasons, investing in technology and procedures to protect your corporate data and IP is money well spent.

### Passwords are the weakest link

Regulatory legislation such as Sarbanes-Oxley (SOX) imposes requirements on information security, data access, and segregation of duties (SOD) policies. These requirements include mature processes for access certifications and policy management to make certain that policies are in place and adhered to.

It's no surprise that passwords are a focus for the IT departments in technology companies—they're a focus for hackers, too. The most [common attacks](#) are aimed at obtaining user credentials, with the password being the critical element. That includes attacks like:

- **Phishing.** The attacker uses a list of phone numbers or email addresses and delivers a message with a compelling call to action that sends users to a fake website where they provide their username and password.
- **Spear phishing.** The attacker targets a small group of individuals using well-crafted, believable messages that are relevant to the target group, often with personalized content. Again, a call to action gets users to provide their credentials.
- **Keylogger.** The attacker installs a program (often via a virus) that captures every keystroke on the user's computer, including sites visited, usernames, passwords, answers to security questions, and more.
- **Credential stuffing.** The attacker uses stolen credential pairs for one site on other sites, trying to gain access to many different sites.
- **Brute force and reverse brute force.** The attacker uses a program to generate possible username/password combinations to gain access. Or the attacker tries the most commonly used passwords (like Password123) on many different accounts.
- **Man-in-the-middle (MITM).** The attacker's program inserts itself into the interaction between a user and an app. The program then gathers the login credentials that the user enters—or even hijacks the session token.

### Weak memories and too many passwords exacerbate the problem

Many of these attacks rely on the fact that users must log in to too many sites using different passwords. So they tend to use the same passwords across multiple accounts. No wonder 72 percent of people have trouble

In 2017, 81 percent of hacking-related breaches involved weak or stolen credentials.<sup>2</sup>

remembering passwords<sup>8</sup> and 73 percent of online users use the same password across multiple accounts.<sup>9</sup>

Everyone in your ecosystem that uses a password presents a problem. That includes your employees, contractors, vendors, and even your customers. For example, 50 percent of employees don't create different passwords for work and personal accounts.<sup>10</sup> If their personal password is compromised, your organization's data may also be breached.

IT departments often implement password rules—and enforce them with technology—to help ensure strong passwords. The most current recommendations include:

- **Require special characters.** Previously, a mix of numbers and upper and lowercase characters was recommended. But since users usually add numbers to the end of the password and use capital letters at the beginning of words, these patterns make passwords easier to predict.
- **Require long passwords.** Password length has the biggest impact, and longer passwords offer greater protection. To help users remember them, suggest that they choose a passphrase, like BrightBlue#25MileRoadM@P.
- **Don't require users to change passwords frequently.** Previously, the recommendation was that users change their passwords every 60 to 90 days, in case a hacker had obtained it. However, that just adds to the memory burden on users, making them more likely to use an easy-to-remember password or, worse, to write it on a Post-it Note or in a spreadsheet.

Although stronger passwords help, memory challenges with secure passwords remain a problem. That's why leading-edge companies realize that the only way to truly close the password security gap is by adding two tools to the IT toolbox—single sign-on (SSO) and multi-factor authentication (MFA).

## Secure SSO and risk-aware MFA are the golden keys to password security

Single sign-on and multi-factor authentication are critical to truly protecting IP and trade secrets because they address key problems with user authentication:

- Reduce the number of usernames and passwords that employees have to remember.
- Reduce the number of times that employees have to login—even when they need access to multiple apps or websites.

Setting password requirements, enforcing them, and educating users about common attacks makes for a good start.

But these aren't nearly enough to protect your corporate or customer data and your IP.

<sup>8</sup> "5 Obstacles to Employee Productivity," OneLogin.

<sup>9</sup> "TeleSign Consumer Account Security Report," TeleSign.

<sup>10</sup> "Passwords Usage and Human Memory Limitations: A Survey across Age and Educational Background," Denise Ranghetti Pilar, Antonio Jaeger, Carlos F. A. Gomes, Lilian Milnitsky Stein, December 2012

- Require additional information from a user, beyond passwords, to verify the user's identity.
- Make it easy for users to reset their passwords securely if they forget them.

**Single sign-on.** SSO is a system that lets users securely authenticate with multiple applications and websites by logging in once—with just one set of credentials. With SSO, the applications or websites that users access rely on a trusted third party to verify that users are who they say they are.

**Multi-factor authentication.** MFA is a security system that verifies a user's identity by requiring multiple credentials. Rather than just asking for a username and password, MFA requires other—additional—credentials, such as a code from the user's smartphone, the answer to a security question, a fingerprint, or facial recognition. (You may have heard MFA referred to by other names, such as two-factor authentication or two-step verification.)

Adding either one of these golden keys will help to lock up your organization's data and prevent unauthorized access. But adding them both will give you the best chance of preventing a breach.

### SSO has many benefits

Single sign-on offers multiple benefits, while ensuring that employees only need to sign in once with one set of credentials:

- Greater security and compliance.
- Improved usability and employee satisfaction.
- Lower IT costs.

### Security and compliance with SSO are just the beginning

Every time a user logs into a new application or machine, it's an opportunity for hackers. SSO reduces the number of attack surfaces because employees only login once each day and with only one set of credentials.

SSO helps to address government and industry requirements for effective authentication of users accessing sensitive data. Most SSO systems also provides an audit trail to track user activity and access. And any SSO solution should enable automatic log off, which is another frequent requirement for those working in highly secure environments.

### SSO improves usability for employees

Maintaining separate usernames and passwords for each app is a huge burden for your employees. Frankly, it's unrealistic. And when your employees are at a customer site or a remote location, SSO is even more important.



**SECURITY**



**USABILITY**



**LOW COST**

Single sign-on reduces the cognitive burden on users. Signing in once saves time and frustration, improving employee productivity and satisfaction.

### **SSO lowers IT costs**

Finally, SSO lowers IT costs by reducing password resets. When each app requires a different username and password for every employee, the chances are high that employees will forget passwords, which means that help tickets to reset passwords pile up.

Not only does SSO reduce tickets because users have only one set of credentials to remember, but also it allows people to reset their own passwords, eliminating the need for IT involvement. That's especially helpful as part of a customer or vendor portal.

**Not familiar with SSO?** [Find out how it works.](#)

**See how** [SSO helped Mobile Enterprise company SOTI.](#)

### **How does MFA help security?**

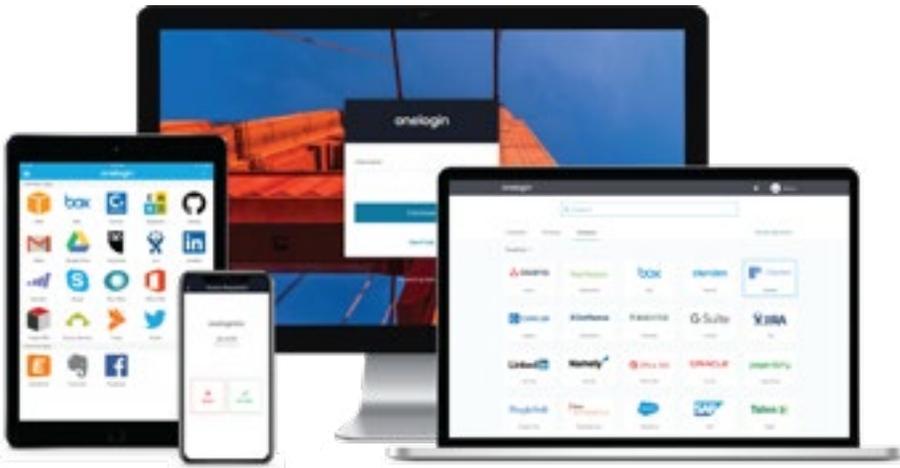
MFA has become a widely accepted, critical component of security, because it takes access beyond passwords and requires users to further verify their identity. Those additional factors seriously frustrate hackers in their attempts to obtain login credentials.

Multi-factor authentication works to prevent successful attacks by requiring additional information or credentials from the user. A phishing attack may garner a user's credentials, but it won't provide the hacker with a fingerprint, for instance, or the answer to a personal security question. Similarly, a brute force or reverse brute force attack may manage to find a working username and password, but the attacker doesn't know which other authentication factors the MFA system will require and, regardless, won't have those credentials.

Similarly, MFA can combat more sophisticated attacks such as MITM by incorporating an additional layer of security. Even if the hacker or program inserts itself and captures the information that an employee or customer enters, you can set up MFA to require that the user supply credentials from a different device or channel. For example, an employee logging in from her laptop may be required to use a phone app, such as [OneLogin Protect authenticator](#), to send a code from the phone to complete the login. The MITM hacker doesn't have access to the user's phone, so the breach is halted.

**Not familiar with MFA?** [Find out how it works.](#)

**See how** [MFA helped this video game developer.](#)



## Devices, devices, so many devices

Your employees and customers aren't just at a desk. They're at home, on the bus, out at customer sites, and in hotels. They're using laptops, tablets, and mobile phones for their work. And they aren't always work devices. In a 2016 study, only 20 percent of respondents said they used their personal phones or tablets only for personal use.<sup>11</sup> And in a 2018 study of mobility professionals, 85 percent said they faced at least a moderate risk from mobile security threats.

And that's fine. Both SSO and MFA work across devices. Employees or vendors can sign in—once—from their device to access all the apps they need. It doesn't matter whether they're accessing the information from their phone, tablet, or computer, MFA adapts and asks them for the appropriate additional data to verify their identity.

## Adaptive authentication can streamline employee access

SSO certainly offers a more streamlined experience, speeding up and simplifying login. But, since MFA requires that users provide additional information, can it negatively impact employee productivity? The last thing you want to do is slow down employees in such a fast moving field. Plus, requiring too many authentication factors frustrates users.

That's where adaptive authentication comes in.

[Adaptive Authentication](#) adds transaction context and user behavior as key authentication factors, taking into consideration how users are trying to access the organization's resources.

Smart authentication systems know how a user normally works, such as where they work from, on which devices, and at what times. Behavior that's considered *out of normal* for a user can signal an attack. Adaptive MFA responds to the potential attack by requiring additional authentication.

<sup>11</sup> "How Much Is the Data on Your Mobile Device Worth?," *Lookout*, January 2016

Adaptive MFA helps streamline access, keeping employees productive and customers moving forward, because when you implement adaptive authentication in your organization, you determine the baseline login requirements for a given employee or set of employees. You might have stricter requirements for users in certain locales or for users in specific roles and less strict requirements for others.

Each time someone tries to authenticate, the request is evaluated and assigned a risk score. Depending on the risk score, the user may be required to provide additional credentials or, conversely, allowed to use fewer credentials.

So, if an employee is using the laptop he always uses and is attempting to log in from the office where he normally works, he may only be asked to access via his laptop. On the other hand, if the same employee tries to access sensitive and unusual data with his username and password, he may be prompted to enter additional login information on his phone. Or if a manager logs in from a geographical location far from her usual office, she may have to answer a security question.

[Learn more about adaptive authentication](#)

## Conclusion

IT departments in the technology industry are in a tough spot when it comes to security. The demands are high, stemming from the bottom line, a constantly-changing workforce and technologies, and the global ecosystem—but the cost of failure is even higher.

Shoring up some of the weakest links—passwords and authentication—is a relatively fast fix that adds significant protection against breaches. Two key technologies are critical: single sign-on reduces the attack surfaces of hackers, and multi-factor authentication adds protection beyond passwords. Adaptive authentication enables organizations to add security in a smart way that doesn't burden employees, customers, vendors, and others. Together, these technologies ensure you can stay agile and productive while still protecting your data and intellectual property.

## About OneLogin

OneLogin is the leader in Unified Access Management, Enabling Organizations to Access the World™. Businesses of all sizes use OneLogin to secure company data, while increasing IT administrator and end user efficiencies.

Implementation of our identity management solutions can be achieved in hours rather than days, delivering a fully featured administrative and self-service portal. Our ability to handle on-premises and cloud/SaaS applications makes us the identity-as-a-service vendor of choice for the hybrid enterprise. Multi-factor authentication, mobile identity management for one-click access on smartphones and tablets, and real-time directory synchronization all add an extra layer of protection. For more information, visit [www.onelogin.com](http://www.onelogin.com), [Blog](#), [Facebook](#), [Twitter](#), or [LinkedIn](#).

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