KnowBe4

# The Outstanding ROI of KnowBe4's Security Awareness Training Platform

My name is Stu Sjouwerman. I'm the Founder and CEO of KnowBe4, my 5th startup. I have been in IT for 40+ years, the last 25 of those in information security. At my last company, we built an antivirus engine from scratch and combined it with intrusion detection, prevention and a firewall. But we encountered a persistent problem that few organizations were addressing; end users being manipulated by bad actors. That's why I started KnowBe4: to help IT professionals manage the ongoing problem of social engineering.
In April 2021 we went public on the NASDAQ, and we were taken private in 2023.

## Executive Summary

One of your important responsibilities is to minimize expensive downtime and prevent data breaches. Skyrocketing ransomware infections can shut down your network and exfiltrate data. Phishing is responsible for two-thirds of ransomware infections.

This is why security awareness training (SAT) has become a critical component of reducing risk and safeguarding digital assets. Here are the cost savings, productivity gains and business benefits one enterprise organization experienced by implementing KnowBe4's security awareness training platform, according to Forrester's Total Economic Impact of KnowBe4.[1]

> "Close to three years ago, our C-suite implemented KnowBe4. **And since we have been in this program, we have not had a security incident like that.**"
>
> – IT security awareness program manager

1. **A three-year ROI of 276%** with payback in less than 3 months
2. **$432.3K in reduction in risk exposure** over three years by building a stronger security posture via awareness training and simulated phishing testing
3. **$411.3K cost avoidance by reduction in email alert investigations and response costs** due to employee proactive threat response
4. **$164.2K cost avoidance from leveraging KnowBe4's** 35-language security training library and simulated phishing instead of in-house programs
5. **Avoid cost increases in cyber insurance** due to reducing outages caused by security incidents.

**The Upshot:** Deploying the KnowBe4 platform is an extremely effective use of your limited InfoSec budget. It has powerful add-ons like anti-phishing, real-time security coaching and compliance training. Customers tell us this is the best return on their investment.

[1] Forrester Total Economic Impact of KnowBe4

## The Social Engineering Problem is Getting Worse

Maximizing your InfoSec budget is a key component of your security strategy and is essential for the protection of networks and data. Selecting and deploying effective security products enables you to maximize ROI and mitigate risk.

A single successful cyber attack can impact revenues, expenses and cash flow. You, along with your IT and InfoSec executives, play a key role in managing that risk.

The global indicator “Estimated Cost of Cybercrime” in the cybersecurity market is forecast to increase between 2023 and 2028 by a total of $5.7 trillion.[2] With the cost of cybercrime skyrocketing, your workforce is your largest cybersecurity risk. Verizon’s Data Breach Investigations Report show that 74% of data breaches involve the human element, 91% of cyberattacks start with a spear-phishing attack and phishing is responsible for two-thirds of ransomware infections.[3]

These statistics underscore the critical importance of implementing an effective security SAT program. It enables your workforce to make smarter decisions, strengthen your security culture and reduce human risk. To accurately assess the ROI for security awareness training requires:

- Understanding the risk/cost of doing nothing
- The cost of developing, implementing and managing an SAT program yourself
- The benefits/risk reduction of implementing KnowBe4’s security awareness training platform.

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## The Risk and Cost of Doing Nothing

Implementing SAT is about mitigating risk. The cost of doing nothing is high. In 2023, the average cost of a data breach was $4.45 million.[4] Here are the six most common costs that comprise that dollar amount:

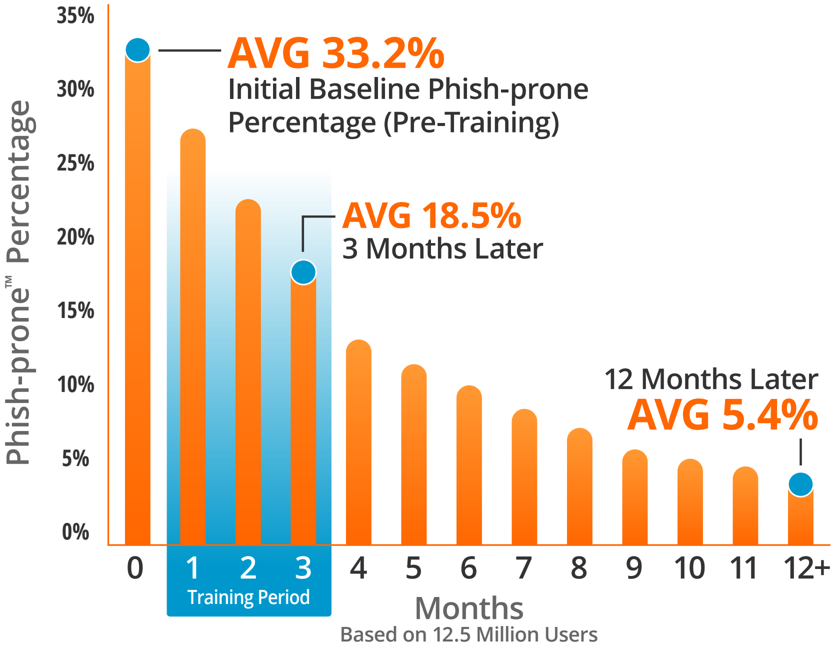
- Time lost remediating a cyber incident or full-blown breach, often with expensive third-party providers
- Downtime and loss of business functions
- Financial losses resulting from stolen funds, ransom payments and fraud
- Reputational damage to your organization
- Loss of intellectual property
- Increased cybersecurity insurance premiums and potential fines due to non-compliance with industry-specific standards/regulations

[2] Statista Cost of Cybercrime Worldwide
[3] Verizon’s Data Breach Investigations Report
[4] IBM Cost of Data Breach Report

Additionally, sales losses are real and quantifiable. In 2023 alone, there have been high-profile cyber incidents in the casino and consumer packaged goods space that were publicly disclosed to have cost these companies over $1 billion in revenue losses.

## The Cost of Implementing And Managing SAT Yourself

How many hours, people and resources does it take to research, write, design, localize and deliver an engaging, effective, multi-lingual SAT program that includes simulated phishing, reporting and continuously updated content? Depending on the organization, that cost is 200% to 300% higher than an annual subscription to KnowBe4's security awareness training and simulated phishing platform.



Source: 2023 KnowBe4 Phishing by Industry Benchmarking Report

Note: The initial Phish-prone Percentage is calculated on the basis of all users evaluated. These users had not received any training with the KnowBe4 console prior to the evaluation. Subsequent time periods reflect Phish-prone Percentages for the subset of users who received training with the KnowBe4 console.

## The Benefits and ROI of KnowBe4's Security Awareness Training Platform

An effective SAT program is a proactive approach to mitigating the risk that phishing and social engineering attacks present before you suffer damages resulting from a cyber attack or data breach. The IBM Cost of a Data Breach Report shows that employee security training was one of the three most effective data breach cost mitigators in 2023, saving organizations an average of $232,867.

## This Is a Great Way To Manage the Ongoing Problem of Social Engineering

KnowBe4's Phishing by Industry Benchmark Report analyzes Phish-prone™ Percentage across millions of individual users. The report illustrates how crucial it is for organizations to invest in their workforce to increase the critical layer of human defense and strengthen their security culture. Organizations that leverage KnowBe4's security awareness training and simulated phishing platform reduce their susceptibility to phishing attacks by a dramatic 82%.[5]

More than 65,000 organizations globally use it successfully.

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[5] 2023 Phishing By Industry Benchmarking Report