



Congressional Testimony

Strengthening the Cybersecurity Posture of America's Small Business Community

Testimony before
Committee on Small Business
United States House of Representatives

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Sharon Nichols
State Director
Mississippi Small Business Development Center

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Mississippi SBDC
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Chairwoman Velazquez,

Thank you for inviting me to testify today on behalf of not only the Mississippi Small Business Development Center (SBDC) but also America's SBDC. I am the State Director of the Mississippi SBDC. We serve Mississippi through 22 physical locations and soon-to-be added virtual access locations, called Huddle Centers.

We have had the privilege of serving the small businesses and aspiring entrepreneurs of Mississippi for 40 years. Our host for the SBDC program is the University of Mississippi and we work diligently to connect resources of UM, other higher education institutions and state agencies. We serve Mississippi by:

- **Connection** to resources;
- **Education** through training and information dissemination; and
- **Guidance** with one-on-one business counseling and technical assistance.

Brief introduction to MS-SBDC & U.S. SBDC programs

The 62 SBDC networks across the U.S. operate out of host institutions, primarily colleges and universities, and they operate (with some exceptions) statewide. California and Texas are the exceptions having five and four regional networks respectively. Some SBDCs (CO, IL, WV, IN, OH, MT) are hosted by their state departments of commerce or economic development. The host institution manages the operations of its SBDC network through its sub-centers and many of those are at other colleges, community colleges and chambers of commerce. Those host institutions and their partners contribute matching funds that exceed the federal funding. Federal funding for SBDCs is allocated based on population census figures with a minimum funding level established for smaller states (VT, NH, SD, etc.)

Just like many other SBDC networks, Mississippi SBDC is based at the business school of the University of Mississippi and we leverage the skills and knowledge of the professors and students with the practical experience of our business counselors. However, while Mississippi SBDC is headquartered at the University of Mississippi our centers are all over the state's communities. We strive to develop partnerships with local groups to ensure that our services are reaching as many small businesses as possible in all areas of society.

For example, we have recently opened our first Business Resource Center (BRC) located in Gulfport, MS. The Gulf Coast BRC is a physical space, donated by a regional financial institution, to serve the entire Gulf Coast; it serves as a connection to resources for small businesses and aspiring entrepreneurs. The Mississippi SBDC is the hub of this Center with other federal, state and local entities having space and representations. Resources that have space at the Gulf Coast BRC include, but are not limited to: the state

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Procurement Technical Assistance Center (PTAC), Veteran's Business Opportunity Center (VBOC), Secretary of State, Mississippi Development Authority (MDA), and a local minority networking group providing training and networking opportunities specifically for minorities and women.

The Mississippi SBDC provides services to small businesses at all stages of development. Over 50% of our clients report that they are in a minority group, roughly 12% are veterans, and 50% are women.

In 2020 we tripled the number of clients we typically serve in a year. That number continues to rise, and we believe several factors contribute to this increase of clients:

- COVID-19 pandemic,
- increased awareness of services, and
- increased collaboration and partnership with other resource organizations.

Cybersecurity and Small Businesses

As the Mississippi SBDC continues to serve the small businesses of the state, Cybersecurity education and guidance have become an essential part of the services we offer. Similar to requests for disaster assistance, we are striving to educate and guide our clients to prepare their businesses in case of a targeted cyber situation. In order to assist in strengthening the cybersecurity posture of Mississippi's small businesses, we have had to clearly define the issue, determine how the Mississippi SBDC can be aligned with other statewide and national efforts, and then formulate our response in providing education and guidance.

THE ISSUE:

Most cyber hacking incidents affecting small businesses are underreported because of fear of lost reputation and reduced trust from the community service areas.

In a report generated by *Verizon*ⁱ, extensive research been conducted to identify common traits of data breaches. Root causes were grouped into three categories:

- **System glitches**, including both IT and businesses process failures;
- **Human error**, including negligent employees or contractors who unintentionally cause a data breach; and
- **Malicious attacks**, which can be caused by hackers or criminal insiders.

This report stated that over 44.24% of all attacks are initiated by out-of-nation attackers.

Root causes of a Data Breach are:

- 52% caused by malicious attack;
- 80% with customers' personally identifiable information (PII) was the most frequently compromised type of record, and the costliest, in the data breaches studied.

This report also stated that the average cost per lost or stolen record is \$150 per Customer PII record and \$146 across all data breaches. Many small business owners do not have the funds to hire an IT person full time, especially now, coming out of the pandemic. For many small business owners, time is also in short supply. They don't have a lot of extra hours to learn about cybersecurity.

The average time to identify and contain data breaches is estimated to be 280 days.

Examples:

- Local doctor's clinic was hacked, they paid the ransom and it was kept quiet as to not affect their business.
- MS-SBDC email phishing scam (money and time spent on the situation)

MS-SBDC RESPONSE TO THE CRISIS:

America's Small Business Development Centers (ASBDC), including the Mississippi SBDC, are adopting and promoting the Cybersecurity Maturity Model (CMM) as a best practice for small businesses. This North Star CMM is based on Department of the Department of Defense's Cybersecurity Maturity Model Certification (CMMC) with a focus on protecting critical confidential information. We use the CMM (the model), for awareness and direction.

The CMM is composed of best practices from several cybersecurity standards and will act as the roadmap for businesses to use to help organizations implement quality cybersecurity practices and procedures. With this well-constructed roadmap, businesses can write policies that address the practices written in the CMM and train employees accordingly.

Mississippi SBDC allocated a portion of the CARES Act Funds received to create the MS-SBDC Cyber Security Center, a collaboration with Mississippi State University's (MSU) Center for Cyber Innovation (CCI). CCI is led by Dr. Drew Hamilton, a leader in Cyber solutions, to develop solutions for defense, homeland security and the intelligence community. The primary focus of the CCI is to research, prototype and deliver cutting-edge cyber solutions that support global national security, homeland security and peacekeeping operations. While small business support was not part of CCI's mission, the opportunity to align the principles used with the National Institute of Standards and Technology (NIST), and other entities such as Department of

Defense, Department of Homeland Security and the U.S> Intelligence Community, has proven timely and the precursor to innovative discussions on alignment.

CCI's staff, alongside business counselors from Mississippi SBDC and Washington SBDC and with input from America's SBDC, created a framework of education and information that small businesses can use to evaluate their business for the potential of cyber risk. Educating and providing guidance to small businesses in order to mitigate risk is at the core of the Mississippi SBDC cybersecurity initiative.

To date, we have produced CMM Level 1 content in the form of a guidebook, policy workbook, along with three online workshops as On-Demand trainings. To help teach the principles associated with CMM, our workshops center on an *Introduction to Basic Cyber Hygiene* as well as *Cybersecurity and Data Protection*. During these workshops, we stress that regardless of size, small businesses could be in danger to cyber-attacks that can negatively impact their mission.

In addition, we cover the following specific practices in CMM Level 1:

- Access Control
- Identification and Authentication
- Media Protection
- Physical Protection
- Systems and Communications
- Systems and Information Integrity

These have been developed to educate small businesses in Cybersecurity, focusing on mitigation of risk. The development of all materials and training was a collective effort with members of the Washington and Mississippi SBDCs as well as representation from America's SBDC.

Our Mississippi SBDC cybersecurity initiative is not a certifying body and has not affiliation with the CMMC accreditation board (CMMC-AB). As the CMM is discussed, we provide broad guidance on how to protect a business's confidential information.

WHY THE SBDCs

The MS-SBDC is strategically placed to help small businesses assess their cyber security threat level. Due to our unique position, we are a natural link between cyber resources (federal, state and university) and the small business community.

We are the boots on the ground; counselors and directors hear from small business owners every day. We hear first-hand their worries and concerns so we can tailor our services and programs to meet their specific needs.

We have access to the technical information that the business owners need, and can translate it into every-day language that makes it easier and quicker for busy business owners to understand and implement.

GOING FORWARD/NEXT STEPS

Collaboration is the Future! MS-SBDC has been invited to be a part of the **Mississippi Cyber Initiative (MCI)** with other state entities such as Mississippi State University, Mississippi Gulf Coast Community College and Kessler Air Force Base to potentially align programming and work with small business needs. The MCI will offer a central location for the exchange of ideas and beneficial information.

The Mississippi SBDC also is developing and deploying video shorts that promote easy ways for businesses to test their cyber security proficiency. Public Service Announcements (PSAs) are also being developed and released across the state that will feature cyber security advice for small business owners distilled into small bites of easy-to-understand and implementable information. In addition, we are connecting with stakeholders to increase awareness for business, industry and municipal sectors.

Cybersecurity impacts businesses and communities. The SBDC national network is poised to serve by providing **Connection, Education and Guidance** to meet the needs of small businesses not only for cybersecurity risk mitigation but through many other small business topics the SBDC has offered over the years.

By Strengthening the Cybersecurity Posture of America's Small Business Community, we are striving to meet the needs of business owners, at their level of understanding, so that they can focus on the customer and the health of the business knowing they have a cybersecurity plan to protect their reputation as well as loss of trust and funds.

We will continue to keep the lines of communication open with our clients! This and every other plan will pivot to meet their needs – we are at their service.

¹ Verizon, "Expert Cybersecurity Tips for Business" [Online]. Available: <https://enterprise.verizon.com/solutions/protect-your-enterprise-from-threats/business-security-tips/> [Accessed: 16-Dec-2020].