

Canadian Cybersecurity Startup Exposes Hidden Vulnerabilities Among SaaS Providers in 2022 Industry Research Report

Experts estimate data vulnerabilities cost companies \$1.59m annually on average



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Toronto, Ontario Jan 15, 2022 ([IssueWire.com](https://www.issuewire.com)) - An influx of new SaaS entrants and competitors may be to blame for high failure rates among startups, [a recent report on startups suggests](#), citing research that indicates the number of competitors has more than tripled for the average Software-as-a-Service provider.

Drawing on a comprehensive review of industry analyses, the report, produced by cybersecurity firm [IRM Consulting & Advisory](#), reveals the number of “person-to-app” relationships has grown substantially to 4,406 per employee in a mid-market organization. This puts businesses at a higher risk of falling victim to cyberattacks as personal information becomes harder to manage and more susceptible to breaches, says the consultancy, which specializes in data protection and risk prevention services for small- and medium-sized businesses.

“Small businesses with less than 50 employees suffered an average loss of \$14k per cybersecurity incident... while medium-sized companies incurred an average cost of \$184k.”

The average cost of a data breach for a company in the US ran as high as \$4.35 million per incident,

according to the [SaaS Industry Outlook 2022 Report](#), and rose to \$5.65 million for businesses that lack industry-standard security certifications.

While the 32-page report forecasts a 21.7% spike in end-user spending on public cloud services, an increase in online security incidents along with a shortage of expertise has raised cybersecurity costs for SMBs and startups to \$935,000 on average each year.

According to the report, the added complexity of managing hundreds of software platforms and accounts is straining companies' security resources and amounting to unsustainable costs in the long term.

However, as trust becomes a larger factor in who customers choose to do business with, differentiating your company based on your level of security assurance can become a profitable competitive advantage, states IRM Consulting & Advisory.

“Building stronger trust among your customers is key to minimizing turnover rates and maximizing long-term retention.”

Although smaller SaaS companies with tight IT budgets are less likely to invest \$228,106 in the median average salary of a Chief Information Security Officer (CISO), the arrival of automated and [virtual services](#) may make managing their cybersecurity much more affordable and effective.

Other key findings from the report include:

- The top 5 reasons why most SaaS startups fail
- How SaaS spending compares across organizational departments
- The 4 most expensive cybersecurity risks
- 10 lessons from 2021's major startup collapse

About the Company

[IRM Consulting & Advisory](#) is a top-ranked boutique cybersecurity firm providing services and solutions to startups and SMBs across North America to help them create a competitive advantage by building secure products for customers.

As your Trusted Advisor to clients in the Fintech, Health Technology, and SaaS industries, we can help you build secure Products & Services, protect your Customer data and internal information assets and help you achieve and sustain industry standards and certifications such as SOC2, ISO27001, NIST 800-53, CIS Top 20, OWASP Top 10 and CSA STAR Level Certifications, Data Security & Privacy Regulations and more.



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