CrowdConfidence™

Harnessing the wisdom of the crowd

Introduction

Bringing new vendors into your ecosystem is always a risk. That's why smart buyers always collect as much information up front in the form of questionnaires, third party risk ratings, certifications, and audits to ensure they aren't opening themselves up to a potential breach.

Collecting all of that data is the easy part, especially if you're using Whistic. Where it becomes more difficult is synthesizing all of that information and determining the residual risk of your vendor. That's why Whistic developed a proprietary algorithm that helps you leverage data from thousands of vendor questionnaires and delivers an actionable score based on your vendor's questionnaire responses.

The end result is the CrowdConfidence™ Score, which is a customizable scoring system that enables you to quickly identify areas of risk, while also allowing you to benchmark and compare scores across all of your vendors. We modeled the CrowdConfidence Score after the credit score, which is something most people would be familiar with.

300–515 Poor
515–680 Average
680–850 Excellent

CrowdConfidence™ Score

The Wisdom of the Crowd

The Whistic Vendor Security Network enables businesses to leverage the wisdom of the crowd, which helps improve decision making. Ensuring security and mitigating risk is much more than the technical solutions you implement. It's also about how well you're able to ingest and interpret security information provided to you by your vendors.

When you utilize the CrowdConfidence Score, you're taking into account the collective opinions of the hundreds of CIOs, CISOs, and security practitioners that helped us shape the score, which more often than not will help guide you in the right direction. As author James Surowiecki states in his book *The Wisdom of Crowds*, "The more power you give a single individual in the face of complexity and uncertainty, the more likely it is that bad decisions will get made." That's why we have so much faith in the collective intelligence that the CrowdConfidence Score is built on.

Giving you confidence in our crowd

The initial research to develop the algorithm for the CrowdConfidence Score involved 600 IT professionals recruited from IT security groups on LinkedIn, as well as a commercial panel of IT security professionals maintained by SSI and Qualtrics.

To ensure respondents met our criteria, they were asked a number of qualifying questions, including whether or not they had a degree related to information technology and/or security, what their level of work experience was, and whether they had any certificates that demonstrated their ongoing qualifications.

Research Methodology

We designed our research methodology to provide insights into how a security

professional's trust in a third party's ability to protect their data was affected by the third party's security controls.

To accomplish this, respondents received a set of questions designed to elicit the relative importance of security controls to the respondent. Each question was a collection of four prospective firms that differ with respect to the presence or absence of five security characteristics. Respondents were asked to pick the firm that they would trust the most with their data.

> Visibility and transparency are the future of security, and the information the CrowdConfidence Score provides users will significantly improve their third party vendor selection process.

This process was repeated multiple times over with new sets of firms, each having varied sets of controls. Fractional-factorial experimental design methods were used to reduce the complexity of the design space (i.e., it was not feasible to show respondents all potential control scenarios).

Process and results

Data collected through this research process was fed into a statistical model that uses Hierarchical Bayesian methods to estimate a ratio-scaled coefficient for each of the IT security questions asked. Based on this, we are able to determine the relationships between a third party's security controls and

an expert's willingness to trust them. We then scored each business between 300–850 (like a credit score), which makes it easier for users to interpret the meaning.

CrowdConfidence algorithm continuously learning and improving

As more and more assessments and reassessments are added to the Whistic Security Network, the answers and insights gained drive continued learning and improvement for all Whistic users. At Whistic, we believe visibility and transparency are the future of security, and the information the CrowdConfidence Score provides users will significantly improve their third party vendor selection process.

Using the CrowdConfidence Score in your organization

The most common ways Whistic users are incorporating the CrowdConfidence Score into their vendor risk management programs are first scoring their own organizations and second scoring their vendors.

Scoring yourself. Once you have completed questionnaires for your own company, your Whistic Dashboard will display the summary of your score. You can measure and track improvement over time using any one of the industry standard questionnaires that Whistic Supports—such as the CAIQ, VSA, SIG, among others. Most of the industry standards come with scoring set up automatically, but you can also manually create scoring for a custom questionnaire.

Scoring your vendors. Once a vendor has returned an assessment, you can begin using the CrowdConfidence Score to measure risks and strengths. This is especially helpful when determining where to spend your time. For example, if you have a handful of vendors

with scores, you can easily identify which ones have the most risk and address those issues first. You can also use the score as a "threshold" at which you will allow vendors access to certain information or whether you would work with them at all.

About Whistic

Whistic is the network for assessing, publishing, and sharing vendor security information. The Whistic Vendor Security Network accelerates the vendor assessment process by enabling businesses to access and evaluate a vendor's Whistic Profile and create trusted connections that last well beyond the initial point-in-time assessment. Make security your competitive advantage and join businesses like Airbnb, Okta, Betterment, Vonage, and Qualtrics who are leveraging Whistic to modernize their vendor security programs.

www.whistic.com