

CASE STUDY

Verdane

Building a Robust Cybersecurity Posture

How Verdane improved investment decisions and portfolio company cyber support using SecurityScorecard

Leveraging the SecurityScorecard platform, the private equity firm enhanced its cybersecurity due diligence and achieved greater visibility across its 100+ portfolio companies, ultimately leading to a more structured and effective cybersecurity program.

About

Founded in 2003, Verdane is a specialist growth investment firm that focuses on partnering with tech-enabled sustainable growth companies across Europe. Their primary investment themes are digitalisation and decarbonisation, aligning with structural growth trends that are shaping the future economy.

With approximately 170 employees across Europe and having made more than 400 investments, Verdane aims to bring the hands-on growth expertise businesses need to scale.

The Challenge


Verdane needed to have a clear understanding of the cyber risk faced by potential and existing investments across Europe to safeguard the cybersecurity of their ecosystem and protect investments from financial and reputational damage.


When it came to cyber due diligence, using external consultants was proving to be expensive. In addition, outsourcing this function wasn't in alignment with Verdane's preferred model of building these capabilities in-house.


Verdane had been building its Elevate team – a team of in-house operational experts in functions needed for scaling businesses, including areas such as go-to-market, data and AI, sustainability, tech and product, finance, leadership, talent and more.

As portfolio companies increasingly expressed the need for cybersecurity support, Thomas Baasnes joined the team and set out to develop a more structured way of delivering cyber due diligence and helping companies mature their cybersecurity programmes.

KEY BENEFITS

 **Improved cyber due diligence processes** by providing a supplementary glance at the security posture of a target company, as well as cost reduction compared to using external due diligence providers

 **Reduced breach likelihood** through actionable insights for portfolio companies to improve their cybersecurity posture

 **Streamlined approach** to continuous monitoring, providing the ability to quickly identify and remediate issues across the portfolio (e.g. automated reporting and alerting)

The Solution

With over 100 companies to oversee, Thomas turned to SecurityScorecard as he needed a solution which could provide a snapshot of the portfolio's cybersecurity health without being intrusive thanks to an "outside-in" approach.

Verdane's usage of the SecurityScorecard platform is two-fold:

Cyber due diligence: As a supplement in the due diligence process, Verdane assesses the risk profile of each investment through data directly available on the platform. This enables Verdane to really dig into the cybersecurity posture of prospective investments and help address any issues which could constitute a financial or reputational risk before investing.

Continuous monitoring of portfolio companies: Companies can be tiered and prioritised for continuous monitoring, enabling Verdane to ensure a consistently strong cybersecurity posture. As new issues emerge and due diligence findings become out of date, Verdane is able to quickly identify issues and provide companies with actionable insights. This ongoing assurance is essential in today's rapidly evolving cybersecurity landscape, where new threats and vulnerabilities are constantly emerging.

SecurityScorecard has become a central piece in Verdane's due diligence and portfolio company support "Elevate" programme and is used weekly by multiple stakeholders within the company, including the IT team.

“ SecurityScorecard's solution has been very well received by our portfolio companies and has encouraged many of them to implement a key performance indicator around their cybersecurity posture. It has been a vital part of establishing a lean TPRM process, where Verdane is reducing risk and saving money through automation whilst also enabling us to build a competitive differentiator.

Thomas Baasnes, Cybersecurity Director, Verdane

The Results

Improved cyber due diligence processes

The SecurityScorecard platform has supplemented Verdane's cyber due diligence processes. It enables Verdane to back up existing processes and documentation with real-time data, providing extra reassurance for the Verdane team to make informed investment decisions.

Cost savings and competitive advantage through building in-house capabilities

The SecurityScorecard platform has been a key component in building in-house cybersecurity capabilities as part of the Elevate team, and helped reduce the cost of due diligence vs an external consultancy.

But even more critically, it has provided Verdane with a key business differentiator and enabled them to bring additional value to their investors and portfolio companies.

Reduced likelihood of breach in Verdane' ecosystem

With the data provided by the SecurityScorecard platform, Verdane is able to deliver actionable insights to portfolio companies to ensure they are not left vulnerable to cyber attacks. The SecurityScorecard solution helps Verdane quickly identify issues and prioritise where additional cyber support is needed. As a result, Verdane has established a new blueprint and benchmarks for the cybersecurity of their portfolio to continue improving the cyberhealth of their ecosystem.

Looking to the Future

Verdane has successfully been using the SecurityScorecard platform for over a year and is now looking to the next stage of the partnership. Verdane has identified opportunities to further enhance their processes with other functionalities available from SecurityScorecard:

Questionnaires

Verdane is looking to potentially implement personalised due diligence assessments and integrate the process across multiple parts of the business. Leveraging the questionnaires in the due diligence phase via the SecurityScorecard platform will replace time-consuming manual tasks and automate benchmark data.

Third Party Risk Management

As regulatory mandates come into play (such as DORA), SecurityScorecard's TPRM capabilities are a critical tool in ensuring compliance. Eventually, portfolio companies could be invited onto the tool to monitor their own third and fourth parties.

Increased automation

With over 100 companies to monitor, tags and alerts would drastically reduce time spent proactively monitoring for issues. The platform provides real-time alerts to help identify potential threats and vulnerabilities affecting companies in the portfolio. Rules and alerts are fully customisable and take away a lot of the manual work required to ensure that nothing gets missed.