Insight Report

ROI OF COMPLIANCE

The **business impact** of investing in SOC 2, ISO 27001, GDPR, and other compliance frameworks. Insights are based on a survey of **high-growth organizations.**

EDEN DATA

INTRODUCTION

COMPLIANCE: A PREREQUISITE TO GROWTH

Eden Data is the leader in developing compliance, privacy, and cybersecurity programs for high-growth organizations.

Founders today know that If you want to grow rapidly, you need to do business with large, enterprise buyers. The challenge is that the Fortune 500 is heavily regulated and risk-averse. Their vendors frequently need to answer 150+ questions about their cybersecurity and compliance, while providing audited reports and attestations. And rightly so. Virtually every large enterprise has suffered a breach, either directly or via a vendor. For established brands, breaches of any significance can be devastating. That trauma is directly driving buying behaviors, with infosec and procurement processes designed to treat every prospective vendor by default as unnecessary additional surface area until proven otherwise.

We surveyed our customer base to better understand their compliance journeys and the impact that getting compliant has had on their go-to-market and risk management priorities.

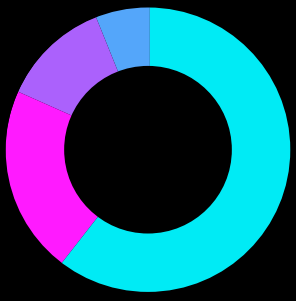
KEY TAKEAWAYS

- Customer pressure is the primary catalyst for compliance initiatives, with 4 out of 5 organizations citing customer demands as the key driver for pursuing compliance audits.
- Many organizations are missing out on the potential benefits of Trust Centers and compliance attestations. Only 2 in 5 have a Trust Center, and just 30% prominently display their attestations on their website.
- Hindsight is 20/20: 2 in 5 organizations mentioned regretting not starting their compliance journey sooner.

ABOUT OUR RESPONDENTS

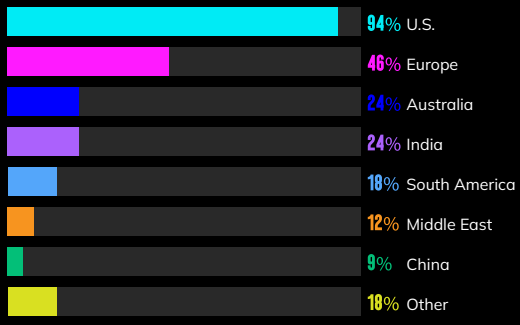
Our survey gathered insights from US-based organizations using Drata as their GRC. Although based in the United States, these companies have a global presence, conducting business with customers internationally.

Company Size



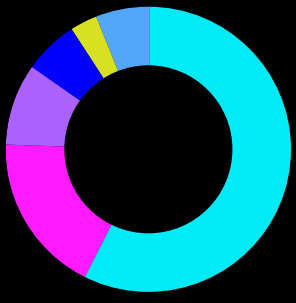
- 12% 1-9 Employees
- 61% 10-49 Employees
- 21% 50-249 Employees
- 6% 250-1000 Employees

Customer Base



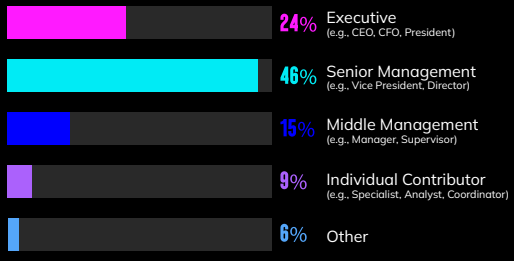
- 94% U.S.
- 46% Europe
- 24% Australia
- 24% India
- 18% South America
- 12% Middle East
- 9% China
- 18% Other

Company Industry



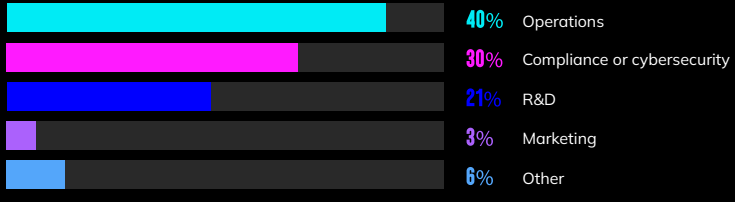
- 58% Technology
- 18% Professional Services
- 9% Finance
- 6% Healthcare
- 3% Ecommerce
- 6% Other

Respondent Role



- 24% Executive (e.g., CEO, CFO, President)
- 46% Senior Management (e.g., Vice President, Director)
- 15% Middle Management (e.g., Manager, Supervisor)
- 9% Individual Contributor (e.g., Specialist, Analyst, Coordinator)
- 6% Other

Respondent Department



- 40% Operations
- 30% Compliance or cybersecurity
- 21% R&D
- 3% Marketing
- 6% Other

FRAMEWORKS

SECURITY AND COMPLIANCE FRAMEWORKS

SOC 2 (System and Organization Controls)
A voluntary framework that assesses an organization's controls related to security, availability, processing integrity, confidentiality, and privacy.

ISO 27001 (Information Security Management)
An international standard that provides a systematic approach to managing and protecting an organization's information assets.

RISK MANAGEMENT AND STANDARDS

NIST (National Institute of Standards and Technology)
Provides cybersecurity frameworks, standards, and guidelines to help organizations manage and reduce cybersecurity risks.

PCI DSS (Payment Card Industry Data Security Standard)
A set of security standards designed to protect payment card information.

DATA PRIVACY FRAMEWORKS

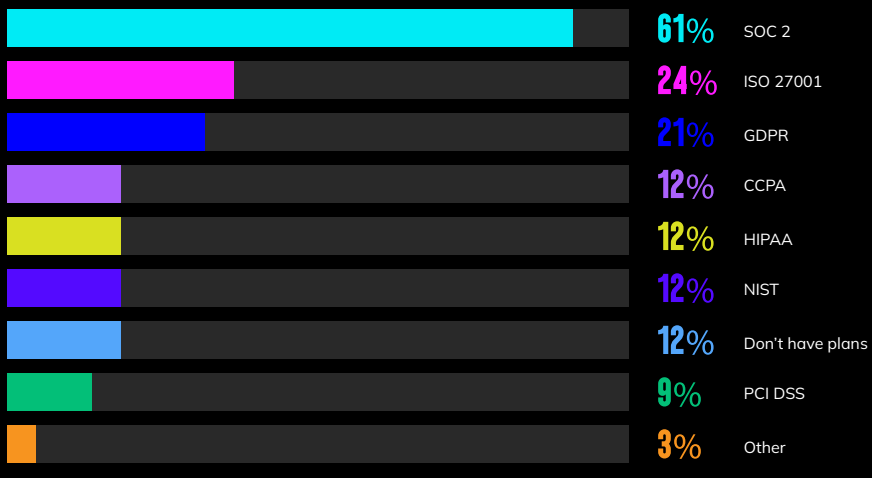
GDPR (General Data Protection Regulation)
A European Union law that sets guidelines for the collection and processing of personal data.

HIPAA (Health Insurance Portability and Accountability Act)
A U.S. law that protects the privacy and security of patient health information.

CCPA (California Consumer Privacy Act)
A California law that gives consumers more control over their personal information.

Frameworks for which the respondents are compliant or working towards compliance

Frameworks for which the respondents expect to initiate or become compliant within the next 18 months



COMPLIANCE MOTIVATIONS

0%

None of the companies in our survey **have experienced a vulnerability or security incident** that led to meaningful reputational or financial damage in the past 12 months.

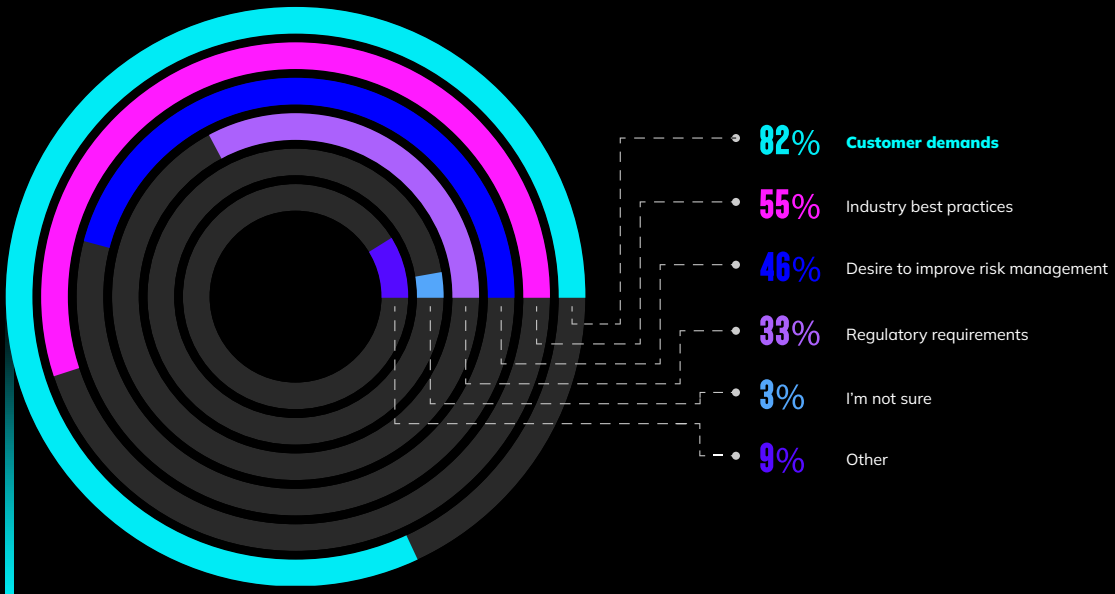
Find out why

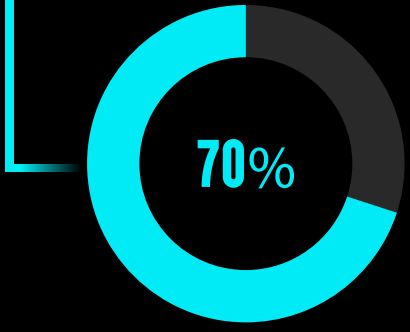
According to Taylor Hersom, Eden Data's CEO, breaches are driving compliance, but not breaches amongst startups. Rather, as he wrote in his article 5 Predictions for Compliance by 2030:

> ***Virtually every large enterprise has suffered a breach, either directly or via a vendor. For established brands, breaches of any significance can be devastating. That trauma is directly driving buying behaviors, with infosec and procurement processes designed to treat every prospective vendor by default as unnecessary additional surface area until proven otherwise.***

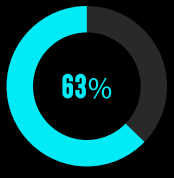
Startups that want to do business with enterprise buyers now must pursue compliance as a prerequisite. That's the underlying motivation.

The motivating factor driving respondents to get compliant was their own **customers' demands.**

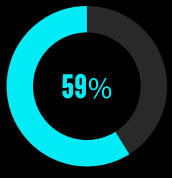




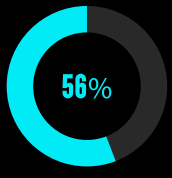
70% of the time, the driving motivator of customers' demands is **due to their own compliance requirements.**



Improved security and protection of sensitive information



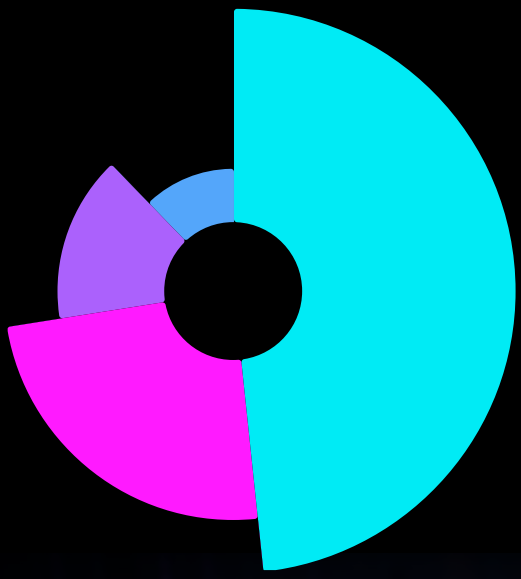
Industry regulations they needed to adhere to



Risk mitigation for their own business

88%

of the respondents **receive quarterly security questionnaires** from prospects, customers, and/or partners.



49% Receives 1-5 questionnaires quarterly

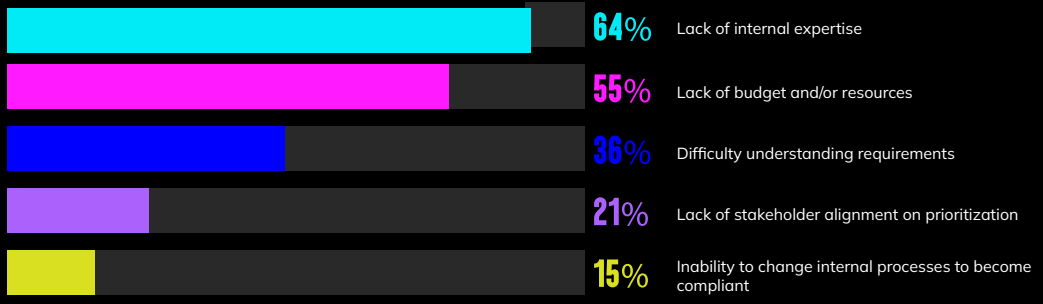
24% Receives 6-10 questionnaires quarterly

15% Receives 11+ questionnaires quarterly

12% Receives none

COMPLIANCE CHALLENGES

64% of the respondents **identify a lack of internal expertise as the primary challenge in achieving compliance**, followed by insufficient budget and resources at 55%.



RESPONDENTS ADVICE IN HINDSIGHT

> **Keep compliance top of mind** when starting the organization.
>
> Operations

> **Create more personalized policies and enforce them from the beginning** rather than use templates that do not overlap with the working processes within the organization.
>
> Compliance

> **Get started earlier** than you think you should
>
> Operations

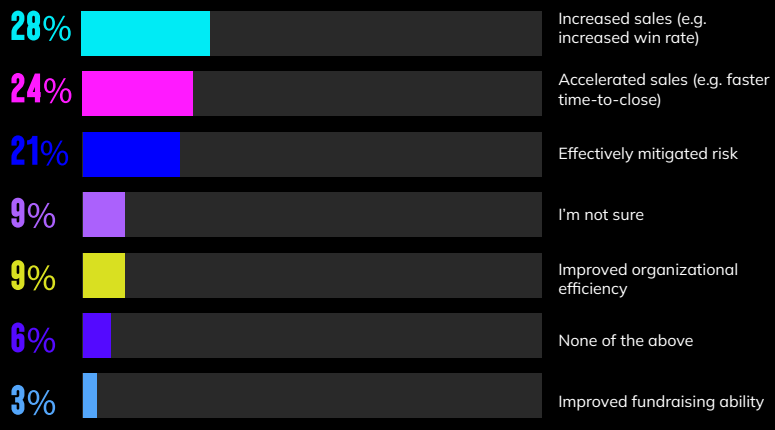
> **Start the process of becoming SOC 2 compliant as early as possible.** Doing this before the company grows larger in terms of size and number of employees will save a lot of time and resources later on.
>
> Compliance

> **Build security at the very beginning** and it will cost 2,000% less in the future
>
> Compliance

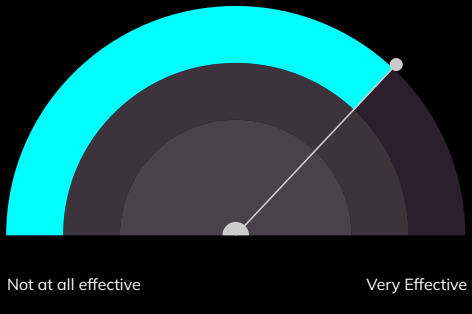
> Hire a dedicated person or company to achieve compliance. **Do not underestimate the size of the task or complexity.**
>
> Engineering

IMPACT OF COMPLIANCE

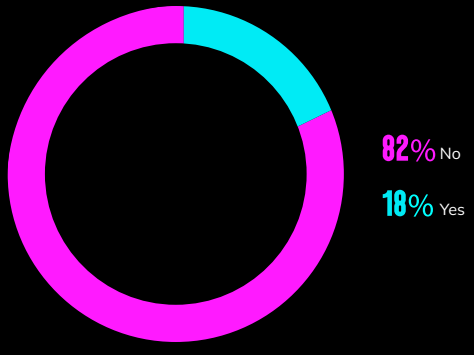
Respondents mainly linked their compliance programs to **increased sales (28%)**, **accelerated sales (24%)**, and **mitigating risk effectively (21%)**.



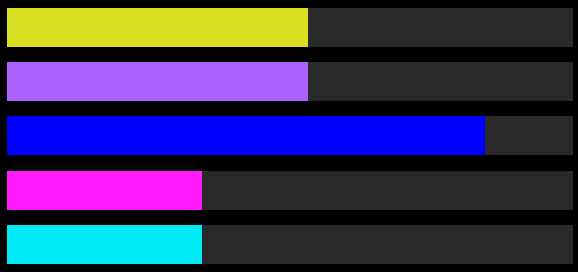
An average rating of **4.2 suggests a high level of effectiveness of compliance** in meeting business goals.



18% of the respondents had to **discontinue collaboration with certain vendors** to ensure compliance.



We asked the respondents to measure the **perceived impact of Eden Data** on their compliance timeline.



20% We achieved our compliance goals 3x faster

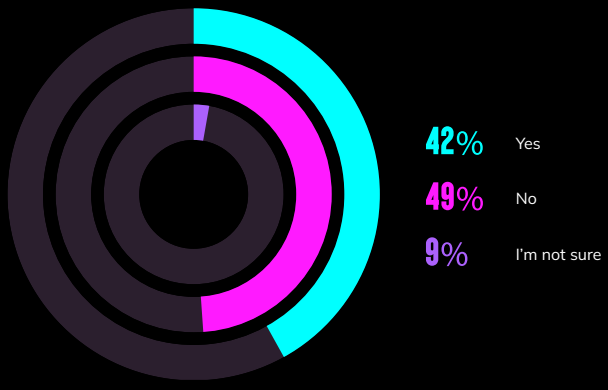
20% We achieved our compliance goals 2-3x faster

34% We achieved our compliance goals 51%-100% faster

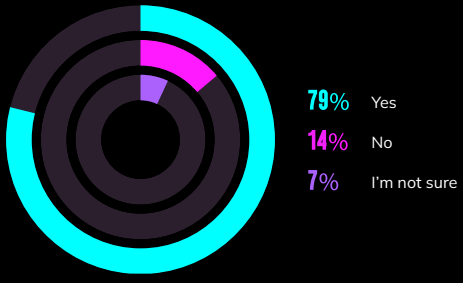
13% We achieved our compliance goals 10%-50% faster

13% We achieved our compliance goals the same or slower

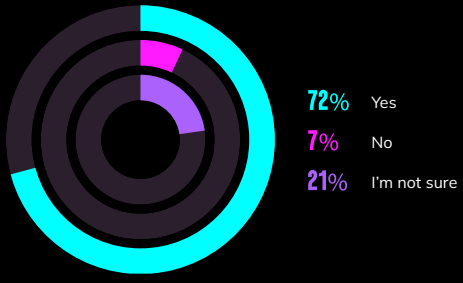
49% of the organizations surveyed **do not have a Trust Center.**



Of organizations with a Trust Center,

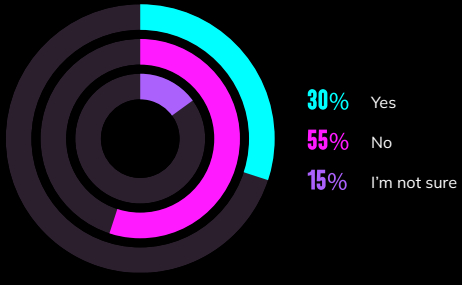


79% enable prospective and existing customers to gain access to policies upon signing an NDA.



72% have found their Trust Center effective in reducing the time spent on security questionnaires.

Most companies do not prominently display their compliance attestations on their website.



MORE INDUSTRY INSIGHTS FROM THE EXPERTS AT EDEN DATA

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