

Case Study

Establishing Cybersecurity Portfolio Oversight For Gridiron Capital LLC

April 2024



The Case Study

How ACA Aponix, the cybersecurity, privacy, and technology risk division of ACA Group, helped identify areas for cybersecurity growth, visibility, and value enhancement across Gridiron Capital LLC's portfolio.

Client: Gridiron Capital, LLC, a U.S. based investment firm

Client Type: Private Equity

Portfolio Size: 20 companies, including branded consumer, B2B and B2C services and niche industrial

Client Objectives

Drive Continuous Improvement of Cybersecurity Programs

Before engaging with ACA Group (ACA), Gridiron Capital, LLC (Gridiron Capital) managed cybersecurity across its portfolio of companies by establishing a set of baseline policies and control expectations (for example, use of MFA, penetration testing).

Once these essential controls were put in place, Gridiron Capital began looking for opportunities to further improve their understanding and management of cybersecurity risk across their portfolio. According to Jeff Steinhorn, Operating Partner at Gridiron Capital, *"It was time to see what could get us to the next level and continue evolving our risk management profile for our companies."*



The Challenge

Identifying Areas for Cybersecurity Growth Across the Portfolio

The diversity in cybersecurity programs — and of the portfolio companies themselves — made evaluating the adequacy of each company’s cybersecurity efforts challenging. Gridiron Capital needed data that accounted for the different operational contexts of each of the companies and would allow for an accurate and nuanced comparison of cybersecurity risks. Without this data, decisions about additional improvements each company should make would have been time consuming and ad-hoc, making the support Gridiron Capital could provide to the companies more of a challenge. Ultimately, these challenges had to be addressed in order to maximize the ability to improve the cybersecurity risk profile at each Gridiron Capital company as well as collectively across the portfolio.

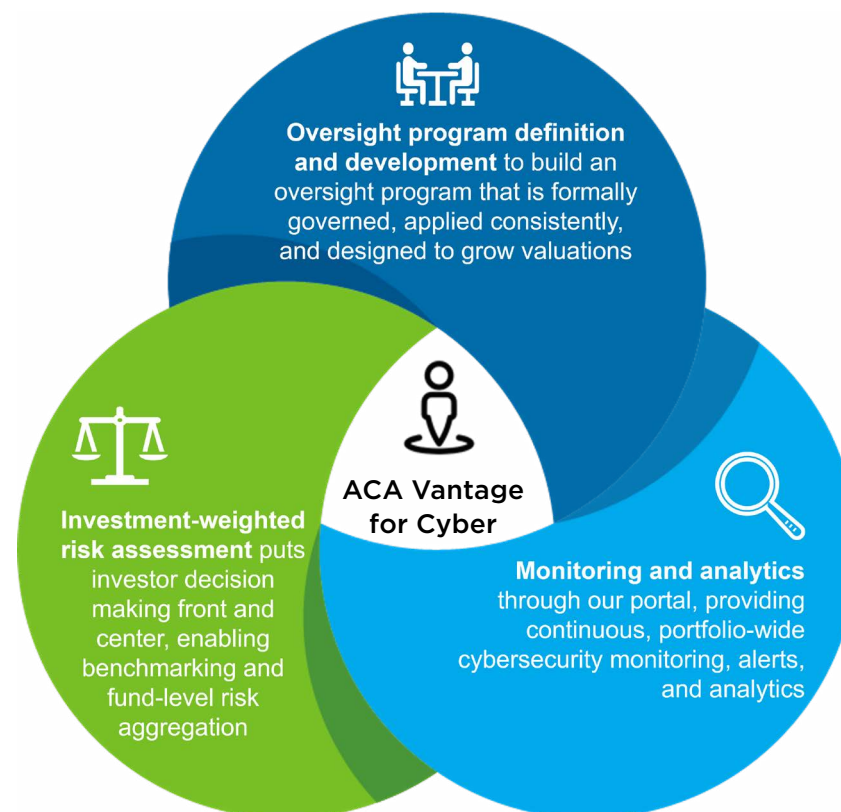
The Solution

ACA Vantage for Cyber

Gridiron Capital engaged with ACA Vantage for Cyber, a solution specifically designed to help operating partners and sponsors in private equity, venture capital, and real estate firms build a comprehensive cybersecurity portfolio oversight program that allows the firm to better manage cybersecurity risk and drive value across the portfolio.

Delivered by the ACA Aponix team, ACA’s dedicated cybersecurity, privacy, and risk team, ACA Vantage provides Gridiron Capital with:

- » Continuous assessment of risk across all their portfolio companies, to help understand and prioritize areas for improvement.
- » Access to an online tool that allows Gridiron Capital and all their portfolio companies to view and evaluate assessment results.
- » Guidance and resources that can be provided to portfolio companies to allow them to close identified gaps.
- » Simple metrics that have been integrated into regular reporting and dashboards.



The Result

Visibility and Value Enhancement Across the Portfolio

While Gridiron Capital is still early in the use of ACA Vantage, the firm has already seen significant value from the product, including:

- » **Comparable Data Across the Portfolio:** ACA Vantage's RealRisk methodology considers the different operating realities (for example, industry, and complexity) of each company, as well as Gridiron Capital's investment context for the company to get an immediate and caveat-free view into the risks and opportunities for each company. This provided Gridiron Capital with the ability to make comparisons across portfolio companies, easily track progress against action steps, and aggregate the cybersecurity risk of these companies to the fund level.
- » **Valuable Risk Management Insights for Investors:** For Gridiron Capital, the value of ACA Vantage goes beyond improved oversight of their portfolio; this data can have an impact on the overall value of their portfolio. The data collected about their portfolio companies can be used during the exit process to demonstrate the maturity and comprehensiveness of the company's cybersecurity efforts, potentially increasing the valuation of the company. As Jeff Steinhorn noted, *"A company's decision to buy or not buy another company doesn't necessarily hinge on cybersecurity, but it can play a factor. At a minimum, it can contribute to the company's value and the price an investor is willing to pay."*

- » **Risk Management Insights for the Portfolio Companies:** While participating in Vantage is an additional ask of the portfolio companies, the companies in Gridiron Capital's portfolio quickly saw the value of the data, and there was little hesitation in participating. *"The portfolio companies are clearly on board with participating in ACA Vantage and they support it. It gives them the direction they need to make improvements, and if they need help from the team on how to remediate issues, ACA can potentially come in and help them,"* said Jeff Steinhorn.

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"With ACA Vantage we now have increased visibility into where companies stand in terms of their vulnerabilities and their risk levels."

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Jeff Steinhorn

Operating Partner, Gridiron Capital

Learn More

Discover how ACA Vantage for Cyber and our team of cybersecurity experts can help develop a tailored solution to help build or improve your firm's portfolio oversight program.

Visit: www.acaglobal.com/our-solutions/aca-vantage-cyber

Contact us

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About ACA Aponix

ACA Aponix®

ACA Aponix®, part of the ACA Group, provides cybersecurity and technology risk programs, data privacy compliance services, vendor and M&A diligence services, portfolio company oversight, network testing, and advisory services for companies of all sizes. Our unique approach combines a deep understanding of your workflows with our methodologies, thought leadership, and proprietary data to surface and prioritize the most important risks. Our award-winning solutions are designed to help firms uncover risks and identify deficiencies in their cybersecurity policies, procedures, and controls.

Our team consists of senior technologists who have started in the technology trenches, many growing into technology leaders at organizations ranging from small to large hedge funds, bulge-bracket banks, and technology services providers for the financial services sector.

ACA Group (ACA) is the leading governance, risk, and compliance (GRC) advisor in financial services. We empower our clients to launch, grow, and protect their business. Our innovative approach integrates advisory, managed services, distribution solutions, and analytics with our ComplianceAlpha® technology platform with the specialized expertise of former regulators and practitioners and our deep understanding of the global regulatory landscape.