Chapter 2
Investigating a Marginalized Business Asset:
Opportunity Risk

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ABSTRACT

This study explores the concept of opportunity risks, which involve pursuing uncertainties to achieve favorable outcomes. The goal of this study is to offer practical applications for opportunity risk management in the cybersecurity environments of organizations that seek to include this often-overlooked factor in their decision-making process. Opportunity risks are significant to cybersecurity environments and industries seeking to enhance their decision-making processes and risk response options. Despite the need for better decision-making approaches in a world that is increasing in hyper-intelligence and technological transformation, opportunity risk remains a marginalized business asset. This research sheds light on a more balanced approach to managing risks. A systematic literature review was the primary research method used in this study to investigate opportunity risk. This study aims to identify and evaluate relevant theories, approaches, and techniques for leveraging the favorable side of risks.

INTRODUCTION

Across the perpetually transformative and heinous landscape of cybersecurity, where an estimated 800,000 cyberattacks occur annually, 4,100 data breaches were publicly disclosed in 2022 (Burt, 2023). Cyberattacks are proliferating (CISA, 2022; Kaminska, 2021; Shandler et al., 2023; Snider et al., 2021), causing trillions of dollars of damages yearly at the current growth rate. Cyberattack damage will amount

to roughly \$10.5 trillion annually by 2025—a 300% increase from 2015 levels (Aiyer et al., 2022; Morgan, 2022). Despite these staggering figures wrought with malicious activity, the cybersecurity industry has a chance to step up and seize the opportunities (Aiyer et al., 2022; Tilman & Jacoby, 2021) in risk events while thwarting cyber threats.

Opportunity risk has emerged as a critical concept in organizational decision-making and strategic planning (Krzysztof, 2019; Settembre-Blundo et al., 2021) and can also be applied to cybersecurity. Risk can influence the cybersecurity posture of a company in a multiplicity of ways (Jones, 2020), including its economic standing, competitive performance, and hard-earned reputation (Herd, 2023). Positive or opportunity risk is closely tied to the broader field of risk management (Edwards et al., 2019; Hillson, 2001; Krzysztof, 2019; PMI, 2019) and finds its origins in several academic fields such as economics, finance, and management.

Cybersecurity risks continuously overshadow the business landscape (Aiyer et al., 2022; CISA, 2022; Morgan, 2022). Thus, the formal and disciplined practice for addressing risk through effective risk management is a necessity (COSO 2017; ISO 31000, 2018). Risk management acknowledges the concept of uncertainty, including the unfavorable (threats) and favorable (opportunities) potentialities of situational outcomes (MITRE, n.d.).

The potential to pursue positive risk needs to be addressed (Banham, 2009; Chertoff, 2023). Along with addressing threats, the cybersecurity industry has a chance to step up and seize opportunities. With billions of dollars of revenue set to flow into the market in the next three years, cybersecurity professionals must meet the challenge by modernizing their capabilities and rethinking their go-to-market strategies (World Economic Forum, 2023). Such strategies include understanding and leveraging possibilities intelligently to profit from the opportunities that risk may present. It should be noted that market opportunities are subject to volatility (Kohli, 2023) due to technological improvements, regulatory changes, and adjustments in consumer behavior.

State of Risk Management in Contemporary Times

Most organizations have inadequate methods for managing risk and underdeveloped enterprise risk management processes, according to a 2022 report by the American Institute of Certified Public Accountants and Chartered Institute of Management Accountants (AICPA & CIMA) and North Carolina State's Enterprise Risk Management (ERM) Initiative (Potepalova & Ferguson). According to the report, approximately 60% of global finance and business leaders agree that the volume and complexity of corporate risks have increased "mostly" or "extensively" over the last five years, this increase of risk activity merits effective risk responses.

Leaders need to be able to find opportunities in risk as easily as they can handle problems when they occur (Edwards et al., 2019) and select the appropriate responses to address risks. Ivascu and Cioca (2014) identified risk response strategies for addressing risks as presented in Table 1.

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