

# Risk Identification Report – Pampered Pets

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## 1. Executive Summary

Pampered Pets (Figure 1) is considering a digital transformation to expand its business. This report evaluates the risks associated with current operations and proposed digitalization, offering risk mitigation strategies and assesses the advisability of this transformation.

Figure 1: Business Overview

### Pampered Pets

**Location:** Hashington-on-the-Water

**Product:** Pet foods

**Supply Chain:** Local firm within a 10-minute driving distance

#### Employees:

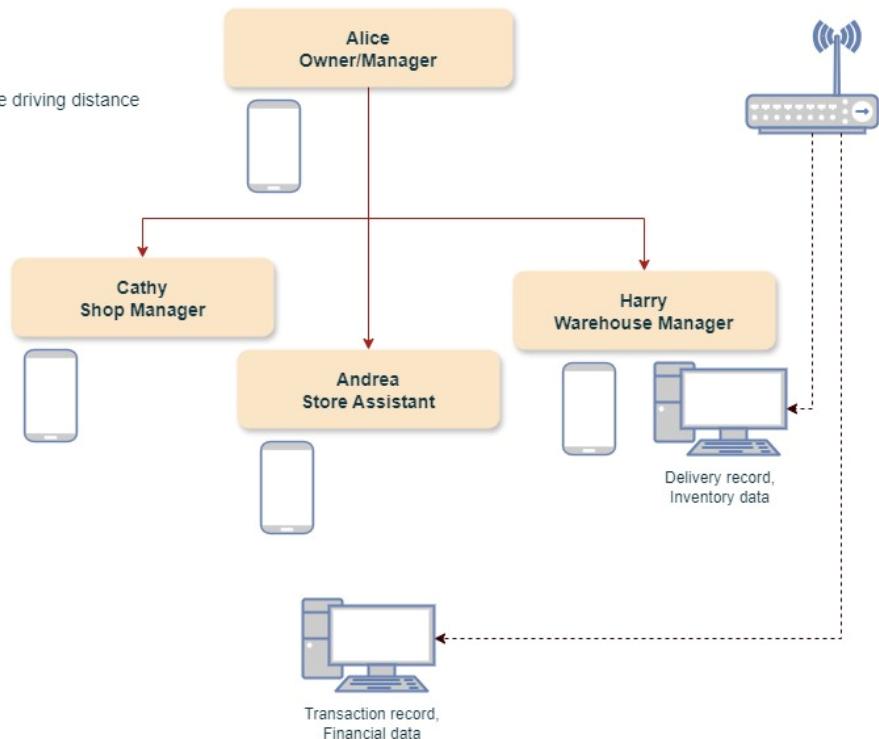
- Alice - Owner/Manager
- Cathy - Shop Manager
- Andrea - Store Assistant
- Harry - Warehouse Manager

#### Operations:

- 90% face-to-face
- 10% email orders and in-person pickup

#### IT Infrastructure:

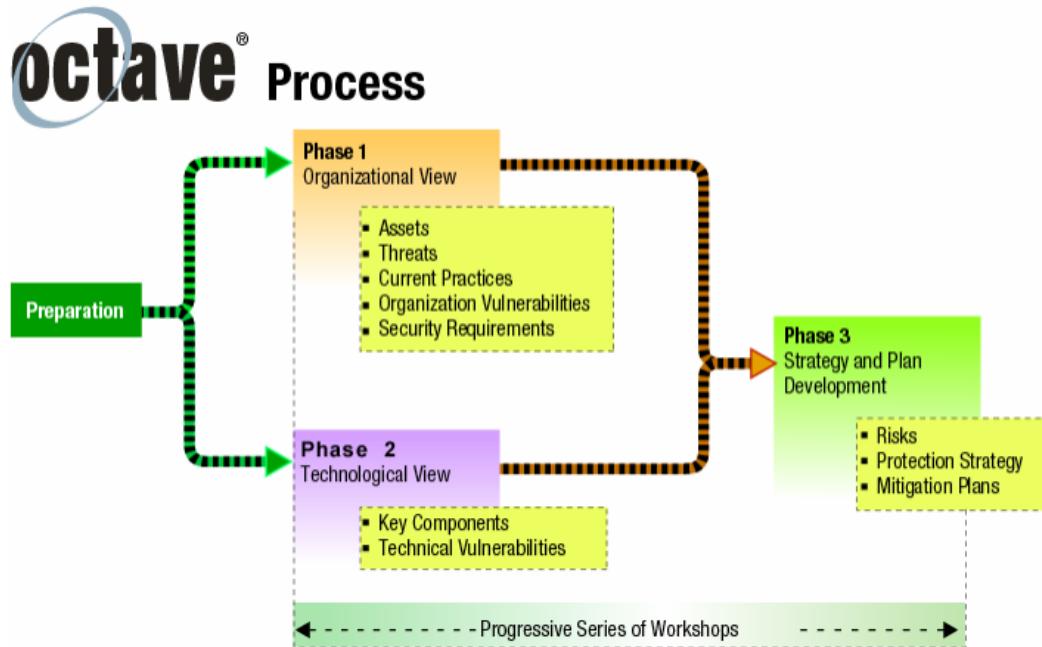
- Two computers
- Wireless gateway
- Staff smartphones



## 2. Methodology

The OCTAVE-S method, suited for small organizations with fewer than 100 employees (Alberts et al, 2005; PECB, N.D.), was used. This method is based on three phases described in OCTAVE criteria (Figure 2).

Figure 2: OCTAVE Phases (Alberts et al, 2003; Shevchenko et al, 2018)



### 3. Risk Assessment

Risk level	
○ ○ ○	<i>None</i>
● ○ ○	<i>Low</i>
● ● ○	<i>Medium</i>
● ● ●	<i>High</i>

### 3.1. Maintain Status Quo

#### 3.1.1. Threat Profiles

Critical Asset	Description	Threats	Vulnerabilities	Risk level
Customer Data	Contact and order records	Data breach, unauthorized access, damage	Lack of access control, poor disposal, limited backups	● ● ●
Financial Data	Transaction records	Unauthorized access, data loss, hardware failure	Weak passwords, outdated software, limited backups	● ● ●
Inventory Database	Warehouse inventory tracking	Data loss, unauthorized access, inaccuracies	Weak passwords, outdated software, single point of failure	● ● ○
Reputation	Customer trust, supplier relationships	Inefficiency, missed orders	Limited online presence, lack of reputation management	● ● ○

Supply Chain	Local suppliers	Supplier disruptions, quality issues	Dependence on local suppliers, limited alternatives	
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### 3.1.2. Mitigation Plan

Threat/Vulnerability	Mitigation Strategy
Physical theft/damage	Implement access controls, secure disposal, regular digital backups
Unauthorized access/data loss	Enforce strong passwords, multi-factor authentication, antivirus software, regular data backups
Data breaches/malware	Use firewalls, intrusion detection, regular security updates, cybersecurity training
Outdated technology/single point	Move inventory to a cloud-based system with redundancy, upgrade hardware
Limited online presence	Create website and social media presence
Supply chain disruptions	Diversify suppliers, develop contingency plans

### 3.2. Proposed Changes

- **E-commerce platform:** Online store for receiving orders.

- **Online payment gateway:** Secure system for online payments.
- **Social Media Marketing:** Increase brand visibility and customer engagement.
- **ERP System:** Streamline operations and inventory management, including DMS, CRM, and WMS.

### 3.2.1. Threat Profiles

Critical Asset	Description	Threats	Vulnerabilities	Risk Level
E-commerce platform	Online store	Cyberattacks, DDoS, data breaches	Software vulnerabilities, weak authentication, lack of security	● ● ●
Online payment gateway	Payment processing system	Fraudulent transactions, data breaches	Insecure processing, lack of fraud detection	● ● ●
ERP system	Integrated ERP with DMS, CRM, WMS	Technical failures, unauthorized access	Weak passwords, lack of access controls	● ● ●
Social Media Account	Platforms for marketing	Account hijacking, misinformation	Weak passwords,	● ● ○

			phishing, lack of policy	
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### 3.2.2. Mitigation Plan

Threat/Vulnerability	Mitigation Strategy
Website/system vulnerabilities	Implement security measures, regular updates, vulnerability scanning, penetration testing, WCAG compliance
Weak authentication/access controls	Enforce strong passwords, multi-factor authentication, access control policies
Data breaches/privacy violations	Encrypt data, implement data loss prevention, GDPR compliance
DDoS attacks	DDoS mitigation services, ensure sufficient server capacity
Online payment fraud	Reputable payment gateways with fraud detection, PCI DSS compliance
Social media risks	Implement social media policies, use strong passwords, two-factor authentication

## 4. Recommendations

We recommend pursuing digital transformation for Pampered Pets due to its growth and efficiency potential.

- **Growth Potential:** An online presence can expand customer base, offering convenience and increasing the possibility of achieving 50% growth target.
- **Cost Reduction:** Switching to international supply chain could reduce costs, requiring careful quality control.
- **Customer Retention:** Online features and delivery options can enhance convenience and retention, preventing market share loss.

## 5. Timeline

A realistic timeline for digital transformation is 18-24 months.

Phase	Actions
Planning (9-12 months)	Define goals, conduct risk assessment, select technology, create investment plan
Infrastructure Setup (3-4 months)	Upgrade network security and IT infrastructure, implement ERP system with DMS integration
Data Conversion (3-4 months)	Scan documents to DMS, automate data entry
Staff Training (1-2 months)	Train on new systems, cybersecurity workshops
UAT Testing (1 month)	Test systems with users, address issues and feedback
Rollout (1 month)	Launch ERP and e-commerce platforms, monitor performance

Optimization/Expansion (Post-implement)	Integrate CRM and WMS with ERP, explore international expansion
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## 6. Conclusions

Digitalization offers significant growth and efficiency potential. Essential steps include robust cybersecurity, data protection compliance, and a phased approach with thorough planning, testing, and staff training.

## **Abbreviations and Acronyms**

CRM	Customer Relationship Management
DDoS	Distributed Denial-of-Service
DMS	Document Management System
ERP	Enterprise resource planning
GDPR	General Data Protection Regulation
OCTAVE	Operationally Critical Threat, Asset, and Vulnerability Evaluation
OCTAVE-S	Operationally Critical Threat, Asset, and Vulnerability Evaluation – Simplified
PCI DSS	Payment Card Industry Data Security Standard
WCAG	Web Content Accessibility Guidelines
WMS	Warehouse Management System

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