

accenture

**DRILL INTO
CYBERSECURITY
WHEN
CONSIDERING
M&A DEALS
OIL AND GAS INDUSTRY**

JUNE 2019





MERGERS AND ACQUISITIONS ARE ACCELERATING

There is interest in **North America unconventional plays**, such as BP's 2018 acquisition of BHP's assets.¹

The **Permian Basin** is leading the way, as we've seen with Occidental Petroleum's 2019 bid for Anadarko.²

There is also activity in the downstream sector, such as **Marathon Petroleum's 2018 purchase of Andeavor**.³

¹BP press release: on.bp.com/2HUChi0

²Occidental Petroleum press release: bit.ly/2EOg436

³Marathon Petroleum Corporation press release: bit.ly/2WKZ8ou

M&A DEAL VALUE PROTECTED BY CYBERSECURITY



M&A execution was once limited to examining financial ledgers, inspecting equipment and evaluating plays.

But today's M&As must have cybersecurity experts seated at the deal table.

That's because cyber risk translates into monetary amounts. The media has reported on breaches (in other industries) that affected M&A deal values.

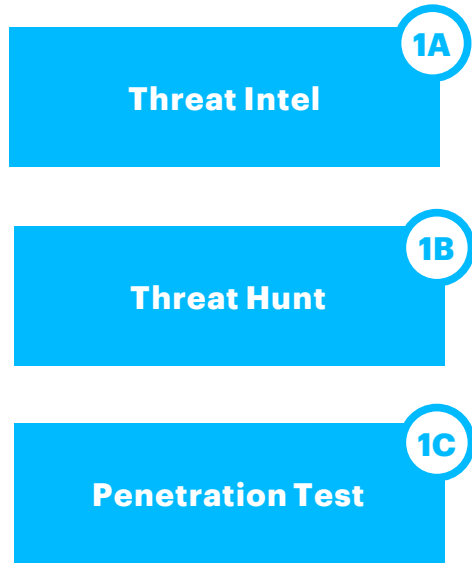
Cybersecurity protects M&A deal value by:

- Proving security rigor along the value chain: Information technology and operational technology (IT/OT) systems
- Delivering a better understanding of risks:
 - IT/OT convergence risk – operational technology feeds into information technology
 - Geopolitical risk – ‘significant rise in economic espionage’ by threat actors such as nation-states¹

CYBERSECURITY IS NOT A ONE-TIME CHECK

Cybersecurity is essential throughout the M&A lifecycle.

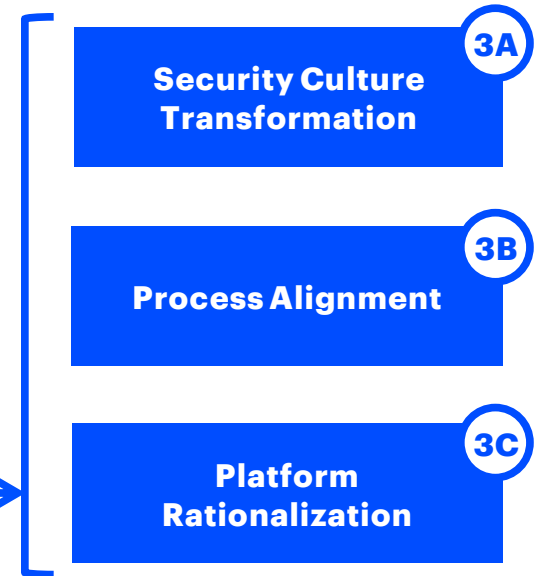
PHASE 1: PRE-DEAL



PHASE 2: DURING TRANSACTION



PHASE 3: DAY 1



- PRE-DEAL
- DURING TRANSACTION
- DAY 1

PRE-DEAL CYBERSECURITY IDENTIFIES RISKS

ACTIONS



THREAT INTEL

Gain an understanding of the potential threat landscape via the dark web and other Internet sources.



THREAT HUNT

Conduct proactive analysis across IT/OT systems throughout the target and the parent environment to identify indicators of compromise, tactics, techniques and procedures.



EXTERNAL PENETRATION TEST

Test the external perimeter to identify vulnerabilities across the M&A target's environment.

Did you know?

Intellectual property could already be out on the internet or the dark web.

- PRE-DEAL
- DURING TRANSACTION
- DAY 1

CYBERSECURITY DURING M&A TRANSACTION

ACTIONS



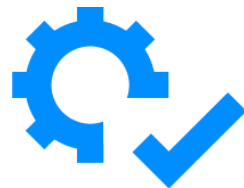
REMEDIATION ACTIVITIES

Cyber risks identified during the pre-deal activities should be addressed in this phase.



SECURE COMMUNICATIONS

Work with organizations who can provide an integrated and secure communications infrastructure to ensure confidentiality.



DAY 1 & TRANSITION PLANNING

Define set of cybersecurity capabilities for Day 1 and implementation plan for integration of people, processes, and technology.

Did you know?

'Humans are still the weakest link' in cybersecurity.¹

- PRE-DEAL
- DURING TRANSACTION
- DAY 1

DAY 1 CYBERSECURITY FOR THE NEW COMPANY

ACTIONS



SECURITY CULTURE TRANSFORMATION

Begin adoption of the desired security culture with a plan to incorporate talent into lifecycles and metrics.



PROCESS ALIGNMENT

Align leading security policies, processes, standards, procedures and guidelines between both organizations.



PLATFORM RATIONALIZATION

Consolidate the critical applications and security solutions for the new enterprise such as identity and access management; governance, risk, and compliance; operational technology; pluggable authentication modules; and security information and event management.

Did you know?

Cybersecurity is everyone's responsibility.¹

CONTACT US TO LEARN MORE

Edwin Cisneros

Managing Director
Accenture Security

edwin.cisneros@accenture.com

Jeffrey T. Miers

Managing Director
Accenture Consulting

jeffrey.t.miers@accenture.com

Copyright © 2019 Accenture.
All rights reserved.

Accenture, its logo, and New
Applied Now are trademarks
of Accenture.

