



SECURE THE DIB

Summer Camp



Scout Leader Wisdom:

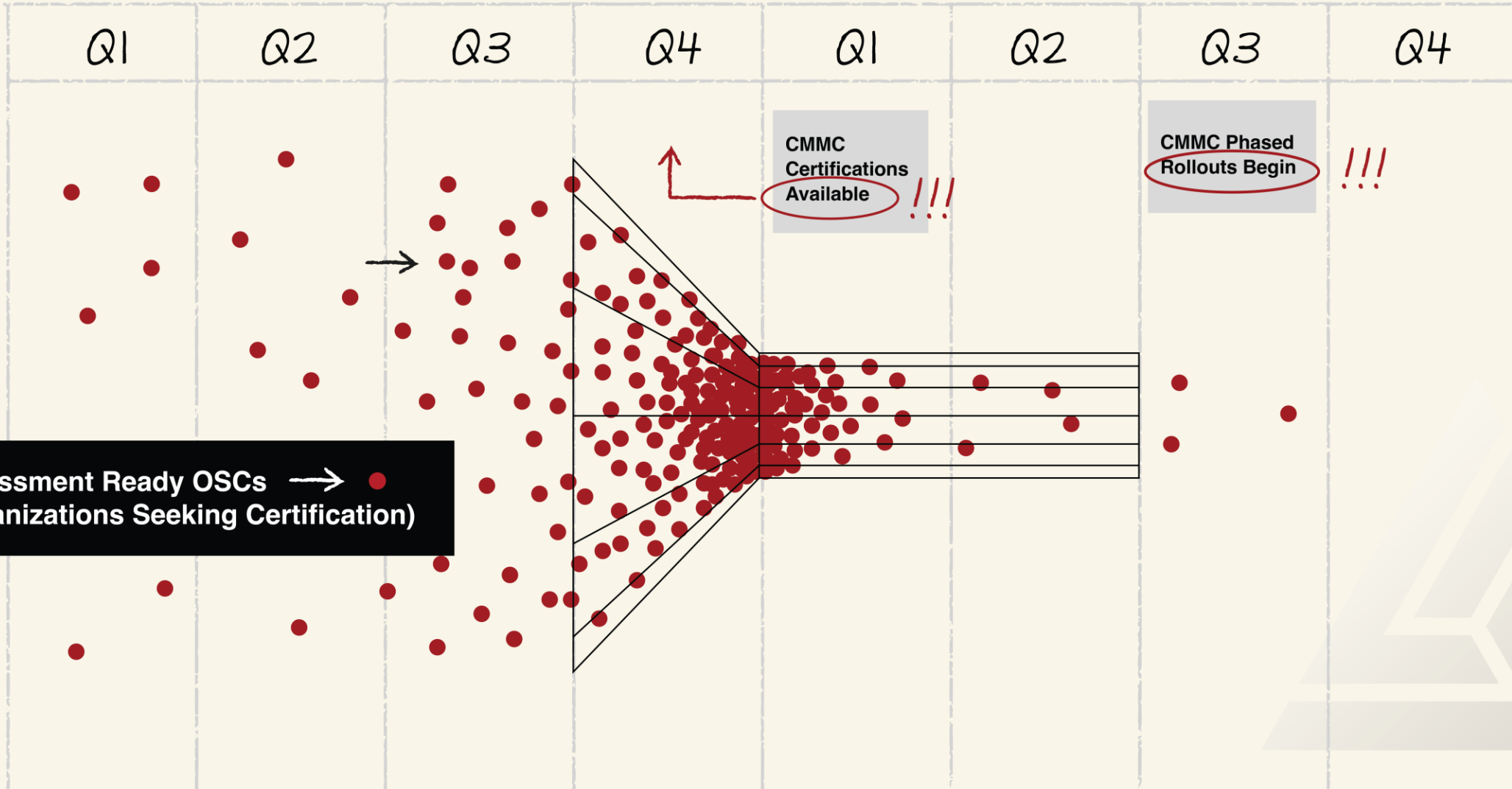
CEO'S PERSPECTIVE ON CMMC COSTS

Scott Edwards, CEO, Summit 7

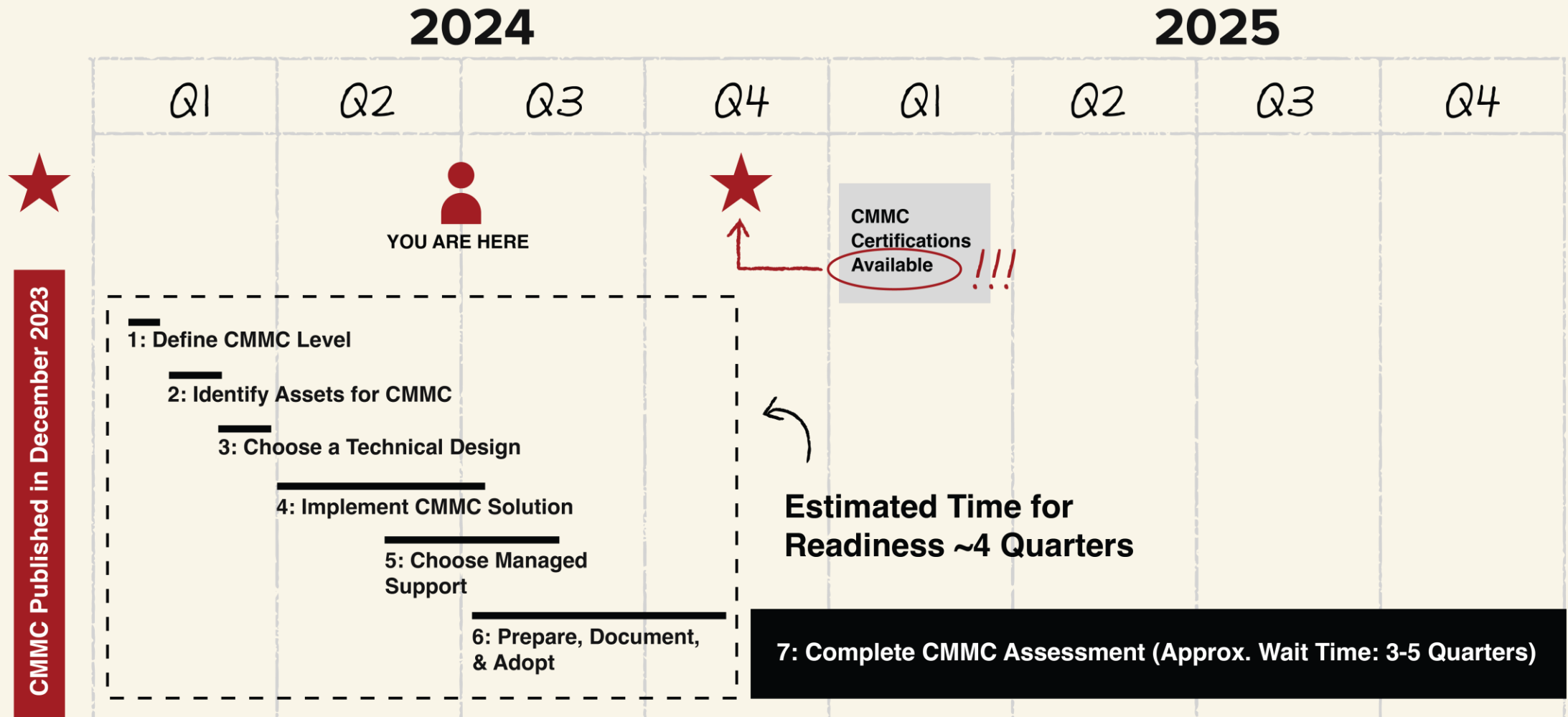
First, Where Do We Stand On CMMC?

2024

2025



How Long Does CMMC Take To Do?



How to Budget for CMMC

THE DIB:





What Does the DoD Say?

Revenue Allocation: 0.5%

Based on figures from the Defense Technical Information Center it is estimated that 6,555 contractors would be handling unclassified controlled technical information and therefore affected by this rule. Of the 6,555 contractors it is estimated that less than half of them are small entities. For the affected small entities a reasonable rule of thumb is that information technology security costs are approximately 0.5% of total revenues. Because there are economies of scale when it comes to information security, larger businesses generally pay only a fraction of that amount.



REVENUE	\$1M	\$5M	\$10M	\$25M	\$50M	\$100M
BUDGET (0.5%)	\$5,000	\$25,000	\$50,000	\$125,000	\$250,000	\$500,000

What Does the DoD Say? DoD Estimate



SumITUp EPISODE:
Estimating the Cost
of NIST SP 800-171

LINK:
https://www.youtube.com/watch?v=DkYefZn_wNk



What Does the DoD Say?

Cost	Term
\$175,000-\$265,000	One-Time
\$50,000-\$127,000	Annual

Based on what the DOD published for a NIST 800-53 Implementation we were to calculate what the DOD estimated cost would be for NIST 800-171/CMMC L2.

How Long Does CMMC Take To Do?

If you take the average of both the one-time and annual cost, you end up with \$309,000 in Year 1 spend.

REVENUE	\$1M	\$5M	\$10M	\$25M	\$50M	\$100M
BUDGET (0.5%)	\$5,000	\$25,000	\$50,000	\$125,000	\$250,000	\$500,000
YEAR 1	\$309K	\$309K	\$309K	\$309K	\$309K	\$309K



Average IT Spend For Regulated Industries

Finance	Healthcare	Telecommunications
<p>4.7 – 9.4%</p>	<p>3.0 – 7.0%</p>	<p>5.0 – 10.0%</p>
<ul style="list-style-type: none"> • Data Security Standards • Cybersecurity Standards • Identity & Access • Management (IAM) • Business Continuity & Disaster Recovery (BCDR) • Cloud Computing Regulations • Third-Party Risk Management 	<ul style="list-style-type: none"> • Health Insurance Portability & Accountability Act (HIPPA) Compliance • Electronic Health Record (HER) System Compliance • Health Information Exchange (HIE) Compliance • Meaningful Use (MU) Compliance • Data Security & Privacy Regulations • Telemedicine & Remote Patient Monitoring Compliance • Medical Device Regulations 	<ul style="list-style-type: none"> • Federal Communications Commission (FCC) Regulations • Data Privacy & Security Regulations • Network Neutrality Compliance • Telecommunications Act Compliance • Spectrum Licensing & Management • Emergency Communications Compliance • Universal Service Fund (USF) Compliance

Average IT Spend For Regulated Industries

Finance	Healthcare	Telecommunications
4.7 – 9.4%	3.0 – 7.0%	5.0 – 10.0%

Defense Industrial Base	
5.0 – 8.0%	
<ul style="list-style-type: none">• CMMC• IA PRE	<ul style="list-style-type: none">• NNPI• Export Control



But...Why So Much?

- 3rd Party Certifications
- Lack of Expertise (Compliance, IT, Cyber)
- Compliant Cloud Providers & LOB Providers
- Compliant Hardware
- Supply Chain Cybersecurity Risk
- New Regulations/Requirements (FAR CUI, CIRCIA, IA PRE)
- Managed Service Providers Requiring Certification
- US Persons and/or Citizens
- Additional Internal Time Required to Maintain Compliance



Good News

The whole defense industrial base (DIB) is going to have these requirements.

All Products, Goods, Services, etc.... will be expected to increase across the supply chain.

Simply Meaning:

All ships will have to rise with the tide.

Regulated Industry Percentages

REVENUE	\$1M	\$5M	\$10M	\$25M	\$50M	\$100M
BUDGET (5%)	\$50,000	\$250,000	\$500,000	\$1.25M	\$2.5M	\$5M
YEAR 1	\$309K	\$309K	\$309K	\$309K	\$309K	\$309K



Regulated Industry Percentages

REVENUE	\$1M	\$5M	\$10M	\$25M	\$50M	\$100M
BUDGET (5%)	\$50,000	\$250,000	\$500,000	\$1.25M	\$2.5M	\$5M
YEAR 1	\$309K	\$309K	\$309K	\$309K	\$309K	\$309K



REVENUE	\$1M	\$5M	\$10M	\$25M	\$50M	\$100M
BUDGET (8%)	\$80,000	\$400,000	\$800,000	\$2M	\$4M	\$8M
YEAR 1	\$309K	\$309K	\$309K	\$309K	\$309K	\$309K



Wait... What About Scope?

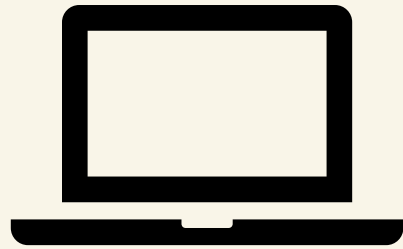
\$309K = ?



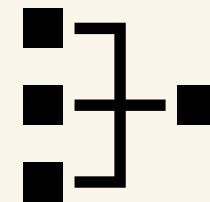
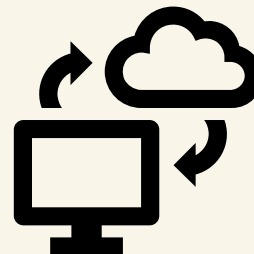
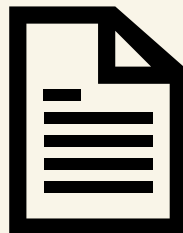
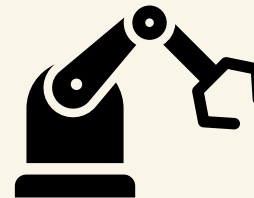
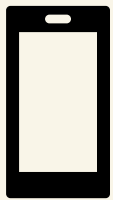
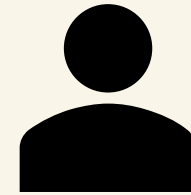
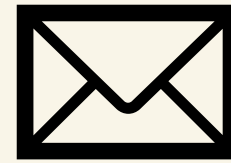
Wait... What About Scope?

Cost = Scope

Wait... What About Scope?



**ERP
SYSTEM**



Wait... What About Scope?

PRO

- CHEAP
- EASY DEPLOYMENT
- BOLT-ON TO EXISTING SOLUTION

CON

- USER DISCRETION (**HUGE RISK**)
- VERY LIMITED “CUI” COVERAGE
- SUPPLEMENTAL TOOLS NEEDED
- VERY DIFFICULT TO MIGRATE OUT
- CAN’T CONTROL HOW DATA IS RECIEVED

PRO

- CONTAINED CUI BOUNDARY
- LEAVES CORP OUT OF SCOPE
- EASY TO SCALE/DEPLOY

CON

- *CUI DATA FLOW RESTRICTED TO CLOUD
- TWO ENVIRONMENTS TO MANAGE
- CUI ON-PREMISES

PRO

- SINGLE ENVIRONMENT TO MANAGE
- FULL COMPANY PROTECTION
- CYBERSECURITY INSURANCE
- PROTECTION FROM FUTURE REGULATIONS (**HUGE PRO**)

CON

- LONG DEPLOYMENT TIME
- EXPENSIVE

COMPLIANCE RISK METER

FILE SHARING
TOOLS

VIRTUAL DESKTOP
CLOUD ENCLAVE

ALL IN
(WHOLE COMPANY)

Wait... What About Scope?

UNDERSTANDS CUI LOCATIONS

<15% of REVENUE IS DOD (CUI)

<15% of COMPANY IS CUI USERS

UNSURE OF CUI LOCATIONS

>15% of REVENUE IS DOD (CUI)

>15% of COMPANY IS CUI USERS

COMPLIANCE RISK METER

**VIRTUAL DESKTOP
CLOUD ENCLAVE**

**ALL IN
(WHOLE COMPANY)**



So... What Does it ALL Cost?

50-100 PERSON COMPANY

DISCLAIMER:

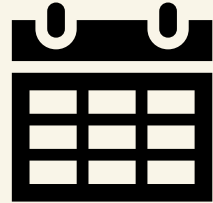
The costs presented on the next slide are not “Summit 7” prices. This is our effort to paint the full picture of the cost for CMMC compliance.

List of Items in Cost Estimate:

3rd Party Assessment (CMMC Certification)
Internal Resources Time
LOB Applications
Microsoft Licensing
Managed Services
Professional Services
Mock/Gap Assessment
Hardware

So... What Does it ALL Cost?

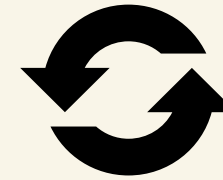
50 - 100 PERSON COMPANY



ONE-TIME

\$200,000 - \$400,000

CMMC Implementation "All In" or Enclave	Policy & Procedure Documentation
Hardware	LOB Migration
Migration of Email/Files	Mock/Gap CMMC Assessment
	Internal Resource Time
	Formal CMMC Assessment (Every 3 Years)



ANNUAL RECURRING - PER USER

\$400 - \$4,000

LOB Licensing	Hardware Refresh	User Training
M365 GCCH Licensing	Managed IT	Managed Security
Azure Subscription	US Support	Managed Compliance

We Know Why The Dib Hasn't Done This Yet

JOE'S MACHINE SHOP

Parts + Labor + Compliance = \$10 Per Widget

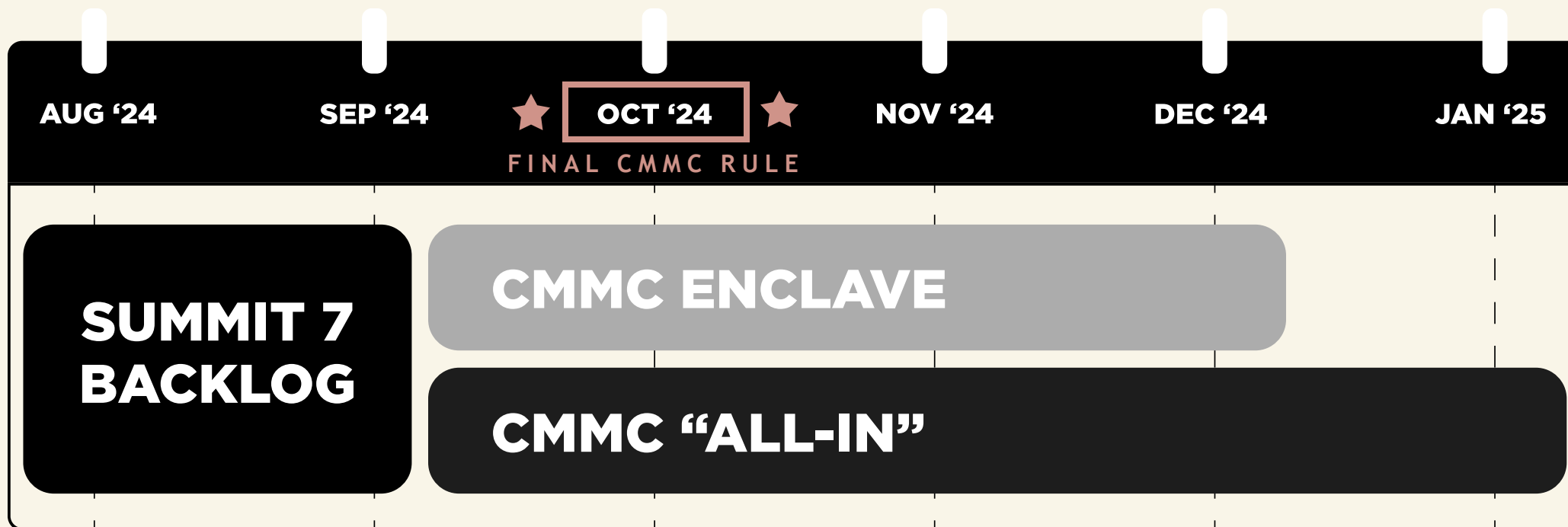
STEVE'S MACHINE SHOP

Parts + Labor = \$8 Per Widget

Which one does a Lowest Price Technically Acceptable (LPTA) contract select?

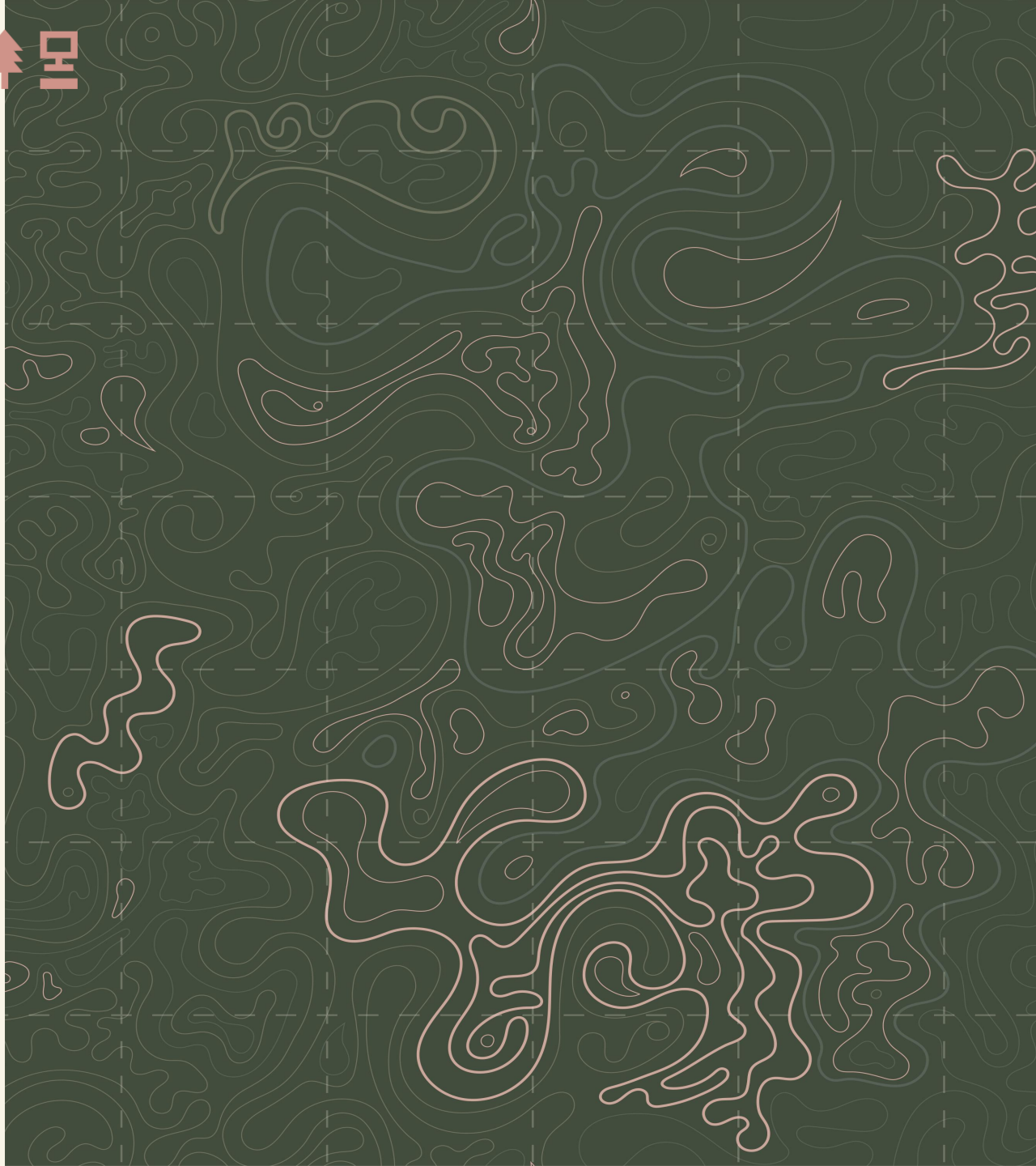
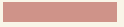


But Now You Can No Longer Wait





Q&A



Contact



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