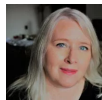


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FICO Buys QuadMetrics to Help Measure Corporate Cybersecurity Risk



Sarah Schmid Stevenson

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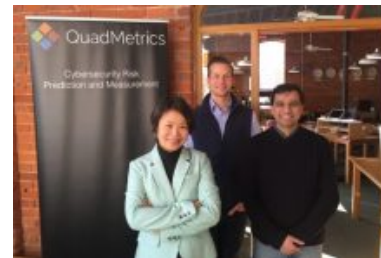
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FICO, the San Jose, CA, software analytics company, announced Tuesday it has acquired Ann Arbor, MI-based **QuadMetrics**, a University of Michigan cybersecurity spinout. The terms of the deal were not disclosed.

FICO—known as an industry leader in measuring and understanding consumer credit risk—will soon offer “**enterprise security scores**” that assess a corporation’s exposure to hackers and other cybersecurity dangers.

QuadMetrics, **founded** in 2014, touts its approach to managing and quantifying the cybersecurity risks faced by enterprise networks through predictive analytics and proprietary data sources, the idea being to help IT professionals address security gaps and enable insurers to better understand an organization’s security risk. The company’s technology was developed at U-M with funding from the Department of



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existing cybersecurity offerings for threat detection and should be an easy-to-understand tool that will aid “board-level risk assessment, third-party vendor management, and cyber breach insurance underwriting.”

The deal with QuadMetrics signals FICO’s interest in playing a bigger role in the cybersecurity risk industry. The company has also **developed software** that it says uses machine learning techniques to detect security breaches as they occur.

As hackers grow more sophisticated and capable of launching ever more devastating attacks, the concept of a cybersecurity rating that could affect a company’s future the way credit scores affect consumers is gaining traction. Cambridge, MA-based **BitSight Technologies, for example, has garnered nearly \$50 million so far from investors** for its software that mines publicly available data to create a FICO-like cybersecurity score for roughly 47,500 companies and organizations.

Earlier this month, BitSight co-founder Stephen Boyer, a former MIT Lincoln Laboratory cybersecurity researcher, told Xconomy that “there’s been a high demand for this type of service,” so we can probably expect to hear a lot more about it in the coming months.

The QuadMetrics acquisition also further solidifies Ann Arbor as a hub for the development of leading-edge cybersecurity technologies. Ann Arbor is home to rapidly growing cybersecurity startups such as **Duo Security**, as well as longstanding industry players like **Barracuda Networks** and **Arbor Networks**. **Wes Huffstutter**, CEO of QuadMetrics, worked with the company at the U-M Office of Technology Transfer’s Venture Center before formally taking a leadership position.

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