

## Spotlight: Blocking breaches via vendors

TODD NELSON | NOV. 26, 2021



ProcessBolt's leadership team, from left: Gaurav Gaur, chief technical officer and co-founder; CEO Mike Kelly; Ben Olson, senior development manager; Ryan McArthur, senior software engineer; and Dan Gardner, chief operating officer and co-founder. (SUBMITTED PHOTO)

**FROM TARGET CORP.'S MASSIVE DATA BREACH EIGHT YEARS AGO** to the SolarWinds hack that last year affected hundreds of government agencies and businesses, more than half of such cyberattacks occur because of a vendor's security weaknesses.

Companies that don't properly assess and monitor their vendors face a further risk in the form of lawsuits that increasingly arise in response to data breaches and ransomware attacks.

That's all according to Mike Kelly, CEO of ProcessBolt, a data security technology startup in Minnetonka that offers an automated vendor risk management platform. The patent-pending, artificial intelligence-driven technology enables companies to assess and monitor the security of third-party suppliers or vendors as well as respond security assessment questionnaires from their partners.

### VENDOR SECURITY A 'CRITICAL CONCERN'

"It's absolutely a critical concern to make sure that your vendor network is as adequately secured as your own enterprise," Kelly said. "That's what ProcessBolt does in a very efficient, effective, inexpensive manner."

ProcessBolt was a finalist in the data security category of the Minnesota Technology Association 2021 Tekne Awards. Winners in all 13 Tekne categories were announced at a virtual celebration on Friday Nov. 18.

Though small, with just 10 people working for the company founded in 2017, ProcessBolt has landed big clients including Nike and Boston Scientific along

with Allina Health and Hennepin Health, according to Kelly. In addition to health care firms, companies in manufacturing, technology, financial services and insurance, higher education and agriculture use ProcessBolt's platform. It works with various compliance frameworks including the Health Insurance Portability and Accountability Act (HIPAA).

ProcessBolt's growth potential is big too with Kelly, a former partner at the law firm now known as Faegre Drinker before becoming executive vice president and chief operating officer of the Minnesota Vikings, foreseeing exponential expansion for it in the rapidly growing cybersecurity space.

### TOWARD A BILLION-DOLLAR COMPANY

"It's definitely in excess of \$100 million for sure, toward a billion-dollar market," Kelly said of ProcessBolt's future revenue. "We're probably on a five- to 10-year journey, at least. I expect that will take us to the lower end of my range."

That growth won't come only in third-party risk assessments, though as a startup the company will stay "laser-focused" there for now.

"What's unique about the (ProcessBolt) software is it maps to any sort of regulatory compliance structure," Kelly said. "Our software not only can be used to audit your vendors for security, it can just as easily be used to audit your vendors for ESG (environmental, social and corporate governance) compliance and any sort of regulatory compliance structure."

# FINANCE & COMMERCE

ProcessBolt's recognition as a Tekne finalist, Kelly said, "validates our value proposition in the security market. It shows that other people understand that we're addressing a critical need, which may seem fairly obvious with ransomware in every single headline these days."

## ANNUAL PURCHASE, NO SERVICE FEES

ProcessBolt's business model is different in that it operates as a technology business with a software-as-a-service offering, Kelly said. Unlike many other data security firms, ProcessBolt does not offer services. Clients buy ProcessBolt's plug-and-play software annually and their internal security staff operates it.

"It's a lot less expensive so it's accessible to small- and medium-sized businesses," Kelly said. "If you're working with one of those other (data security) business, you're going to be paying ongoing services fees, which is going to scale up or down based on need. Ours, once you install the software, there's no additional cost or fees."

A serial entrepreneur and business operator, Kelly has held CEO and senior executive roles in technology, software and analytics companies after the Vikings sold. He was serving as a mentor in the Target Techstars accelerator program when he met ProcessBolt's co-founders – chief operating officer Dan Gardner and chief technology officer Gaurav Gaur.

Gardner and Gaur launched ProcessBolt after the sale of the data security software and consulting company where they had been vice president of technology and vice president of software development, respectively, Kelly said. Kelly saw the software's potential and volunteered after the Techstars program ended to help the pair with their business model and other aspects of building the company. Kelly joined ProcessBolt in September 2019.

The pandemic has been a long-term benefit for ProcessBolt, Kelly said, with the increase in remote working and cloud computing creating more points of vulnerability for enterprises to secure. The company has retained 100% of customers, most of whom have added functions or volume to their ProcessBolt platform.

## 'BEST TECHNOLOGY IN THE MARKET'

"We believe we have the best technology in the market," Kelly said. "The evidence for that is when we've been in a competitive demo situation with competitors in the space, we've only lost one of those deals. Basically, if we get to a demo, we have nearly 100 percent conversion."

Allina Health, which has 10,000 connected medical

devices on its network, had ProcessBolt build an automated system to streamline its medical device risk assessment process, according to Jeremy Sneed, the health care system's director of security engineering and operations. Allina's previous provider declined to try to automate the process while ProcessBolt completed the job faster than promised.

## SECURITY ASSESSMENTS IN DAYS, NOT MONTHS

"We took a monthslong process and we got it down to a day or two most of the time now," Sneed said. "ProcessBolt gave us more efficiency, which gives us more time, which gives us the ability to feel more comfortable about medical device security in general."

Sneed wanted to base Allina's automated risk assessment process on the Manufacturer Disclosure Statement for Medical Device Security (MDS2), a standardized form manufacturers use to document device security and privacy specifications. He wanted to give each question on the MDS2 form a weight according to Allina's security priorities and to upload the form to a system that would automatically generate a manufacturer's risk score. That's what ProcessBolt built.

"When we get the risk assessment back, we take the particular score and implement controls based on the score," Sneed said. "We can really focus on making sure the controls work versus putting in a bunch of effort just getting the data."

That's critical as a scenario that sounds like science fiction – hackers taking control of medical devices and demand ransom – moves closer to reality, Sneed said.

"We're really focused on making sure that doesn't happen," Sneed said. "The more time we can spend on the controls and monitoring the security of devices, just frankly, the safer our patients are."

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## PROCESSBOLT

**Business:** Data security technology startup offers an automated vendor risk management platform that assesses and monitors vendor networks and also responds to incoming security assessment questionnaires.

**Headquarters:** Minnetonka

**CEO:** Mike Kelly

**Employees:** Eight full-time equivalents, two contractors

**Founded:** 2017