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THE IDENTITY RESILIENCE PLAYBOOK

A decision-maker's guide to protecting your business when credentials are the target

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Executive summary

Identity is under attack. Stolen credentials are now the most common way attackers breach organizations, and traditional prevention measures are not enough to stop them.

This guide introduces the Identity Resilience framework, a practical approach for mid-market organizations to secure Microsoft identities across five critical phases: Identify, Protect, Detect, Respond, and Recover.

You'll learn:

- Why identity has become the primary target for attackers
- What makes traditional security approaches insufficient
- How to build a layered defense that assumes compromise will happen
- What to look for when evaluating identity security solutions

Whether you manage IT for a growing business or lead technology decisions for your organization, this playbook provides the strategic foundation for protecting the identities your business depends on every day.

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The new reality

The way we work has fundamentally changed.

Employees connect from home offices, coffee shops, and airport lounges. Business applications have moved from on-premises servers to cloud platforms. The traditional network perimeter, the firewall protecting everything inside the office, no longer defines where your organization begins and ends.

In this environment, identity has become the new perimeter. Every login is a door. Every credential is a key.

And attackers have noticed.

22%

of all data breaches now begin with stolen credentials, making compromised passwords the single most common way attackers gain access.

Source: Verizon Data Breach Investigations Report 2025

7,000

password attacks per second

Source: Microsoft Digital Defense Report 2025

This is not a technical problem that only affects large enterprises with complex IT environments. Organizations of every size rely on Microsoft 365 and Microsoft Entra ID for daily authentication, single sign-on, and application access. When those identities are compromised, attackers do not need sophisticated hacking tools. They simply log in.

The shift to remote and hybrid work has accelerated this trend. With employees accessing corporate resources from personal devices and home networks, the attack surface has expanded dramatically.

For mid-market organizations, typically those with 100 to 2,000 employees, the challenge is particularly acute. These businesses often lack dedicated security teams or full-time Chief Information Security Officers. IT resources are stretched thin. Security decisions frequently fall to generalist IT staff who are already juggling multiple priorities.

This creates a dangerous gap. Attackers are industrializing identity-based attacks at massive scale, while the organizations they target often lack the specialized tools and expertise to defend against them.

The good news: you do not need an enterprise security budget to protect your identities effectively. But you do need to understand the threat landscape, and why the traditional approach to identity security is not working.

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Why prevention alone is not enough

Most organizations approach identity security with a prevention-first mindset. Deploy multi-factor authentication. Enforce password complexity requirements. Train users to recognize phishing emails. These are sensible steps, and they do reduce risk.

But they are not enough.

Attackers have adapted. They have developed techniques specifically designed to bypass the preventive controls that organizations rely on.

The MFA bypass problem

Multi-factor authentication was supposed to solve the password problem.
If attackers steal a password, they still need the second factor.

In practice, attackers have found ways around MFA:

- MFA fatigue attacks bombard users with repeated authentication prompts until someone clicks “Approve” out of confusion or frustration.
- Adversary-in-the-middle (AiTM) attacks intercept authentication sessions in real time, capturing both the password and the MFA token before they expire.
- Token theft targets the session tokens issued after successful authentication. Once an attacker has a valid token, they do not need to authenticate again.

86%

of organizations experienced identity-related security incidents in the past year.

Source: Microsoft Digital Defense Report 2025

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The password reuse problem

Password policies focus on complexity: minimum length, special characters, regular rotation. But research shows this emphasis is misplaced.

Users are

4x [****]

more likely to reuse a compromised password than to use a technically weak one.

Source: Verizon Data Breach Investigations Report 2026

When a password is exposed in a breach at another organization, employees often continue using that same password for work accounts. Complexity requirements do not address this risk.

4%

of Active Directory accounts use passwords that have already been compromised elsewhere.

Source: Dark Web Statistics 2025

Four percent may sound small, but in an organization with 500 employees, that is 20 accounts where the password is already known to attackers.

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The governance gap

Many organizations believe their identity security is under control because they meet compliance requirements and report healthy governance metrics. Audits pass. Dashboards show green.

Yet identity-related failures continue surfacing in breach investigations, even at organizations that believed their access controls were properly configured.

The reality: checking compliance boxes does not equal actual security.

The implication

If prevention can be bypassed, organizations need more than preventive controls. They need the ability to detect when prevention has failed, respond before attackers can escalate, and recover quickly when incidents occur.

This is the foundation of identity resilience: accepting that compromise is inevitable and building systems that limit damage and restore normal operations when it happens.

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The identity resilience framework

Identity resilience is not a single product or a one-time project. It is a strategic approach that addresses the full lifecycle of identity security, from understanding risk before an attack to recovering normal operations after one.

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The framework consists of five phases:

Understand where your identity infrastructure is vulnerable. Surface misconfigurations, weak controls, and risky settings before attackers exploit them.

Reduce the attack surface. Enforce least-privilege access so users and applications have only the permissions they need.

Monitor for signs of compromise. Identify suspicious authentication patterns and anomalous account behavior. The faster you detect, the less damage attackers can do.

Contain incidents when they occur. Isolate compromised accounts, revoke suspicious sessions, and prevent lateral movement.

Restore identity state quickly. Recover Entra ID objects and configurations that were modified or deleted during an incident.

Why “resilience” matters

Traditional security focuses on keeping attackers out. Resilience accepts that some attacks will succeed and focuses on minimizing their impact.

A resilient organization can absorb a security incident without catastrophic disruption. Threats are contained. Recovery is fast. Business continues.

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Identify

Understand where attackers are most likely to exploit weaknesses in your identity infrastructure.

You cannot protect what you do not understand.

The Identify phase is about visibility: gaining a clear picture of your Microsoft Entra ID environment, the risks it contains, and the gaps that attackers could exploit.

For many mid-market organizations, this visibility does not exist. Entra ID configurations accumulate over time: settings adjusted to solve immediate problems, permissions granted for specific projects, legacy accounts that were never cleaned up.

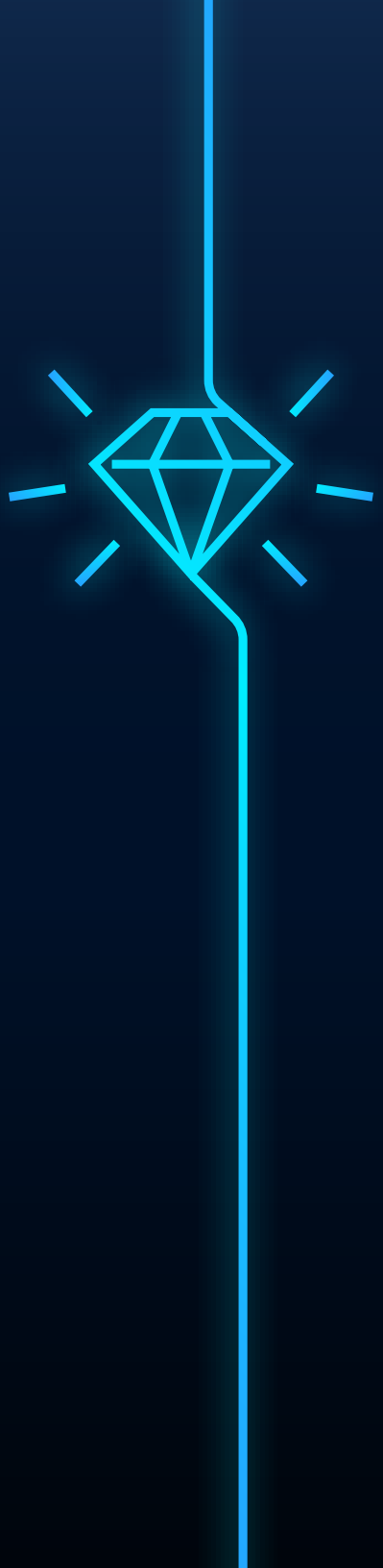
What good looks like

Configuration assessment: Are your Entra ID settings aligned with security best practices? Are conditional access policies configured correctly?

Permission analysis: Who has privileged access? Do users have more permissions than their roles require?

Account hygiene: Are there dormant accounts that should be disabled? Service accounts with excessive privileges?

Password exposure: Are any accounts using passwords that have appeared in known breaches?



15+ billion

stolen credentials are circulating on dark web marketplaces

Source: Dark Web Statistics 2025

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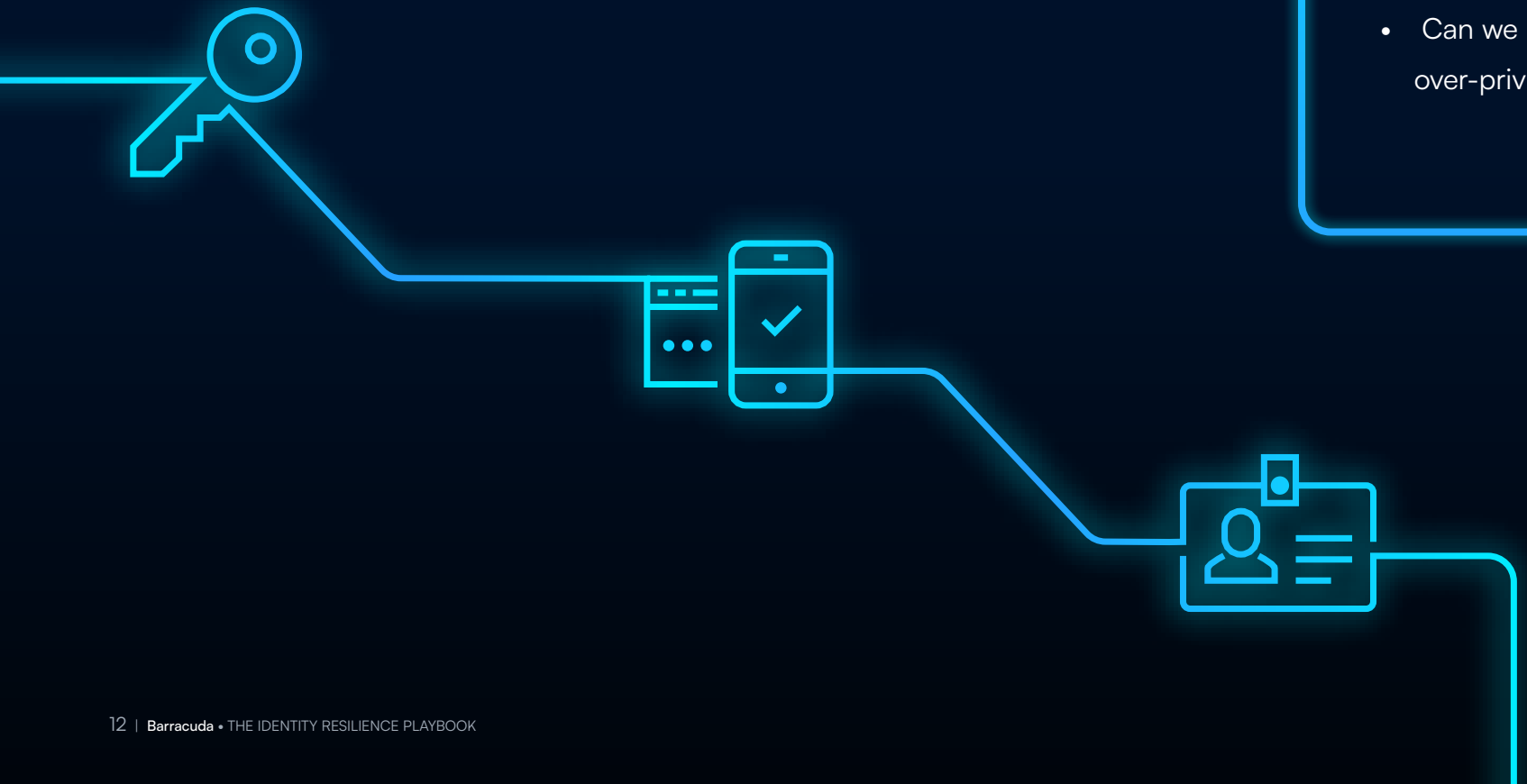
Why it matters

Without visibility into identity risk, you are making security decisions blind. You may be investing in controls that address theoretical threats while actual vulnerabilities go unnoticed.

Risk identification also supports prioritization. Resource-constrained IT teams cannot fix everything at once. Understanding which risks are most critical helps focus limited time and budget where they will have the greatest impact.

Questions to ask

- Do we have visibility into our Entra ID security posture?
- When was our last identity configuration review?
- How would we know if an account was using a compromised password?
- Can we identify dormant or over-privileged accounts?



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Protect

Reduce the attack surface with least-privilege access and stronger authentication controls.

Once you understand where your risks are, you can take action to reduce them.

The Protect phase focuses on making identity-based attacks harder to execute and less damaging when they succeed.

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The scale of the threat

1 in 4 [****]

enterprise login attempts is a credential stuffing attack.

Source: Verizon Data Breach Investigations Report 2025

88%

of web application attacks involve stolen credentials as the primary attack vector.

Source: Verizon Data Breach Investigations Report 2025

These are not targeted attacks against specific individuals. They are automated sweeps, testing every credential in breach databases against every login portal attackers can find.

Least-privilege access

The most effective protection against credential compromise is limiting what compromised credentials can do.

Least-privilege access means users and applications have only the permissions necessary for their specific roles. When an attacker steals a credential, they inherit its permissions. If that account can only access a limited set of resources, the blast radius of the compromise is contained.

This principle applies especially to privileged accounts. Admin credentials are high-value targets because they provide broad access. Protecting these accounts with stronger controls reduces the impact of any single compromise.

Beyond native controls

Microsoft Entra ID includes powerful security features: conditional access policies, MFA enforcement, and privileged identity management. These native controls are essential.

But for organizations that want to contain damage even when MFA is bypassed or credentials are stolen, additional protection layers help. Zero-trust network access verifies both identity and device posture before granting access to applications.

Questions to ask

- Do our users have more access than they need for their roles?
- How quickly could we revoke access for a compromised account?
- Are privileged accounts properly protected and monitored?
- What happens if an attacker bypasses MFA?

Detect

Identify suspicious activity before attackers can escalate access or deploy ransomware.

When prevention fails, detection is your next line of defense.

The Detect phase focuses on monitoring identity activity for signs of compromise: unusual login patterns, anomalous behavior, indicators that someone other than the legitimate user may be controlling an account.

Speed matters enormously. The faster you detect a compromise, the less time attackers have to escalate privileges, move laterally, or deploy ransomware.

The detection window

Recent research has revealed a striking correlation between credential compromise and ransomware attacks.

73%

of ransomware victims had a credential leak event within one year prior to the ransomware attack.

Source: Verizon Data Breach Investigations Report 2026

50%

of these attacks occurred within 95 days of the credential event.

Source: Verizon Data Breach Investigations Report 2026

This creates a window of opportunity. Organizations that can detect credential compromise early can potentially prevent ransomware attacks entirely.

But without proper detection capabilities, compromised credentials often go unnoticed for months.

It takes an average of

246

days to identify and contain a credential-based breach.

Source: IBM Cost of a Data Breach Report 2025

That is more than eight months of attacker access.

What good looks like

Anomalous authentication: Logins from unusual locations, at unusual times, or from unrecognized devices.

Suspicious account behavior: Privilege escalation, access to resources outside normal patterns, bulk data access.

Indicators of known attack patterns: Sequences of activity that match password spray attacks, MFA fatigue attempts, or token theft techniques.

The value of continuous monitoring

Point-in-time assessments, quarterly security reviews, annual audits, cannot catch attackers who move quickly. By the time the next review occurs, the damage is done.

Continuous monitoring watches identity activity in real time, flagging suspicious patterns as they emerge.

Questions to ask

- How would we know if an account was compromised today?
- What authentication anomalies are we currently monitoring for?
- How long would it take us to detect a credential-based attack?

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Respond

Contain damage, limit blast radius, and stop lateral movement before attackers reach critical assets.

Detection without response is just observation.

The Respond phase focuses on taking action when compromise is detected: isolating affected accounts, revoking suspicious sessions, and preventing attackers from expanding their access.

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Containing the blast radius

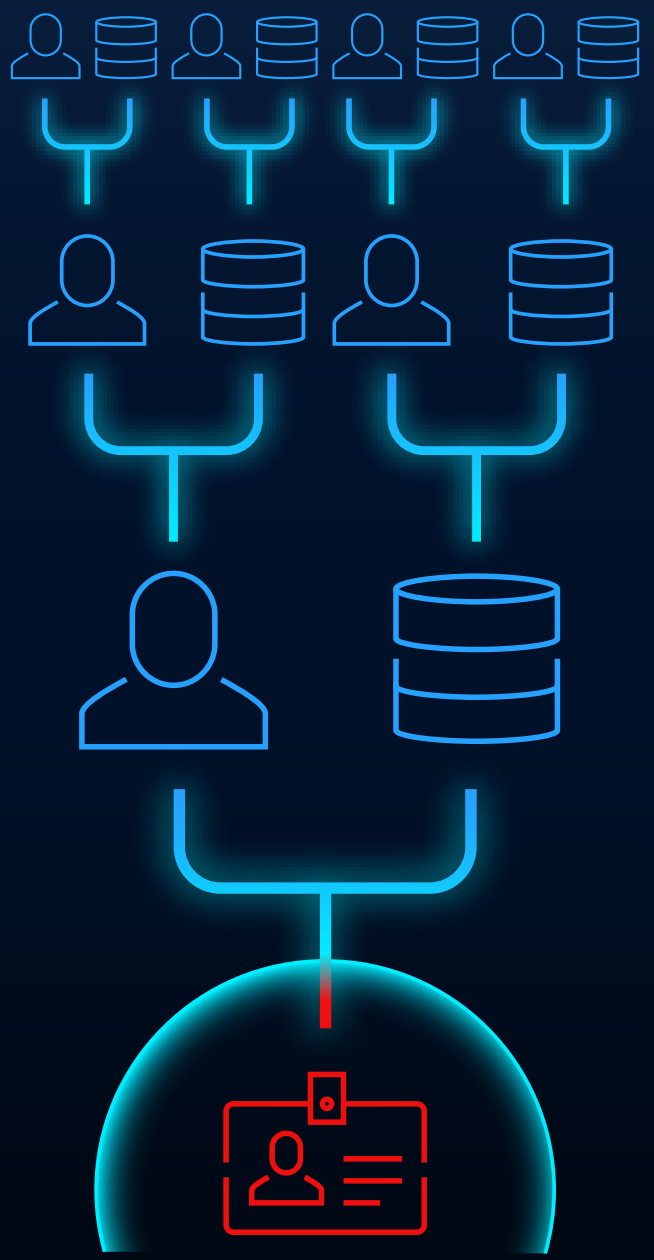
When an identity is compromised, the attacker's immediate goal is usually escalation: gaining access to more accounts, more systems, and more data. The longer they have to work, the more damage they can do.

Effective response contains this expansion. By quickly revoking access, forcing re-authentication, and isolating compromised accounts, you limit the blast radius of any single compromise.

80%

of initial access vectors used by access brokers begin with credential-based compromise.

Source: Microsoft Digital Defense Report 2025



The third-party factor

Response becomes more complex when the compromise originates outside your organization.

48%

of all breaches now involve third parties, a

60%

increase year over year.

Source: Verizon Data Breach Investigations Report 2026

When a vendor or partner is compromised, their access to your environment becomes the attacker's access. Responding to these incidents requires visibility into third-party account activity and the ability to quickly revoke external access.

Automation and speed

Manual response processes create delays that attackers exploit.

Automated response can take immediate action on detected threats: disabling an account, terminating active sessions, enforcing step-up authentication. These automated actions contain damage in seconds rather than hours.

Questions to ask

- How quickly can we disable a compromised account?
- Do we have automated response capabilities for identity threats?
- Can we isolate compromised identities without disrupting business?

Recover

Restore identity state quickly after an incident. Get back to business without rebuilding from scratch.

Even with strong detection and response, some incidents will cause damage that needs to be repaired.

Attackers who gain access to identity systems often make changes: creating backdoor accounts, modifying group memberships, changing permissions, or deleting objects entirely.

The Recover phase ensures you can restore your identity infrastructure to a known-good state quickly.

The cost of slow recovery

Credential-based breaches cost an average of

$4.67M

Source: IBM Cost of a Data Breach Report 2025

Much of this cost comes from extended disruption: business operations halted while IT teams manually reconstruct identity configurations, productivity lost while users wait for access to be restored.

Rapid recovery directly reduces these costs. Organizations that can restore identity state in hours rather than days minimize business impact.

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What recovery looks like

Object restoration: Recovering deleted user accounts, groups, and other Entra ID objects without manual recreation.

Configuration rollback: Restoring security settings, conditional access policies, and permission assignments to their pre-incident state.

Change tracking: Understanding exactly what was modified during an incident so you can verify that all attacker changes have been reversed.

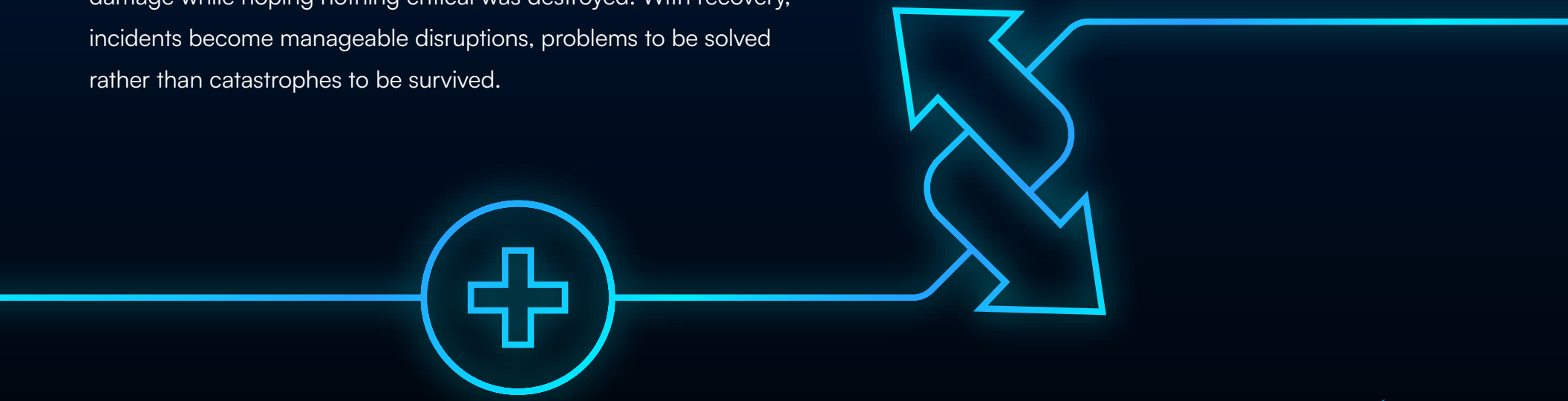
The resilience mindset

Recovery capabilities change how you think about security incidents.

Without recovery, every incident is existential, a scramble to contain damage while hoping nothing critical was destroyed. With recovery, incidents become manageable disruptions, problems to be solved rather than catastrophes to be survived.

Questions to ask

- Can we restore Entra ID objects that are deleted or modified?
- How long would it take to recover from an identity infrastructure attack?
- Do we have backups of our identity configurations?



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What to look for in a solution

Evaluating identity security for the mid-market.

The identity resilience framework provides a strategic foundation. But implementing it requires tools, and not all identity security solutions are created equal.

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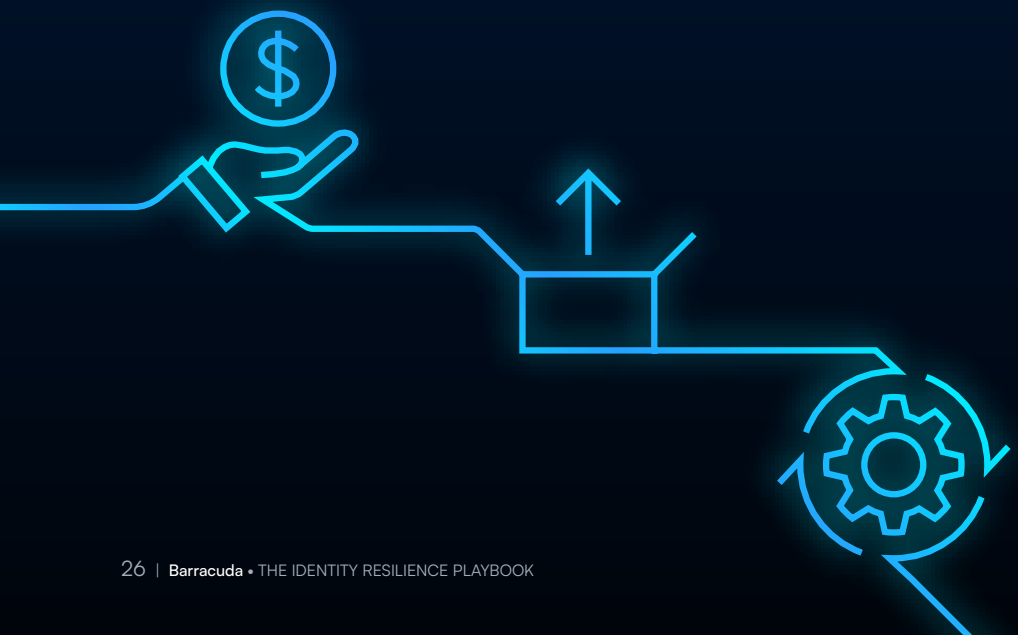
Coverage across all five phases

Many security tools address only one or two phases of the resilience lifecycle. A vulnerability scanner identifies risks but does not detect active threats. A SIEM collects logs but does not provide recovery capabilities.

Look for solutions that span the full lifecycle, from risk identification through recovery, within a unified platform.

A unified platform secures Microsoft identities end-to-end without the complexity of point products.



Built for resource-constrained teams

Enterprise security tools often assume dedicated security operations centers, full-time analysts, and significant implementation resources. Mid-market organizations typically have none of these.

Effective solutions for this market are:

Fast to deploy: Connect to your Microsoft tenant and gain value in minutes, not months.

Easy to operate: Intuitive interfaces and automated workflows that do not require specialized security expertise.

Appropriately scoped: Curated capabilities that solve real problems without overwhelming small teams.

Strong identity protection should be simple to buy, fast to deploy, and easy to operate.

A resilience focus

Some vendors position identity security as purely preventive: deploy their solution and attackers will not get in. This framing is unrealistic.

Look for solutions that embrace the resilience mindset: acknowledging that some attacks will succeed and providing capabilities to minimize their impact. Detection and response matter as much as prevention. Recovery is as important as protection.

Built for the reality of identity compromise, focused on resilience, not just prevention.

Questions to ask

- Does it cover all five phases: Identify, Protect, Detect, Respond, Recover?
- Can we deploy and operate it with our existing team?
- Does it integrate with our Microsoft 365 and Entra ID environment?
- Does it assume prevention will sometimes fail?

Next steps

Identity resilience is not achieved overnight. It is built through deliberate steps: understanding your current risk posture, addressing critical gaps, and developing capabilities across all five phases of the lifecycle.

Start with visibility

Most organizations do not know where their identity risks are. An identity security assessment provides the baseline: surfacing misconfigurations, identifying vulnerable accounts, and prioritizing the issues that need immediate attention.

This visibility enables informed decisions about where to invest limited security resources for maximum impact.

Build incrementally

You do not need to implement every capability at once. Many organizations start with risk identification and basic protection, then add detection, response, and recovery capabilities as their security program matures.

The key is having a roadmap, understanding where you are headed even if you cannot get there immediately.

Choose partners wisely

For organizations without in-house security expertise, the right technology partner makes implementation practical. Look for vendors who understand the mid-market context: resource constraints, operational simplicity, and the need for solutions that work without dedicated security teams.

Assess your identity risk

Understand where your Microsoft Entra ID environment is vulnerable, and what to do about it.

REQUEST AN ASSESSMENT

About Barracuda

Barracuda is a leading global cybersecurity company delivering complete resilience made easy to buy, deploy and use through a partner-first model. Our intelligent BarracudaONE™ platform provides cyber resilience across email, data, applications, networks, and managed XDR within an open ecosystem. Trusted by hundreds of thousands of organizations and partners worldwide, Barracuda delivers industry-leading solutions and support, powered by people and enhanced by AI, for all size businesses.

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