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BUSINESS RISK LEADERSHIP



2012 State of the CSO **SURVEY**

Exclusive Research from *CSO* magazine



Executive Summary

Security investments and increased salaries amid growing security concerns

More companies will boost their security spending in the coming year, according to *CSO* magazine's annual State of the CSO survey, conducted in February 2012. The survey finds that nearly half (45%) of the 228 security decision-makers that were surveyed expect their organization's overall security budget to increase, up from 38% last year and 31% in 2010. Security budgets will stay consistent with 2011 levels for 42% of respondents, while just 11% anticipate a decrease to their organization's security spending (2% are undecided). Despite rosy budget forecasts, many security professionals are predicting a challenging year ahead for their industry (62%) and for their firm (55%).

Roughly one third (32%) of respondents expect their organizations' full-time security staff headcount to increase, consistent with the 31% reported last year. While a relatively small percentage will cut security staff headcount (14%), that figure is up from the 5% reported in 2011. Salaries appear to be on the rise, reinforcing the importance of the role as threats to enterprise security continue an upward climb; 42% of respondents report earning an average of \$150,000 or more annually, up from 30% last year.

Companies increasingly focusing on risk management

The value senior management places on risk management has grown in the past year for a majority (66%) of survey respondents, up from 61% in 2011 and 54% two years ago. Additionally, a majority of companies are applying some type of formal financial methodology in that process (74%, versus half (49%) two years ago). ROI (47%) is the most commonly used method followed by total cost of ownership (38%), cost based accounting (21%) and annual loss expectancy (20%).

Fifty-six percent of respondents' organizations use a formal Enterprise Risk Management (ERM) process that incorporates multiple types of risk, fairly consistent with the 57% reported the previous two years. The majority of that group follows an internally developed framework (67%), while a quarter (26%) adheres to COSO standards. Multiple stakeholders are typically involved in the ERM process with the Chief Risk Officer (22%), CSO (17%) and CFO (17%) primarily responsible for driving overall strategy. Information security (91%), executive management (86%) and business continuity/disaster recovery (84%) are the most frequently represented disciplines involved throughout the process.



Additional survey findings are summarized below:

Mobility will have greatest impact on the security professional role

When asked which trend will have the most profound impact on their role, 30% of security professionals cite mobility, followed by technology as a service (18%), consumerization of desktop and devices (16%), social media/networking (14%), and big data (11%). Ten percent don't think any of those will profoundly impact their role.

Room for improvement in security services vendor offerings

While most security professionals are generally satisfied with the quality and relevance of products and services offered by security vendors, security product vendors are rated higher than security services vendors for overall satisfaction; 79% of respondents are satisfied with current security product offerings compared to 66% for security services vendors.

Republican's favored in addressing U.S. cybersecurity risk

Thinking about this year's U.S. Presidential and Congressional elections, more respondents think Republicans will do a better job addressing our nation's cybersecurity risks than Democrats (30%, versus 11%), however; four out of 10 security professionals don't think either party is up to the task and 19% are undecided.

Methodology & Respondent Profile

CSO magazine's State of the CSO survey is conducted annually with the objective of understanding how the role of the CSO continues to evolve in today's business climate. The survey was administered online to a sample of the CSO audience from January 31, 2012 to February 14, 2012. Findings shown are based on the responses of 228 security professionals from a broad range of industries including financial services (22%), government and nonprofits (18%), manufacturing (12%), healthcare (11%), and high tech, telecom & utilities (11%). Seventy-two percent of respondents are the top security executive at their company or business unit. Company size distribution by annual revenue is as follows: <\$1 billion: 32%, \$1 billion or more: 51% (11% of respondents work in non-profit organizations while 6% did not provide an answer). The majority of respondents are from North America (92%). The margin of error on a sample size of 228 is +/- 6.5%. Percentages may not sum to 100 due to rounding. Not all respondents answered every question.

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