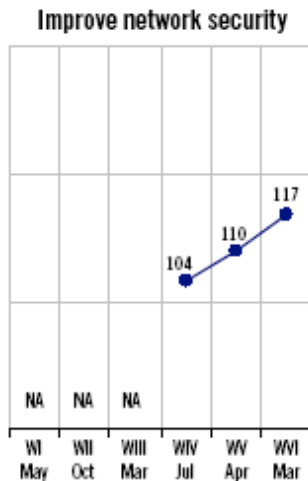


Information Security Is A Top C level concern

Vendors that assume information security is just a mid level IT staff responsibility need to rethink their assumptions. A survey earlier this year by BusinessWeek Research Services found that improving network security is the number one technology goal of a broad range of C-level executives.



As the chart from the *BusinessWeek* Research Services report shows, improving network security has increased in priority dramatically since July 2002. Based on a foundation index of 100, the 117 rating for security has leaped from 104 two years ago and 110 in April 2003.

The March 2004 survey found that the 350 CEOs, CFOs, COOs, presidents and other top executives in North America (only 20% were CIOs) now rank information security as more important than any other IT goal. The importance of security for C-level decision makers has increased while their concern about e-business and ROI about information technology expenditures has declined.

Here's a table from the BW presentation (red marks denote major shift from April 2003 survey, called Wave V):

- | | | |
|------|-----------|---|
| | <u>WV</u> | <u>WVI</u> |
| ▶(2) | 1. | 1. Improve network and data security |
| ▶(4) | 2. | 2. Upgrade hardware and/or software |
| (3) | 3. | 3. Focus on developing new ideas and applications for using technology |
| ▶(1) | 4. | 4. Build e-Business infrastructure to provide better customer service and reduce the cost of business |
| (7) | 5. | 5. Implement business intelligence and/or knowledge management type apps |

(For more info on the new thinking about ROI among C level officials, drop me a note).

I believe the increase in the relative ranking of security and the declining interest in building an e-business infrastructure is a natural progression. As companies' e business

structures matured and became a more important revenue channel in the past year, C-level concerns with the security of the underlying infrastructure increased.

And that concern is translating into dollars spent. A recent IDC report says, spending on IT security is one of the fastest growing line items within a corporation's technology budget. IDC predicts security software spending to grow at a 15% annual rate, compounded, from more than \$8 billion in 2003 to \$16 billion in 2008.

Information security hardware and software vendors need to reach C-level decision makers to explain how their tools and services can help organizations reach their IT security goals. The C-level decision makers need vendors' help to understand the threats and the solutions in a way that many IT managers can't deliver.

Here's your opportunity. We're doing a special advertising section in BusinessWeek on information security, to be delivered in December in time to impact 2005 budgets. Please give me a call or send me an email if you have any questions or want more information about this exciting opportunity.

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