

RedSeal CEO Survey: Summary & Key Findings

The Rise of Cyber-Overconfidence in C-Suite

December 2016

Summary

[RedSeal](#) polled 200 CEOs about their confidence in their companies' cybersecurity posture, and discovered they are dangerously unrealistic about how vulnerable they are. In fact, more than 80 percent display "cyber naiveté," allowing their global organizations to be exposed to massive cyber-attacks.

Specifically, CEOs' confidence reflects a disconnect with the reality of increased cyber-attacks and the massive financial losses associated with them. In addition, their confidence is based on a cyber strategy determined to be insufficient and out-of-date more than two years ago.

Investment in cybersecurity infrastructure is expected to grow to over \$101 billion by 2020, while cyber losses are increasing at more than twice the rate of security expenditures. This study underscores the need for effective metrics to more clearly manage and measure cyber strategies and spending, and to understand the real-time health and function of businesses' networks.

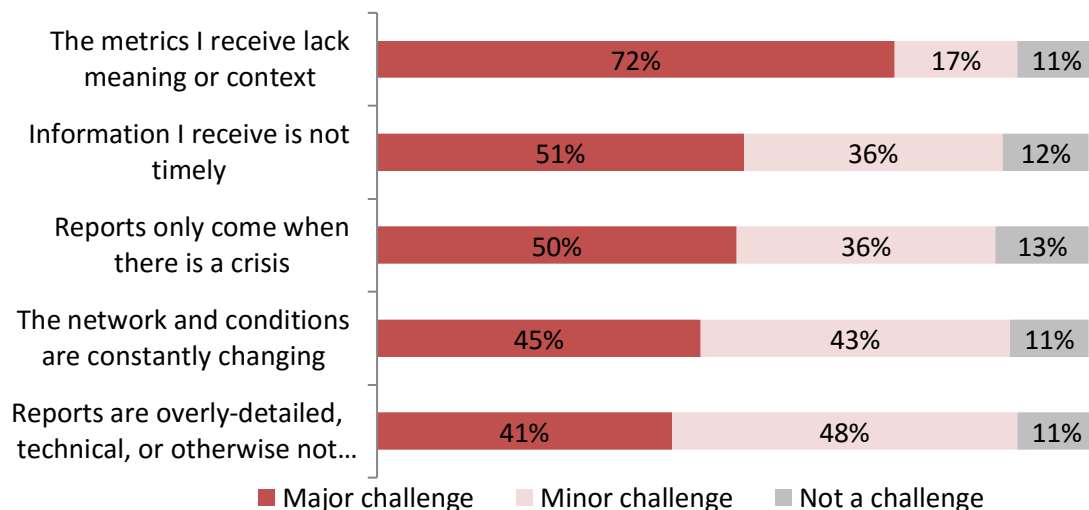
Key Findings

CEOs' Perceptions and the Realities of Cybersecurity are Very Different

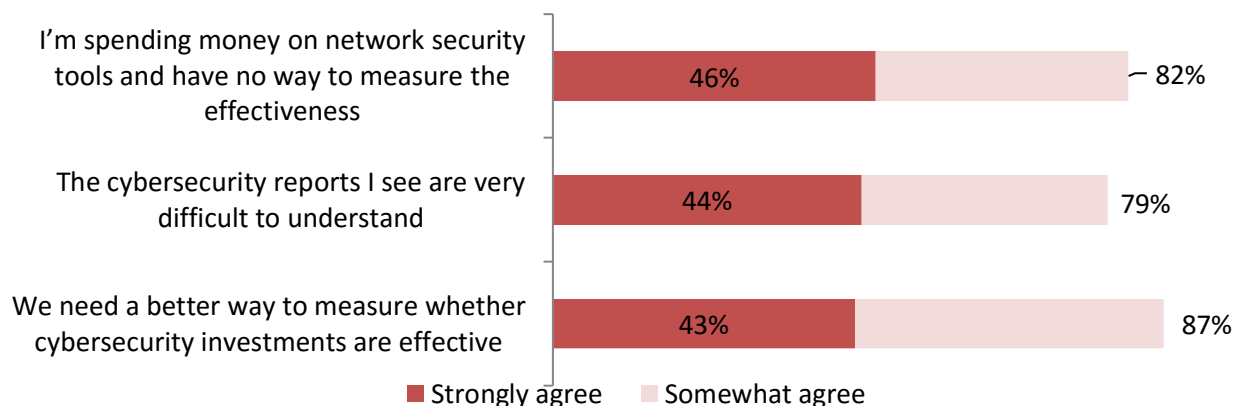
- **Perception:** More than 80% of CEOs are very confident in their firm's cybersecurity strategies
 - **Reality:** Security incidents have surged 66% year-over-year since 2009 according to PricewaterhouseCoopers' 2017 [Global State of Information Security Survey](#)
 - PWC's 2015 Global State of Information Security Survey projected that losses from cyber-attacks will jump from \$500 billion in 2014 to more than \$2 trillion in 2018
- **Perception:** Half of CEOs still prioritize keeping hackers out of the network, while only 24% were concerned with building capabilities to deal with hackers who have successfully breached their network's perimeter defenses.
 - **Reality:** In Oct. 2014, FBI director James B. Comey said that no company is immune from attack. "There are two kinds of big companies in the United States," he told 60 Minutes. "There are those who've been hacked...and those who don't know they've been hacked."
- **Perception:** 79% of CEOs surveyed strongly agree that cybersecurity is a strategic function that starts with executive leadership versus being a responsibility passed on to the IT team
 - **Reality:** 89% of these same CEOs rely on their IT team to make the budget decisions on cybersecurity.

CEOs Struggle to Assess Their Massive - and Growing - Cybersecurity Investments

- 87% of CEOs agree that they need a better way to measure the effectiveness of their cybersecurity investments.
- 84% still plan to increase their spending in the next year, a trend consistent with [IDC's Oct. 2016 prediction](#) that organizations will spend \$101.6 billion on cybersecurity software, services, and hardware in 2020 -- a 38 percent increase from its 2016 spend projections.
- When trying to gauge the effectiveness of their company's cybersecurity, CEOs report the following challenges



- While 51% of CEOs would give their current metrics for cybersecurity an “A,” there’s still significant dissatisfaction and room for improvement:



- 89% of CEOs say they want information -- on a daily basis -- about their cybersecurity posture and network's overall health, external threat level, and the resilience of the network.
- 71% also have a great deal of interest in receiving a daily cybersecurity “score” that would assess their network's current resilience to threats – in a manner equivalent to a credit worthiness score – and that they could check quickly on demand.

Other Results

- 58% of CEOs speak with their executive management team daily about cybersecurity, while 56% speak with their CISO daily
- Overall, how confident are you . . . *(Based on longevity as CEO)*

% Very Confident	<10 Years	10+ Years
...In your company's cybersecurity?	75%	88%
...That your company's investments in cybersecurity are effective	73%	81%
...That your company has a complete and accurate blueprint of your network, including cloud and virtual systems?	69%	88%

- Overall, how confident are you . . . *(Based on size of company)*

% Very Confident	250-999 Employees	1000+ Employees
...In your company's cybersecurity?	77%	92%
...That your company's investments in cybersecurity are effective	69%	89%
...That your company has a complete and accurate blueprint of your network, including cloud and virtual systems?	69%	84%

- 71% of CEOs want to give more attention to mapping their network including cloud and virtual systems

Methodology

This RedSeal study was conducted online via independent data collection firm, 72 Point, in September 2016. 200 chief executive officers in the U.S. were randomly sampled, at organizations with 250 or more employees. 42% of respondents were CEOs of companies with greater than 1,000 employees. The survey reached CEOs across a host of major industries, including technology, finance, manufacturing, government and retail. Respondents were invited to the survey from an invitation-only panel of CEOs. The survey and methodology are MRS compliant.

###