SURVEY REPORT

Survey Report: Security on the Shelf

An Osterman Research Survey Report

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EXECUTIVE SUMMARY

Osterman Research conducted a survey on behalf of Trustwave to better understand the security-focused "shelfware" problem – i.e., security software that is purchased, but never deployed. There were four primary goals of the research:

1. Understand the extent of the shelfware problem: i.e., software that is purchased but never used.

2. To determine how much organizations spent on security-related software and related expenditures in 2013 and 2014.

3. Understand the extent to which security-related expenditures are migrating to cloud-based solutions.

4. Understand the extent to which the shelfware problem could be mitigated by cloud-based and/or managed security services.

KEY FINDINGS FROM THE RESEARCH

Osterman Research drew the following observations and conclusions from this research:

- Twenty-eight percent of organizations are not getting the full value out of their security-related software investments. Of the $115 per user that organizations spent on security-related software in 2014, $33 of this investment is either not working as well as it can or was never used at all. That means that for an organization of just 500 users, more than $16,000 in security-related software investments was either partially or completely wasted.

- The four most significant reasons for shelfware are all focused on insufficient IT staff resources: the IT staff was too busy to implement the software properly, IT did not have enough time to do so, there were not enough people available to do so, or IT did not understand the software well enough.

- Interestingly, the least serious reason contributing to the shelfware problem was that IT did not understand the security problems they faced. On the contrary, IT understands security problems well, but staff often lacks the amount of people to implement the appropriate solutions to address these problems.

- Would the use of cloud-based and/or managed solutions help to address the shelfware problem? A large proportion of survey respondents believe they would. As shown in Figure 6, more than one-half of those surveyed believe that there would be at least some positive impact on shelfware reduction by using cloud/managed solutions, while one in six respondents believes there would be a significant or greater impact.

- Organizations are spending significantly more on security software, hardware and services in 2014 than they did in 2013: $115 per user versus $80, representing an increase of 44% year-on-year. This clearly reflects that organizations understand the growing severity of the security challenges they face and that they are willing to spend more to address them.

- However, smaller organizations spend significantly more for security per user than do their larger counterparts: $157 per user in smaller entities compared to $73 per user in larger ones. This is because smaller organizations do not enjoy the economies of scale that larger organizations can realize when they buy software. Plus, smaller organizations cannot spread the cost of IT labor over as large a group of users like their enterprise counterparts, and so smaller organizations spend more for IT labor on a per user basis.

Key Findings:

Twenty-eight percent of organizations are not getting the full value out of their security-related software investments.

The number of users served by cloud and/or managed security will increase by 43% in 2015.

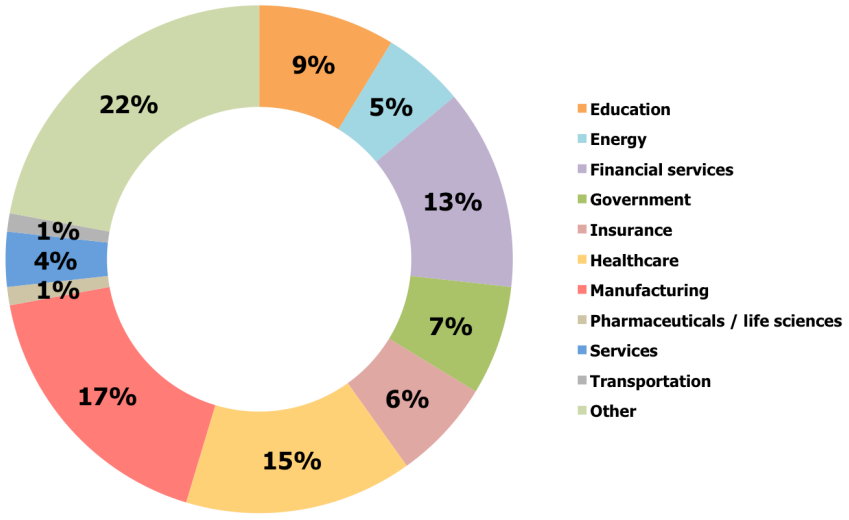
Software expenditures per user increased from $80 in 2013 to $115 in 2014.

- This significant difference in expenditures per user explains, in large part, why smaller organizations have adopted cloud-based and/or managed security solutions to a greater extent than their larger counterparts today, and why cloud-based security will represent a larger share of total security expenditures for smaller organizations in 2015. Because cloud-based solutions are typically less expensive than their on-premises counterparts, smaller organizations can enjoy improved security at lower cost than would be possible if they relied more heavily on on-premises solutions.

SURVEY BACKGROUND AND METHODOLOGY

- Osterman Research completed 172 online surveys with members of its survey panel during November 2014. These individuals were IT decision makers and influencers in SMBs and enterprises.
- The mean number of employees in the organizations surveyed was 18,128; the median was 1,500. The mean number of employees who have internet access at work was 10,872; the median was 1,150.
- The survey responses were segmented into two groups: organizations with up to 1,000 internet-enabled users and organizations with more than 1,000 internet-enabled users.
- Organizations from a wide range of industries were included in the survey, as shown in Figure 1.

Figure 1
Primary Industries Served by Organizations Surveyed

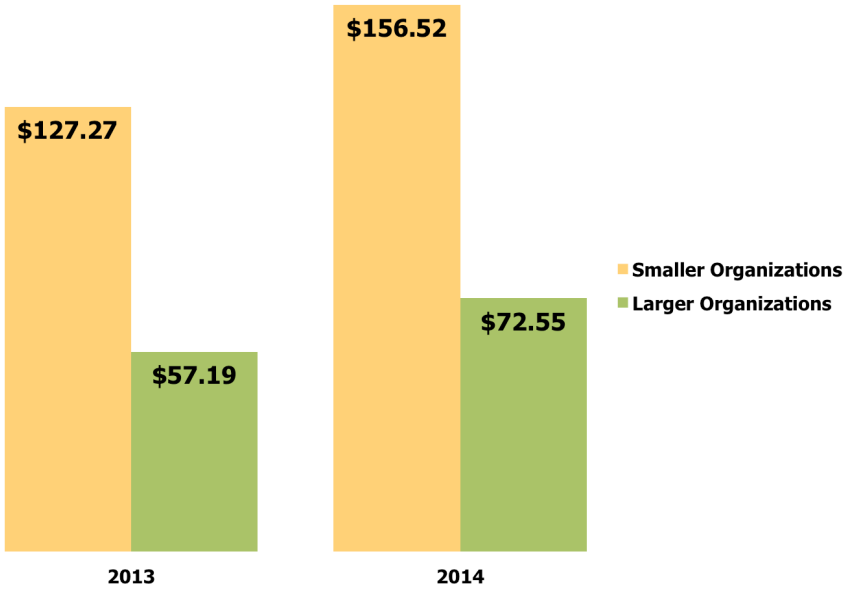


Source: Osterman Research, Inc.

Osterman Research surveyed 172 IT decision makers and influencers.

SURVEY RESULTS

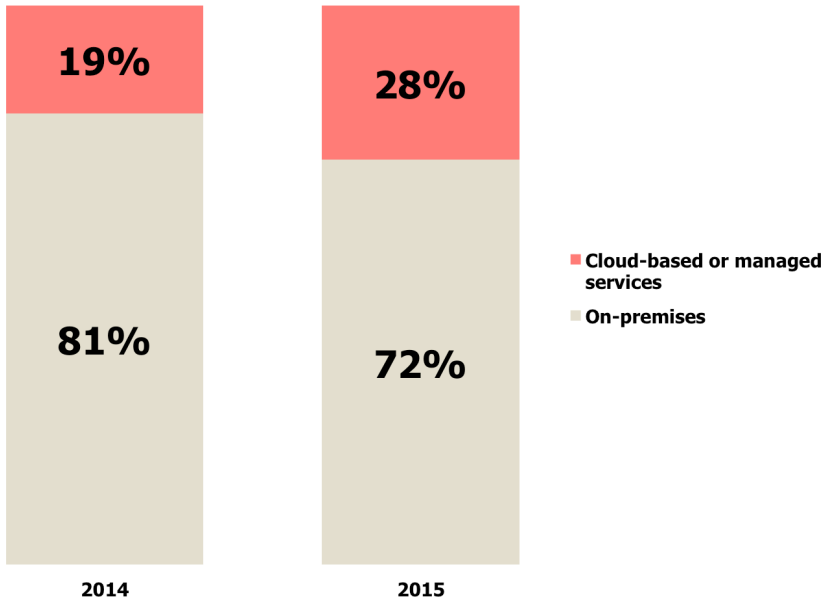
Figure 2
Expenditures Per User With Internet Access on Security-Related Software, Hardware, Services and Other Technology, 2013 and 2014



Source: Osterman Research, Inc.

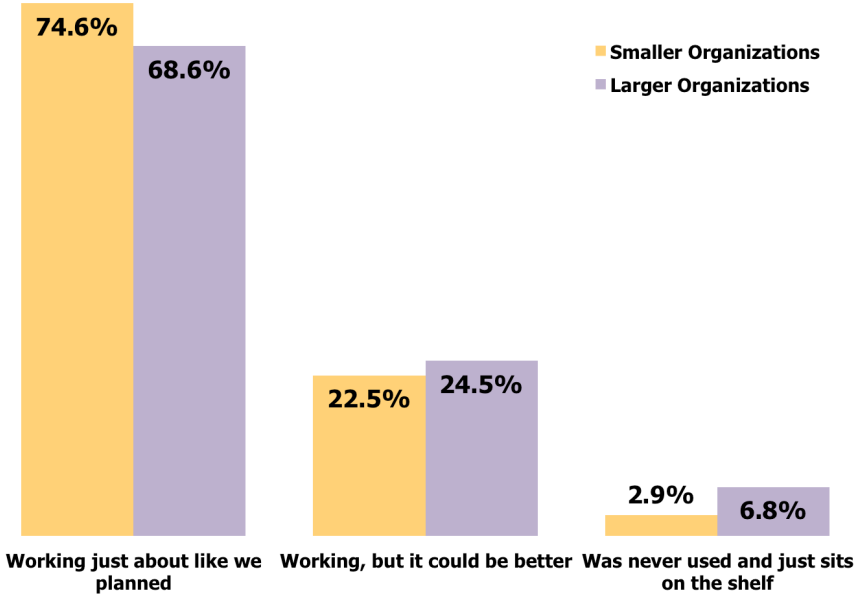
Expenditures per user on security-related software have increased significantly in 2014.

Figure 3
Security Infrastructure by Delivery Model, 2014 and 2015 (Expected)



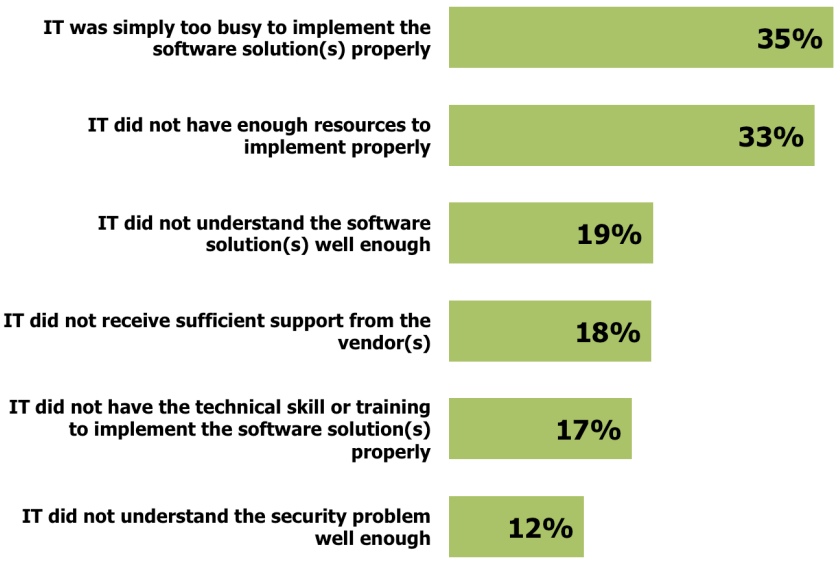
Source: Osterman Research, Inc.

Figure 4
Categories of Security-Related Software by Its Ability to Satisfy the Purpose for Which it was Deployed



Source: Osterman Research, Inc.

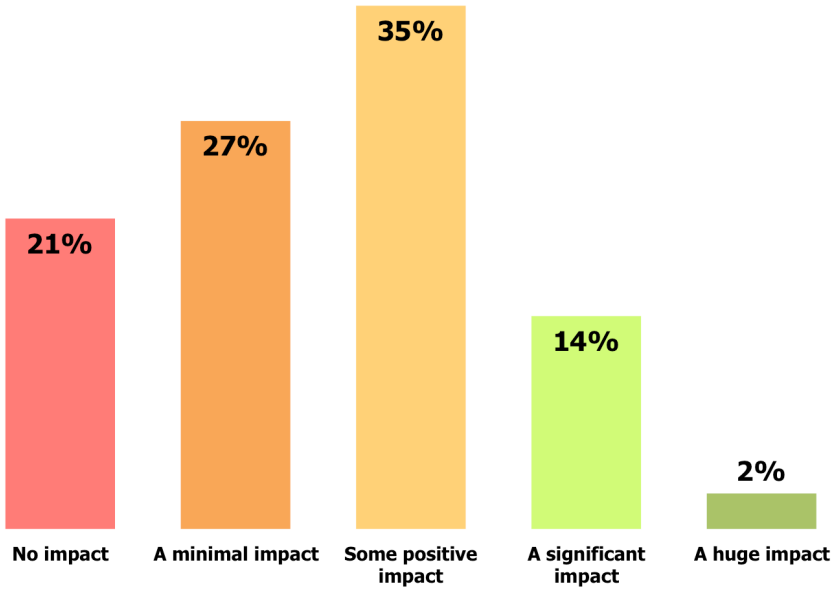
Figure 5
Reasons That Security-Related Software Sits on the Shelf
% Responding an Important or Primary Reason



Source: Osterman Research, Inc.

Twenty-eight percent of organizations are not getting the full value out of their security-related software investments.

Figure 6
"To what extent do you think that the use of a cloud and/or managed service would reduce or eliminate the potential for security-related software not being used in your organization?"



Source: Osterman Research, Inc.

RECOMMENDATIONS

Osterman Research offers the following recommendations to address the key issues discovered in this research:

- Decision makers must understand the extent of the shelfware problem their organizations face. The average organization we surveyed had "only" 4.8% of its security-related software remain as shelfware and another 23.5% not working as well as it could. In one organization, we found that 60% of security software remained completely unused.
- Shelfware remains an issue largely because IT organizations often the lack the time or other resources necessary to implement security software adequately, resulting in significant expenditures on software that is never used. Consequently, business and IT decision makers must have realistic expectations of IT staff resources, and must budget appropriately to ensure that the shelfware problem is minimized to the greatest extent possible.
- Finally, Osterman Research believes that much of the shelfware problem could be mitigated simply by using cloud-based and/or managed services. Because a third-party provider is responsible for implementation and maintenance of the purchased services, these service providers eliminate the problem of purchasing software and then not having the resources to implement it adequately.

As much as 60% of security software remains completely unused in some organizations.

Most IT decision makers and influencers believe that the shelfware security problem could be reduced through the use of the cloud or managed services.