

■ Demonstrating the Business Value of Security

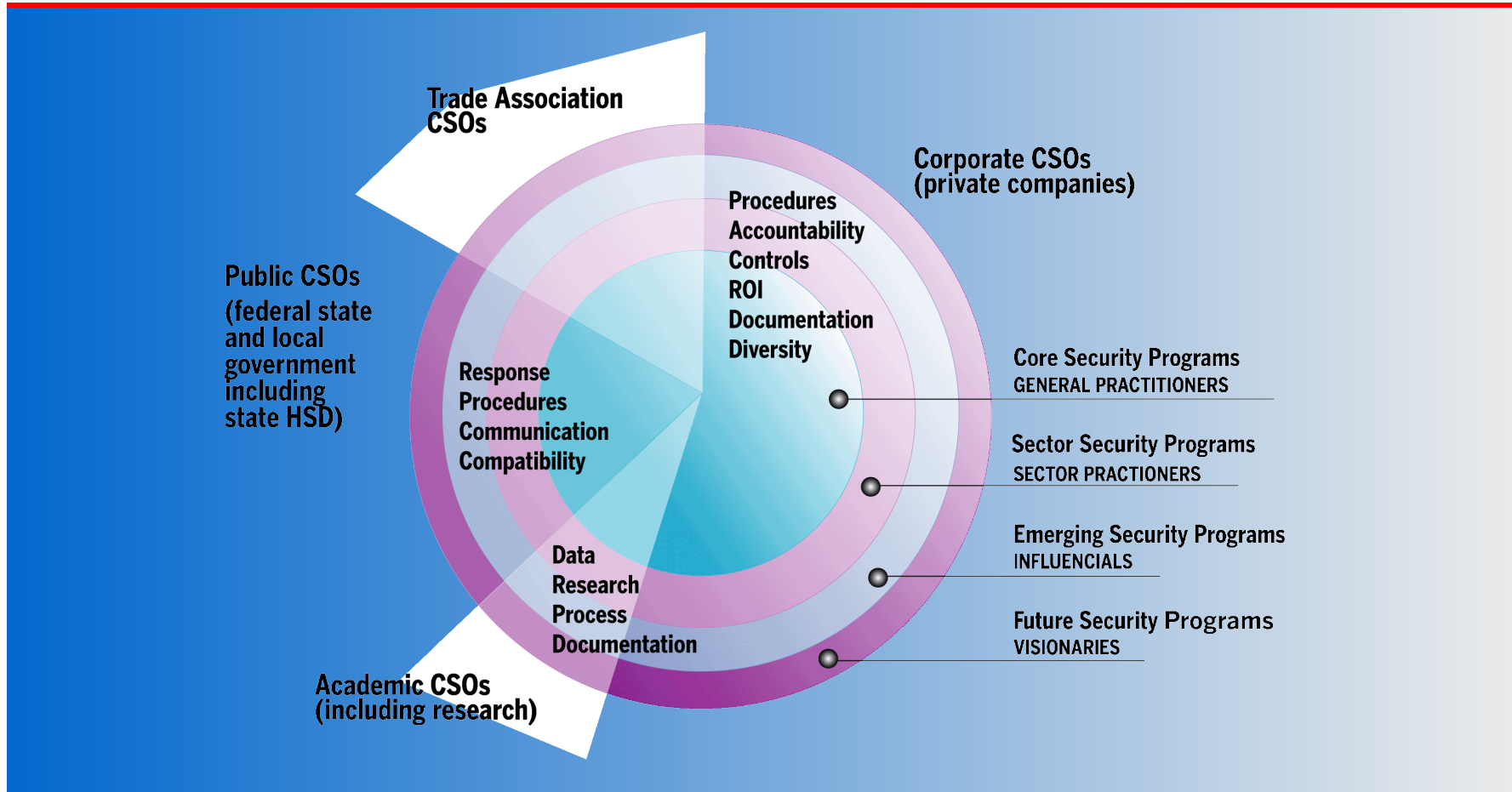
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Security Executive Council Staff
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Demonstrating the Business Value of Security

- Securing the enterprise is a value proposition. Cost consciousness and proactive management is a fundamental expectation of shareholders. What measures and metrics best convey security's value?

Council members and staff engage in benchmarking and common practice documentation, case studies demonstrating security ROI, building a comprehensive library of security-related metrics and measures, and helping to document programs' contributions to managing risk and enhancing internal influence and corporate value.
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Security Program Evolution: Core to Emerging Approach



Council Initiatives

Strategic Initiatives

RISK MANAGEMENT	BUSINESS CONTINUITY	LEADERSHIP MANAGEMENT	VALUE EQUATION
Regulation & Compliance	Emergency Preparedness / Incident Prevention	Executive Development	Security Practices / Benchmarking
IT Security/ Cyber-Crime	Public/Private Partnership	Enhancing Influence	Metrics That Matter and Benchmarking
Intellectual Property	Crisis Management	Meeting the Regulatory Challenge	Returning Value & Managing Cost & Benchmarking
Product Protection / Supply Chain	Managing First Response & Recovery	Enterprise Security / Leadership Convergence	
Core Program Documentation & Risk Assessment		Strategic Planning, Program Validation and Business Alignment	
Terrorism / WMD			

Looking at Security Costs

- **YESTERDAY'S business view of security**
 - Security is a staff function
 - Security is a cost with no return
 - Security is fungible
- **TOMORROW'S Business view of security**
 - Security enhances profit
 - Security reduces costs in excess of its expense
 - Security is a differentiator

Security Scorecard

- **> Financial Contribution (Business and Shareholder):**
Security programs increase profits, reduce costs.

- **> Customer Contribution:**
Security programs enhance customer relations and protect the brand.

- **> Employee/Operational Contribution:**
Security programs enhance productivity and reduce attrition.

- **> Awareness/Growth & Maturity Contribution:**
Security programs enhance the awareness of risks and compliance issues.

Characteristics

- **VARIABLE COSTS**
 - One-time events
 - Function of scale
 - Unpredictable
 - Hard to control
- **FIXED COSTS**
 - Predictable
 - Measurable
 - Identified
 - Controllable

Variable Costs Vs Fixed Costs

Fixed

Examples:

- Facilities protection
- Employee protection
- Brand protection
- Due diligence
- New employment verification
- Insurance



Variable

Examples:

- Brand exposure
- Crisis exposure
- Internal theft and fraud
- External theft and fraud
- Reconciliation expense
- Outsourcing failure
- Violence in the work place

Security's Value?

- You can measure where/how security programs enable the business to do what would otherwise be too risky
- A risk prevented is a cost avoided. You can demonstrate how an eliminated vulnerability could enable the bad guy
- You can:
 - measure your costs against accomplishments
 - estimate the cost of a dishonest employee,
 - demonstrate customer satisfaction
 - demonstrate the impact of a security-aware employee
 - measure your costs and results against peers
 - demonstrate how security's competencies mitigated a risk
- If they understand and support your mission and you have exceeded expectations, you have undoubtedly added value.

Measurable Indicators of Security's Influence

- Senior management exhibits clear support for security policy.
- Security's customer base exhibits broad knowledge of security policy and risk awareness.
- Security's programs have a positive impact on the ethical hygiene of the organization.
- Security has sufficient resources to accomplish the mission.

Expanding Internal Influence

Corporate Security - Protecting Critical Business Assets

■ An Executive-Level Agenda For Tackling Today's Top Security Threats

Corporations must protect their assets, employees and customers from an ever-evolving threat matrix. But

Where does one begin? How can executives make informed decisions that will benefit the entire organization

While responsibly using resources to reduce risk and employ appropriate countermeasures? Read this article

to learn more about how to communicate the import, impact and implementation of effective corporate security.

■ CSO Magazine CIO Magazine *Forbes* Magazine - November 2005

Metrics Benchmark Database

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CSOEC Operational Metrics Benchmark Database

Note: Only the Industry category will be used in benchmarking. Other information is used to evaluate the validity of data. * Required

Name: Country:

* Title: Annual Revenues:

* Email Address: Company Name:

Phone number: Company Website:

* SIC Code (Industry): Are you involved in the sale of products or services to people or companies outside of your corporation? Y N

* State/Province:

Select a topic:

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A Possible CSO Dashboard

SECURITY COST

Security cost per dollar of revenue is up past 2 quarters

INFO SECURITY

14% decrease Q2 vs. Q1 in devices with appropriate patches installed and current

BUSINESS CONDUCT

Year-to-date investigative results indicate 20% increase in non-compliance with business conduct policies

SECURITY AUDITS

100% of all notable security-related audit findings have been successfully resolved

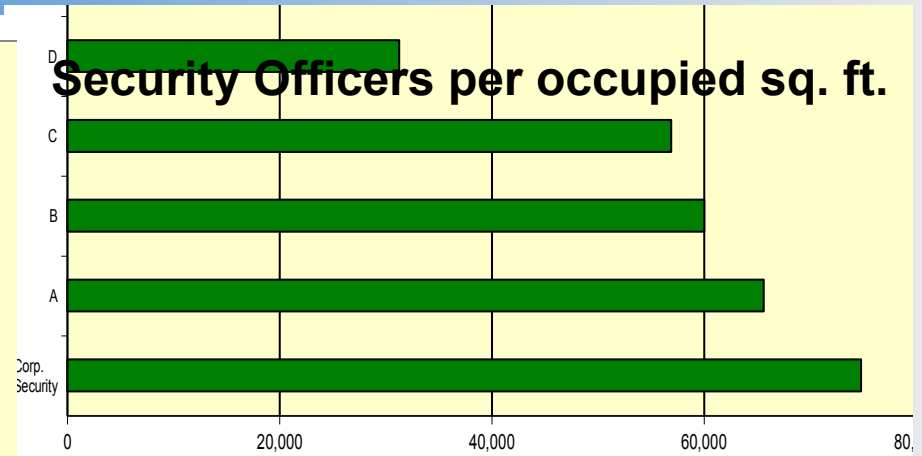
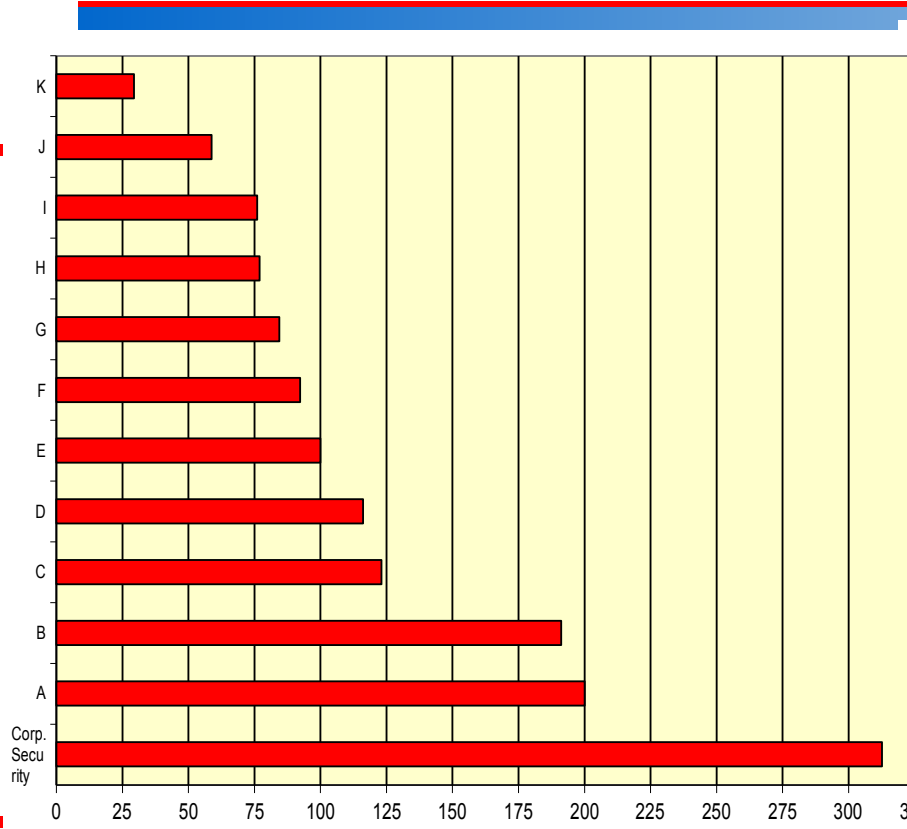
PRE-HIRE BI's

99% of all new hires have completed & resolved background investigations

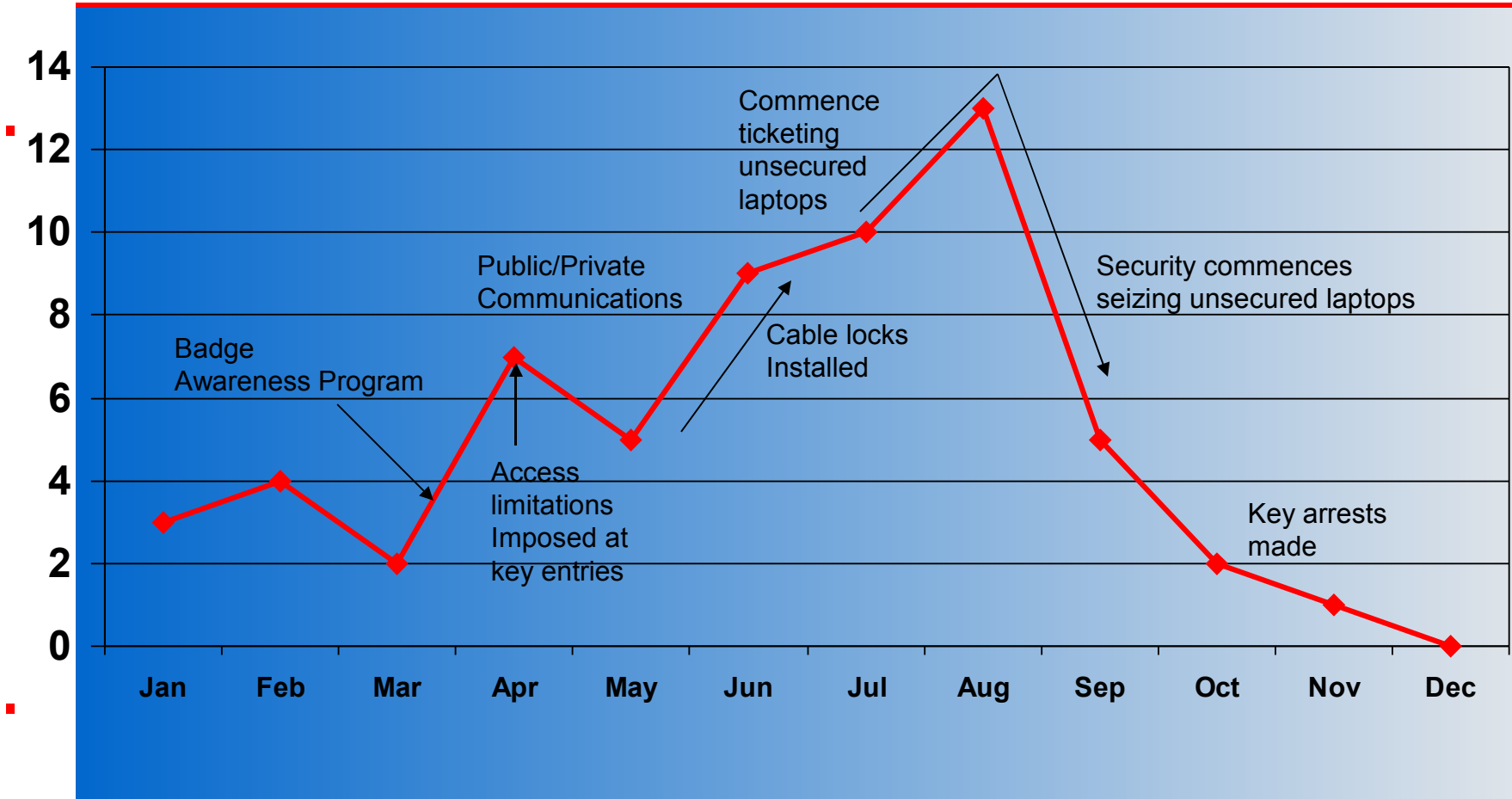
BUSINESS CONTINUITY

17% of critical business processes do not have up-to-date & tested response plans

Benchmarking Security Operations



Charting A Solution



Critical Reminders

- - The absence of security problems have huge, often, underappreciated value.
 - Develop metrics that reflect enterprise savings
 - Identify reducing variable costs beyond the fixed cost of the security program
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About The Council:

- The CSO Executive Council is a professional membership organization for leading senior security executives spanning all industries and both the public and private sectors. Our members seek repeatable innovative issue solutions and documentation of model core security programs. The Council utilizes professional staff and retained experts (former CSOs from world class companies and content experts) to develop, based on member requirements, strategic services and products for the entire membership. Unlike typical peer-to-peer organizations, the CSOEC does not depend on member volunteers; members are involved in projects only to the extent they desire to be. Our vision is to deliver solutions exceeding those of dedicated security business consultancy firms at a significantly lower cost.

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