



New Security Survey Shows IT Security Spending Will Rise Sharply in 2017

Versasec Study of Enterprises and SMEs Reveals Mobility, External Devices, and Cloud Usage are Top Concerns for IT Security Personnel

NEW YORK, December 13, 2016 – Information technology executives in small- and medium-sized companies as well as larger enterprises say technology trends including mobile, bring-your-own-devices, and cloud usage post their biggest security challenges as they head into 2017.

In the survey, nearly seven in 10 said their companies will spend at least 10 percent of their IT budgets on security in the new year, with a full 15 percent saying their budgets for IT security will be greater than 50% of their overall budget. That's an increase over Versasec's survey early in 2016, when approximately 40% cited their IT security spending at between 0 percent and 9 percent of their budgets.

While public perception of IT security threats usually revolves around external hackers and slightly more than half of the respondents said external threats are a grave concern for them, roughly 44 percent of those surveyed by Versasec admitted they are more concerned about internal threats than external ones.

Versasec, the leader in smart card management systems, conducted its follow-up survey in the late fall of 2016. Nearly 80 percent of the respondents work for companies with fewer than 1,000 employees. Respondents hailed from North America, Europe/Middle East/Africa, and the Asia Pacific zone.

“While larger enterprises are having greater success in combating IT security threats, their progress has emboldened many hackers to set their sights on SMEs,” said Joakim Thorén, CEO of Versasec. “Now, the SMEs are deploying in greater numbers solutions such as smart cards, public key infrastructure, and biometrics so their data is not as vulnerable.”

Of those surveyed, 49 percent said they plan to deploy smart cards in 2017. They will also continue introducing user/password solutions (44 percent), biometrics (24 percent), OTP or one-time passwords (24 percent) and PKI (23 percent).

Other key findings of the study, which polled information technologists in a broad range of industries, included the following:

- In 2016, network security remained critical (60 percent) but multifactor ID has been on the rise (16 percent). Other security solutions they rely on today include cybersecurity (13 percent) and physical security (11 percent).
- As we head into 2017, nearly all forms of security will get a boost. Network security and

cybersecurity solutions will be implemented by the majority of those surveyed (58 percent and 50 percent, respectively), followed by multifactor ID (28 percent) and physical security (26 percent).

- When pressed for more details, the survey respondents explained where they would focus their security efforts in 2017: network security (56 percent), strong authentication and identity and access management (IAM), (42 percent for each), encryption (37 percent), endpoint security (35 percent), and physical security (24 percent).
- While mobility, BYOD, and cloud usage concern IT security personnel the most as they head into 2017 (55 percent, 48 percent and 49 percent, respectively), they also have concerns around big data (23 percent) and the Internet of Things (18%). Those concerns have grown since the earlier Versasec survey; at that time, mobility was cited by 43 percent, BYOD at 22 percent and cloud at 32 percent.
- As was shown in the earlier Versasec survey, there remains a heavy reliance on simple security: The vast majority of respondents (84 percent) say username and password are a primary method for authenticating access to their company's data, despite the very public breaches faced by many companies over the last few years. Physical smart cards are in use at 56 percent of the companies, while others rely on PKI (36 percent), OTP (24 percent) and biometrics (17 percent).

Mr. Thorén of Versasec says the uptick in smart card usage for multi-factor authentication is encouraging. "Smart cards are simply the most cost effective way for securing a company's IT domain today. They are easy to manage and make it possible to protect data from human error – whether benign or malicious – where breaches are most often made."

About Versasec

Versasec is a leading IT solutions provider in the identity and access management space with focus on easy deployment of smart cards with innovative smart card management systems. Our customers are organizations that demand high security and ease of use. Our state of the art solutions enable our customers to securely authenticate, issue and manage user credentials, such as smart cards, more cost efficiently than other solutions on the market.

Our mission is to provide solutions that are affordable and easy to integrate, thus allowing organizations of all sizes to implement high levels of security. We also offer first class support, maintenance, and training. Our customers include: HSBC, Tieto, Raiffeisenbank, Hornbach, Daimler, Alstom, European Commission, Qualcomm, eBay, Saudi Aramco, IMF, L'Oreal and Cleveland Clinic Abu Dhabi. Versasec has offices in Stockholm, New York, Menlo Park, the United Kingdom, France, Germany and the United Arab Emirates.

Our products and services can be bought and delivered worldwide by use of an extensive reseller network and through the Versasec web site: <https://versasec.com>.

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