

## How aerospace and defense companies are seeking better business value from information security\*

### The Global State of Information Security 2007

#### 6 out of 10

Number of A&D respondents who say their organisation's security policies do not include classifying the business value of data.

#### 41%

Percentage of A&D respondents who report their organisation conducts an enterprise risk assessment at least semi-annually.

#### 1 out of 2

Number of A&D respondents who say their organisation has security standards in place for handheld devices.

#### 46%

Percentage of A&D respondents who say their organisation integrates physical security and information security personnel.

Across the aerospace and defense (A&D) industry, information technology systems are under intense pressure to meet high and growing levels of demand for more measurable contributions to business value and performance. For some companies, it's the need to better align Sarbanes Oxley processes with business strategies that's driving demand. For others, it's the ongoing consolidation of stand-alone operations—or executive calls for more effective and efficient security, financial reporting or program management.

So, this year, we are pleased that A&D responses to the world's largest survey on privacy and information security practices—the Global State of Information Security 2007—reveal significant gains made since last year in areas such as establishing an overall information security strategy (67% in 2007 vs. 55% in 2006); engaging processes to protect intellectual property (61% vs. 37%); and linking security, through either organisation or policy, to privacy and regulatory compliance (57% vs. 48%). But responses also reveal that, as pressures to reduce risks, improve controls, and carve out better cost efficiencies rise, A&D companies still have significant opportunities to better align their extensive investments in security with their business objectives.

- **Taking advantage of global opportunities will require much better third-party security.** As A&D companies seek to attract more international buyers and leverage a broader global pool of suppliers, they are turning more often to special purpose entities such as joint ventures, partnerships and proxy boards to qualify as suppliers in foreign countries. Yet 63% of A&D survey respondents are only “somewhat” or “not at all” confident in third-party security. Only three out of ten A&D companies keep an accurate inventory of all third parties using customer data and less than half (47%) have established security baselines for external partners, customers and suppliers.
- **As centralisation assumes new urgency, some A&D companies are putting IT back in the driver's seat.** One of the most interesting trends this year is a clear shift in the source of A&D information security funding from functional budgets such as legal, finance and regulatory compliance (37% in 2007 vs. 56% in 2006) to information technology (59% vs. 49%). As the drive to centralise funding picks up steam, we also note a comparable shift in performance accountability: A&D companies are much more likely this year than last to have their CISO report to the CIO (51% vs. 32%).

