

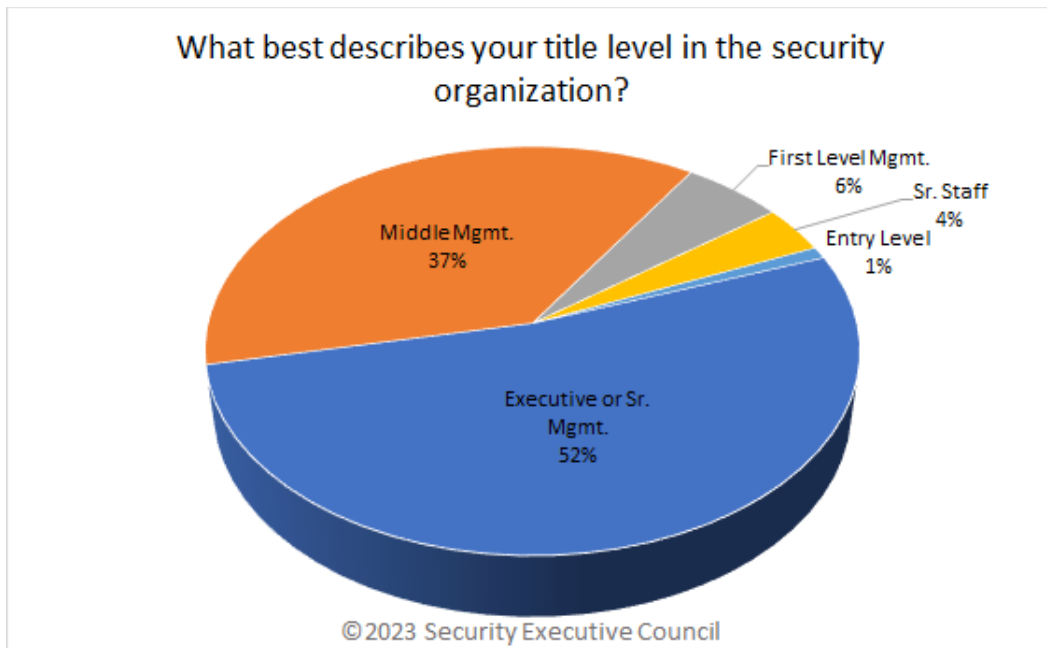
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Security Barometer Results: Why Many Corporate Security Functions Seem to be Experiencing Reductions in Staff and Budgets

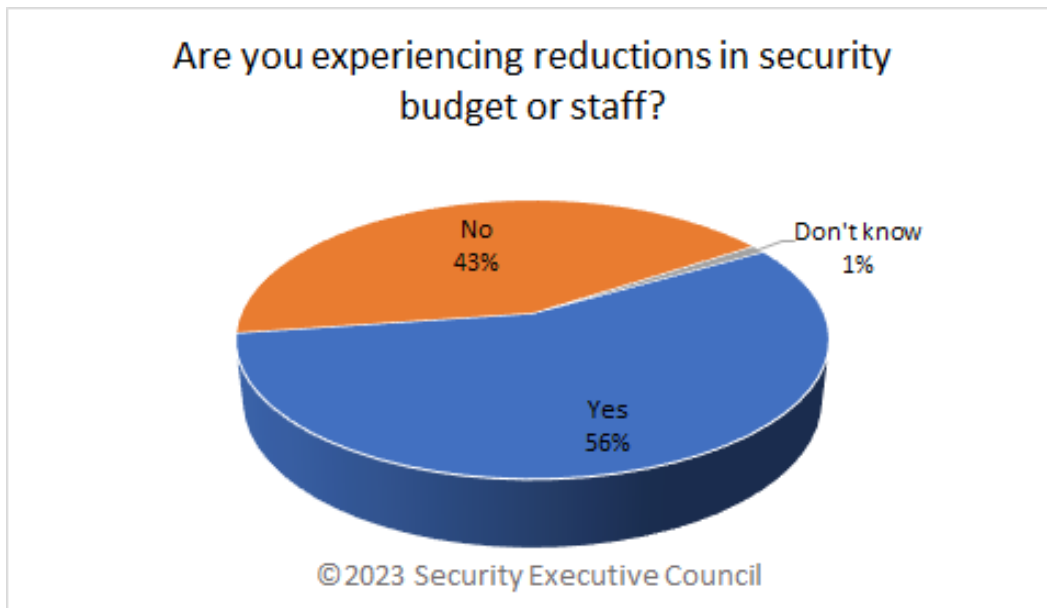
Conversations with Tier 1 security leaders and clients this summer have frequently turned to budget – how to protect it, how to maximize it, how to communicate its importance. Anecdotal evidence suggested many security functions were seeing their resources reduced, and we were interested in learning more.

In this Security Barometer quick poll conducted in July 2023, we asked security leaders whether they were experiencing reductions in security budget or staff and if so, why.

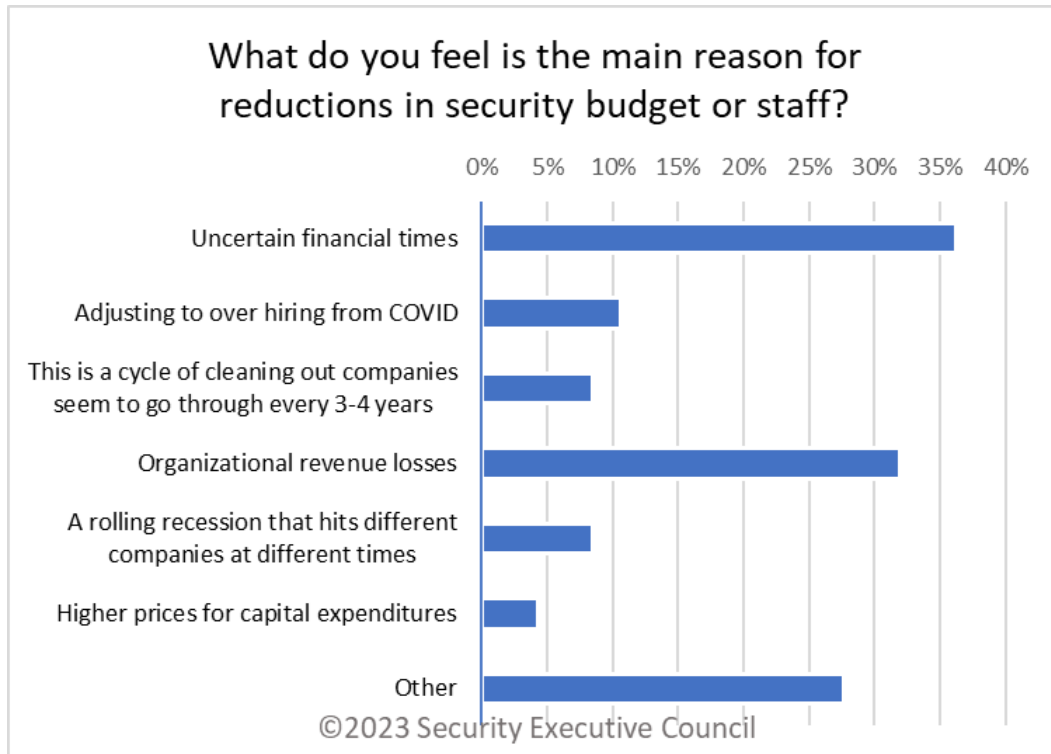
Slightly more than half of respondents were at the executive or senior management level.



Fifty-six percent of respondents reported experiencing budget or staff reductions.



When that 56% was asked their perception of why the reductions were occurring, the top responses were uncertain financial times followed by organizational revenue losses.



Twenty-eight percent of respondents marked “Other,” and several offered reasoning not covered in our survey questions, including concerns about upper management’s priorities, internal politics, restructuring, corporate cost containment, and the reduction of real estate associated with the move to remote work.

When asked for any additional comments, respondents who had seen a reduction shared a few more insights. Here is a selection of their responses:

- Companies are still looking for tangible benefits that security brings. It isn’t until they get hit that the awareness takes over. Security is about prevention, and that is not really being absorbed.
- The biggest cut is to the travel budget.
- No real understanding of senior management about Security activities. They think we are a number, instead of a strategic area.
- Budget cuts, hiring freeze, but no layoffs.
- I was part of a reduction in force following a merger of two companies ... While the reductions were posed as a financial decision, they were actually a strategy decision on business operations.
- Economic headwinds within financial sector. Insuring prudent spending on priority initiatives and expense management practices.

Respondents who had not seen reductions were also given the opportunity to comment further. Some noted that while budgets didn't grow, they held stable. Others commented that this is the first year of recovery from cuts in budget and staff over the last few years. And some remarked that staffing or technology expenditures were increasing. Here are a few of their more in-depth comments:

- Physical security system budgets have increased and contract security guard budget has increased; organizational security staff budget remains the same.
- Just received funding for salary uplift for the security team after a lengthy campaign and cost-benefit presentations around security-business relationship and a clear understanding (education) on how security has changed, requiring the increased competency levels and associated costs to reflect same. Win-win for us and the industry here with a paradigm shift in the making! Lots done but way more to do.
- We have seen an increase in support from the C Suite due to the fact that we are positioned as "critical operational support" for the business. We have been strategically driving engagement and value-add with everything we do in support of the operations teams.

The value story is a throughline in many of the comments we received. Those who'd seen cuts sometimes noted that management just didn't understand security's importance, and some of those who remained stable or grew remarked that it was due to continual work toward executive alignment and value communication.

While the uncertainty brought by the pandemic has lessened, talks of potential recession continue. Security leaders must remain proactive in communicating their value and positioning themselves for growth in any economic conditions.

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