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Securing SMBs in a World of Digital Transformation

Executive Summary

Data is the new oil. Wi-Fi is the new oxygen. Cloud is to businesses in the 21st century what electricity was in the 20th century. Everywhere, businesses are struggling to define the impact of IT in terms that draw parallels to the resources that powered commerce in previous generations.

All of these analogies are imperfect. Technology is becoming indistinguishable from the businesses it supports. Technology facilitates productivity by augmenting or replacing manual tasks, and by connecting tasks and processes to reduce cost and cycle time. Technology accelerates revenue growth by extending customer reach and optimizing conversion rates. Technology expands business horizons by collecting insights from thousands (or millions) of different perspectives to support development of new products and services and options for customer interaction.

With the limitless potential of IT/business infrastructure, though, comes a vast and growing set of threats. Businesses can't simply rely on regulators or the "rules of the road" (from telcos or hyperscale cloud providers) for protection—they need to take action to safeguard their customers, their staff, their devices and their confidential corporate information.

Large enterprises have the means to hire SWAT teams of cybersecurity professionals. But what can and should small and medium businesses (SMBs) do to grasp the potential of technology without opening themselves up to cyber threats? To help businesses define the path forward, Fortinet commissioned Techaisle, a leading global analyst firm, to prepare targeted research focused on businesses with 1-999 employees. Fortinet is delivering the insight you need to understand both the potential and the threat profile of IT in your business, and to build an approach that maximizes your upside while managing risk appropriately.

The Upside

What drives businesses like yours? According to a global Techaisle survey of more than 5,000 companies with 1-999 employees, key executive "care-abouts" focus on efficiency, growth and competitiveness.

The table below captures the top 10 responses to the question, "What would you say are the top business issues for your company in the next year?" Four of these—*reducing operational cost, improving workforce productivity, improving quality of products and processes and managing inventory efficiently*—revolve around managing cost and risk. Four others, including *improving effectiveness of sales and marketing, attracting and retaining new customers, increasing business growth and creating innovative products,* focus on driving growth in the business. The final two categories, *increasing profitability and managing uncertainty,* reflect a desire to achieve greater levels of control in the business.

One common thread that connects all ten of these objectives is technology. IT is at the core of the tools used to increase market reach and process efficiency. IT-enabled solutions deliver the insights needed to boost competitiveness and improve organizational control. Technology is intrinsically important to meeting executive objectives in SMBs.

01	Reducing operational costs		**06**	Increasing profitability
02	Improving workforce productivity		**07**	Increasing business growth
03	Improving quality of products and processes		**08**	Managing inventory effectively
04	Improving effectiveness of sales and marketing		**09**	Creating innovative products
05	Attracting and retaining new customers		**10**	Managing uncertainty

The Downside

Simply understanding that IT is important isn't sufficient to drive growth, though. At the same time that solutions are becoming more compelling, technology is becoming more complex, making it hard for SMBs to identify, deploy and integrate systems that enhance your market reach and sales growth. Complexity is also the enemy of security—and security is at or near the top of IT concerns for small and midmarket businesses. A focused Techaisle security research project found that security is a top IT priority for 74% of SMBs.
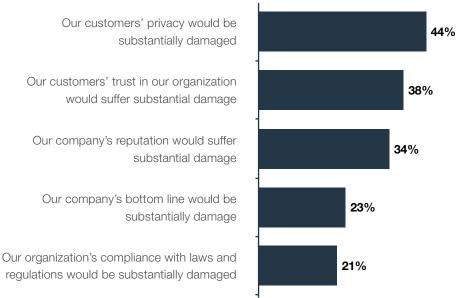
These firms report that the combination of budget and staff constraints and worries about issues like "data protection, recovery and business continuity" are inhibiting their adoption of needed digital solutions. "Network security" is cited as the primary main challenge for firms looking to enable a mobile workforce, and "virus or other malware attacks" (by a margin of nearly 2:1 over "identity theft") is the SMBs key concern with mobile devices. Across these and other essential IT/business solutions, security is seen as the SMB's primary concern.

Looking Into—Deeper Cloud

One of the technologies that has become most important to the efficiency, growth and competitiveness strategies of SMBs is cloud computing. Adoption of cloud is widespread in small businesses and approaching 100% in advanced midmarket organizations. In the SMB world, though, concern about cloud security is nearly as ubiquitous as cloud itself. Nearly half of SMBs surveyed by Techaisle worry about data exposure during transfers to and from the cloud, 45% are worried about hijacking of user accounts, 37% worry about unauthorized access to cloud-resident data or a data breach, and more than a third are concerned with insecure interfaces and/or malicious insiders.

A look at the issue of data breaches demonstrates why SMBs are so concerned with security in the cloud. SMB management worries that in the event of a breach, customer privacy "would be substantially damaged," that "our customers' trust in our organization would suffer substantial damage," that "our company's reputation would suffer substantial damage," "our company's bottom line would be substantially damaged," and/or that "compliance with laws and regulations would be substantially damaged." Cloud may offer an avenue to improved agility and top- and bottom-line growth, but these security concerns are real and demand effective management.
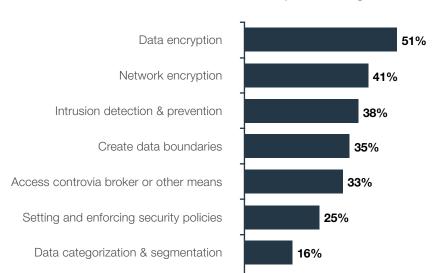
SMB: Impact of a security breach

Our customers' privacy would be substantially damaged	44%
Our customers' trust in our organization would suffer substantial damage	38%
Our company's reputation would suffer substantial damage	34%
Our company's bottom line would be substantially damage	23%
Our organization's compliance with laws and regulations would be substantially damaged	21%

Source: Techaisle SMB & Midmarket Security Adoption Study, N = 1255.

Managing Risk: Plotting Your Path Forward

Cloud computing isn't simply, or chiefly, a source of risk for SMBs. Techaisle research has found that SMBs are pursuing cloud strategies to meet a variety of business goals: increased collaboration and agility, productivity, accelerated cycle time for new product and services introductions and cost reduction sit atop a long list of compelling benefits.

It's clear, though, that cloud and other advanced solutions increase complexity—and for SMBs, complexity results in increased uncertainty and risk, including IT security risk. The examples above point to a seemingly endless variety of threat sources and substantial risk to customer relationships, company reputation and financial viability—as well as the potential for legal and regulatory exposure. It's no wonder that midmarket firms sometimes feel overwhelmed by the challenges of security across their business operations, and especially, in the cloud.

However, while the issues are real, there are actions that SMBs can take to unlock cloud's benefits by managing risk. Techaisle's SMB security adoption research shows that SMBs are protecting information, corporate systems and users by encrypting data and networks. They are deploying intrusion detection and prevention solutions and access control technologies to guard against intruders. They are using internal data boundaries and setting (and enforcing) security policies to develop management responses to issues before they represent threats to customers or business viability.

SMB: Most effective cloud security technologies

Data encryption — **51%**
Network encryption — **41%**
Intrusion detection & prevention — **38%**
Create data boundaries — **35%**
Access controvia broker or other means — **33%**
Setting and enforcing security policies — **25%**
Data categorization & segmentation — **16%**

Source: Techaisle SMB & Midmarket Security Adoption Study, N = 1255.

SMBs aren't simply relying on "security through obscurity"—hoping that attackers will overlook them and choose a different target. SMBs are taking action to safeguard their increasingly IT-dependent businesses against cloud and other digital threats. Every day, SMBs are investing in the technologies and skills needed to move forward in the digital economy.

Aligning Attention with Opportunity

Many security reports end up positioning IT security as something akin to insurance—a "necessary evil" that demands investment as a means of managing risk associated with a worst-case scenario.

This report has a different objective. It's clear from the data presented at the top of this document that technology plays a critical role in the achievement of highest-priority business objectives. Key solutions —such as cloud, which is the technology examined in this paper— provide capabilities that SMBs need to boost competitiveness in a fast-moving economy. And security isn't a "worst case" for advanced solutions. SMBs that are able to align attention to security with differentiating technologies can capture opportunity more rapidly than competitors. Effective management of security technologies and processes allows SMBs to move ahead rapidly with solutions like cloud that contribute to efficiency and growth.

Fortinet continues to drive market evolution with the development of SMB solutions that further consolidate networking and security components into one integrated solution. With a breadth of well-integrated and highly effective components managed through a single pane of glass, management and support is simplified, increasing an SMB's customer value, revenue and profitability.

Technology matters to business success, and security matters to technology success. SMBs may find it a challenge to keep pace with advanced solutions and the security that is needed to responsibly adopt them, but they have access to resources—including suppliers like Fortinet and its partners—who can help them to address InfoSec requirements and capitalize on IT solution potential.

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