Security Service Status in Japan

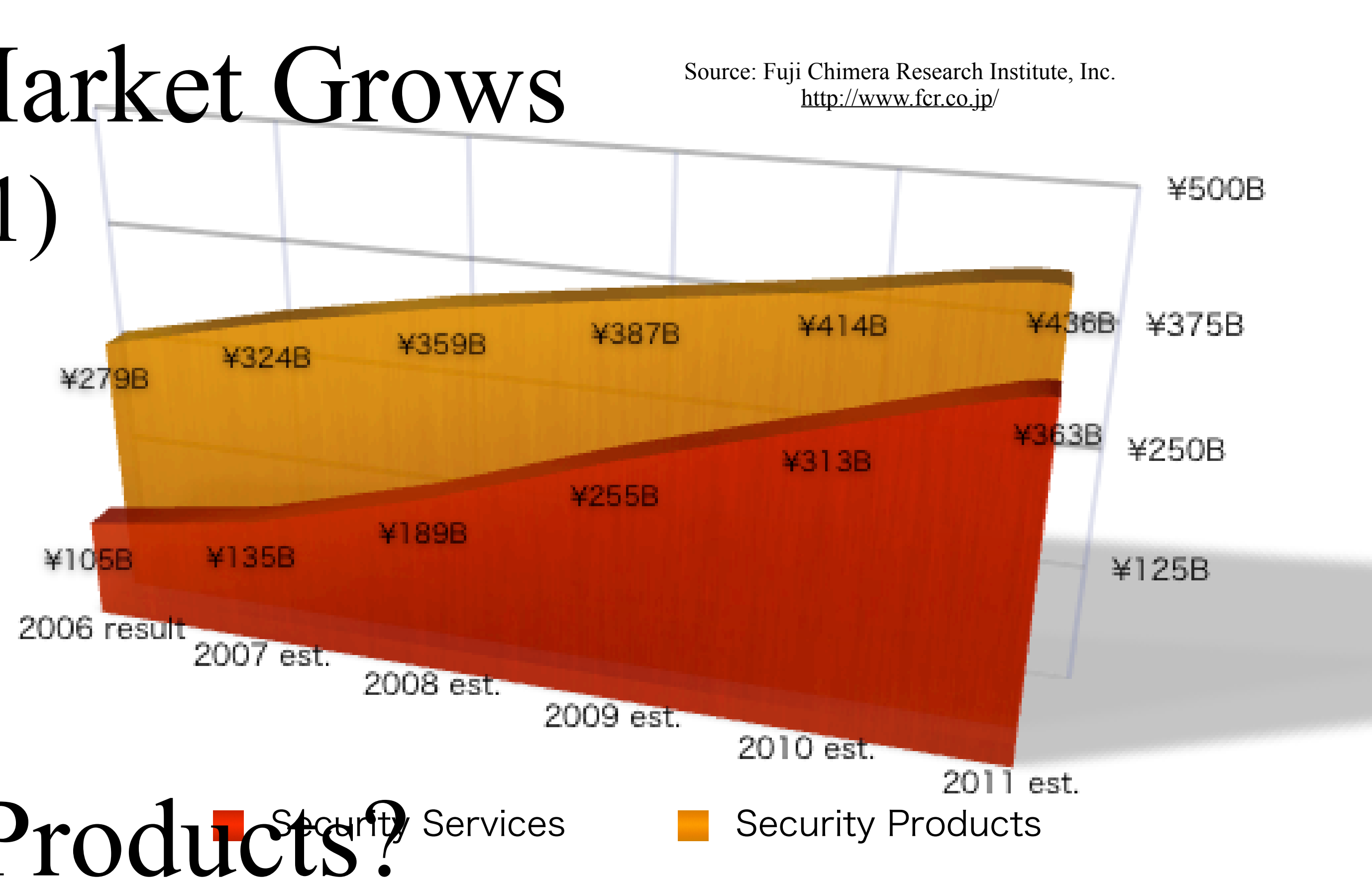
BBSec
BroadBand Security, Inc.

2008/Feb/28
moto kawasaki
BroadBand Security, Inc.

Market Grows

- Security Services Market Grows
  - 28.1%/yr (2006-2011)
  - ¥105B to ¥363B
- Sec. Products
  - 9.3%/yr
  - ¥279B to ¥436B
- Services surpasses Products?
  - Trend to SaaS/ASP
  - Needs for 3rd party assessment
  - Price Slashing in Product first

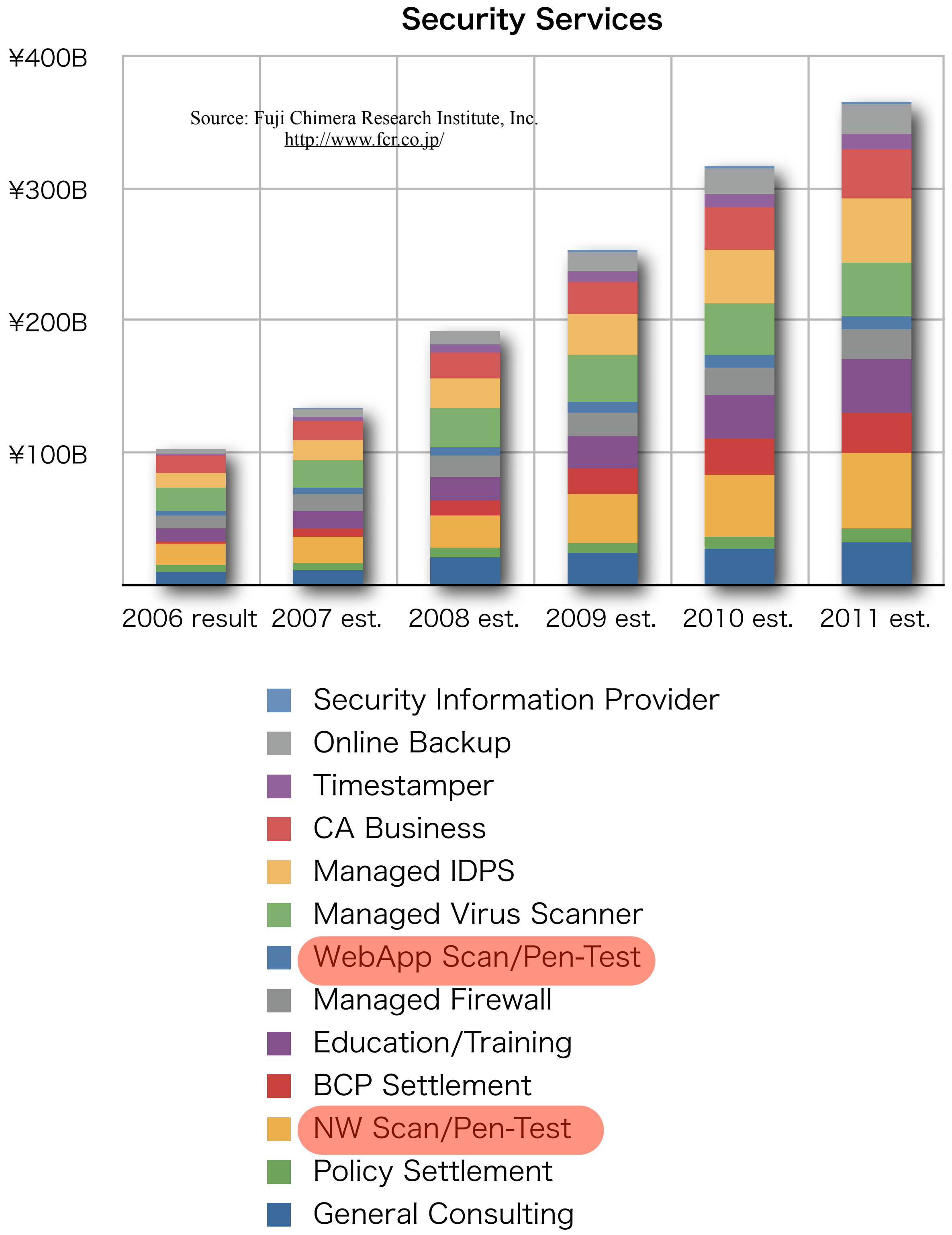
Security Market in Japan



Source: Fuji Chimera Research Institute, Inc.
http://www.fcr.co.jp/

Breakdown of Sales est.

- large volume
  + high growth
  - NW Scan/Pen-Test
  - Managed FW/IDPS
  - Managed Virus Scanner
- Scan/Pen-Test
  (NW + WebApp)
  is largest in 2011
  - Let’s dig here.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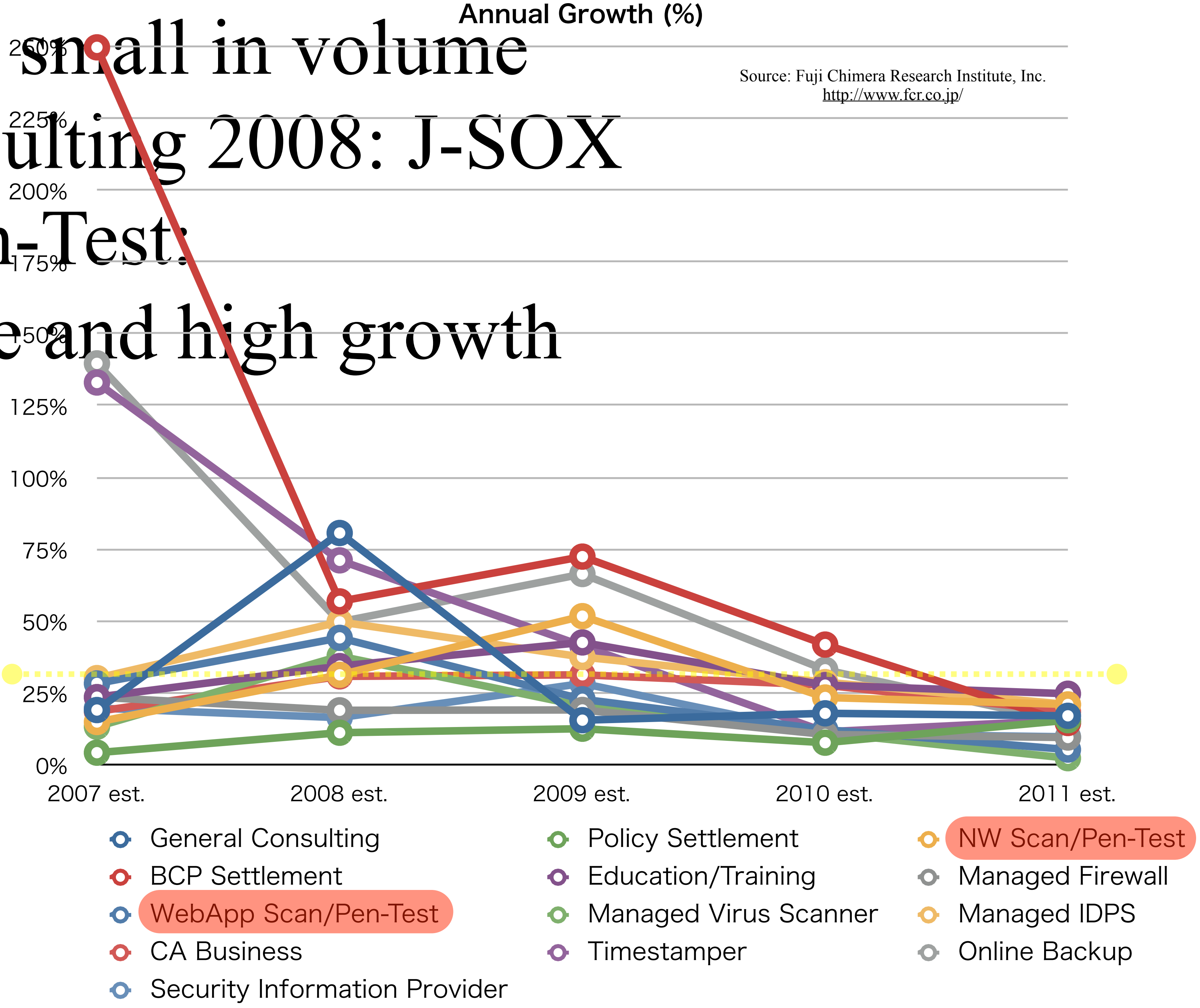
Annual Growth (%)

- BCP, Timestamp, Online Backup 2007:
  > 100%, but small in volume
- General Consulting 2008: J-SOX
- NW Scan/Pen-Test:
  large volume and high growth



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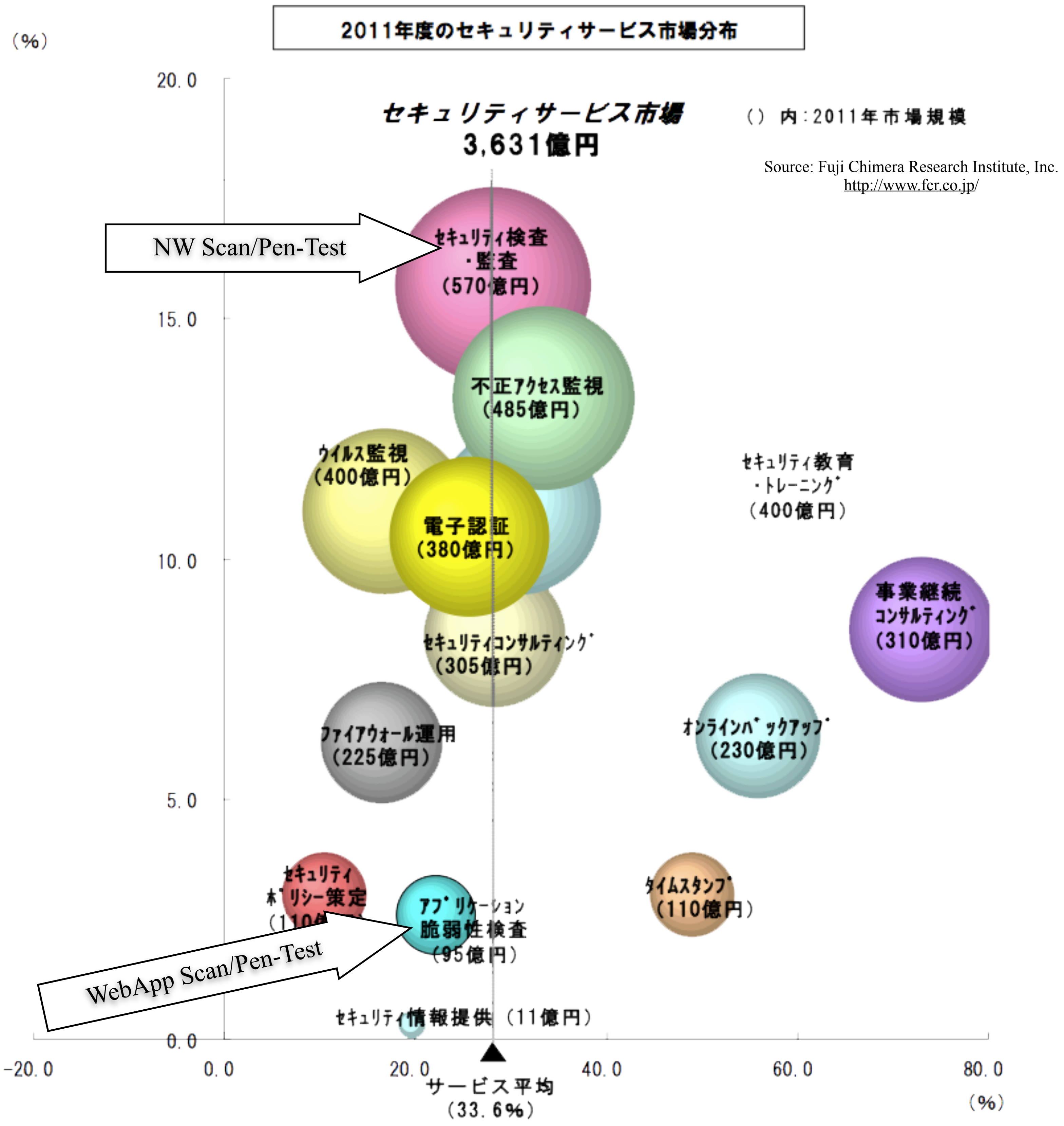

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NW Scan/Pen-Test

WebApp Scan/Pen-Test

Comparative Market Share

Average Annual Growth

NW Scan Industry

- [Demand]
  - large volume + high growth
- [Supply]
  - Better Tools introduced
  - Expensive, but reducing prices
- [New Entrants]
  - Easier entrance for tool-reporter
    - vs. Rare and expensive talented pen-tester
  - many new entrants appears
- [Substitution]
  - No major substitution found.
  - Source Code Analysis (SCA)
    - actually, SCA is complement
  - [Competition]
    - Demand growth eases a little, but
    - New Entrants slashes prices
    - Severely competing each other

WebApp Scan Ind.

- NW Scan came first, then WebApp
- Almost same situation occurs
- Some conscious demand side
  - Requires 3rd party assessment
  - Places part of Quality Assurance
- Most unconscious ones
  - As Excuse to shirk responsibility
  - “the Cheaper, the better”

5 Forces of Pen-Test Industry in Japan

Bargaining Power of the Suppliers

(-) Better tools introduced
(+-) Expensive tools, but reducing prices
(+++) Rare talented pen-testers

Competitive Rivalry within an Industry

(-) Demand growth eases competition
(+) New Entrants slashes prices
(+) Severely competing each other, especially in price
(+++) Rare talented pen-testers

Threat of New Entrants

(+++) Better tools introduced
(++) Easier entrance for tool reporter ==> many new entrants
(--) rare and expensive talented pen-testers
(---) reputation and achievement
(+) MSP/iDC extends its service

Threat of Substitute Services

(-) No Major Substitution
(+-) SCA might be, but actually complemental
(++) in-house pen-tester

Bargaining Power of the Customers

(-) large volume and high growth
(+) strong cost-cut demand + many new entrants
(--) required compliance and legal duty

battle royal
to
survival war

Current Issue and Measures

- Justification!! for Purchase Order
  - Pay Money requires Result
  - pen-testers won’t guarantee “Never Hacked”
  - FAQ “What actually do I buy, by the way?”

- lack of certification
  - for a web site
  - for an engineer
- desirable grade of pen-test
  - daily/weekly baseline pen-test
  - thorough pen-test quarterly/annual or pre-cutover
- ROI matters

Current Issues

- Justification!! for Purchase Order
- lack of certification
  - for a web site
  - for an engineer
- desirable grade of pen-test
  - daily/weekly baseline pen-test
  - thorough pen-test quarterly/annual or pre-cutover
- ROI matters
- upstream SDLC: Quality Assurance issue

lack of certification

- FAQ “How thorough enough a pen-test should be?”
  - balance between cost and benefit
  - No objective threshold exists
    - One incident may wreck whole efforts
- Needs for common criteria
  - PCIDSS? OWASP top 10? SANS top 20?
  - SANS GIAC WebApp Security? SANS+WASC certification?
  - or, Rating and Insurance ?
    - Both services exist but are not famous.

cert. for web site

- requirements
  - list of check points
  - procedure of pen-test
  - criterion of judgement
  - well-known and de facto
- PCIDSS might be a good candidate
  - pros: has first 3 characters
  - cons: too much PCI-focus
- OWASP or SANS top [12]0
  - lack of first 3 items, but famous

cert. for engineers

- requirement
  - rather pragmatic certification
    - like CCIE labo exam
  - covers all area of WebApp and related
  - CPE style of skill updating
- SANS GWAS is a good candidate
  - “SANS GIAC Web Appliction Security”
  - or SANS+WASC certification to be coming?
- certified engineers validate a web site to be a certified web site
  - ASV/QSA model?

grade of pen-test

- FAQ “How thorough...?” again
  - baseline and deep assessment

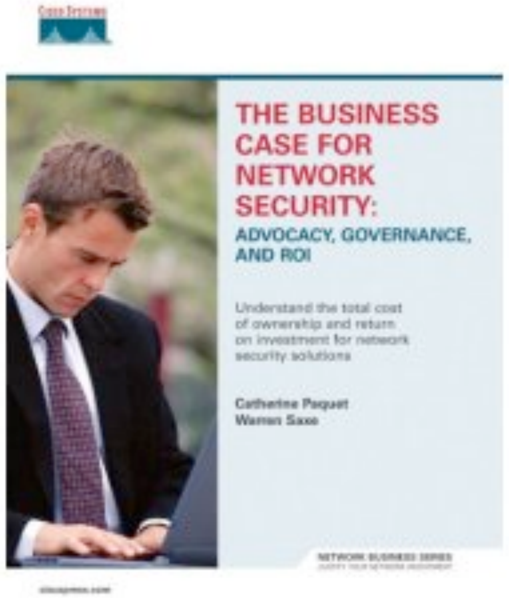
- Baseline Pen-Test
  - high frequency: daily or weekly
  - low cost: automatic test
  - low criterion: keep baseline, avoid mis-operation

- Thorough Pen-Test
  - low frequency: quarterly or annual,

    or at every major release
  - high skill/tool: “certified” pen-tester

    + excellent tools for sufficiency
  - high criterion:

    check every details to be “certified”



Cisco Systems

THE BUSINESS CASE FOR NETWORK SECURITY:

ADVOCACY, GOVERNANCE, AND ROI

Understand the total cost of ownership and return on investment for network security solutions

Catherine Paquet
Warren Saxe

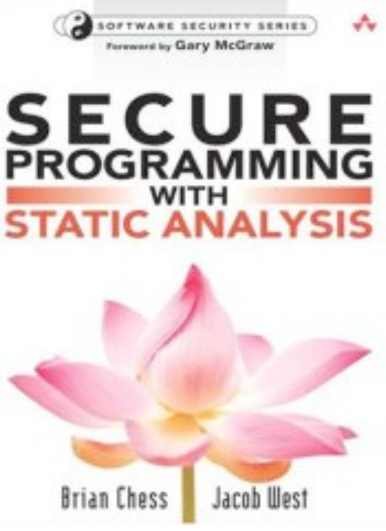
NETWORK BUSINESS SERIES

ROI matters

- FAQ “How thorough... ?”
  - Rephrased to “How much money?”
  - Measurement of effect by $$ vs. its cost will persuade top management to purchase.
  - Common ROI calculation method?
    - Annual Loss Expectancy vs. Cost
  - “The Business Case For Network Security: Advocacy, Governance, And ROI” (ISBN-13:978-1587201219)

QA Issue: SCA

- Pen-Test traces Attack Vector
- Needs for QA activities, such as SCA
- SCA scans source code
  - no execution of binary object
  - point out flaws, even potential
  - Considered as Quality Assurance issue
    - in the SDLC
    - ex) acceptance test for off shore development
  - "Secure Programming with Static Analysis" (ISBN-13: 978-0321424778)



- SCA fixes bugs and improves Quality
  - This may help???

postscript.

- Industry needs to do something to survive
  - in order to escape from battle royal
  - reducing prices really threaten players
  - Grade service levels and Justify the prices!
  - Let Me Survive, Please!!

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