Business Tech, Networks, Cyber-Security & Cost Saving Trends UK 2023

By

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Over 64 independent sources used to gathered to create SDWAN Solutions' 2023 trend report

Outsourcing Goes Stratospheric

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Outsourcing for Tech Management, Support & Training Set to Rocket in 2023

Skills gaps and cost cutting is driving the Mega-Trend for end-user businesses, who are seeking to outsource much of their tech provision via MSPs. This reduces their need for in-house teams, and their associated costs, as well as negate the need for specific expertise. Making MSPs an ‘extended part of the IT internal team’ is expected to bring ‘free’ training for ongoing upskilling. Happy days!

Strategic Partnerships MSPs for Skills, Support & Cost Saving

Within the IT provision sector consultancies, Channel business and resellers are coming to the same realisation as end-user customers. As the exponential growth of technology innovation drives even more change, those within the sector are outsourcing to MSPs for the very same reasons. This advice is actually now being stipulated by the UK government, national security agencies and cyber security advisors.

UK Gov Spy Centre GCHQ Advise Businesses to Protect from Cyber-Crime via MSPs

The National Cyber Security Centre (Part of GCHQ) has issued the “Joint Cyber Security Advisory (Alert AA22-131A)”, where it strongly advices businesses of all sorts, across many industry sectors to use an MSP.

Any business with any operations taking place on-line needs to utilise the expertise of MSPs for Cloud, Cyber-Security and Safe Connectivity. Leaders at the NCSC say business customers of MSPs should *“hold those MSPs to account”* as this is their area of expertise. We couldn’t agree more!

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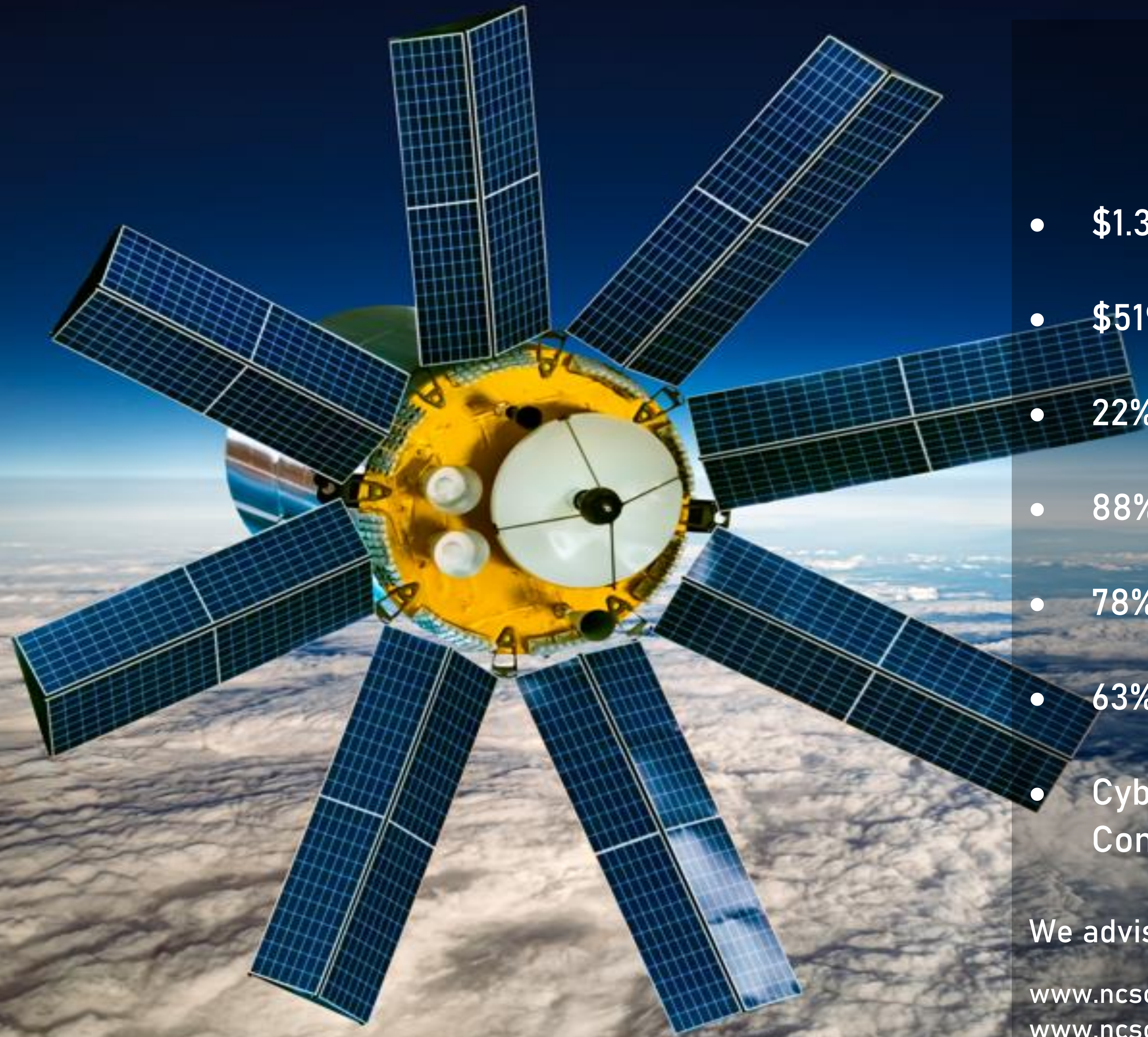

The Outsourcing Mega-trend
FACT FILE

- $1.3 TRILLION: businesses will spend on outsourcing in 2023
- $519 BILLION: the increase in outsourcing spend in 2023
- 22% increase in outsourcing YoY to 2025
- 88% of businesses are outsourcing to MSPs to reduce costs
- 78% using MSPs to standardise service across their business
- 63% of businesses using MSPs to add value to their business
- Cyber-protection, Cloud and Multi-Cloud and next-gen Connectivity Solutions main IT outsourcing trends for 2023

We advise checking out:

www.ncsc.gov.uk/blog-post/using-msps-to-administer-your-cloud-services
www.ncsc.gov.uk/collection/cloud/the-cloud-security-principles

"We predict that cyber security and tech consultancy projects will be worth $1.5 TRILLION in the next 3 years to 2027"

McKinsey on Tech Project Partnerships in 2023

"Some organisations contract an MSP or reseller to do specific things like providing licenses, operating security or data centres, or provisioning new cloud instances. Others go 'all in', and outsource the provision, design and operation of their business applications (whether as a shared SaaS, any individual deployment that happens to be hosted on cloud fabric in some way.) There are obvious benefits to doing this, especially if you haven't got the right set of people to do those things yourself. In doing so, you benefit from the expertise, efficiencies and experience of those other companies."

National Cyber Security Centre (part of GCHQ)

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Cost & Complexity Reduction

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CONSOLIDATION: Doing More with Less

Far from impending recessions resulting in simple cost cutting initiatives, business leaders are tasking department heads to see where smart reductions, in both complexity and cost, can be initiated. Technology, network and security consolidation will play a key role in cutting costs and complexity. Businesses are taking in-depth overviews of how they can do more with less, what they can jettison and what they must keep, simultaneously reducing costs and complexity. Might sound like a cross between a no-brainer and utopian dream, but it's actually a 2023 Mega-Trend, and it's starting first in an IT department near you!

Forget Crisis Management… Crisis Avoidance the new Buzz Term

The complexity of modern life means being ready for anything and ensuring your business carries on as normal. Welcome to Crisis Avoidance – keep-calm-and-connected is the mantra here. Businesses are seeking to procure expert provision on connectivity and security solutions that keep all bad news at bay (further fuelling the outsourcing and MSP trends). A secure network anywhere, everywhere, always-on solution whether teams are on the move or in the office, whether there is a pandemic, a strike, an energy crisis, supply chain disruption or a climate change weather phenomena on the horizon – Just keep calm and connected!

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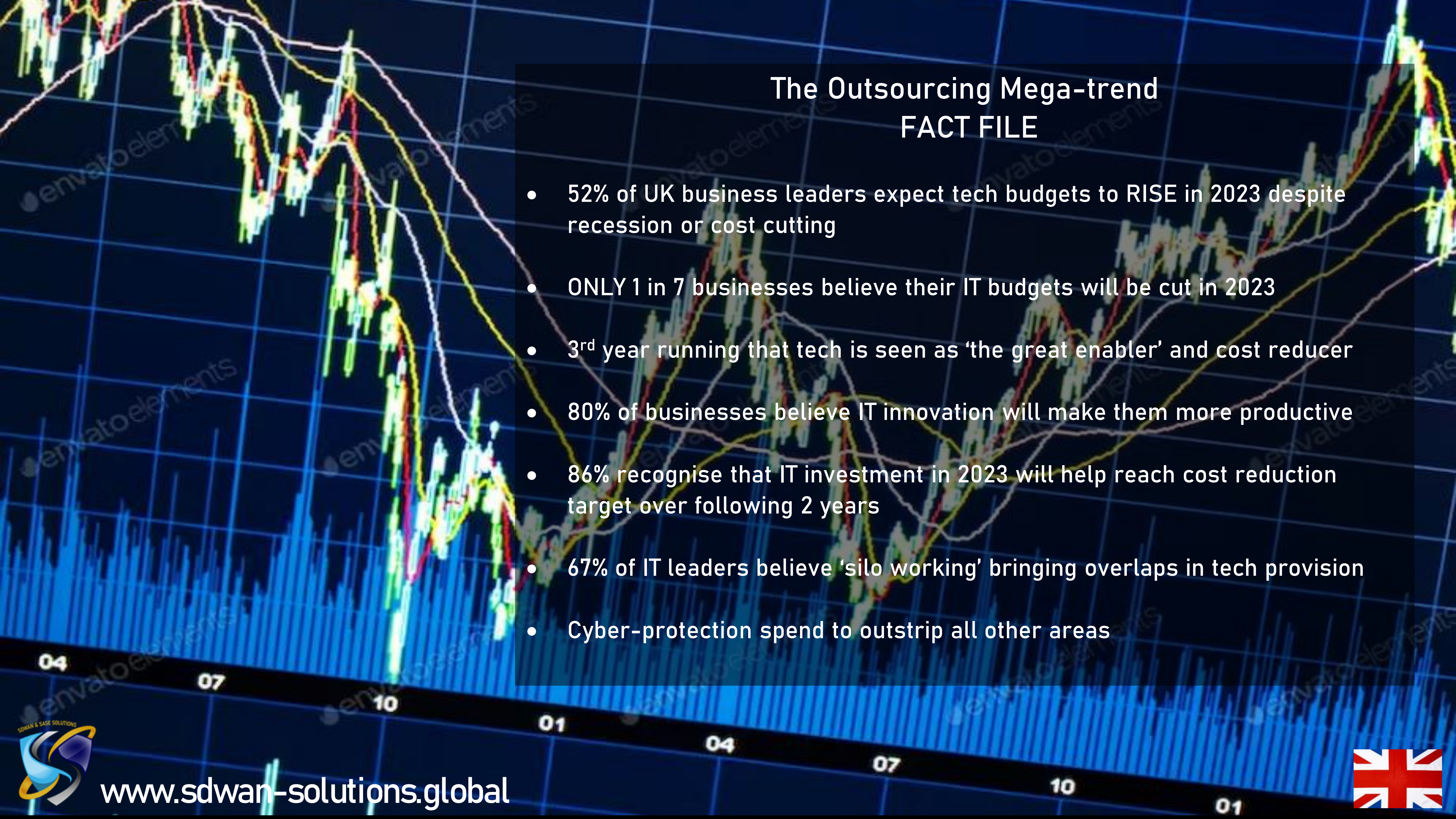

The Outsourcing Mega-trend
FACT FILE

- 52% of UK business leaders expect tech budgets to RISE in 2023 despite recession or cost cutting
- ONLY 1 in 7 businesses believe their IT budgets will be cut in 2023
- 3rd year running that tech is seen as ‘the great enabler’ and cost reducer
- 80% of businesses believe IT innovation will make them more productive
- 86% recognise that IT investment in 2023 will help reach cost reduction target over following 2 years
- 67% of IT leaders believe ‘silo working’ bringing overlaps in tech provision
- Cyber-protection spend to outstrip all other areas

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“The emerging recession will have less of a blow to investment than a traditional recession. Part of that is because of the backlogs, and part of it is also because we’re in an environment where large firms are now looking at labour-saving technologies because the labour shortages we’re facing are not cyclical.

Diane Swonk – KPMG Chief Economist

at the CNBC CFO Council Summit November 2022

“Economic headwinds are gathering and indicators are turning negative—but despite or even because of this, UK businesses know that investment in technology remains crucial. Both to maximise the efficiency of what they already have and to become more agile and responsive in highly unpredictable conditions, technology is the key enabler.”

Bev White, CEO of Nash Squared

Trust No One!

ZTNA: the network of choice

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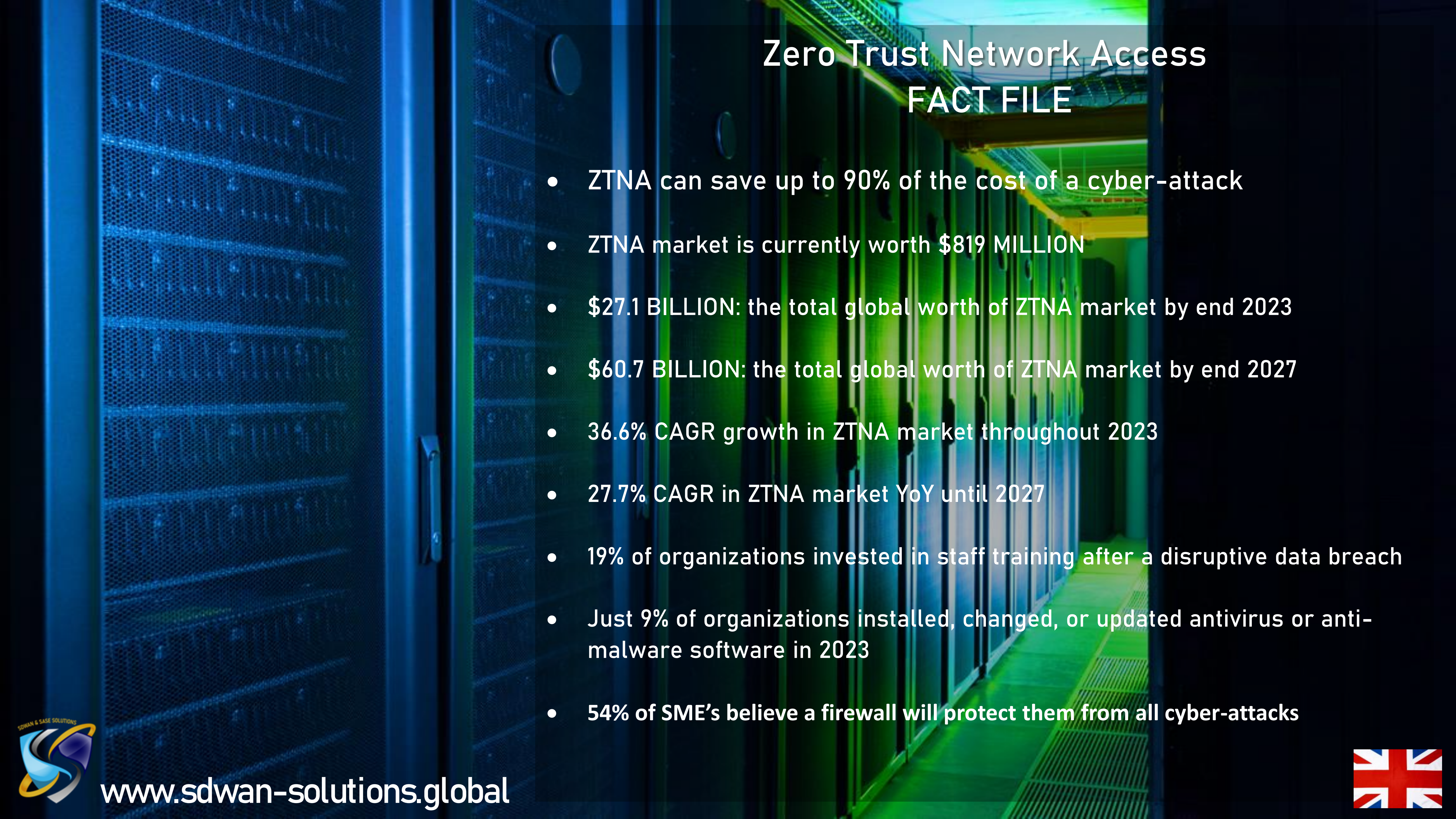
Are Your Insiders Your Biggest Threat?

60% of data breaches are caused by insider threats, 67% of which are caused by phishing. Currently such attacks cost $11.5 million per year per corporation-sized business (to end 2022.) Although it is recognised that insider-attacks are very rarely malicious acts, more likely a lack of knowledge and training.

ZTNA More Cost Effective & Reliable Than Training

With more than 300, 000 new pieces malware launched daily and cyber-attacks rising from ONE every 11 seconds in 2022 to ONE attack every 7 SECONDS by end of 2023, businesses recognised it is virtually impossible to train staff for every possible attack. Instead ZTNA is increasingly being used to automate security protocols, processes and procedures.



Zero Trust Network Access
FACT FILE

- ZTNA can save up to 90% of the cost of a cyber-attack
- ZTNA market is currently worth $819 MILLION
- $27.1 BILLION: the total global worth of ZTNA market by end 2023
- $60.7 BILLION: the total global worth of ZTNA market by end 2027
- 36.6% CAGR growth in ZTNA market throughout 2023
- 27.7% CAGR in ZTNA market YoY until 2027
- 19% of organizations invested in staff training after a disruptive data breach
- Just 9% of organizations installed, changed, or updated antivirus or anti-malware software in 2023
- **54% of SME's believe a firewall will protect them from all cyber-attacks**

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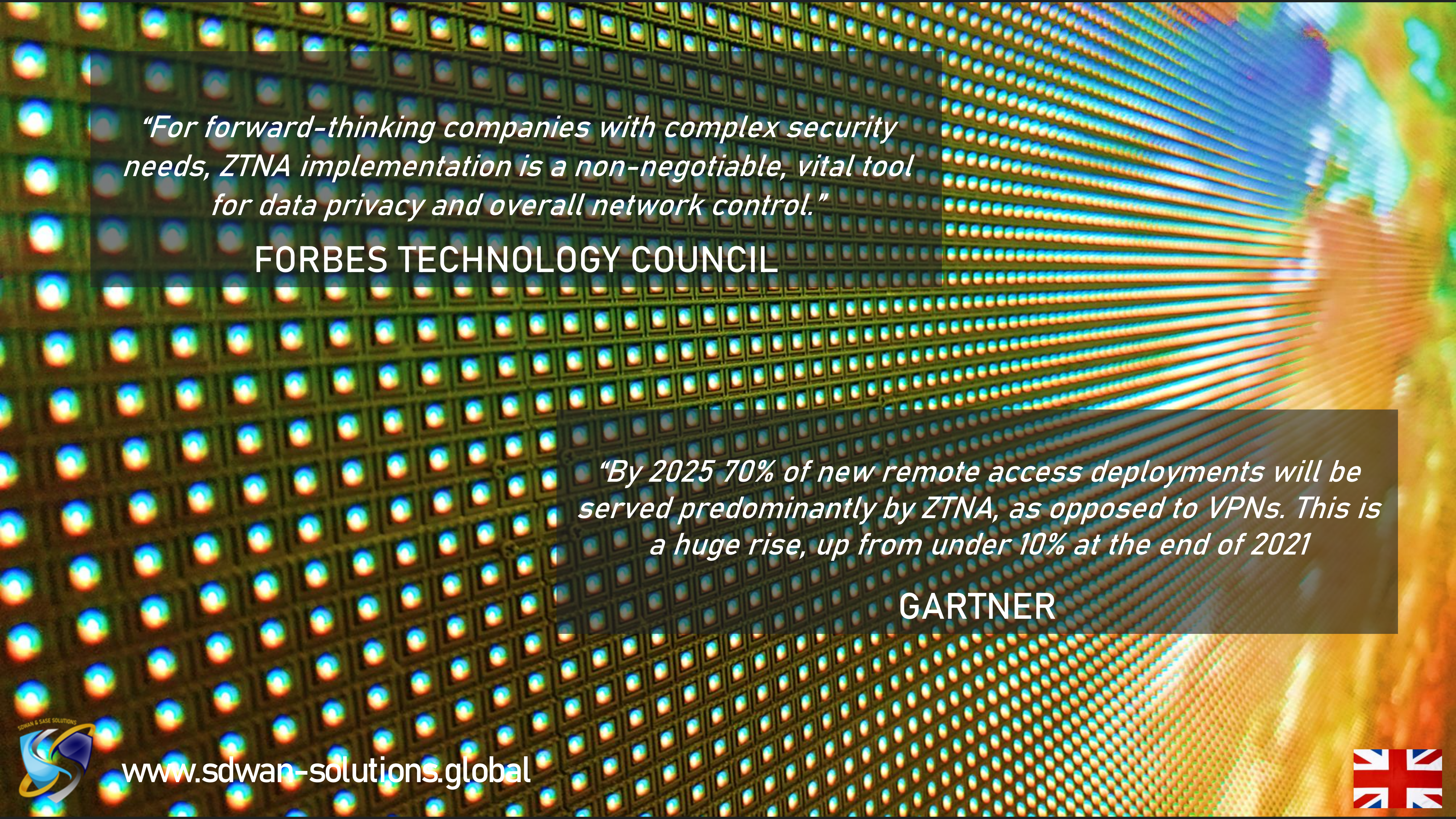

"For forward-thinking companies with complex security needs, ZTNA implementation is a non-negotiable, vital tool for data privacy and overall network control."

FORBES TECHNOLOGY COUNCIL

"By 2025 70% of new remote access deployments will be served predominantly by ZTNA, as opposed to VPNs. This is a huge rise, up from under 10% at the end of 2021

GARTNER

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Machine Learning & Ai Strategies

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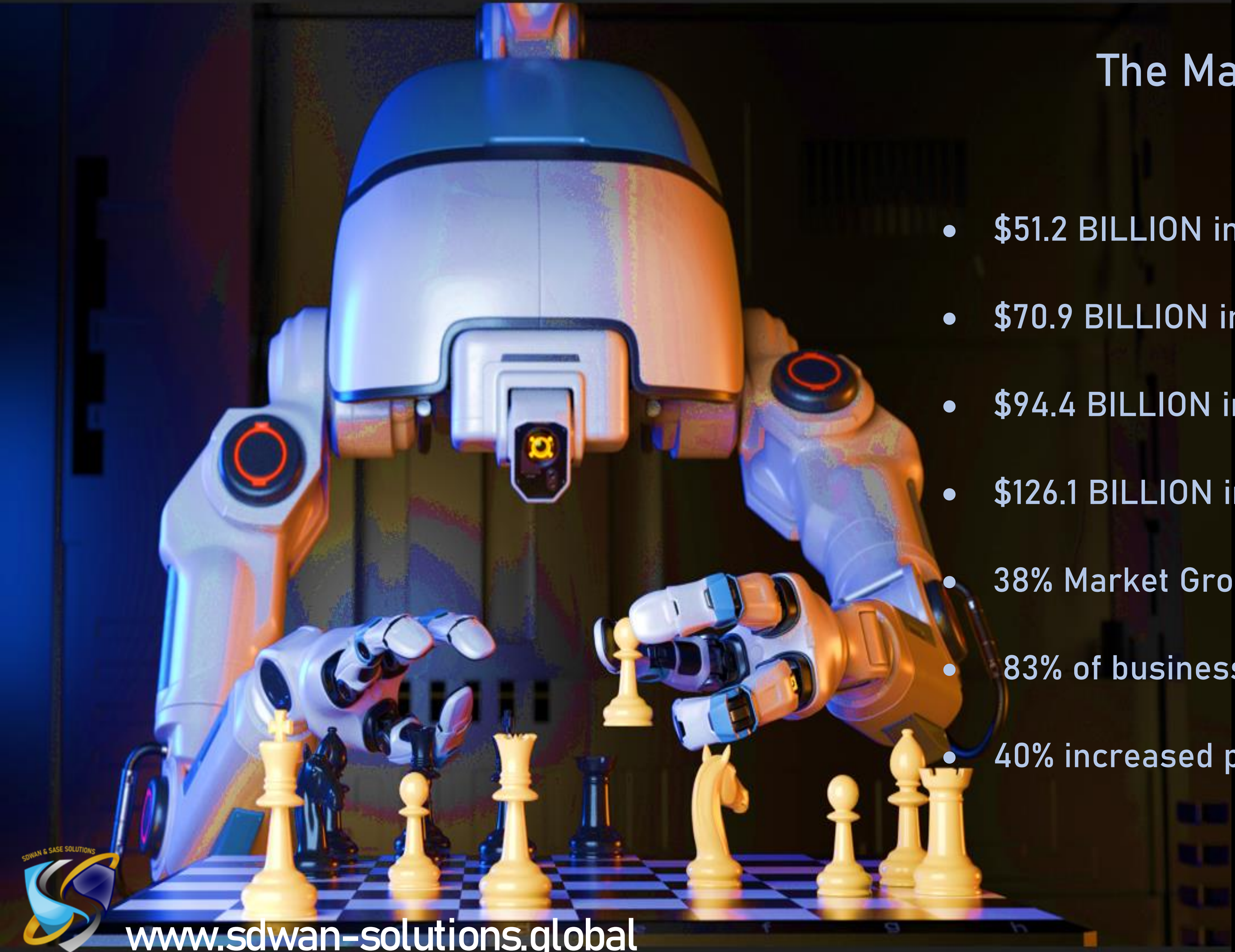
4 out of 5 Businesses Say Ai Top Priority

Machine learning and Artificial intelligence will bridge the skills gap. It will also save money by reducing staffing needs and create a truly efficient and fully operational 24/7 x 365 operation. The key markets seeking to increase ML and Ai in 2023 are manufacturing, accounting, health care and logistics, but it's safe to say this Mega-Trend spans most industry sectors.

Securing ML and Ai is the Next Priority

As automation takes over, there is of course, an increased threat landscape. CISOs and IT departments will be looking to counter Advanced Persistent Threats (APTs), Ai powered malware, phishing and DDOS attacks. New for 2023 will be deep fake attacks too.



The Machine Learning & Ai FACT FILE

- $51.2 BILLION in spend on ML & Ai in 2022
- $70.9 BILLION in spend on ML & Ai in 2023
- $94.4 BILLION in spend on ML & Ai in 2024
- $126.1 BILLION in spend on ML & Ai in 2025
- 38% Market Growth is predicted for 2023
- 83% of business seeking to deploy ML & Ai in 2023
- 40% increased productivity delivered by ML and Ai

"Only 11% of SMEs have fully implemented an IoT security solution, and a staggering 52% have no IoT security deployed at all"

CheckPoint Software Technologies Ltd.

"The new European Union's Cyber Resilience Act seeks to ensure that IoT device manufacturers incorporate advanced security systems throughout the entire life cycle of IoT devices and thus prevent such devices from being the gateway for cybercriminals. It is estimated that spending on cybercrime will be 5.5 trillion euros in 2031"

European Commission

IoT Takes Over the World

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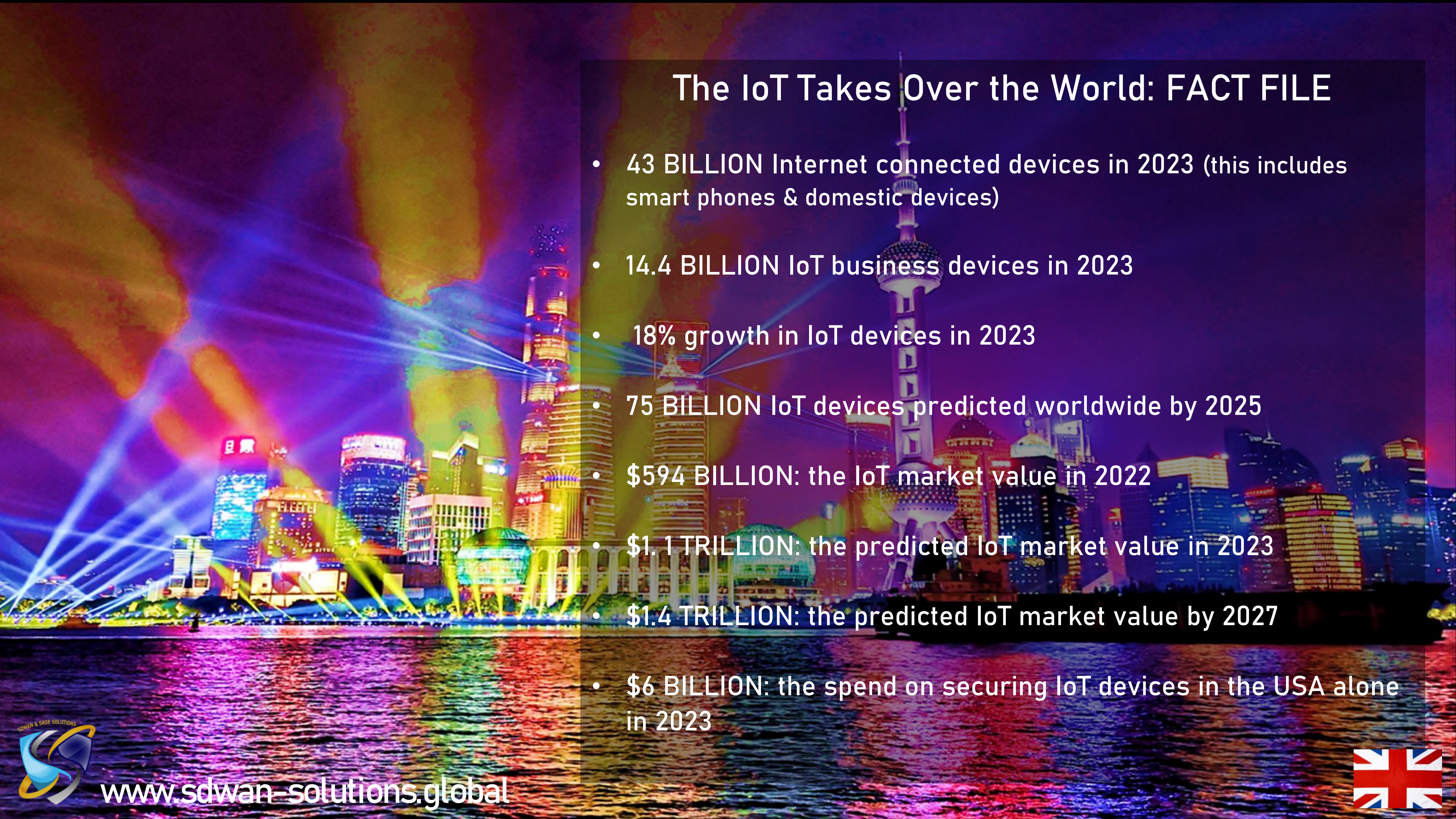
IoT is Truly World Dominating

Main areas where IoT will go mainstream in 2023 include:
IoT enabled healthcare device market which will reach $267 BILLION dollars in 2027. It's not just the wearable and monitoring devices driving this trends, but the need for 'virtual wards' during recovery and online initial consultations bridging the skills gap. Digital and Metaverse for Enterprise will also drive IoT adoption in 2023.

But as IoT devices carry ever-increasingly sensitive information it's imperative to consider this: IoT devices are hackable within seconds of being online.

IoT Numbers Just Grow & Grow

Statistics vary greatly when it comes to the IoT. Much of this a can be put down to adding Internet connected devices in the consumer arena, to those already in the business area. What they all have in common is that a whopping 98% of IoT devices are currently unsecured. Some business-associated devices are still using consumer sim cards. Depressingly for us, these facts and figures remain the same as last year's report. Sigh. We've compiled a huge Fact File here, so read on for more info



The IoT Takes Over the World: FACT FILE

- 43 BILLION Internet connected devices in 2023 (this includes smart phones & domestic devices)
- 14.4 BILLION IoT business devices in 2023
- 18% growth in IoT devices in 2023
- 75 BILLION IoT devices predicted worldwide by 2025
- $594 BILLION: the IoT market value in 2022
- $1. 1 TRILLION: the predicted IoT market value in 2023
- $1.4 TRILLION: the predicted IoT market value by 2027
- $6 BILLION: the spend on securing IoT devices in the USA alone in 2023

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"Just like any company that blissfully ignored the Internet at the turn of the century, the ones that dismiss the Internet of Things risk getting left behind."

Jared Newman Leading Tech Journalist

Quoted by Forbes Technology Council

"Companies are beginning to see IoT devices' potential. According to Gigabit, companies could invest up to $15 trillion in IoT by 2025 and add value to their businesses. IoT statistics show that several healthcare providers, manufacturers, and municipalities have already chosen to invest in IoT technology."

PwC

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SD-WAN & SASE 2023

How SD-WAN & SASE from SDWAN Solutions enables the 2023 Trends

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SASE Mainstream not Slipstream – Say Forbes Technology Council

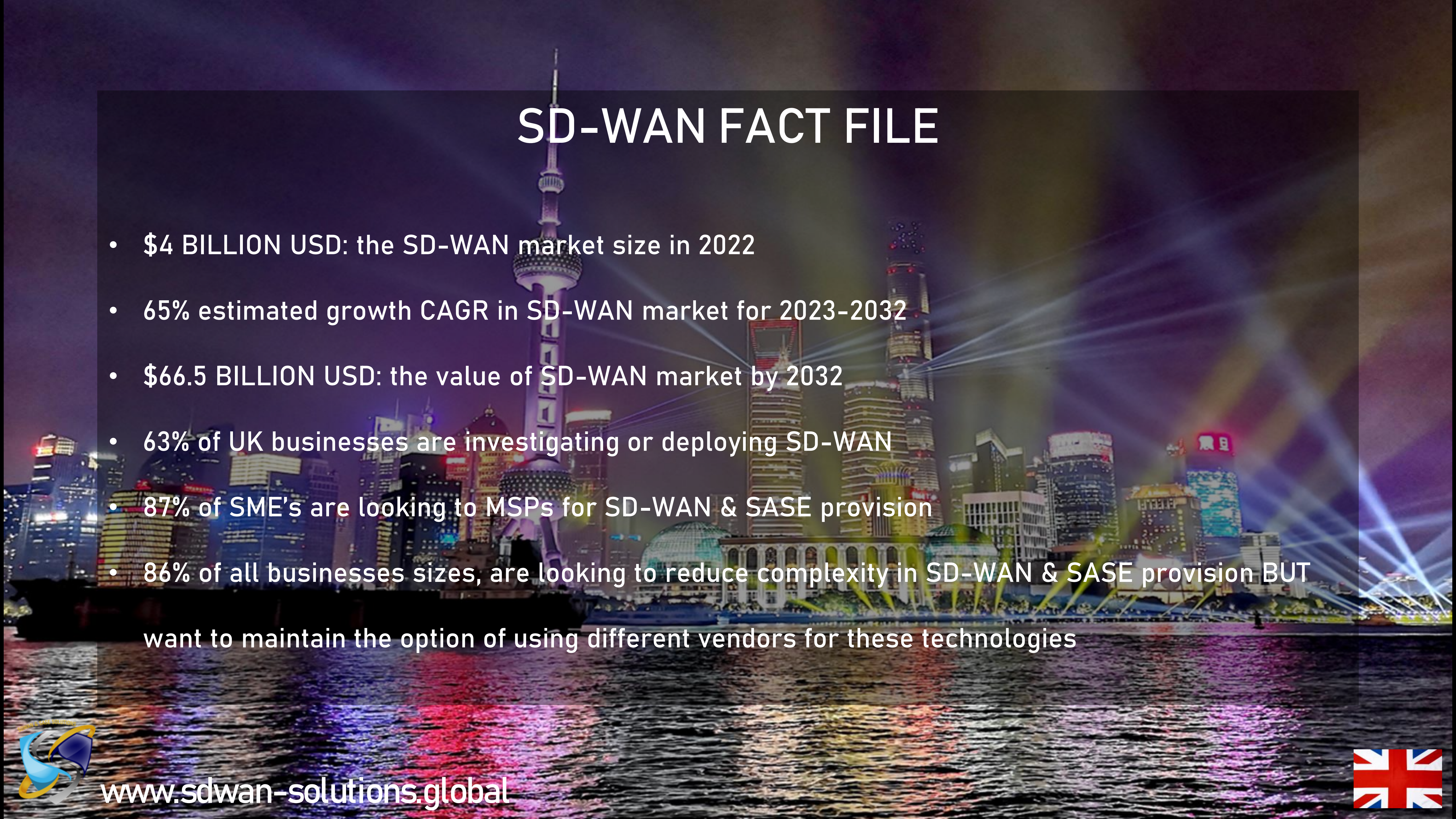
Leading IT commentators Forbes Technology Council say ‘2023 will be the year SASE really takes off”. We agree. Predictions are that the global SASE market will be worth $15 BILLION in 2025 representing a cagr OF 116% annually. By the close of 2023 40% of ALL businesses will have a SASE adoption strategy in place.

The Democratisation Of SASE Via Affordable Solutions For SMEs

2022 was the year SASE went mainstream for many enterprise businesses, but 2023 will be the year that forward-thinking vendors and providers of SASE (MSPs) will be creating affordable SASE solutions for the small and medium sized businesses. Within this size of organisation many private sector organisations can be found, such as charities, NFPs and even education and health providers – And I think we can all agree these organisations need SASE to protect our data, our children and our collective welfare

SASE Adoption Also Driving SD-WAN Adoption – BUT remember, there’s no SASE without SD-WAN

Many businesses have already recognised and capitalised on the productivity benefits of having an intelligent always-on network like SD-WAN, but some businesses are being driven down the SD-WAN by their wanting to adopt SASE security. Either way, it is important that the incorrect assumption that SASE in some way REPLACES SD-WAN is not at all correct, in fact there is no SASE without SD-WAN. 2023 will see IT Consultancies working with MSPs to get that message across, implement SD-WAN smoothly so SASE can smoothly follow.



SD-WAN FACT FILE

- $4 BILLION USD: the SD-WAN market size in 2022
- 65% estimated growth CAGR in SD-WAN market for 2023-2032
- $66.5 BILLION USD: the value of SD-WAN market by 2032
- 63% of UK businesses are investigating or deploying SD-WAN
- 87% of SME’s are looking to MSPs for SD-WAN & SASE provision
- 86% of all businesses sizes, are looking to reduce complexity in SD-WAN & SASE provision BUT want to maintain the option of using different vendors for these technologies

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SASE: FACT FILE

- 94% of respondents say their adoption of SASE solutions have accelerated this year
- 52% say SASE adoption is driven by Cloud security, including visibility into and control of cloud environments
- 44% of businesses SASE adoption driven by innovation, including cloud application migration and Ai
- 41% of businesses adopting SASE driven by their security strategy, including implementing Zero Trust (ZTNA)
- 13 BILLION USD – the SASE market size will exceed this figure by 2026
- 100% year on year increase on SASE implementation through to 2025
- 98% believe convergence of network and security is critical or very important

There's over 70 different SD-WAN vendor products on the market and each one differs in functionality. No-one expects an IT manager or director to be an expert in all SD-WAN technologies – that's what specialist Managed Service Providers like SDWAN & SASE Solutions are there for – to advise on the best fit technologies and solutions, to ensure every company gets the right solution for their needs.

Anthony Senter CEO of SDWAN & SASE Solutions

Just like there many SD-WAN technologies out there, so too are there many SD-WAN resellers – IT departments should meticulously check the reseller's SD-WAN and SASE credentials and references as too many are pseudo-experts without any real substance, and this leads to stalled or failed projects, reduced benefits and unexpected expense.

Toby Sturridge CTO of SDWAN & SASE Solutions

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Cyber-Crime Fact File 2023

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Two Words for Cyber-Security: Sophistication & Proliferation

Cyber-crime is growing at between 15% and 35%, depending on the type of crime. Over 78% of cyber-crimes are aimed at business and involve extorting money from them. Horrifically, online exploitation of children in the fastest growing cyber-crime globally at 35% YoY to 2025.

If cyber-crime were a nation it would have the THIRD largest GDP in the world, behind the USA and China.

Two Strategic Private and Public Partnerships required GLOBALLY to beat Cyber-Crime

Many law enforcement agencies are calling on private and public collaborations to beat the cyber criminals further fuelling the MSP and partnership Mega-Trend for 2023.

Interpol's Secretary General recently stated that when it comes to even the most dangerous types of cyber-crime – those aimed at the vulnerable and children – that law enforcement agencies are "overwhelmed" and need help from private cyber-security businesses.

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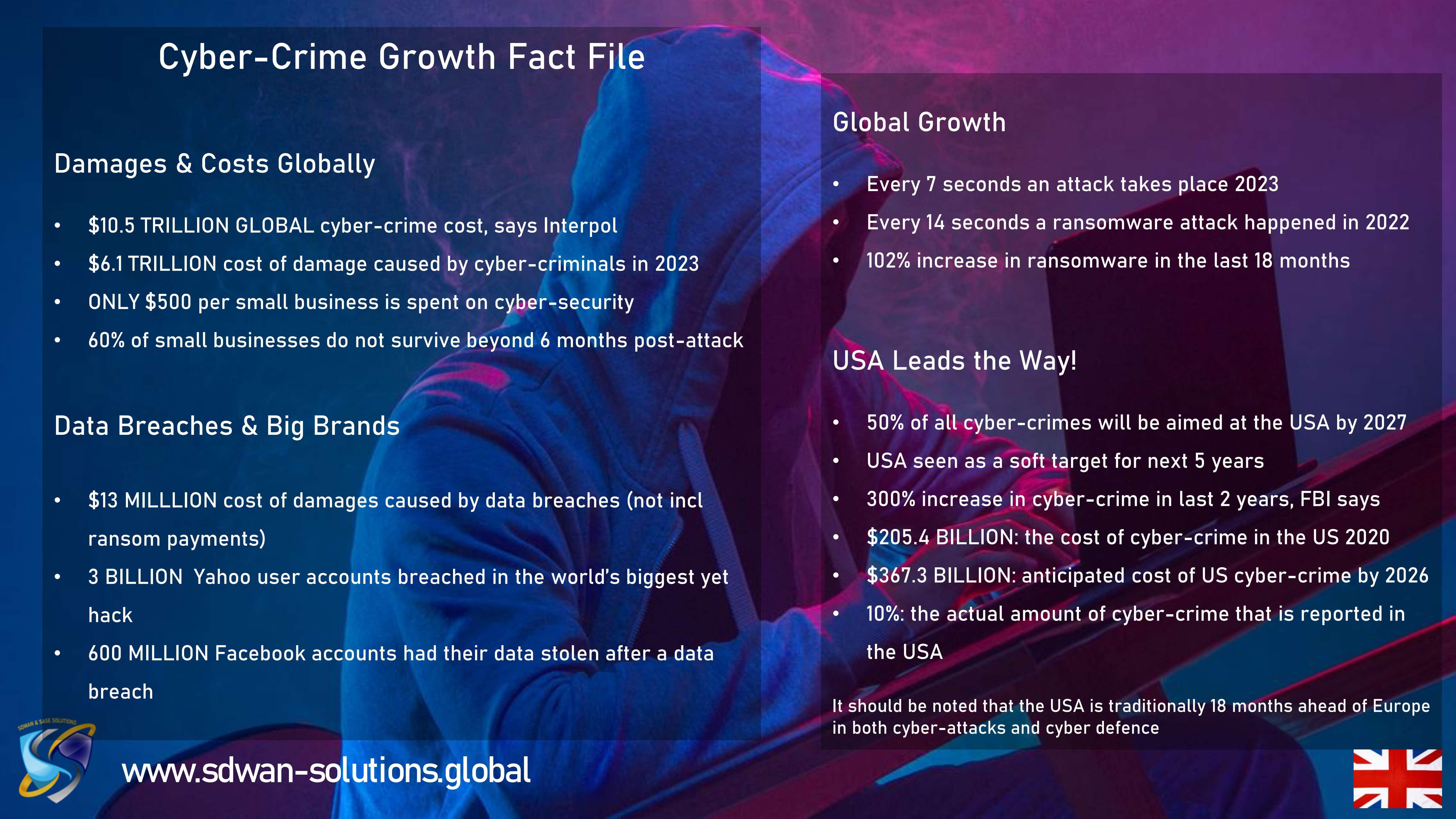


Cyber-Crime Growth Fact File

Damages & Costs Globally

- $10.5 TRILLION GLOBAL cyber-crime cost, says Interpol
- $6.1 TRILLION cost of damage caused by cyber-criminals in 2023
- ONLY $500 per small business is spent on cyber-security
- 60% of small businesses do not survive beyond 6 months post-attack

Data Breaches & Big Brands

- $13 MILLLION cost of damages caused by data breaches (not incl ransom payments)
- 3 BILLION Yahoo user accounts breached in the world's biggest yet hack
- 600 MILLION Facebook accounts had their data stolen after a data breach

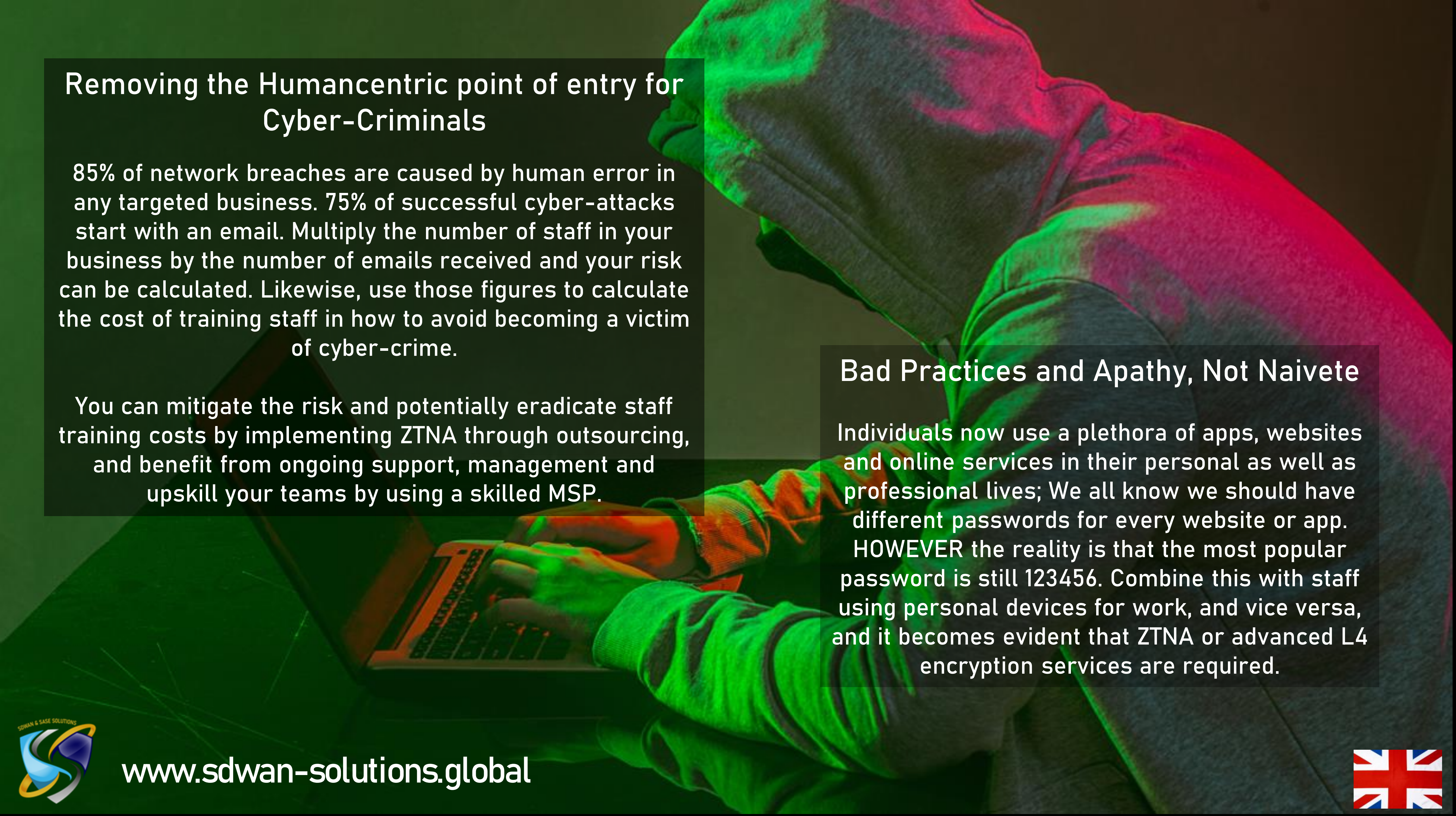
Global Growth

- Every 7 seconds an attack takes place 2023
- Every 14 seconds a ransomware attack happened in 2022
- 102% increase in ransomware in the last 18 months

USA Leads the Way!

- 50% of all cyber-crimes will be aimed at the USA by 2027
- USA seen as a soft target for next 5 years
- 300% increase in cyber-crime in last 2 years, FBI says
- $205.4 BILLION: the cost of cyber-crime in the US 2020
- $367.3 BILLION: anticipated cost of US cyber-crime by 2026
- 10%: the actual amount of cyber-crime that is reported in the USA

It should be noted that the USA is traditionally 18 months ahead of Europe in both cyber-attacks and cyber defence



Removing the Humancentric point of entry for Cyber-Criminals

85% of network breaches are caused by human error in any targeted business. 75% of successful cyber-attacks start with an email. Multiply the number of staff in your business by the number of emails received and your risk can be calculated. Likewise, use those figures to calculate the cost of training staff in how to avoid becoming a victim of cyber-crime.

You can mitigate the risk and potentially eradicate staff training costs by implementing ZTNA through outsourcing, and benefit from ongoing support, management and upskill your teams by using a skilled MSP.

Bad Practices and Apathy, Not Naivete

Individuals now use a plethora of apps, websites and online services in their personal as well as professional lives; We all know we should have different passwords for every website or app. HOWEVER the reality is that the most popular password is still 123456. Combine this with staff using personal devices for work, and vice versa, and it becomes evident that ZTNA or advanced L4 encryption services are required.

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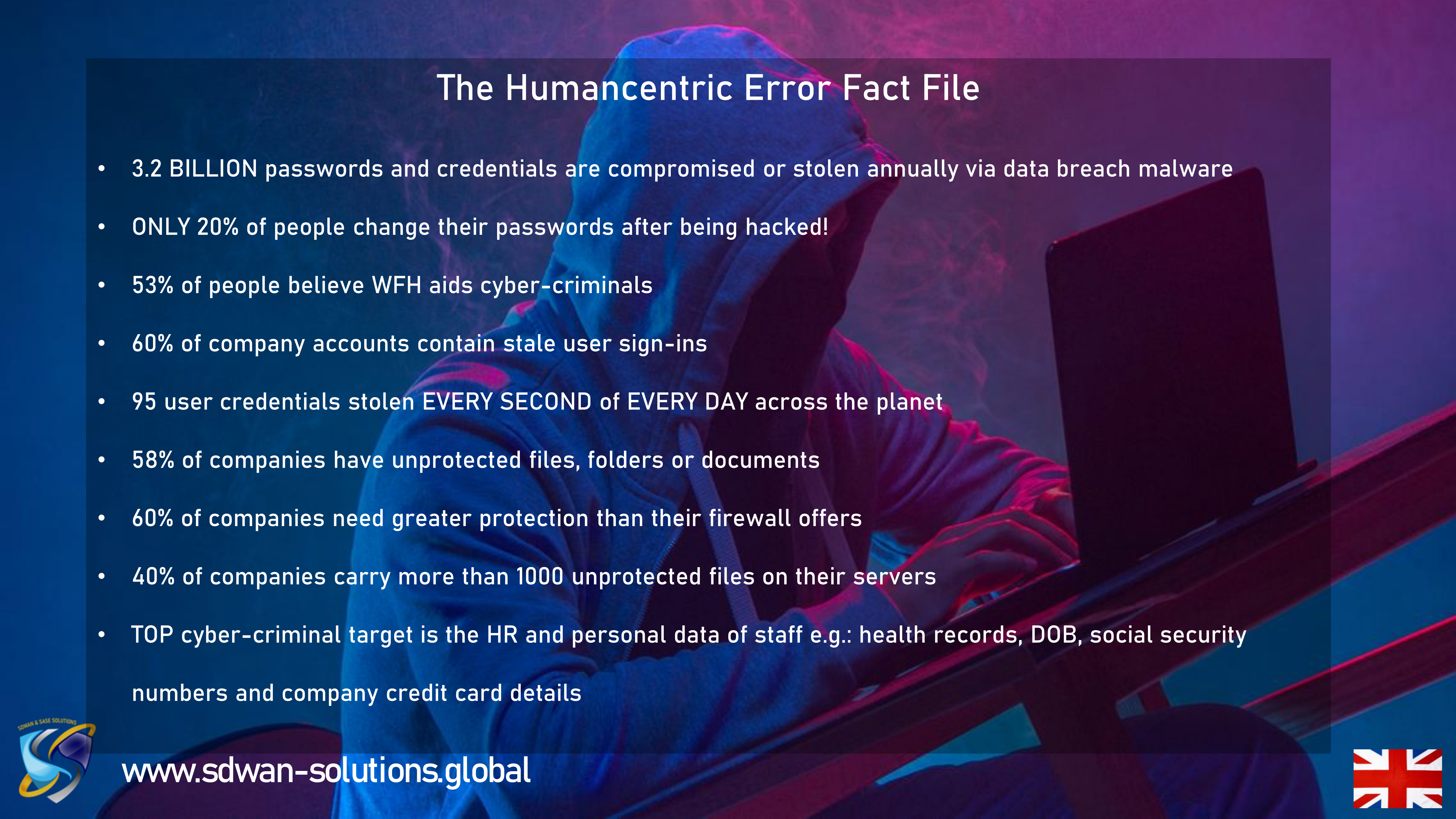

The Humancentric Error Fact File

- 3.2 BILLION passwords and credentials are compromised or stolen annually via data breach malware
- ONLY 20% of people change their passwords after being hacked!
- 53% of people believe WFH aids cyber-criminals
- 60% of company accounts contain stale user sign-ins
- 95 user credentials stolen EVERY SECOND of EVERY DAY across the planet
- 58% of companies have unprotected files, folders or documents
- 60% of companies need greater protection than their firewall offers
- 40% of companies carry more than 1000 unprotected files on their servers
- TOP cyber-criminal target is the HR and personal data of staff e.g.: health records, DOB, social security numbers and company credit card details

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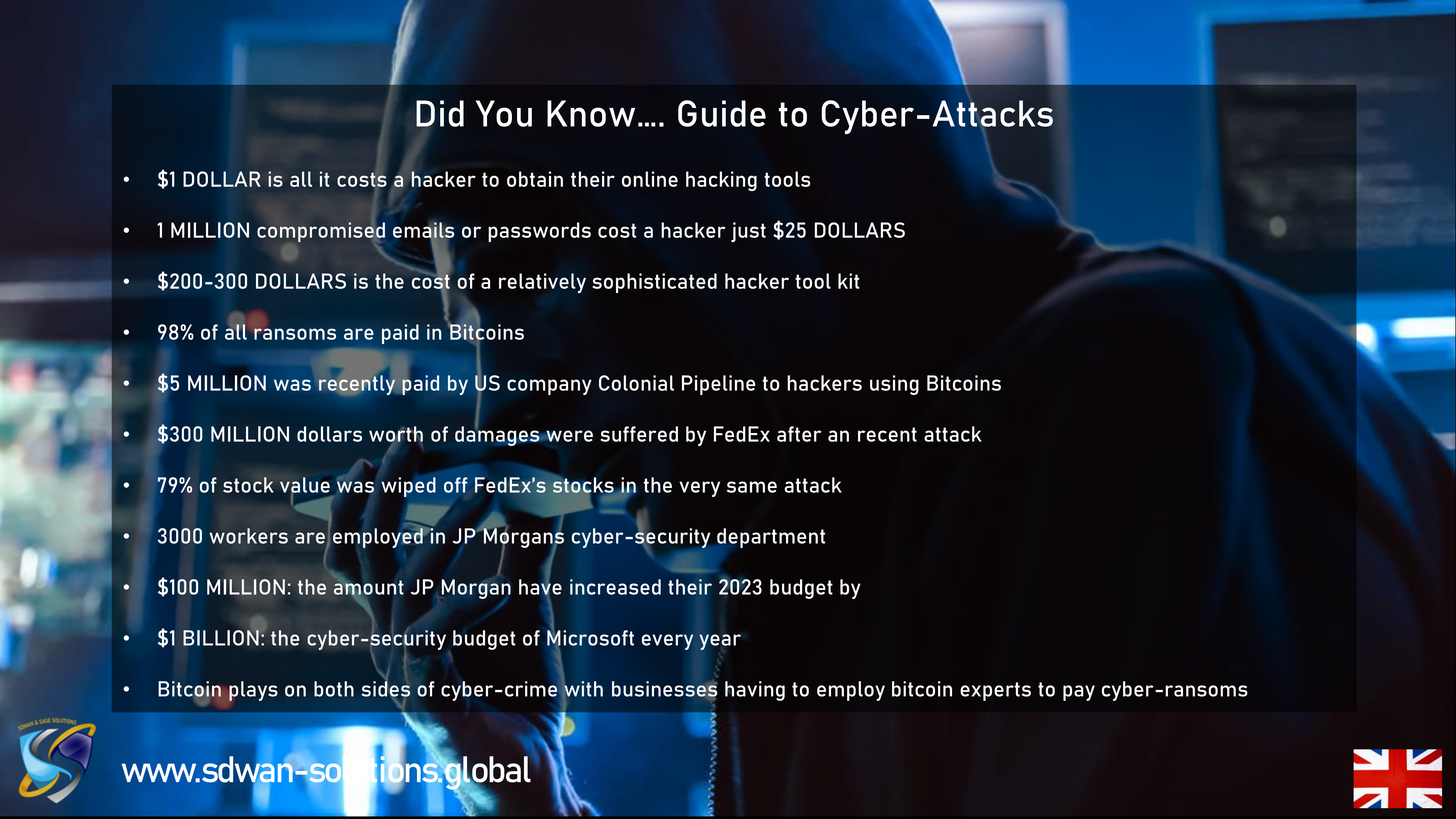

Did You Know…. Guide to Cyber-Attacks

- $1 DOLLAR is all it costs a hacker to obtain their online hacking tools
- 1 MILLION compromised emails or passwords cost a hacker just $25 DOLLARS
- $200-300 DOLLARS is the cost of a relatively sophisticated hacker tool kit
- 98% of all ransoms are paid in Bitcoins
- $5 MILLION was recently paid by US company Colonial Pipeline to hackers using Bitcoins
- $300 MILLION dollars worth of damages were suffered by FedEx after an recent attack
- 79% of stock value was wiped off FedEx's stocks in the very same attack
- 3000 workers are employed in JP Morgans cyber-security department
- $100 MILLION: the amount JP Morgan have increased their 2023 budget by
- $1 BILLION: the cyber-security budget of Microsoft every year
- Bitcoin plays on both sides of cyber-crime with businesses having to employ bitcoin experts to pay cyber-ransoms

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Cyber-Security Insurance Fact File

- $7.6 BILLION: the size of the global cyber-security insurance market in 2021
- $20.5 BILLION: the predicted size the cyber-security insurance market in 2027
- Only 27% of data breaches received insurance pay-outs
- 24% of all policies have exclusions that prevent full and partial pay-out
- 19% of organisations had cyber-security insurance in 2022 above $600K
- 55% of businesses claim to have cyber-security insurance, but look at the pay-our rates and caveats above!
- 33% of US companies have invested in cyber-security insurance
- 68% of businesses still have no cyber-security insurance
- 25% of business are planning to buy cyber-security insurance

SMEs the Big Claimers

- 99% of all insurance claims come from SMEs
- 13% of the cyber-security tech market is made up of SMEs
- SMEs rely more on insurance than protective tech tools – see stat above for proof!
- 10% of SMEs get attacked at least once per year
- 97% of SMEs have covered the initial COSTS of an attack yet….
- 40% have closed entirely within 6 months post-attack
- Cyber-attackers see SMEs as easy targets
- Cyber-attackers themselves are creating SMEs to deliver more specialised attacks on fellow SMEs
- SME's are the fastest growing target for cyber-criminals in 2023

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"We must challenge the past assumptions, methods and mindsets if cyber security practitioners are to be effective. A new partnership paradigm is required . The application of traditional methods and technology is no longer effective, and thus the call is for the industry to achieve the objectives of security, vigilance, and resilience in the design of their cyber security programmes. By applying a unified approach of integrating, sharing and automating, it is possible for the global community to effectively manage the risk of the cyber threat and stay one step ahead of the cyber criminals."

DELOITTE 2023

On Private and Public Cyber-Security Collaborations

"During the [Interpol] meeting, cybercrime operational data relating to live cases was shared between countries. Such information will help develop new actionable intelligence in order to reduce the global impact of cybercrime and protect communities for a safer world."

Craig Jones, Director of Cybercrime Directorate, INTERPOL

Other 2023 Key Trends: 1-10

1. ZTNA - Zero Trust Network Access security such as SASE

2. Machine Learning and AI-Based decision making technology – prepare for the luddites!

3. Secure WFA [Working From Anywhere) solutions up and running at a moment's notice

4. SD-WAN everywhere - intelligent networks that support all digital transformation & SASE

5. Consolidation and reducing complexity: Tech and IT departments seen as a cost-saving enabler

6. IT and tech budgets to increase as others are cut

7. Likewise with staffing, more tech staff required to speed cost savings and digital transformation

8. Tech MSPs are being used to upskill, fill staff needs and reduce staff training costs

9. Bridging the skills gap via an expert MSP

10. Digital twin everything from health care to infrastructure, construction to green initiatives

Other 2023 Key Trends: 11-20

11. 5G taking over from 4G across the planet

12. IoT continues into the Tens of Billions of devices and…..

13. Entire plants, facilities and factories go all IoT HOWEVER….

14. Securing of largely unsecured (98%) IoT devises should be a top priority

15. Manufacturing automation, Ai and IoT: entire facilities go automated

16. AIaaS – Active-learning-a-a-service – learning live & training whenever, wherever

17. More Metaverse – beyond fun and into the workplace

18. Web3 – next generation Internet enabling More Metaverse and Digital Transformation

19. Efficiency & Cost savings for all, all-over the place, in every department & team

20. Healthcare Tech Goes Mainstream with virtual surgeries, wards and even hospitals

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keeping you protected
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