Emerging Telecom Security Issues

Irwin Lazar, CISSP

President and Principal Analyst

Metrigy

metrigy

Agenda

01 Introductions

02 State of Enterprise Telecom Security

03 Key Go-Forward Challenges

04 Service Provider Opportunities

Introductions

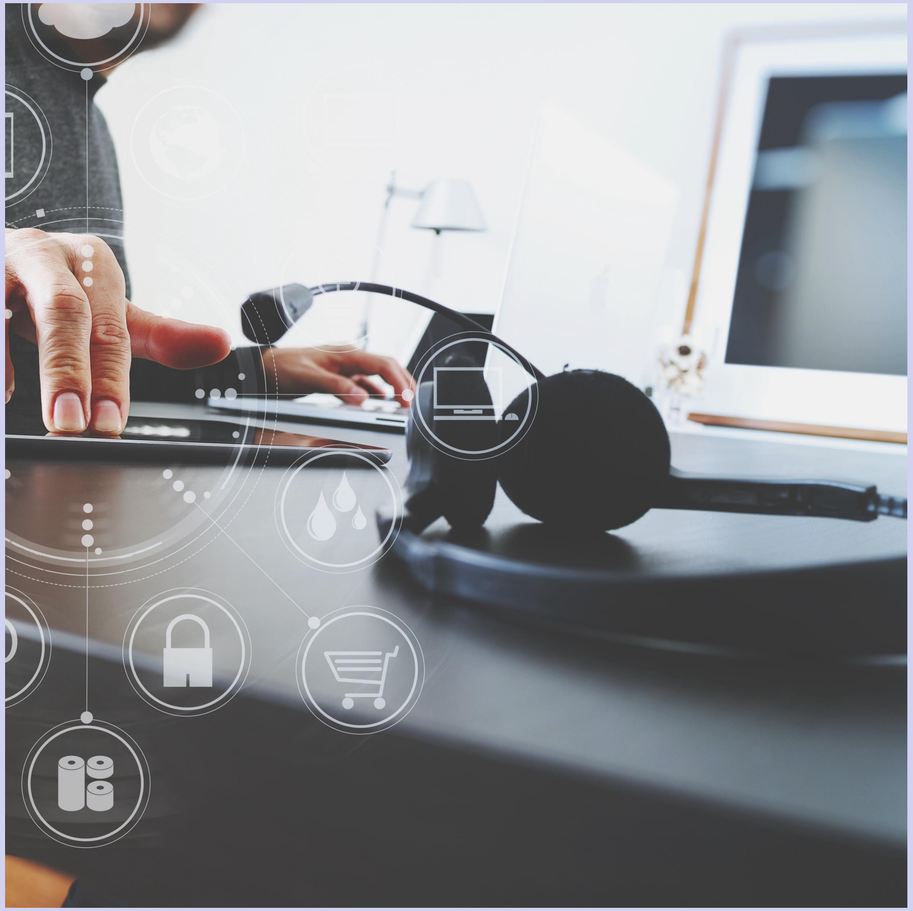
Irwin Lazar

President & Principal Analyst

About Me

- Analyst covering networking, telecommunications, and collaboration technologies since 1999
  - Currently focusing on security, compliance, AI, and the hybrid workplace
- Lead Metrigy's Workplace Collaboration research practice area
- Early VoIP / SIP customer (~2000, TalkingNets)
- Taught first SIP workshop in 2005
- Based in Virginia
- Scouting leader, baseball fan

metrigy



About Metrigy: Metrics + Strategy

Metrics-driven strategic guidance for employee and customer engagement leaders + technology providers

- Industry-leading research methodology
- Track success metrics of top-performing companies; correlate with technology adoption

Coverage areas

- Digital transformation/Digital workplace
- Workplace Collaboration and Unified Communications
- Customer Experience and Contact Center
- Employee Experience
- Artificial Intelligence and Analytics
- WC/CX Management, Compliance, and Security

Value

- Data-driven guidance for technology, vendor decisions
- Document characteristics of successful deployments
- Market analysis and buy-side forecasting
- Multimedia content creation based on primary research

Our reach

- 5K+ Research Participants
- 19K Webinar Followers
- 20K+ Twitter Followers, 14K+ LinkedIn Followers
- Where we're published - NoJitter, TechTarget
- Where we speak - Enterprise Connect, InfoComm, UCX London, ICMI

metrigy

About Our Study: Workplace Collaboration and Contact Center Security and Compliance: 2024-25

Participating Firms

338

Countries

8

Vertical Industries

24

Mean Employee Count

4,911

Mean Annual Revenue

$1.10 billion

Study conducted in 1Q-2024

State of Enterprise Telecom Security

Key Hypothesis

Companies that ignore communications security issues create several risks:

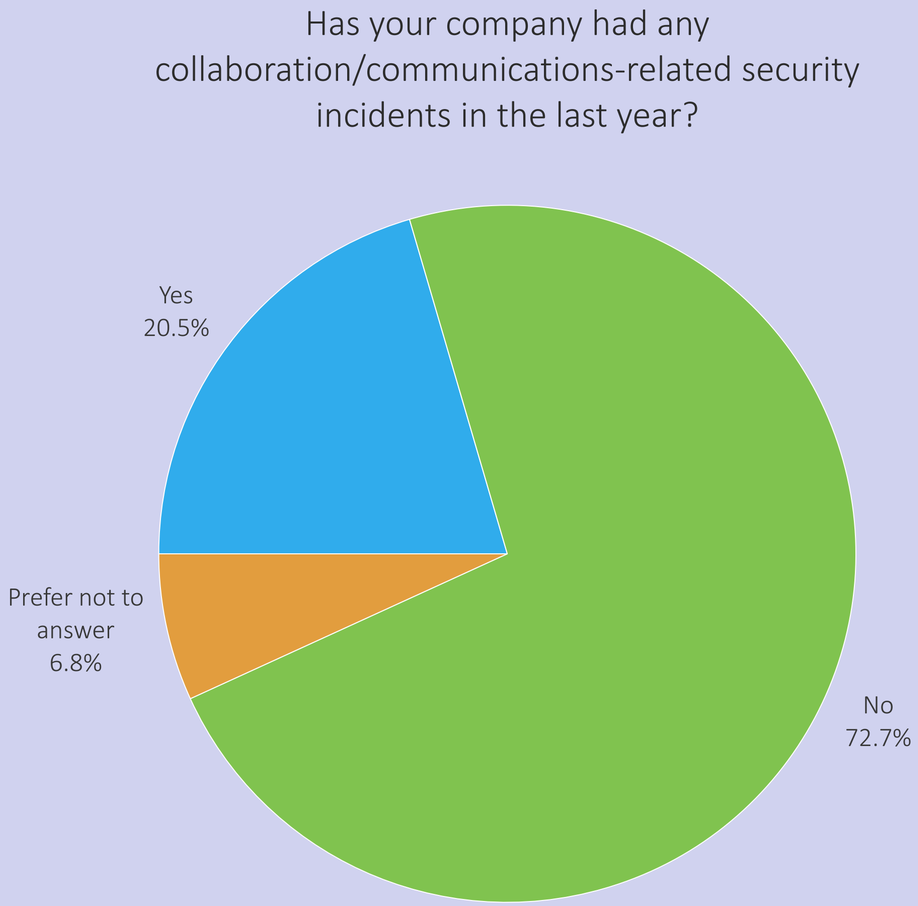
1. Potential data loss, reputational harm, negative business impact, etc. from improper app security
2. Incentivizing employees to go around IT and use their own apps to meet their needs
3. And ultimately, loss of productivity, reduced revenue, and higher operating costs due to an inability to take advantage of emerging technologies

We've seen this before; we're seeing it now….

Telecommunications fraud increased 12% in 2023 equating to an estimated $38.95 billion lost to fraud
Communications Fraud Control Association, November 13, 2023

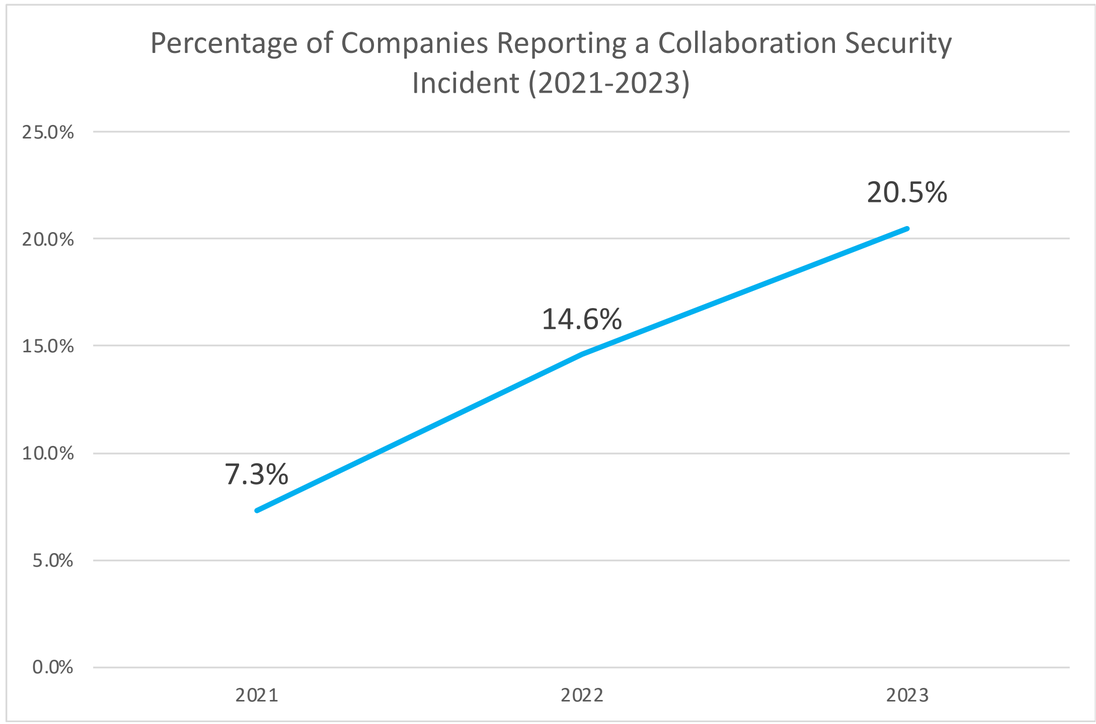
CFTC Orders TD Bank and Cowen to Pay Civil Monetary Penalties for Recordkeeping and Supervision Failures for Firm-Wide Use of Unapproved Communication Methods
CFTC, August 14, 2024

And yet, security, especially telecom security, isn't a high priority for most

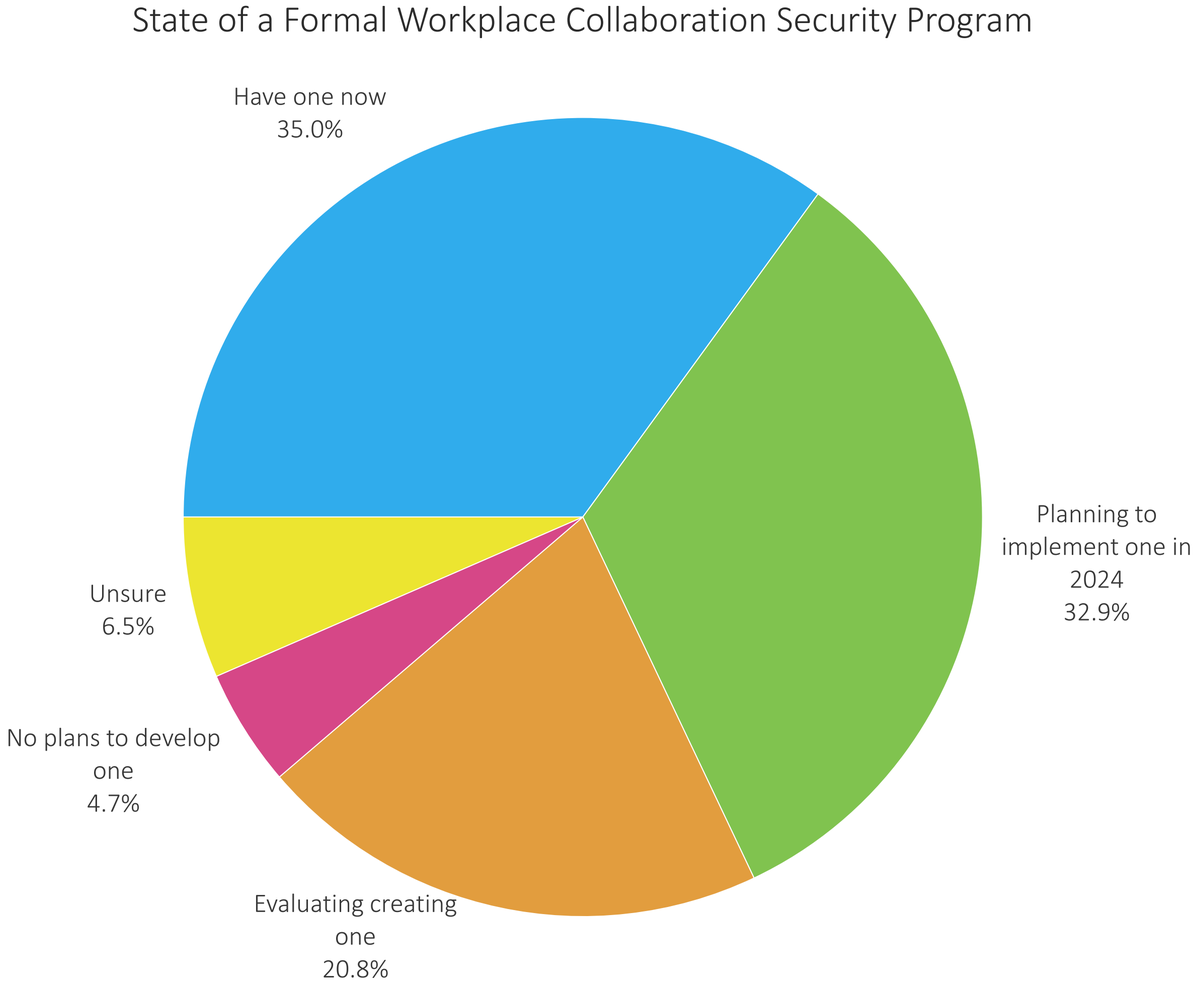


20.5% Had a Security Incident in 2023

- Incidents up almost **300%** since 2021



Just 35.0% Have a Formal Workplace Collaboration Security Program

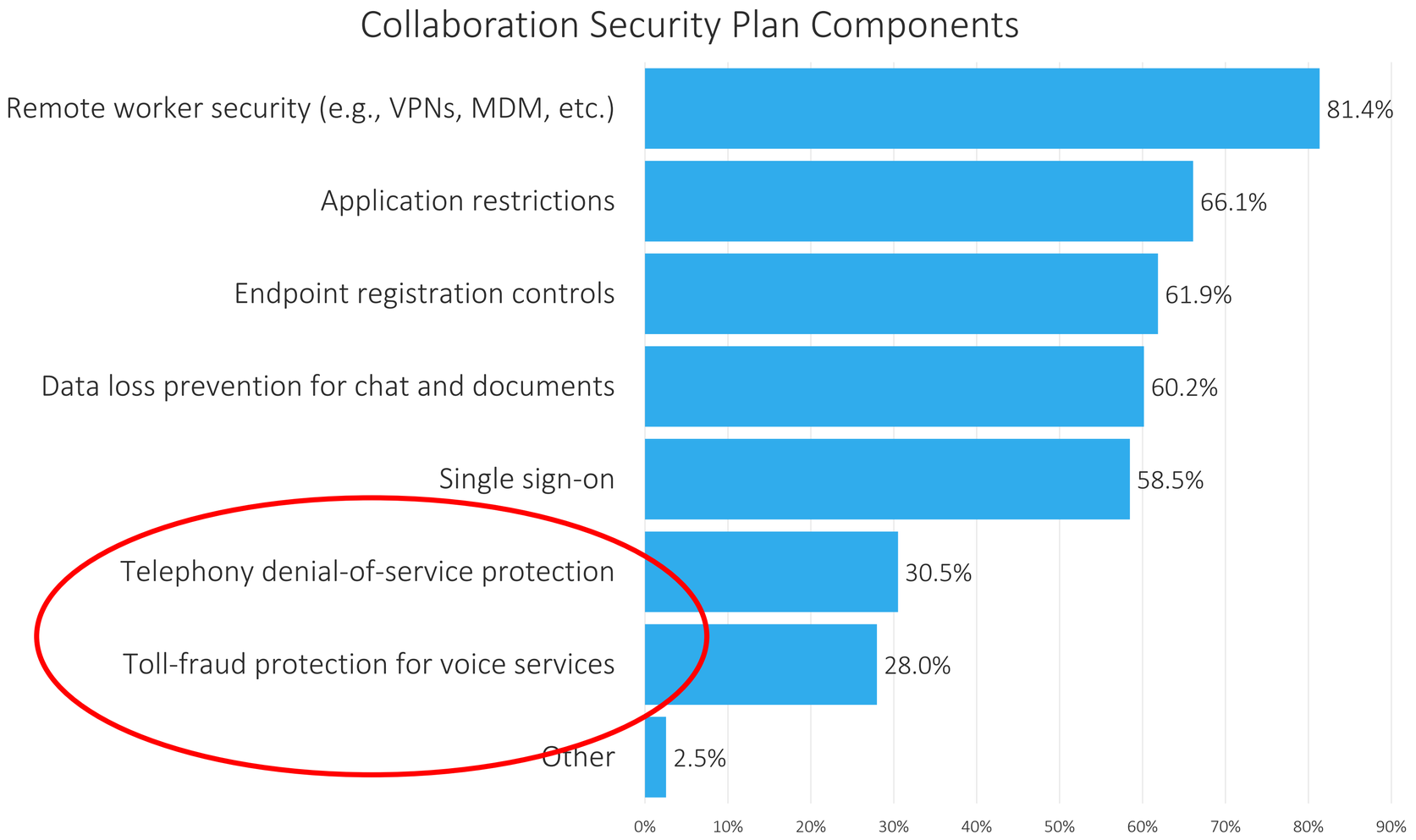


	Success Group	Non-Success Group
Have one now	38.6%	33.9%
Planning to implement one in 2024	38.6%	31.1%
Evaluating creating one	19.3%	21.3%
No plans to develop one	2.4%	5.5%
Unsure	1.2%	8.3%

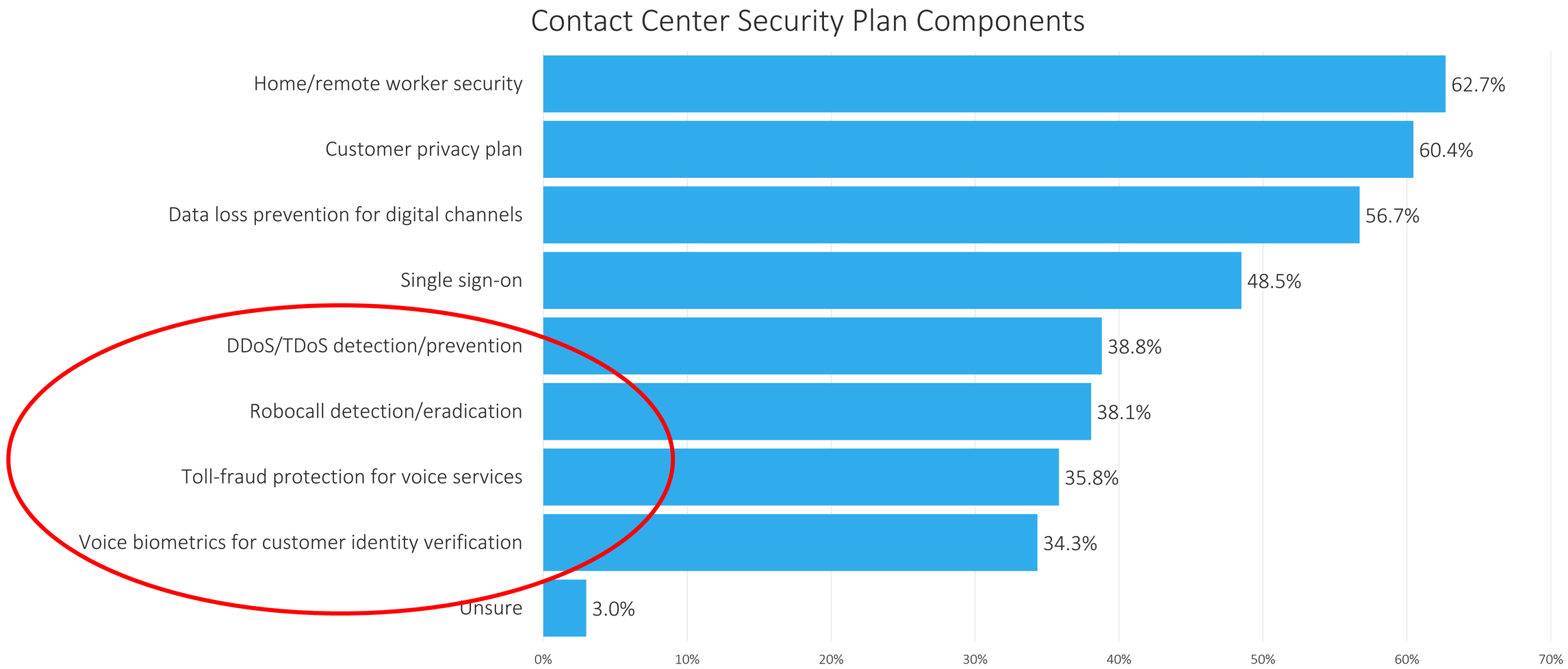
Success group more likely than non-success group to have a formal collaboration security program or be planning to have one by the end of 2024

Approximately 39% have a contact center security plan

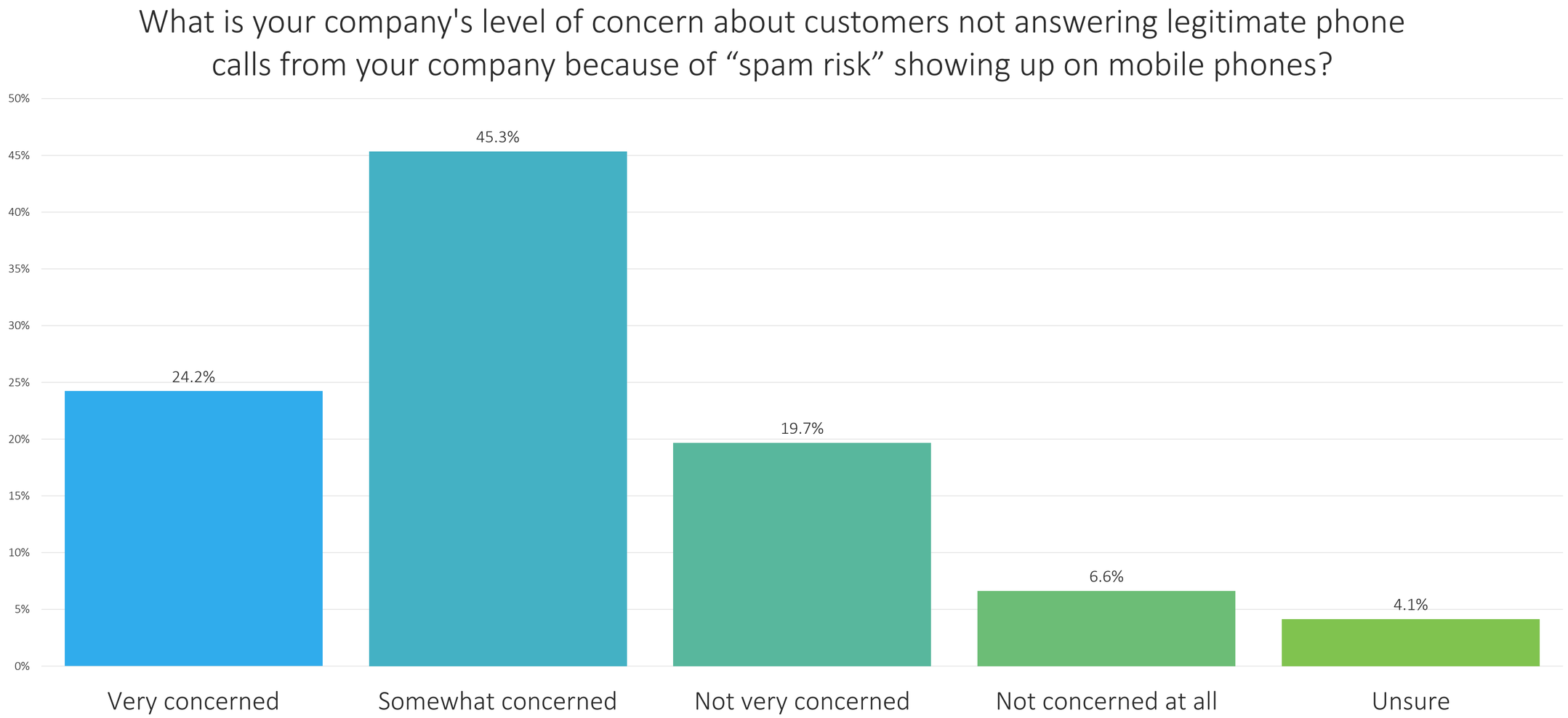
Voice Security Low on the List of Security Plan Components



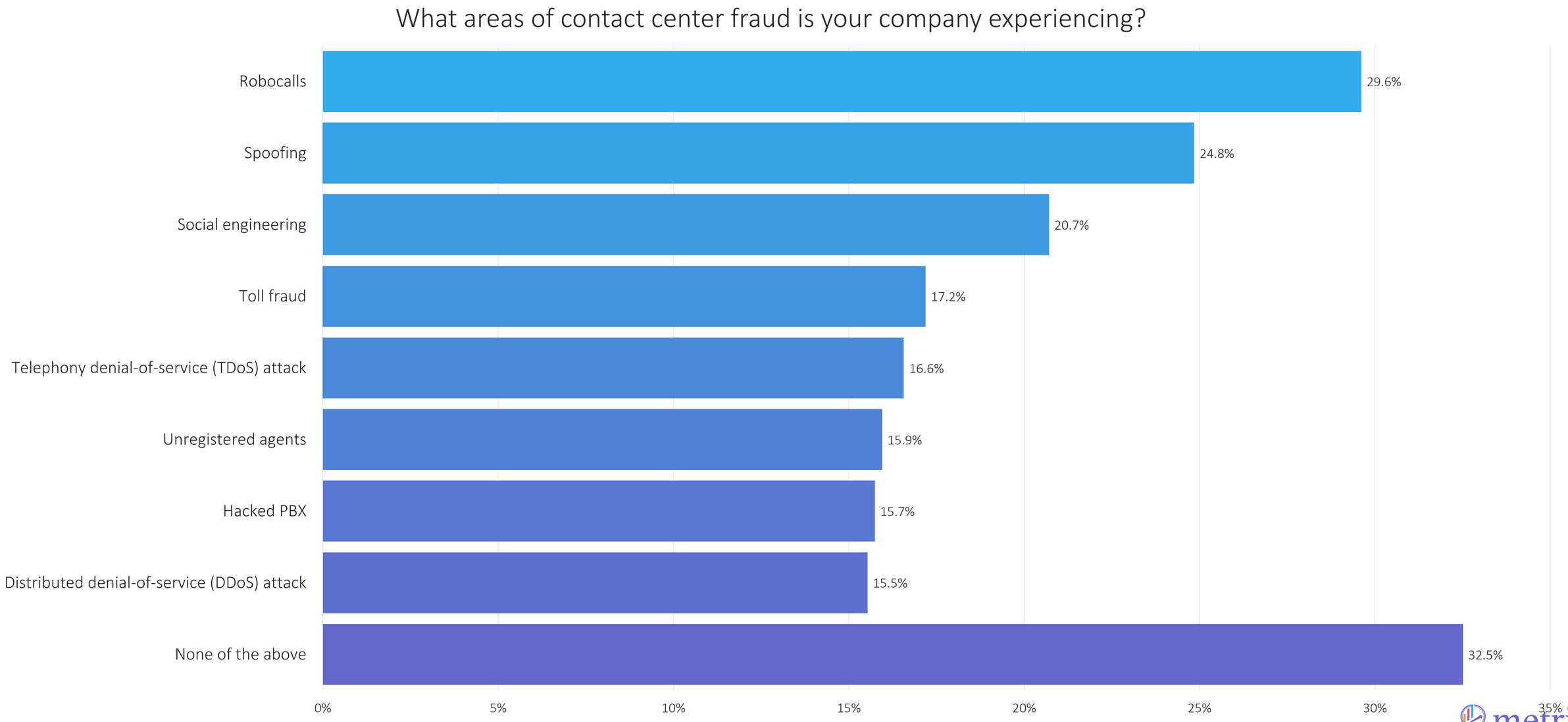
Voice Also Low on Contact Center Security Plan Component List

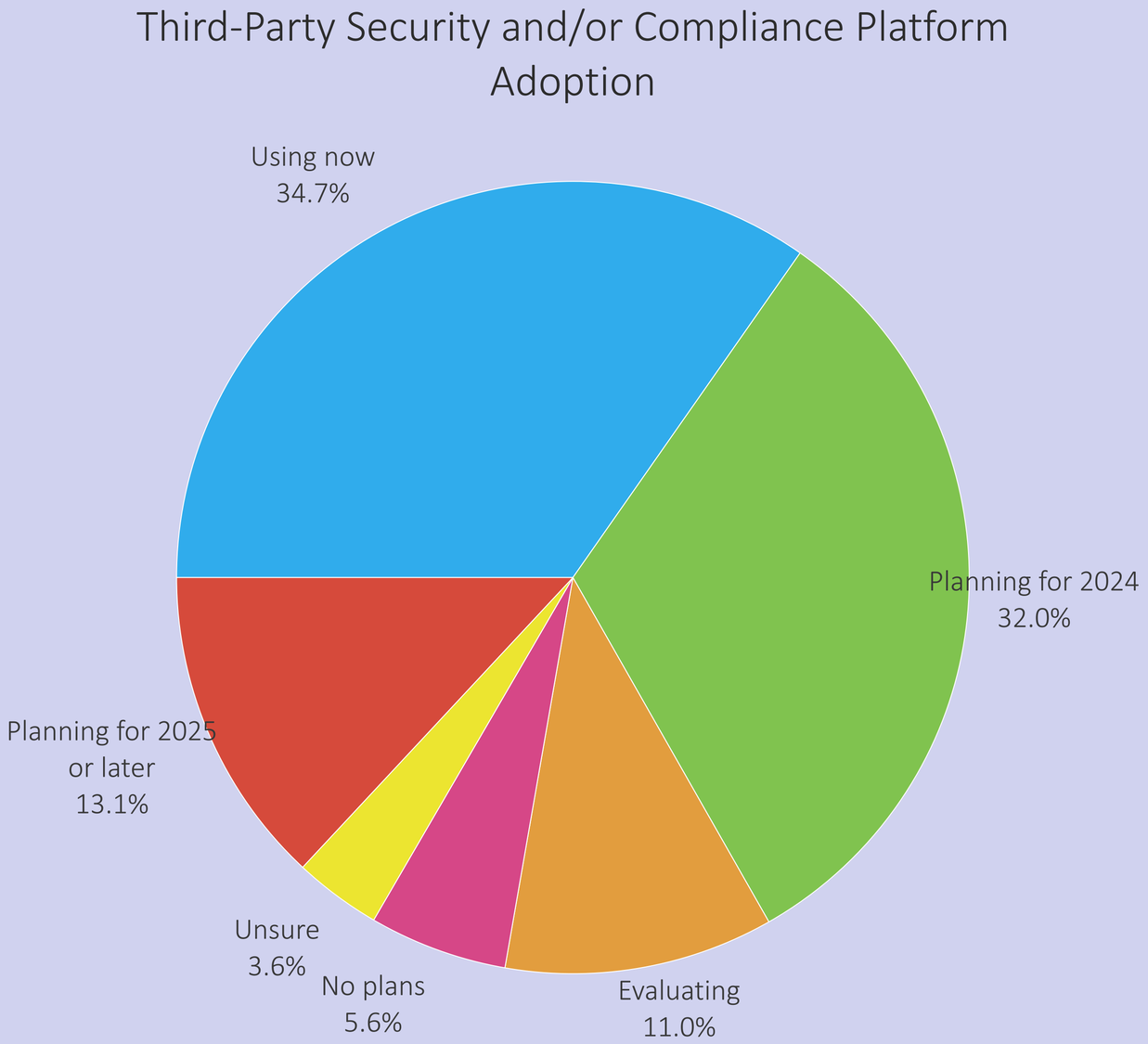


Most Are Concerned About Calls Mistaken as Spam



Robocalls, Spoofing Top Areas of Fraud in Contact Center





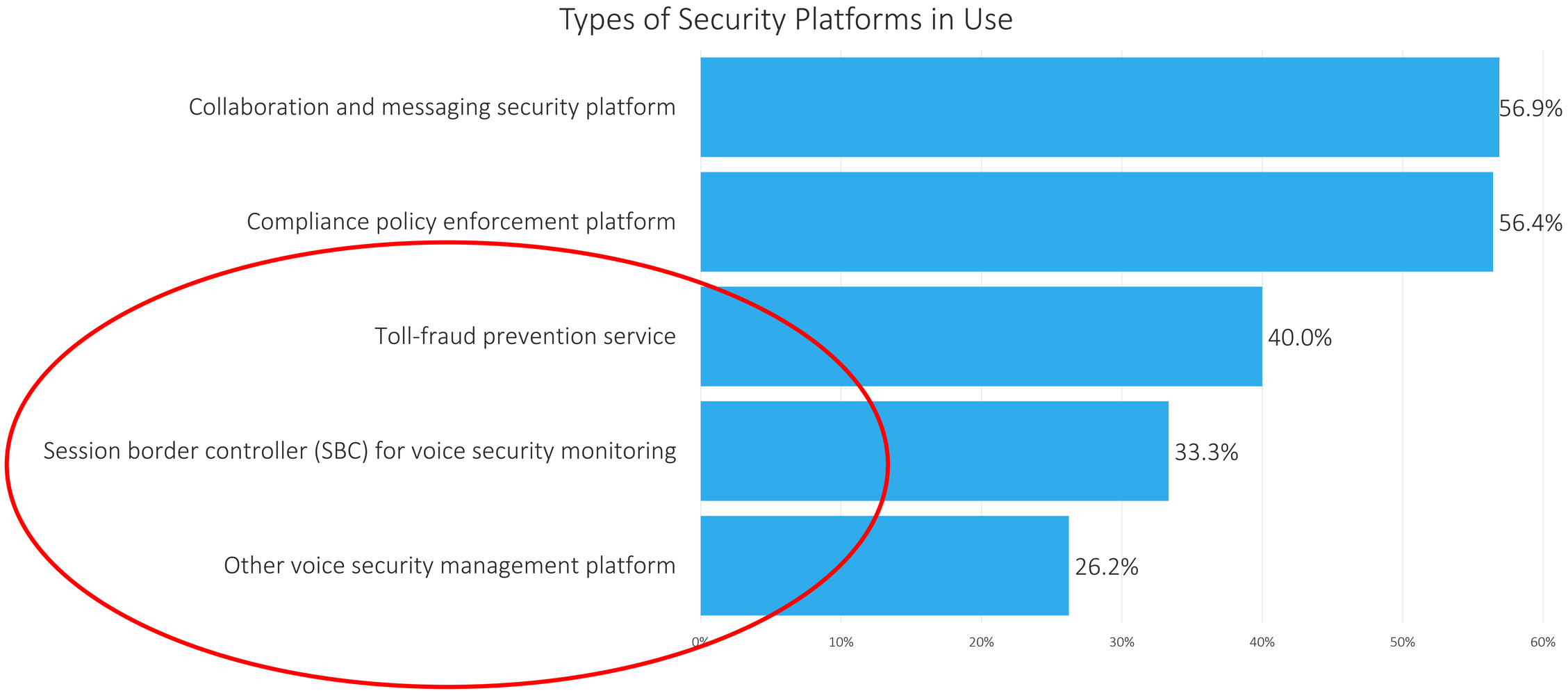
Just 34.7% Use a Third-Party Compliance and/or Security Platform

- Third-party security platforms provide a centralized means of enforcing security policies across a variety of apps
- May support unified incident response
- Enable abstraction layer above all communications applications

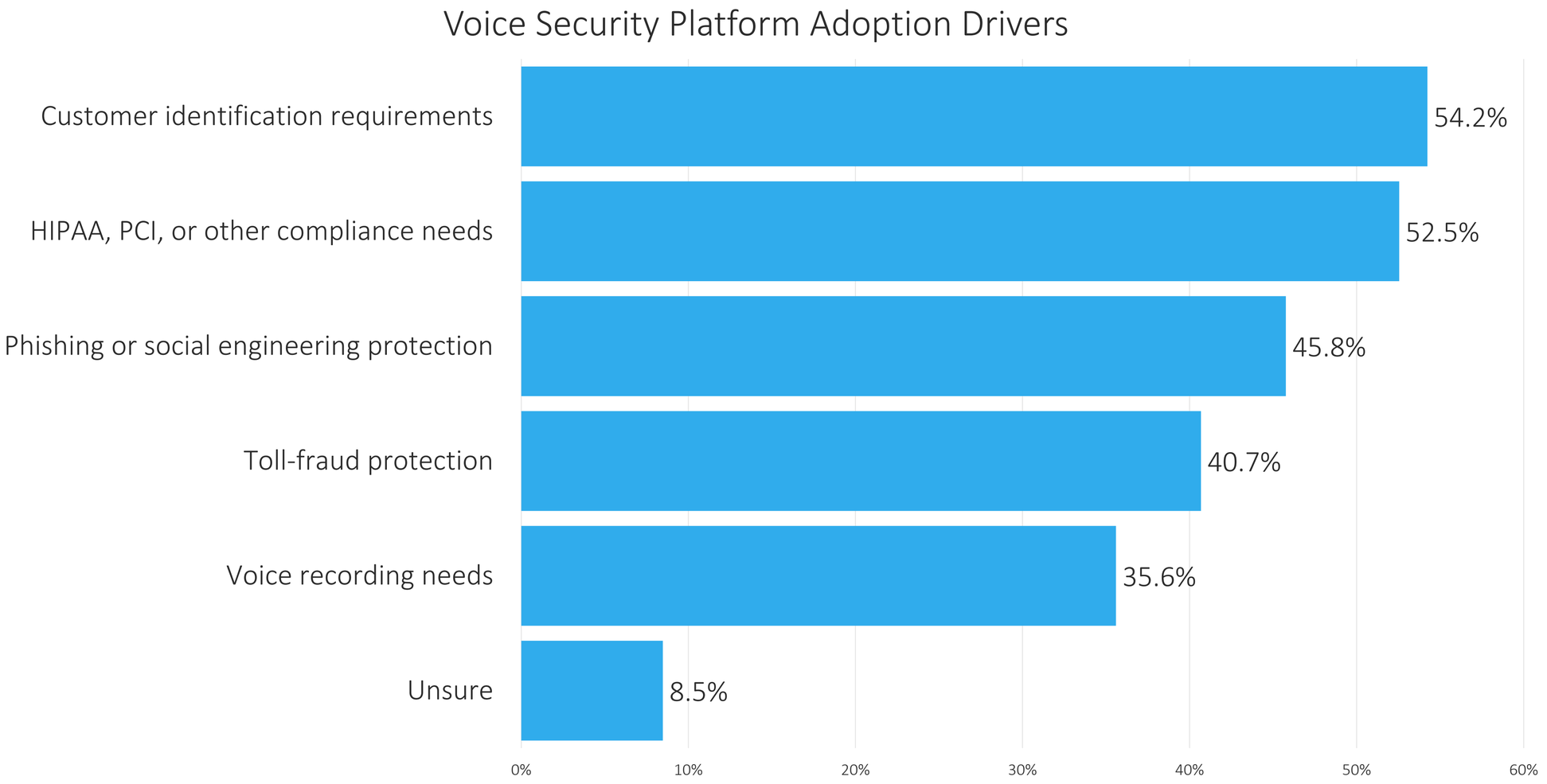
42.2% of the success group uses a third-party security and compliance platform versus just 32.3% of the non-success group

metrigy

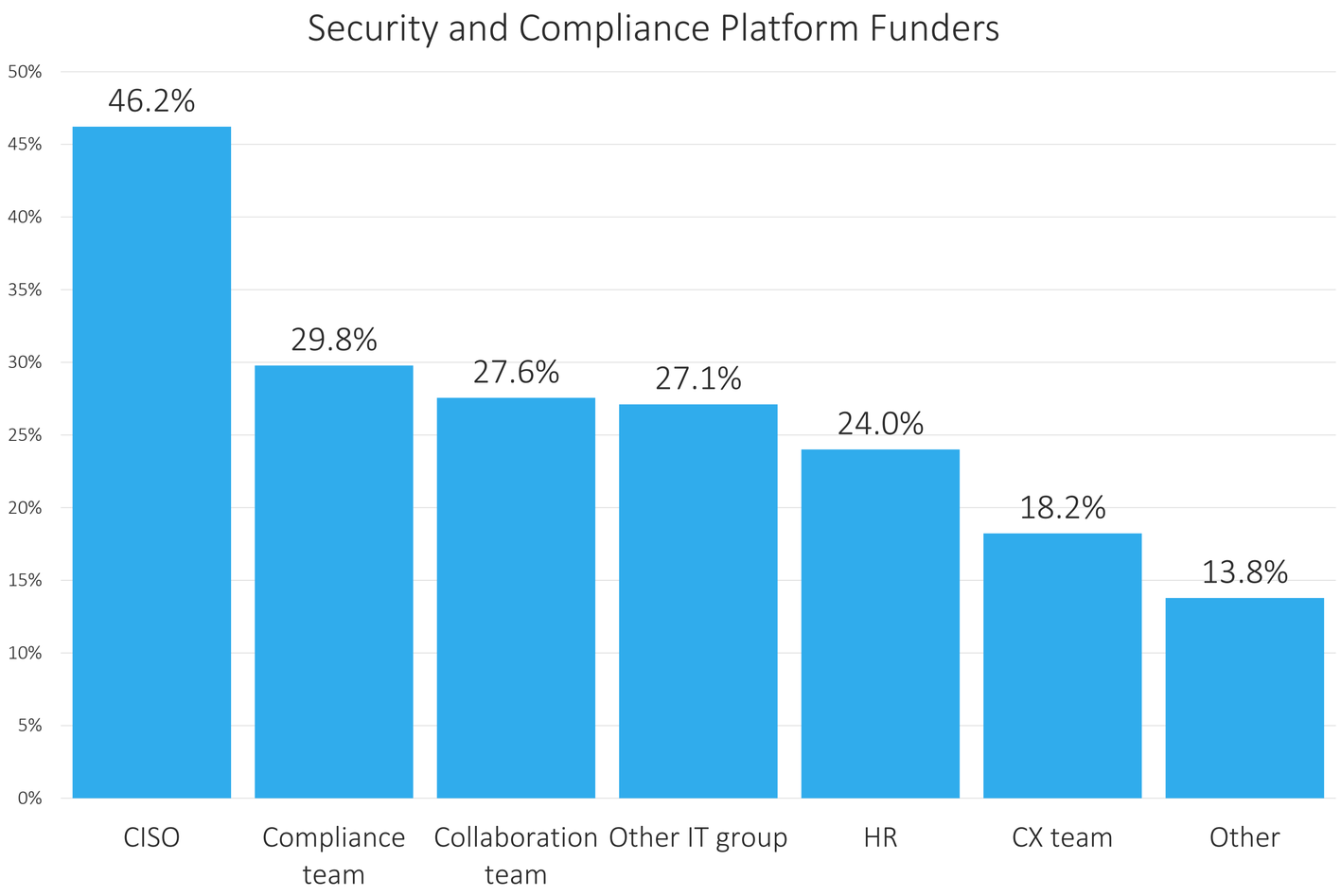
Collaboration Security and Compliance Enforcement Platforms Most Widely Deployed



Identifying Customers, Compliance Primary Voice Security Platform Adoption Drivers



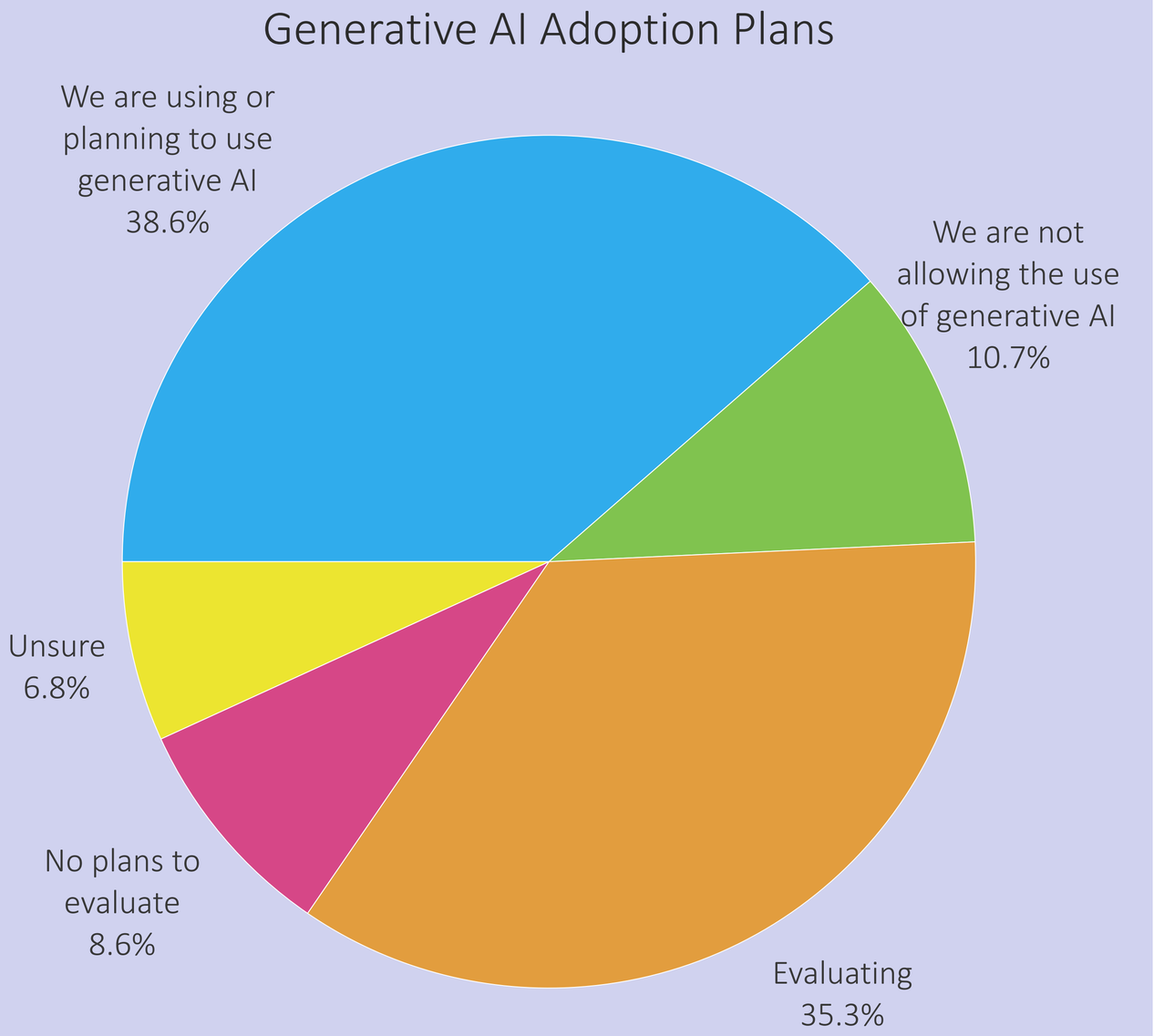
CISO Primary Funder of Security and Compliance Platforms



	Success Group	Non-Success Group
CISO	54.8%	42.9%
Compliance team	30.6%	29.4%
Collaboration team	32.3%	25.8%
CX team	14.5%	19.6%
HR	29.0%	22.1%
Other IT group	25.8%	27.6%
Other	12.9%	14.1%

CISO more often involved as security platform funder among success group compared to non-success group

Key Go-Forward Challenges



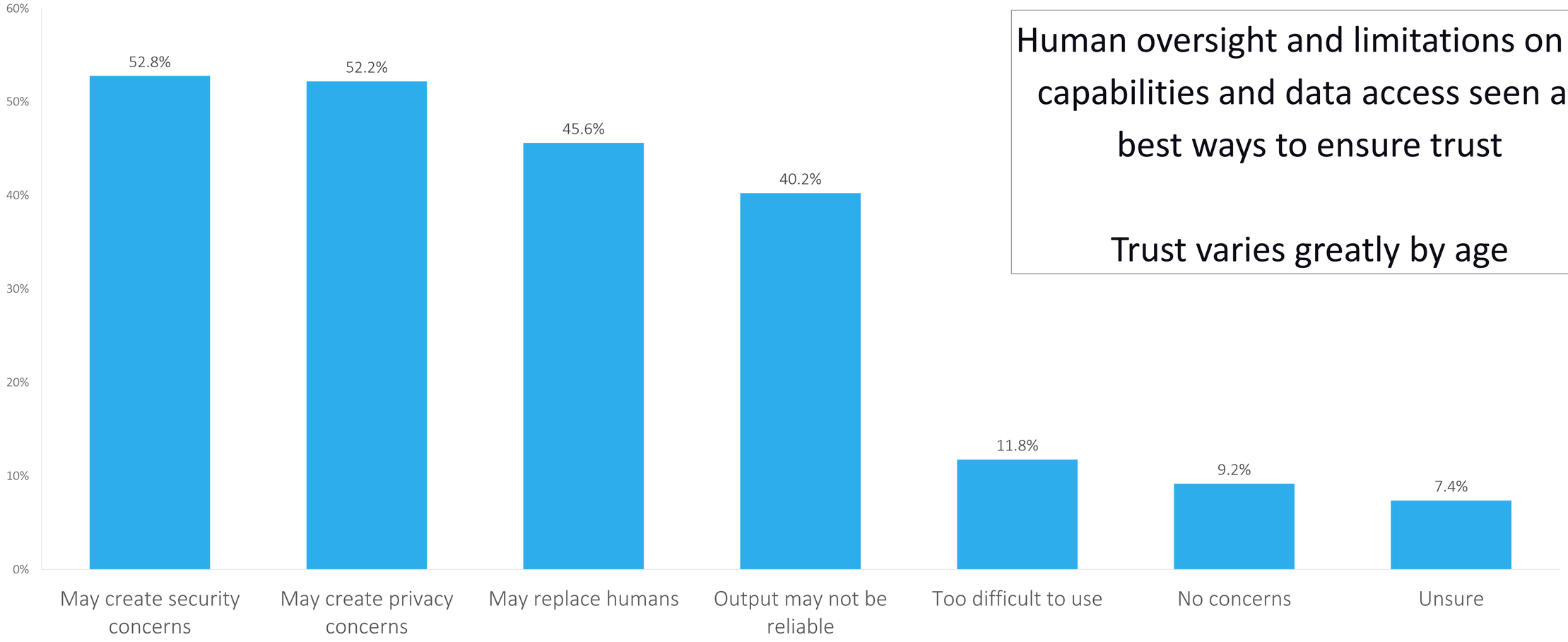
Almost 39% Using or Planning to Use Generative AI

- AI creates new threats, but also new opportunities to mitigate threats
- AI adoption higher among success group

	Success Group	Non-Success Group
We are using or planning to use generative AI	54.2%	33.5%
We are not allowing the use of generative AI	10.8%	10.6%
Evaluating	27.7%	37.8%
No plans to evaluate	6.0%	9.4%
Unsure	1.2%	8.7%

metrigy

Security, Privacy Top End-user Concerns

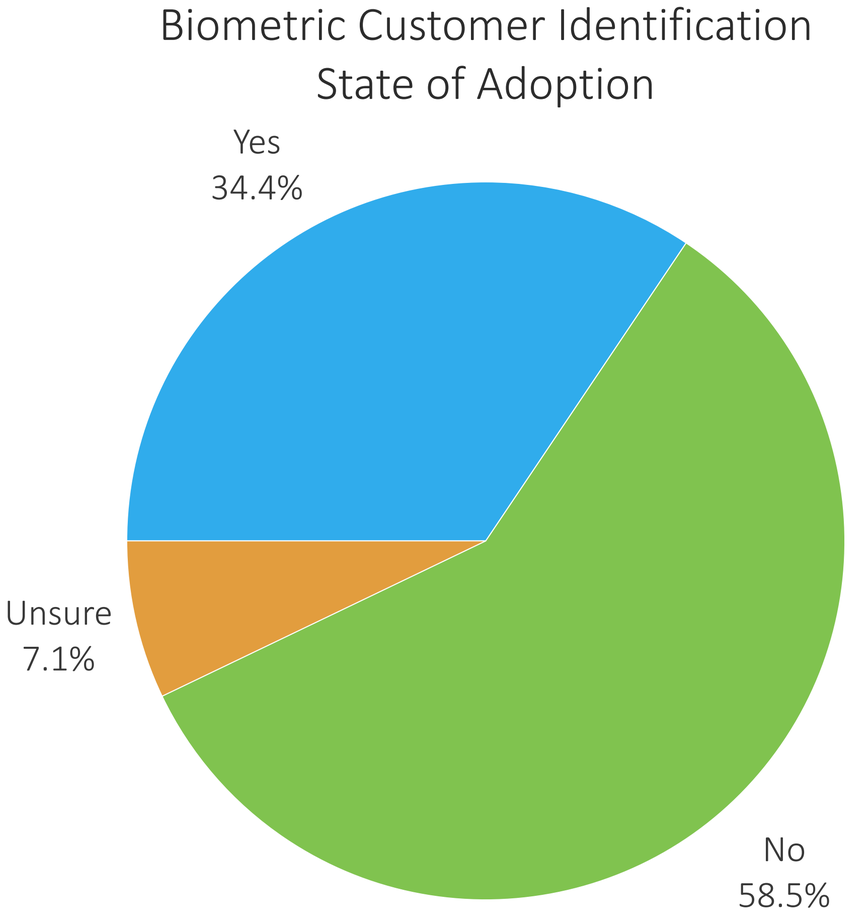


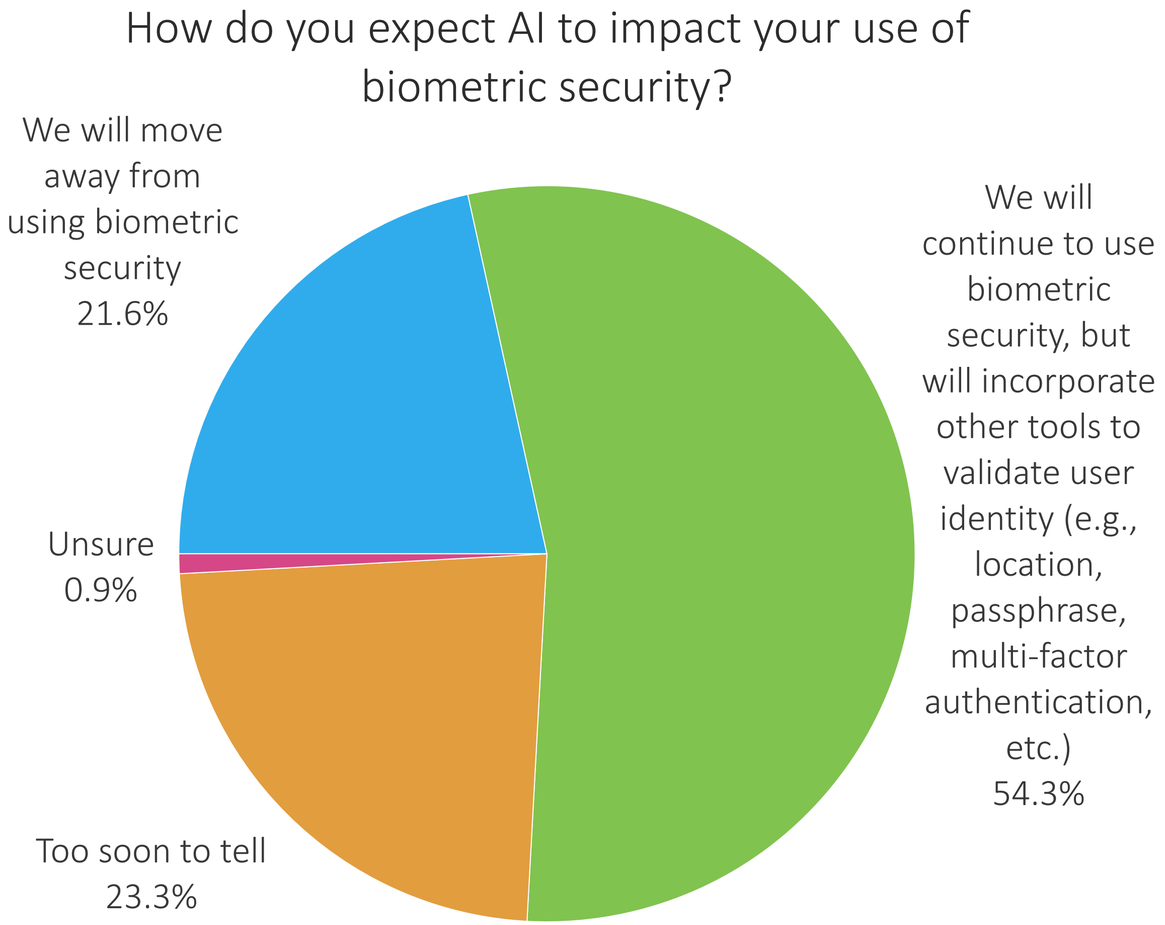
Human oversight and limitations on AI capabilities and data access seen as best ways to ensure trust

Trust varies greatly by age

Metrigy Customer Experience Optimization: 2023-24 - Consumer Perspective, North America

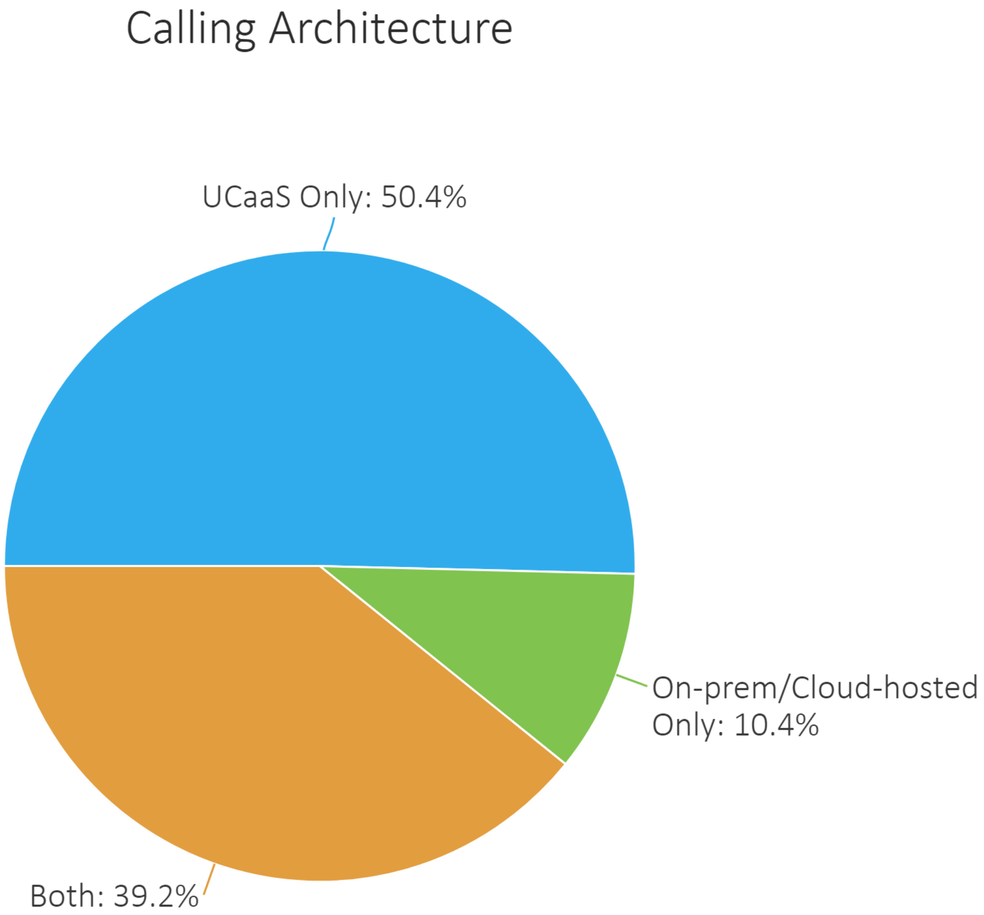
AI Driving Investments in New User / Customer Identification Approaches





Biometric security in the age of AI: AI-generated voice and video create the potential to enable highly sophisticated impersonation attacks

Cloud Hitting Critical Mass, But Long Way to Go



Roughly 40% planning to move to cloud

Primary Drivers for Cloud Migration:

- Obtain AI capabilities
- Obtain richer integrations
- Eliminate self-management / spare part inventory
- Integrate UC and Contact Center
- Reduce CapEx and OpEx
- Increase analytics capabilities

Metrigy Workplace Collaboration MetriCast Market Forecast: 2024, 998 companies, global

Service Provider Opportunities

Key Service Provider Opportunities

- Continue to educate customers on growing risks of telecom fraud
  - Monetary loss, reputational harm, business impact
- Deliver innovative new solutions, especially for customer identification, voice spam and phishing, and customer identification
  - Consider emerging API-based technologies for user location validation and device checks
- Guide customers through mitigation implementation
- Implement customer lifecycle management to assist customers with journey to cloud and beyond
- Focus on supporting the needs of the CISO

Thank you!