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BUSINESS EXECUTIVE FUNDAMENTALS: HOW TO BEAT THE MBAS AT THEIR OWN GAME

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Agenda

- Understanding your investors
- Aligning to your management team
- Identifying other stakeholders
- Building your InfoSec practice to align with the business
Today’s Goals

Understand Public Market Dynamics

How these dynamics drive business leaders and MBAs

How to best apply what you learned today for you and your organization
Understanding Public Market Dynamics

- Stock Market
- Owners of the Company / Investors
- Role of Analysts

Next Steps:
- Look up the owners of your company (Yahoo Finance or SEC.gov)
- Understand the make up of your investors
Understanding Roles:
CEO/ Members of the Board

Number 1 Responsibility

Decision Makers

Communicators

Concerns
- Growth and Margins
- Peers

Similarity to you
Ratios and Multiples

• What are Ratios or Multiples?
• The factors that drive stock price
  • Valuation
• Why do competition and comparables matter

Resources:
• Investopedia.com: Wikipedia of investment

Next Steps:
• Review your competitor list (Yahoo Finance or company’s annual report (10K))
Growth (and Repeatability)

• Stock Price/Investment
  • Priced based on the future performance
• Repeatability
• Things that drive P/E (Not all the earnings are the same)
  o Earnings Quality
  o Gross Margin
  o Profit Margin

Next Steps:
If you can’t pull data for your company, look at your competitors

Terminology:
• P/E: price earning
• Gross Margin (GR): gross profit / revenue
• Profit Margin: profit / revenue
Understanding the Financial Statement

- Revenue
- Gross Profit
  - Revenue-COGS
- Net Profit
  - Revenue-All Costs
- Net Profit Margin
  - Net Profit/Revenue

Next Steps:
What area does your cybersecurity budget fall under?

Terminology:
- Gross profit: revenue - COGS
- COGS: cost of getting revenue
How to use what you learned?

- Find out how investors see your company
- Understand what metrics investors are looking for in your company
  - Identify, adopt and align metrics
  - Qualitative metrics
  - Understand your peer's metrics
- Understand their lingo

Next Steps:
- Identify company’s goals:
  - Growth
  - Margin-focused
  - Revenue-focused
- Align your cybersecurity program metrics with company metrics
Thank you!

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