

Benchmarking Privacy Management and Investments of the Fortune 1000

Report on Findings from 2014 Research

iapp



Benchmarking Privacy Management and Investments of the Fortune 1000

Over the summer of 2014, the IAPP embarked on the first of what will be an annual effort to research and benchmark the privacy programs of the Fortune 1000. In partnership with third-party research firm Fondulas Strategic Research, we queried roughly 275 privacy leads at Fortune 1000 companies, all of them large, private, for-profit firms operating from a base in the United States, and got a 23-percent response rate, providing us with one of the most comprehensive samples of corporate privacy leaders ever assembled.

The big-picture findings: Based on our analysis, we estimate that in total **the Fortune 1000 spends roughly \$2.4 billion on managing privacy** (taking our average budget number and expanding to the full sample size), a number we're referring to as the **Privacy Industry Index**. Fortune 1000 companies sampled spend an approximate average of \$76 per employee on privacy, or \$204 per \$1 million in revenue.

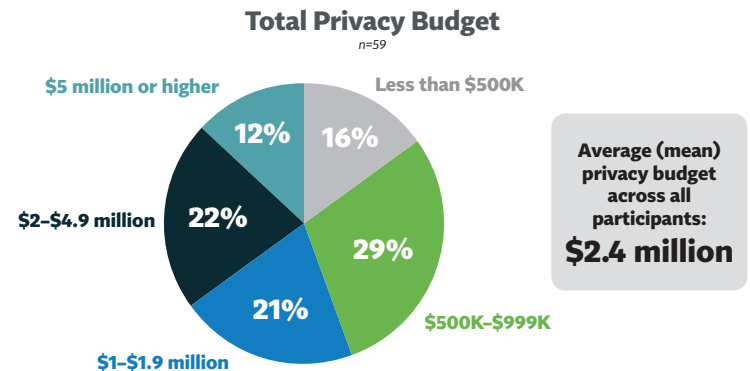
While there's considerable variation in the Fortune 1000, understanding how these top companies manage privacy provides important insight into the current state of corporate privacy in the United States. The smallest company does about \$2.5 billion in revenue. The largest, Wal-Mart, does almost \$500 billion, about 200 times those smallest firms. At the same time, these are all large companies. No start-ups or SMEs here.

In the report that follows this executive summary you will find benchmarking information grouped in four major categories:

People and staffing: We document the demographics of the privacy lead and his or her staff, including both full-time privacy staff and those employees who lend only part of their time to the privacy team.

Organization structure: How is the privacy team situated within the organization, over what do privacy staff have oversight and with whom are they working on a daily basis?

Budget: We discover the average privacy budget per company (\$2.4 million), and then break down that number by maturity of the program, vertical market, number of employees and annual revenue. Further, we break out the pieces of the budget to establish what these organizations are spending their money on.



Priorities: Which areas of responsibility are seen as most important? Which areas of the organization would privacy professionals like more insight into and influence over?

With this, we hope to offer privacy professionals throughout both the Fortune 1000 and the world at large a way to evaluate their own programs and to advocate for the budget, tools and relationships they need to accomplish the daunting task of overseeing privacy in an ever-changing technological landscape with seemingly endless layers of regulations to comply with, cultural sentiments to accommodate and consumer expectations to satisfy.

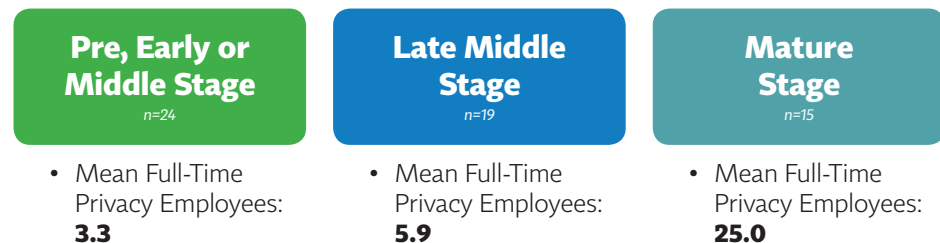
Surely, every reader will find different aspects of the findings interesting, but we offer three major takeaways:

A clear maturity curve is forming.

We asked the respondents to characterize their own programs on a spectrum from “pre-stage” all the way to “mature stage.” Perhaps it’s not surprising that there are stark differences between early- and mature-stage programs. Those who called themselves pre, early, or middle stage reported an average of 3.3 full-time employees, while the 26 percent of firms in the mature stage reported an average of 25 full-time employees. Further, those who reported themselves “mature” have an average budget of \$4 million annually, a full 67 percent higher than the average spend.

Mature programs differ greatly from their counterparts in early stage. They report different responsibilities, different priorities and different resources. For example, all mature-stage programs are tasked with training staff and creating privacy policies, along with the procedures and governance necessary to implement them. They are also much more likely to monitor their programs themselves. More than half of the mature-program respondents go so far as to purchase privacy-enhancing technology and tools. They engage with outside consultants for privacy assessments and manage government affairs matters in a way that other firms do not.

It is also interesting to note the priorities of early-stage programs. Firms that are just standing up their privacy programs are initially much more focused on protecting their brand and reputation in the marketplace (29 percent vs. 14 percent of mature programs). They aren’t as worried about compliance with the law as with meeting the will of their customers.



Privacy is becoming a core market differentiator (just note Apple's new privacy features or Facebook's redoubled privacy efforts), both a way to distinguish oneself and a way to run afoul of consumer sentiment if not handled correctly. Mature programs have a clear edge in staffing and program sophistication and have realigned priorities to take advantage of the privacy sophistication that's been instilled in the organization.

Privacy is hiring. A lot.

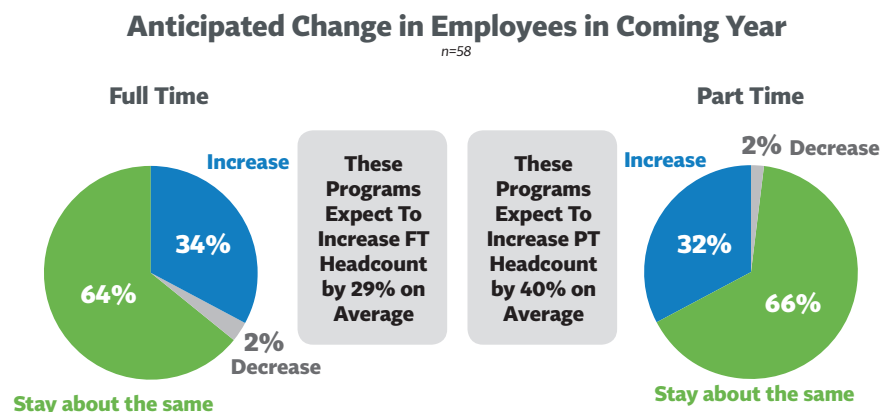
Many of the programs headed up by respondents are already moving up the curve.

Thirty-three percent of the companies reported an intention to hire more full- and part-time employees in the coming year. The increase in full-time (29 percent) employees is less than the stated intended increase for part-time employees (40 percent), implying that, as privacy programs mature, more of the work is done outside of the core privacy team and inside other organizational departments.

Extrapolating the average headcounts out to the full Fortune 1000, then multiplying by the expected average increases, **this translates to a projected increase of 950 full-time privacy professionals over the next year, with another 2,200 professionals with privacy as a part of their responsibilities.**

Similarly, 38 percent of respondents said they would likely increase their privacy budget in the next year. Moreover, the expected budget increase for those who intend to grow is substantial: an average estimate of 34 percent. Only 10 percent of respondents expected budget contraction.

Based on current spending levels and project spending from respondents, we therefore predict privacy spending to approach \$3 billion in 2015.



Privacy Leaders are working tightly with IT and infosecurity professionals. Ethics is next.

Privacy leaders expressed comfort with their influence over regulatory compliance in their organizations. These results are similar to those in previous surveys. It may be surprising, however, that a solid majority of respondents report satisfaction with the influence they have over IT (64 percent) and infosecurity (61 percent) operations. Just a small portion of respondents stated that they would like either a great deal or some more influence over those areas.

Further, infosecurity colleagues are the peers with which privacy leads work most closely (93 percent), followed by the legal team (89 percent) and the information technology team (79 percent).

With data ethics and research protocols becoming a hot topic in the press and at conferences around the world, it’s not surprising to see ethics begin to creep up the priority list. Thirty-two percent of privacy leads are satisfied with their influence over corporate ethics, with 14 percent identifying that as an area in which they’d like more influence, eclipsed only by the marketing arena and equaled by sales. And 39 percent of privacy leads said it’s “very important” to work closely with the corporate ethics team, just a tick below the 43 percent who feel it’s very important to work with the marketing team.

Internal Budget: Leader Has Responsibility

	PRE, EARLY OR MIDDLE STAGE <small>n=20</small>	LATE MIDDLE STAGE <small>n=17</small>	MATURE STAGE <small>n=11</small>
Privacy-specific or enhancing software	25%	35%	55%
Privacy-related investigations	70%	59%	55%
Privacy-related legal counsel (internal)	50%	65%	55%
General overhead and admin related to privacy	45%	47%	45%
Incident response	50%	82%	45%
Privacy audits	50%	24%	36%
Redress and consumer outreach	45%	47%	36%
Data inventory and mapping	45%	35%	27%
Privacy-related vendor management	50%	47%	27%

Conclusion

Clearly, privacy is still a nascent profession.

The steep growth in the IAPP’s membership numbers – from 10,000 members in 2012 to a projected 20,000 at the end of 2014 – demonstrates the growing recognition in the marketplace for the importance of sound data governance practices. Yet, a majority of respondents, 59 percent, reported having established their company’s privacy program themselves. This implies that the privacy industry can expect to experience dramatic growth.

As more companies move up the clearly solidifying privacy maturity curve in the near future, we expect to see a rapid expansion in investment and attention to privacy among the Fortune 1000.

Topics

- 1 Background and Method**
- 2 Overview of Key Findings
- 3 Profile of the Privacy Leader
- 4 Privacy Program Status Quo
- 5 The Budget and Its Components
- 6 Areas of Responsibility
- 7 Priorities According to Professionals



Research Objectives



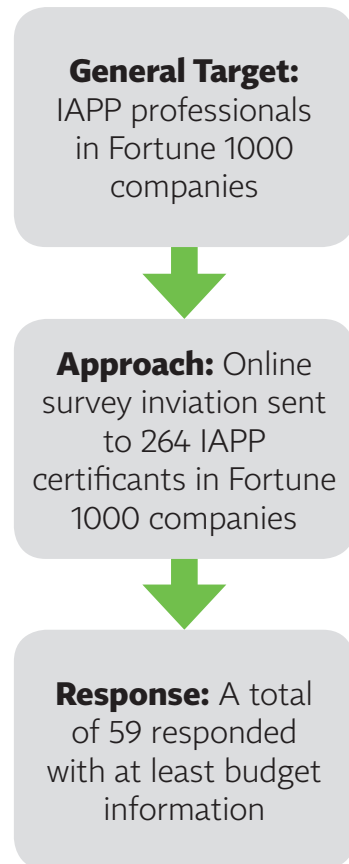
The overarching goal of this research was to provide benchmark data that can be tracked going forward—benchmark data on Fortune 1000 companies for:

Privacy program detail—including how long the program has been in place, how often it's updated, the different parts of the organization it touches, the number of employees involved in implementing or monitoring the program, etc.

Privacy program spending—current spending, how spending has changed over time and how spending is expected to change in the future.

Privacy Leader influence—exploring what aspects of the company's business the leader has input into, the nature of that input (recommendations or requirements) and the aspects the leader feels he or she should have input into but doesn't.

Method



The survey averaged 15-20 minutes in length and asked for a variety of detailed information on privacy budgets and responsibilities.

Although a sample size of 59 offers results with a reasonable degree of statistical reliability, some questions were answered by fewer respondents than the entire sample. As such, some results should be considered directional rather than statistically conclusive.

IMPORTANT NOTE: 32% of participants said the budget figures they entered are for the part of their corporation that they are responsible for (as opposed to the entire corporation). Thus, when reviewing these results, one must keep in mind that in some cases, the “firm” reported on is going to be a subsidiary or specific organization within the larger corporation.

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Overview of Key Findings

Profile of Privacy Leaders

The average privacy leader in Fortune 1000 companies is in his/her **40s** and is **well compensated** (more than half over \$200K).

- The average tenure as a privacy leader in one's current company is **just 3.5 years**. And while most were at least involved in creating their current privacy program, about 1 in 5 inherited the program from a prior regime.
- What's more, **one-third** say their jobs entail more than just privacy.

Privacy Program Status Quo

Most privacy leaders are **evenly distributed** across middle-stage, late-middle and mature privacy programs—with mature programs **often dramatically different** in their budget, staffing levels and priorities.

- Wide variations exist in the number of employees dedicated to privacy in these firms, although the average number of **full-time employees is 9.8**.
- Privacy leaders are much more likely to say they'll **increase staff than decrease** (33% vs. 3%) in the coming year.

Budget and Its Components

As with staffing, privacy budgets vary widely across these companies, although the average budget is **\$2.4 million**, of which 80% is internal. Also, privacy budgets tend to average approximately **\$76 per employee**.

- **Salary** for privacy staff is by far the largest internal privacy expenditure; **outside counsel** is by far the largest external expenditure.
- Also consistent with staffing, nearly 40% of privacy leaders **expect to increase their budget in the coming year (by an average of 34%)**.

Overview of Key Findings

Areas of Responsibility

For internal budgets, privacy leaders have the most influence in **seven areas**: developing policies, training for staff, communications, training for rest of corporation, publications, travel and certifications.

- They're less responsible for **seven internal areas**, most notably audits, data inventory and technology.
- External areas with the greatest privacy professional involvement tend to be the same areas with the highest spending, including **outside counsel and outside consultant**.

The areas at least tangentially related to privacy where professionals feel they (1) have little involvement now, but (2) would like more involvement, include: **corporate ethics, marketing and sales**.

Priorities

Regulatory and legal compliance is seen, by far, as the the highest priority area for a privacy program—and those in the mature stage see this as almost their **exclusive focus**.

- In addition, privacy professionals point to three organizations within their corporation where collaboration with privacy is most important: **information security, legal and IT**.

Topics

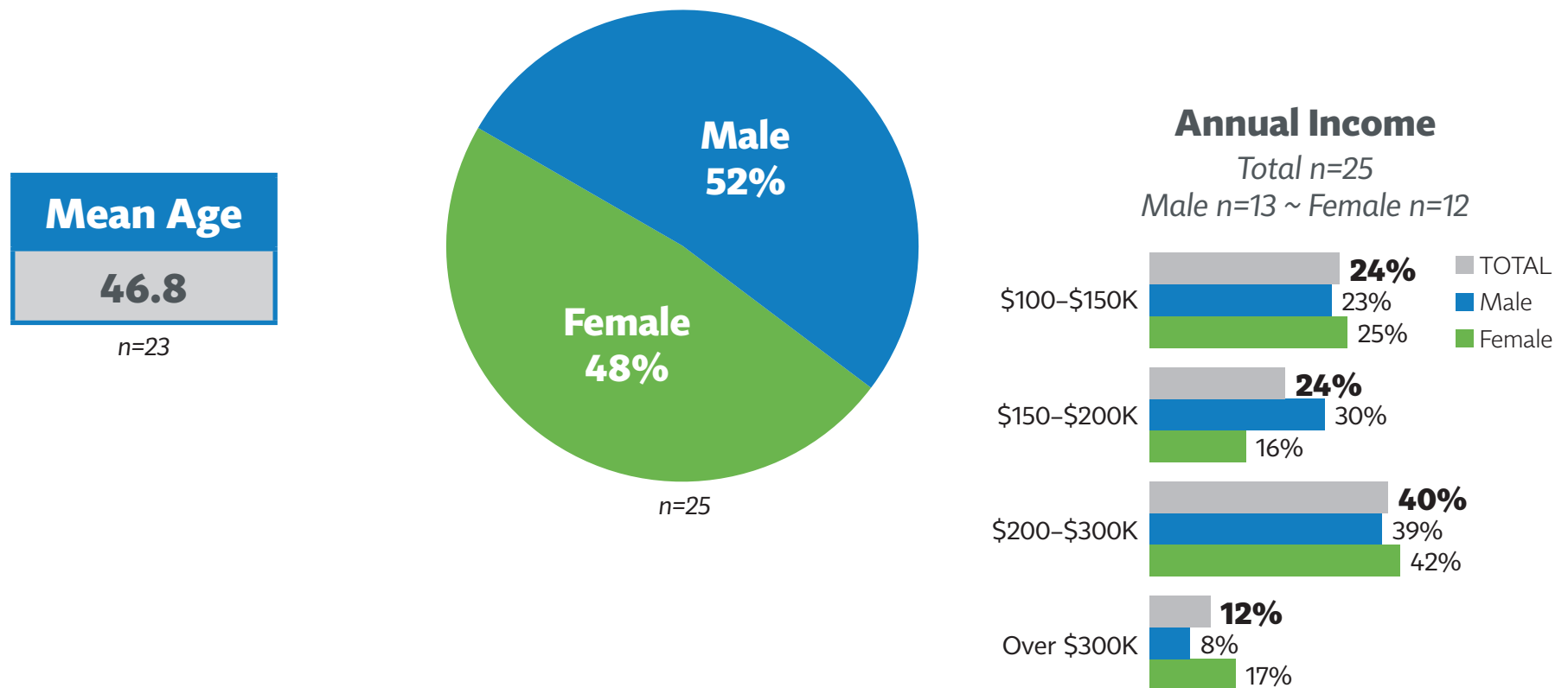
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The typical privacy leader in Fortune 1000 companies is in his/her 40s and highly compensated

- In addition, the group is nearly equally divided by gender

Demographics of Privacy Leaders



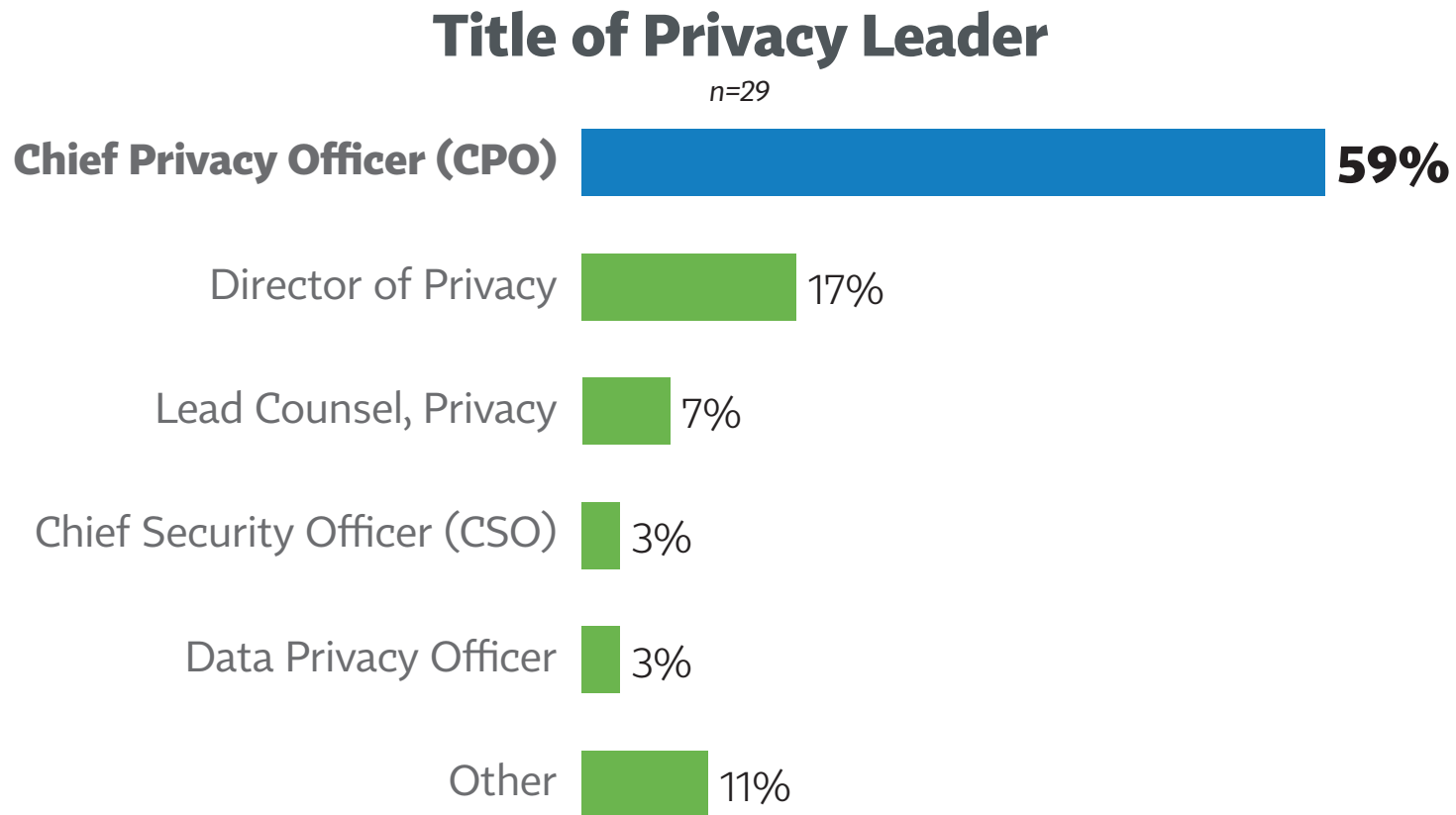
D18: What is your age?

D17: Are you...?

D19: Your current annual salary (base pay) expressed in U.S. dollars is:

In addition, most of these privacy leaders have the title *Chief Privacy Officer*

- *Director of Privacy* is a distant second



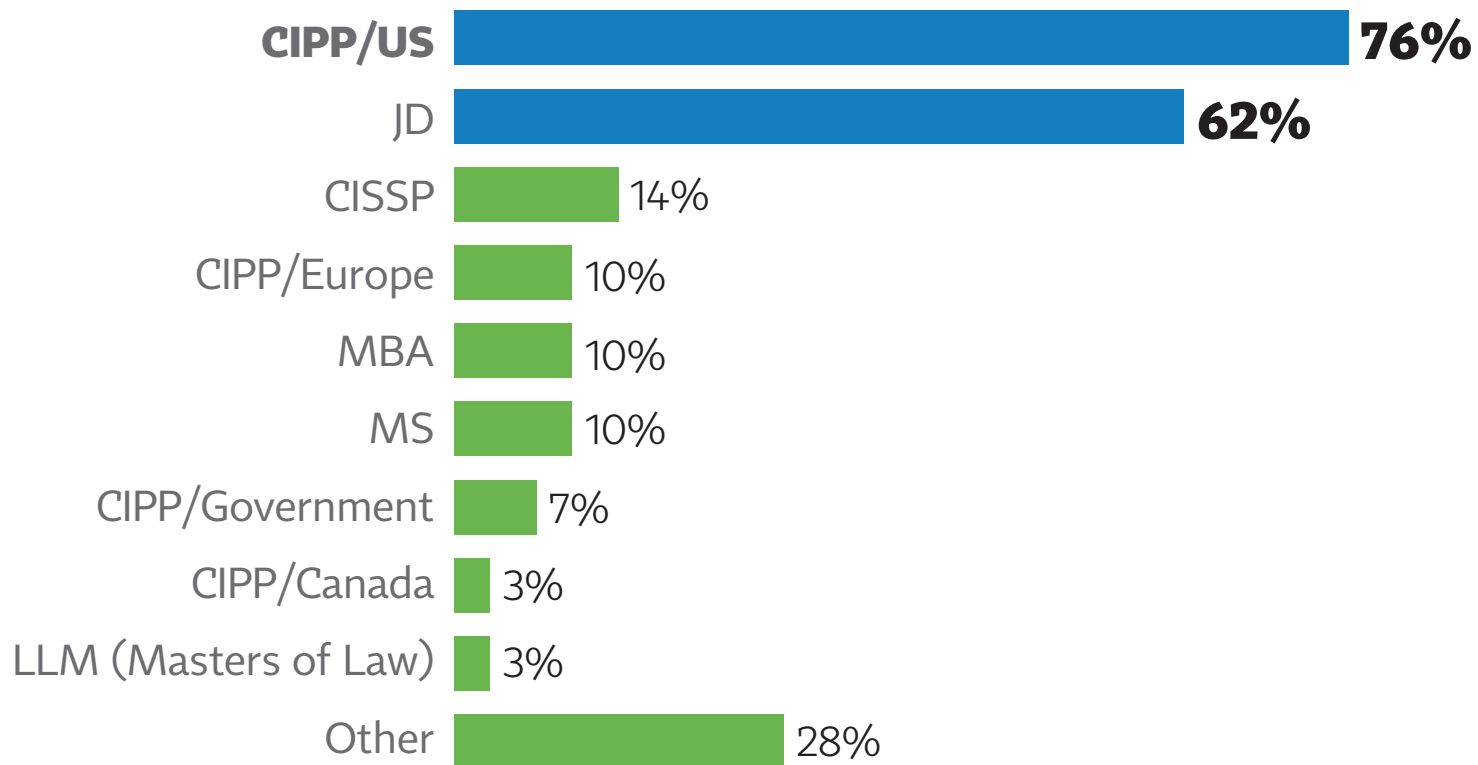
D1: Even though your actual job title may not exactly match, which of the following best describes your role at your corporation?

CIPP credentials, whether for US, Europe or Canada, are distributed widely across this group

- However, more than 6 in 10 privacy leaders in these Fortune 1000 companies also hold a JD degree

Credentials and Degrees Held by Privacy Leaders

n=29



D8: Below is a list of credentials and certifications. Please select each one you currently hold.

Most have been in management for a while, but the average current-company privacy tenure is fewer than four years

Mean Number of Years in Management Positions:

14.6



Mean Number of Years in Privacy Generally:

9.0



Mean Number of Years in Privacy at Current Company:

3.5

n=29

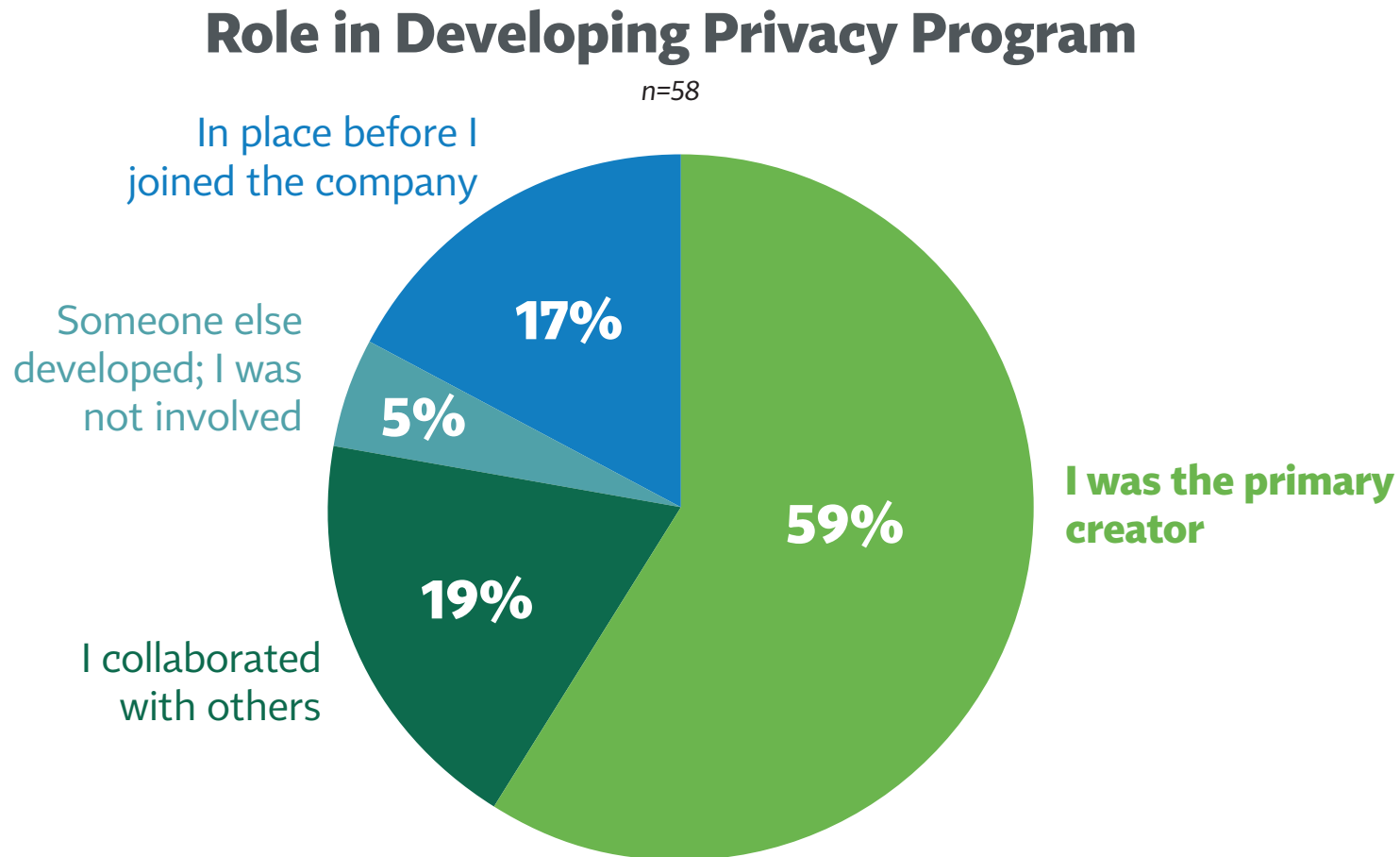
D5: For how many years have you been in management positions at any company?

D6: For how many years have you had roles relating to privacy at any company?

D7: For how many years have you had roles relating to privacy at your current company?

Although most either developed their program themselves or contributed to the program...

- About 1 in 5 are working with a program they inherited from others—not surprisingly, more common among those with shorter tenures at their current firms



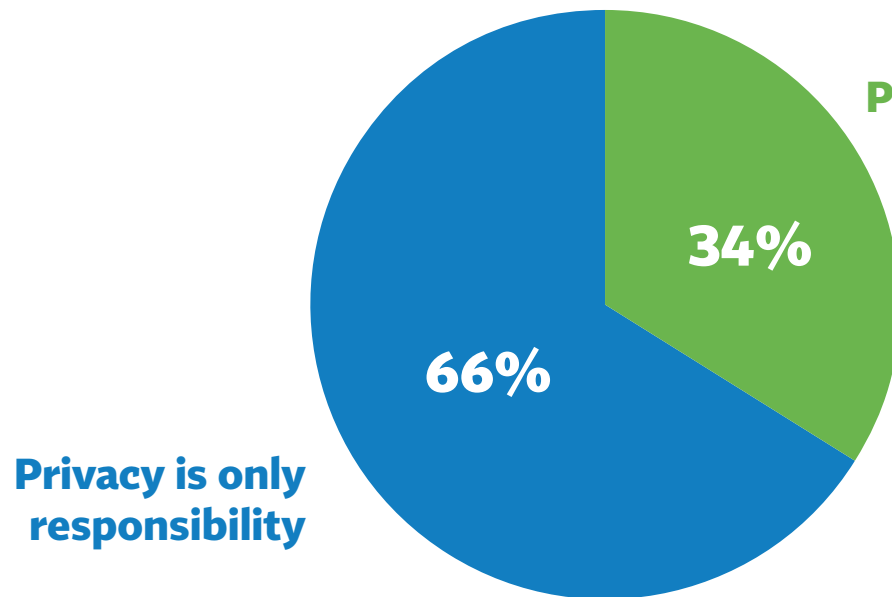
A2: Which of the following comes closest to describing your role in developing the privacy program of your corporation?

Not all privacy leaders in Fortune 1000 companies spend their entire time on privacy

- In fact, one-third say they have other responsibilities in addition to privacy
- What's more, those who say privacy is part of what they do estimate that they spend about half their time on privacy matters

Privacy Responsibilities As % of Job

n=29

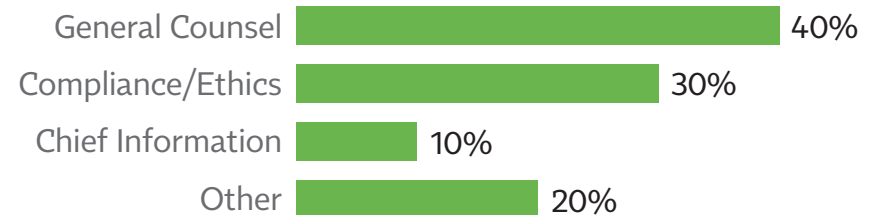


Privacy is one of several responsibilities

**For This Group, Privacy Makes Up
56%
of Their Job on Average**



Reports to (n=10)



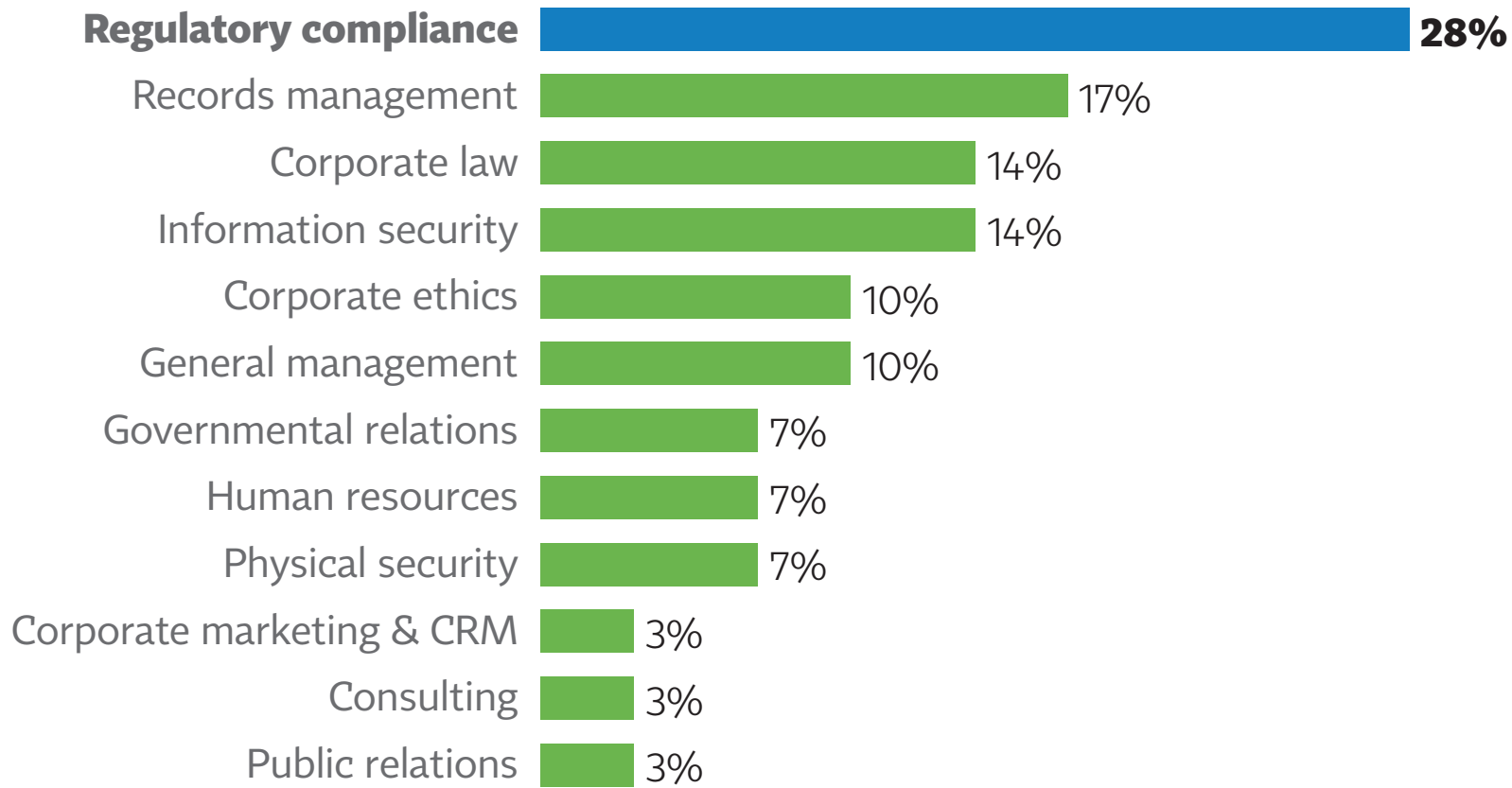
D3: Would you say that privacy responsibilities make up 100% of your work at your corporation, or less than 100%?

When asked what functions they perform in addition to “privacy,” regulatory compliance is cited most often

- Records management, corporate law and information security are also mentioned with some frequency; CRM is cited less often

Other Responsibilities in Addition to Privacy

n=29



D2: In addition to privacy-related responsibilities, what other job functions do you perform in your corporation?

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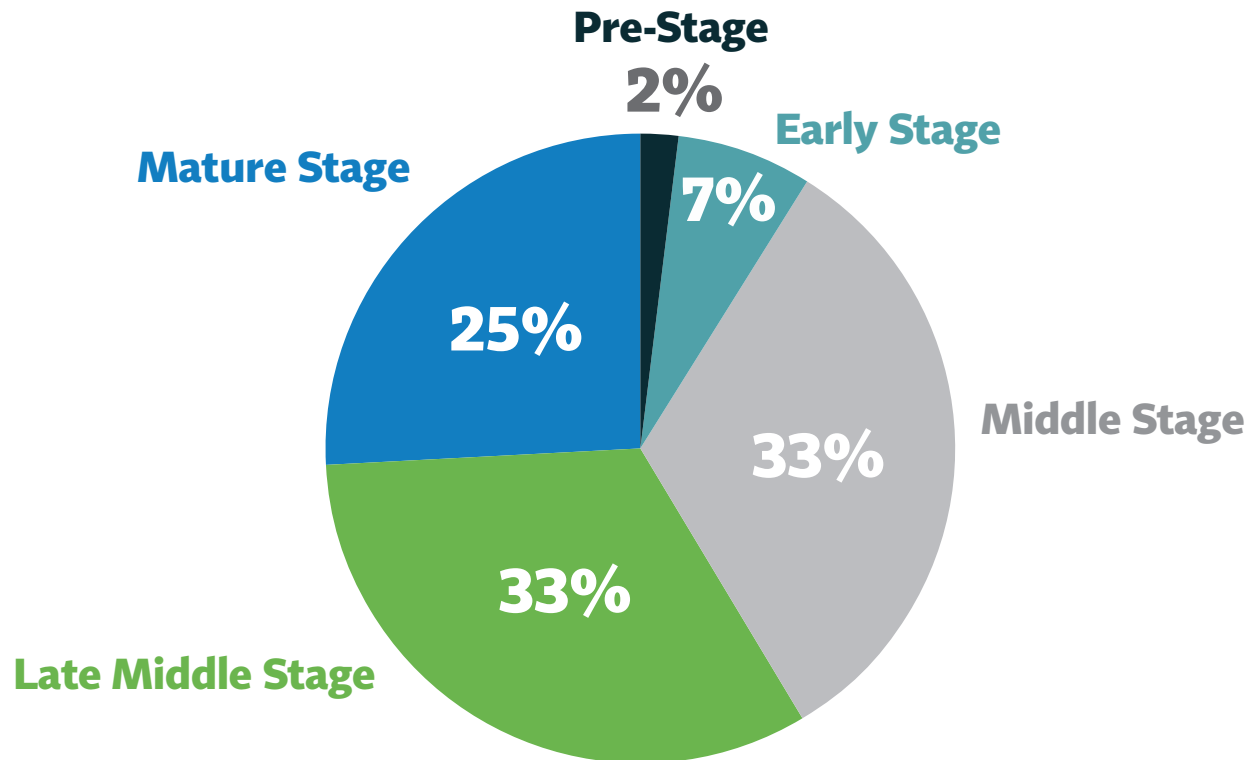


Only a handful of Fortune 1000 companies are in the early stages of privacy program maturity

- The remainder are divided across three categories: middle, late and mature stage
 - We'll see dramatic differences in privacy budget and responsibilities for those in the mature stage of their programs

Stage in Privacy Program Maturity

n=58



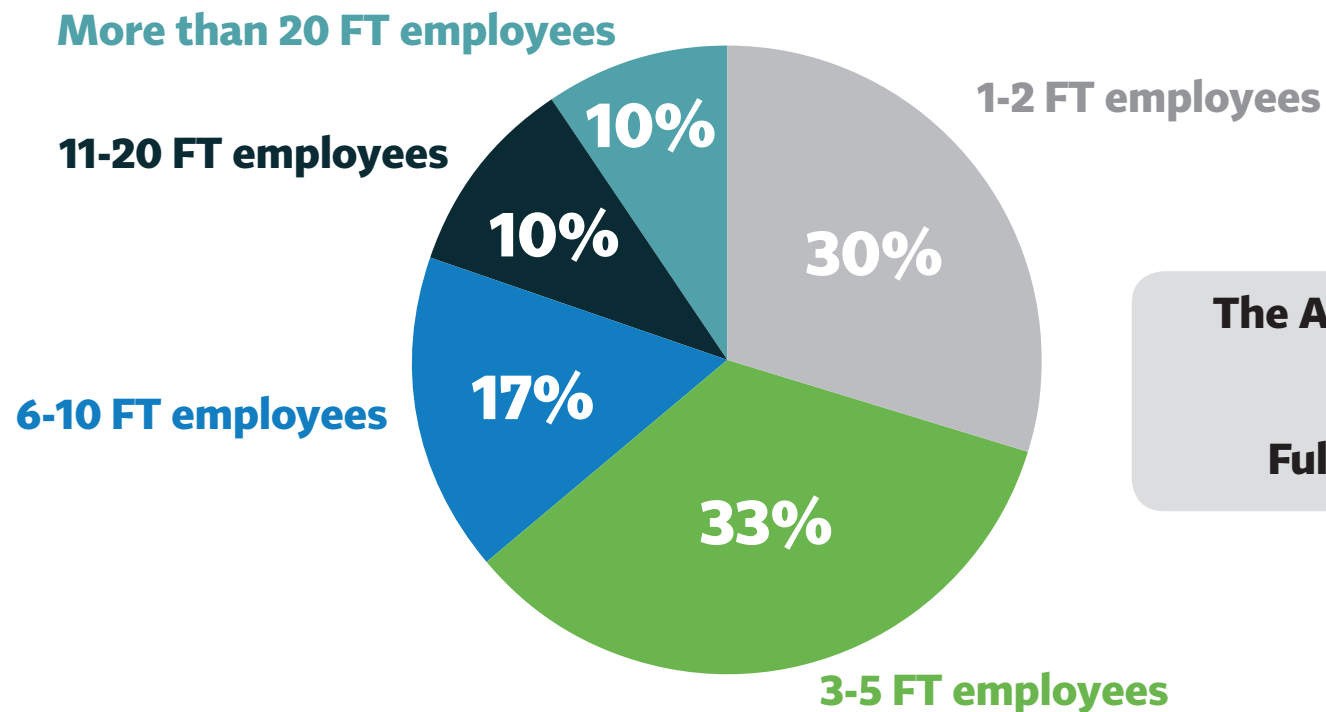
A1: Please select the maturity stage of your company's privacy program.

Even within the Fortune 1000 segment, wide variations exist in the number of employees dedicated to privacy

- Although the overall average is close to 10 full-time privacy employees, about a third have only 1-2 full-time employees, another third have 3-5 and the remaining third have six or more

Number of Full-Time Privacy Employees

n=58



**The Average Program Has
9.8
Full-Time Employees**

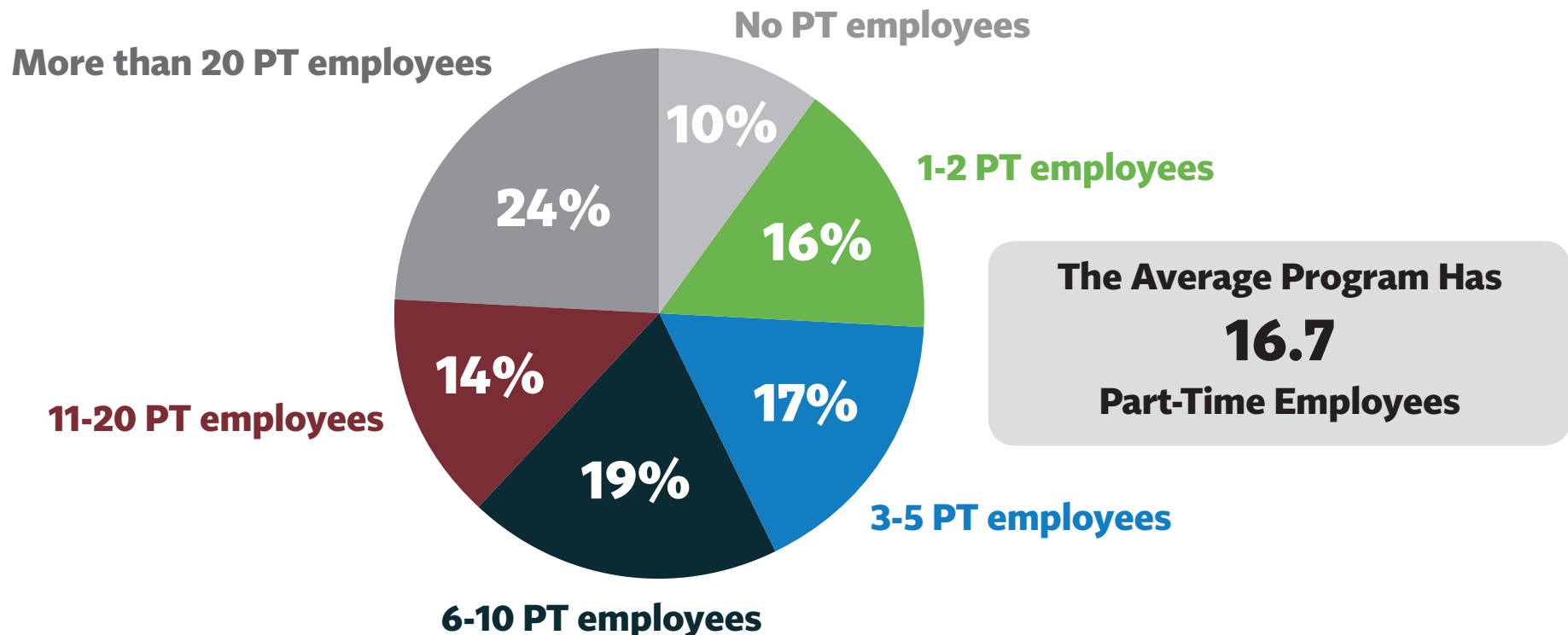
A3: How many employees are dedicated full time to your corporation's privacy program?

The number of part-time privacy employees is also widely distributed across companies

- The average is 16.7, which could include employees who work full-time at the firm but only part-time in the privacy area

Number of Part-Time Privacy Employees

n=58



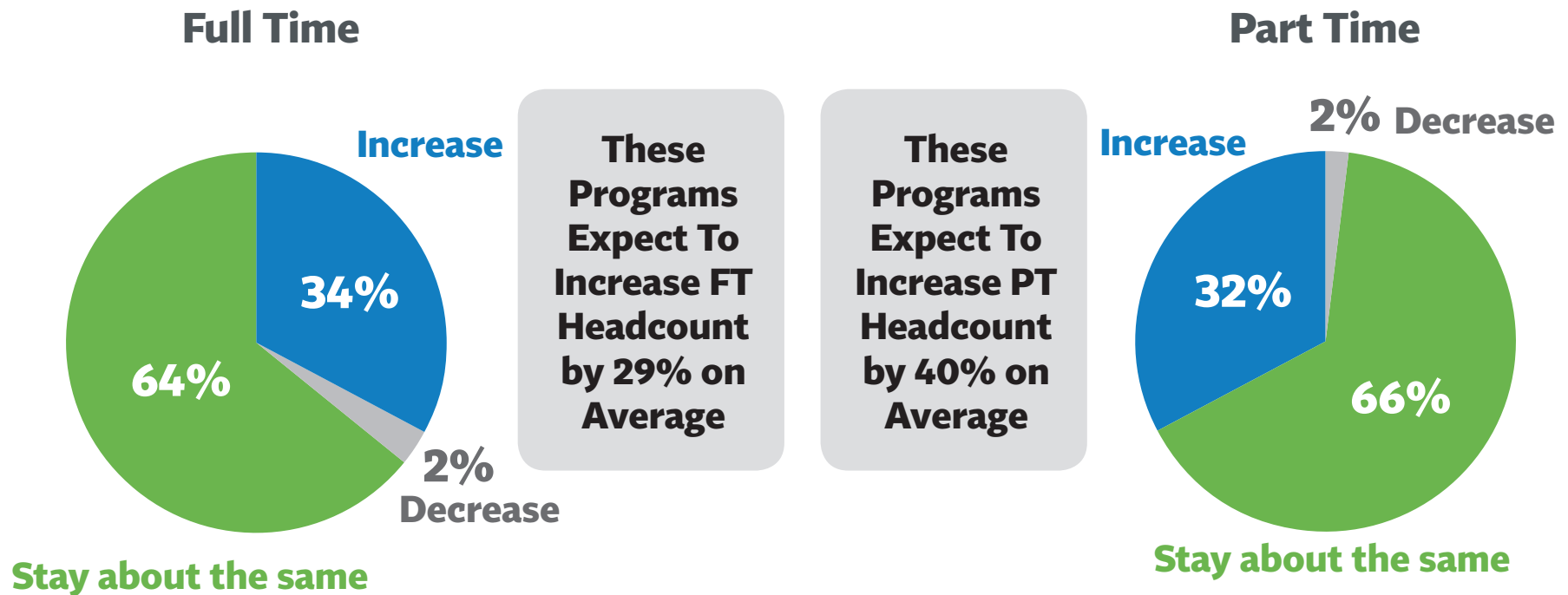
A6: How many employees are dedicated part time to your corporation's privacy program?

Notably, one-third of companies plan to increase the number of full-time and part-time employees this year

- And the average increase in headcount, for those who plan to add, is 29% for full-time and 40% for part-time

Anticipated Change in Employees in Coming Year

n=58



A4: In the coming year, do you expect the number of employees dedicated full time to your privacy program to ...

A7: In the coming year, do you expect the number of employees dedicated part time to your privacy program will ...

Level of privacy program maturity has a direct impact on size of privacy staff

- That finding is not unexpected, but what is surprising is the size of the jump in full-time privacy staff between pre-middle stage (3.3) and late middle stage (5.9) firms to mature firms (25.0)

Pre, Early or Middle Stage

n=24

- Mean Full-Time Privacy Employees: **3.3**

Late Middle Stage

n=19

- Mean Full-Time Privacy Employees: **5.9**

Mature Stage

n=15

- Mean Full-Time Privacy Employees: **25.0**

A3: How many employees are dedicated full time to your corporation's privacy program?

For the types of information protected, three categories dominate

- Employee information, business customer information and consumer (non-business customer) information
- Less likely to be included in a privacy program: nonpersonal business information and intellectual property

Types of Information Safeguarded

n=58

**Employee
information: 98%**

**Business customer
information: 86%**

**Consumer
information: 83%**

**Nonpersonal
business confidential
information: 41%**

**Intellectual
property: 34%**

Other data: 29%

A9: What types of information are you required to safeguard in your privacy program?

However, mature firms are more likely than others to include all types of information in their program

Types of Information Safeguarded

n=58

	PRE, EARLY OR MIDDLE STAGE	LATE MIDDLE STAGE	MATURE STAGE
Employee information	96%	100%	100%
Business customer information	83%	84%	93%
Consumer or customer information (non-business customers)	75%	84%	93%
Nonpersonal, business confidential information	29%	47%	53%
Intellectual property	25%	37%	47%

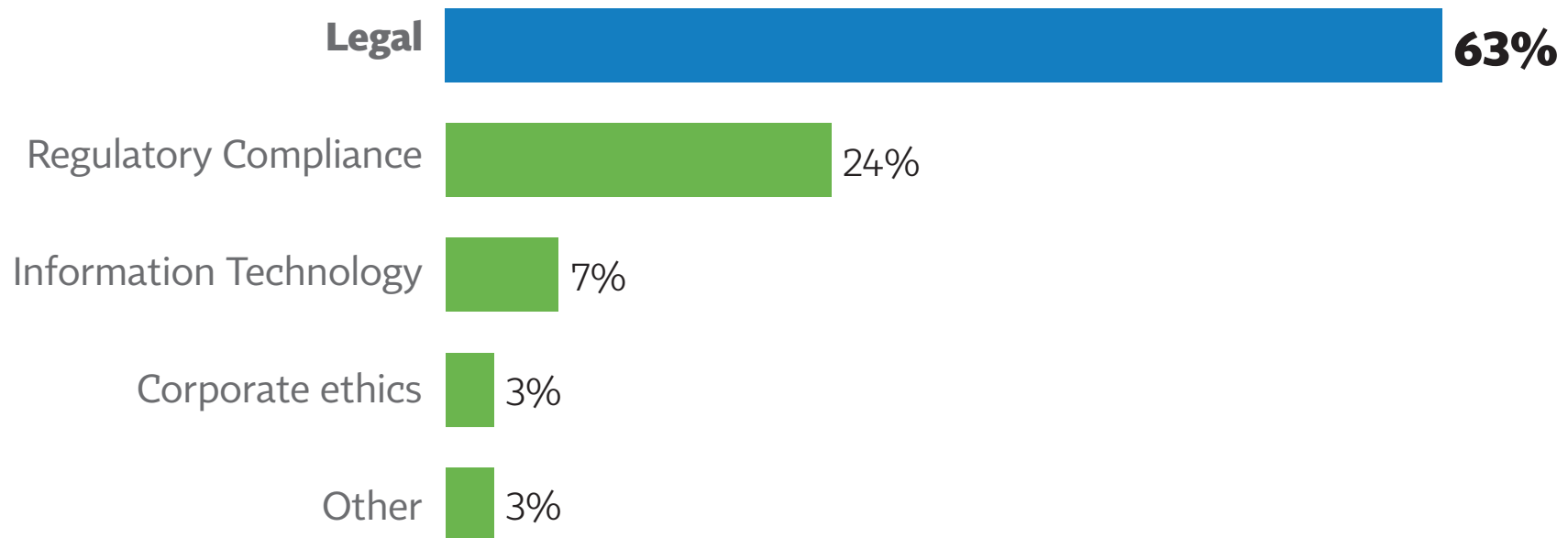
A9: What types of information are you required to safeguard in your privacy program?

Other details about programs: First, they're most likely be part of a company's legal department

- Regulatory and compliance was cited next most often

Department in Which Privacy Function Is Located

n=29

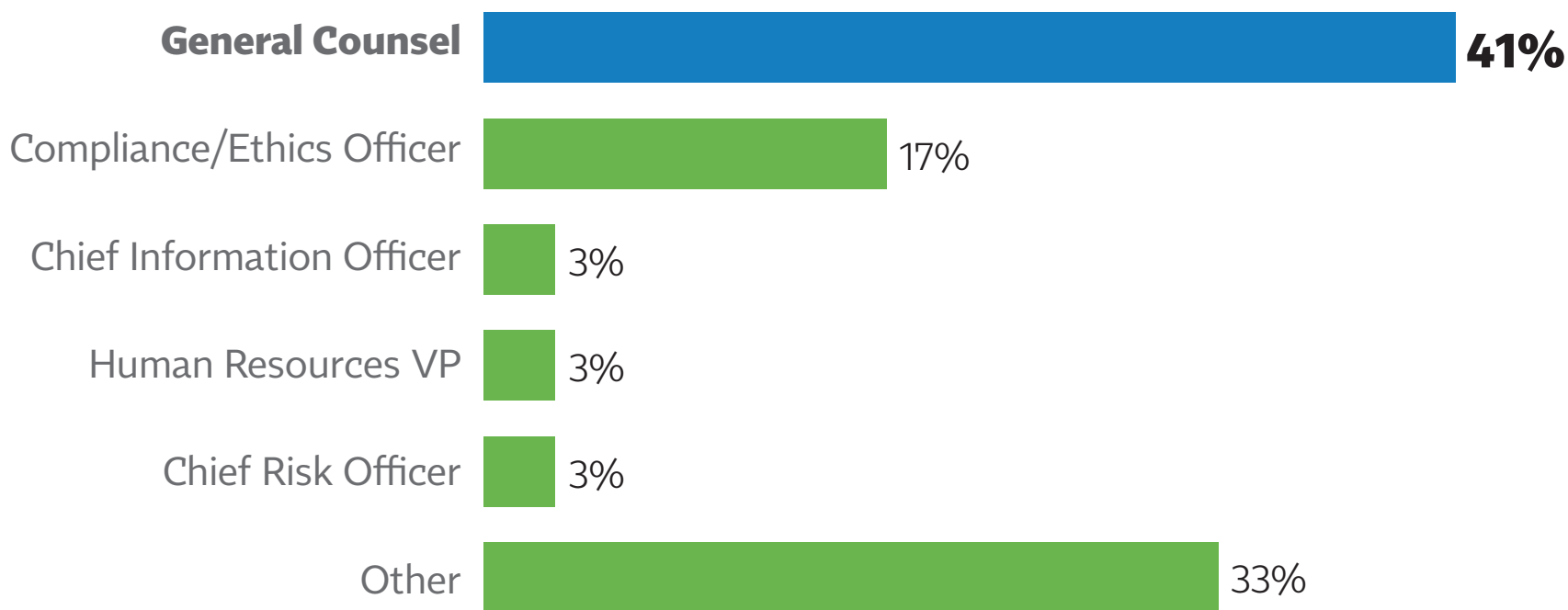


D10: Where within your corporation is the privacy function located?

Similarly, most privacy leaders report to their firms' general counsel

- With compliance (along with ethics) again ranked second

Who Does the Privacy Leader Report to? n=29



VP Legal, VP of Technical Operations, SVP for Government Relations, Corporate Compliance Director, Chief Privacy Officer/Chief Compliance Officer, Corporate Compliance, Chief Privacy Officer, Chief Compliance Officer, Chief Administrative and Compliance Officer, Associate General Counsel

D4: What is the title of the person to whom you primarily report?

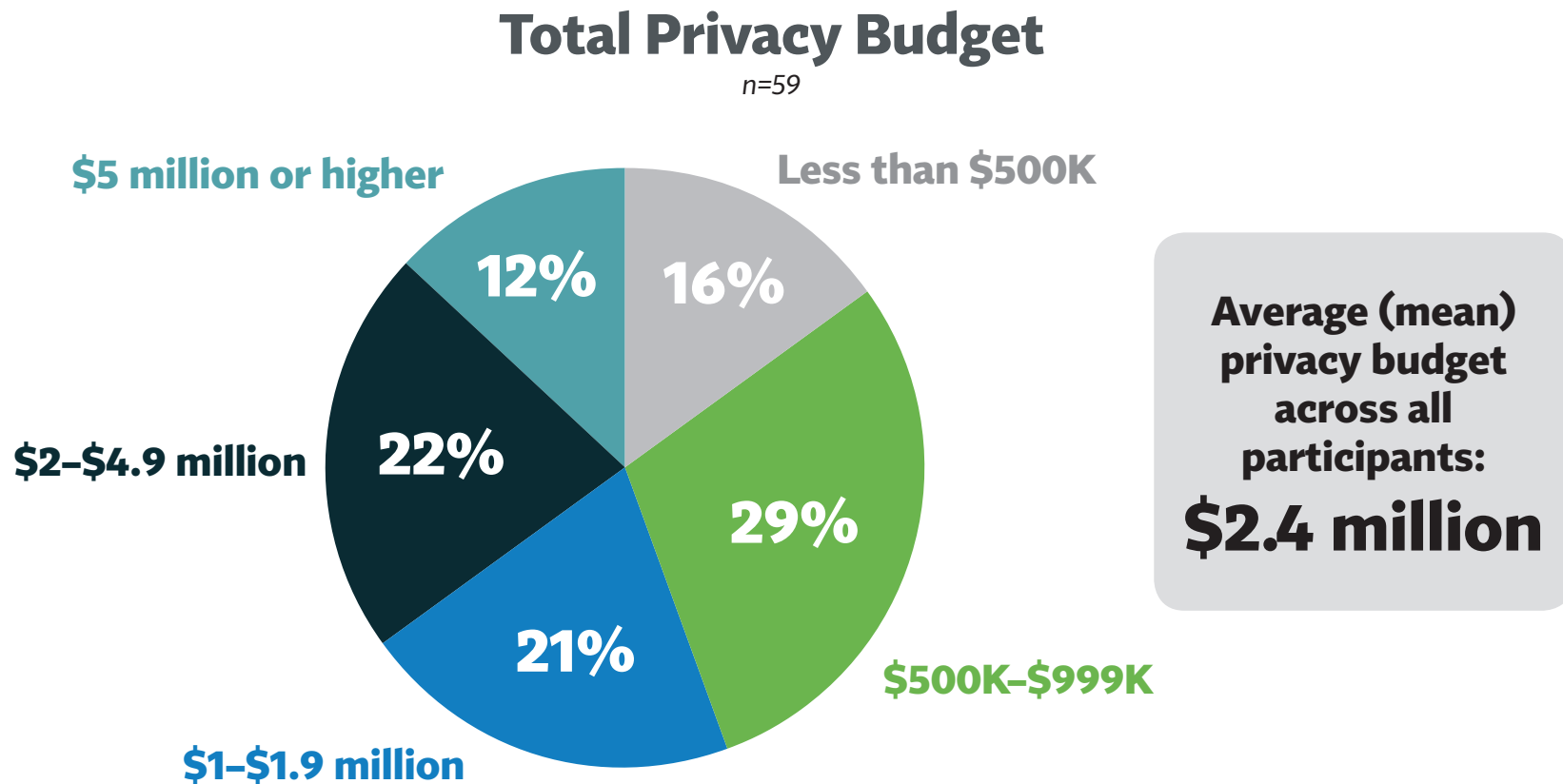
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The average Fortune 1000 company interviewed has a total privacy budget of \$2.4 million

- However, given what we've seen so far, it's no surprise that budget amounts are widely distributed across these firms

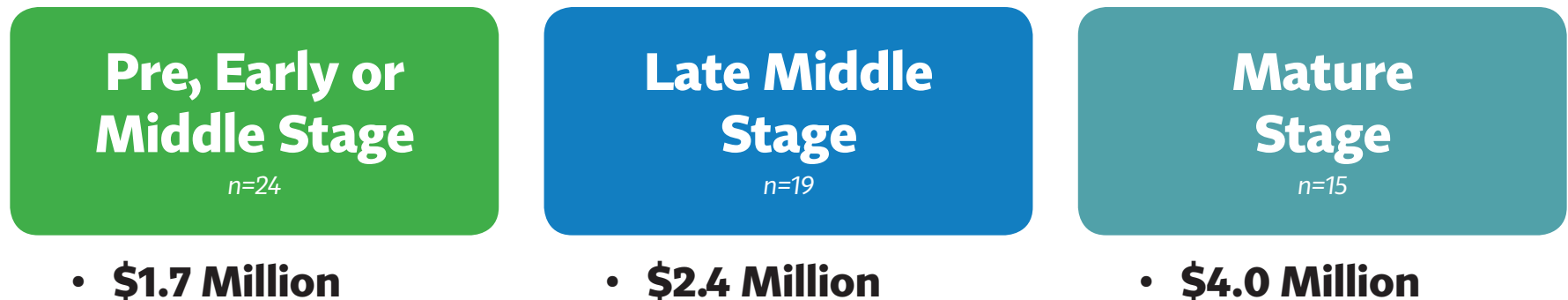


B1: What is the total budget for the privacy function of your entire corporation or organization? Please include any amounts, whether or not they are within your area of responsibility. Please also include Privacy Legal and Privacy Management. Please also include all internal (including staffing) and external budget amounts.

As one would expect, mature-stage programs have much larger budgets than those in earlier stages

- In general, those in a mature stage spend about twice as much on privacy as Fortune 1000 firms in earlier stages

Total Privacy Budget

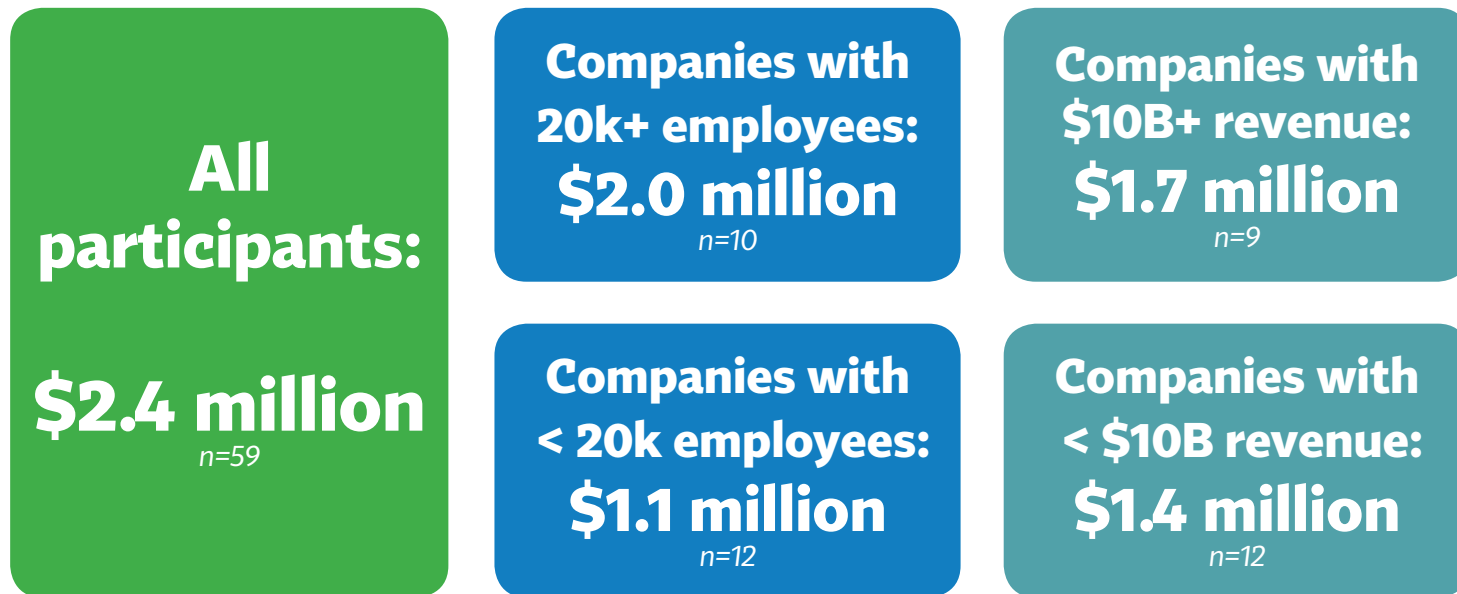


B1: What is the total budget for the privacy function of your entire corporation or organization? Please include any amounts, whether or not they are within your area of responsibility. Please also include Privacy Legal and Privacy Management. Please also include all internal (including staffing) and external budget amounts.

The more employees, the higher the budget for privacy; revenue levels have less of a correlation

- These findings should be considered directional as subsamples are very small

Average (Mean) Privacy Budget



\$76.24 privacy spend per employee

\$0.000204 privacy spend per \$1 in revenue

Notes: *Not all companies that provided information on their budget also answered the questions about number of employees or revenue

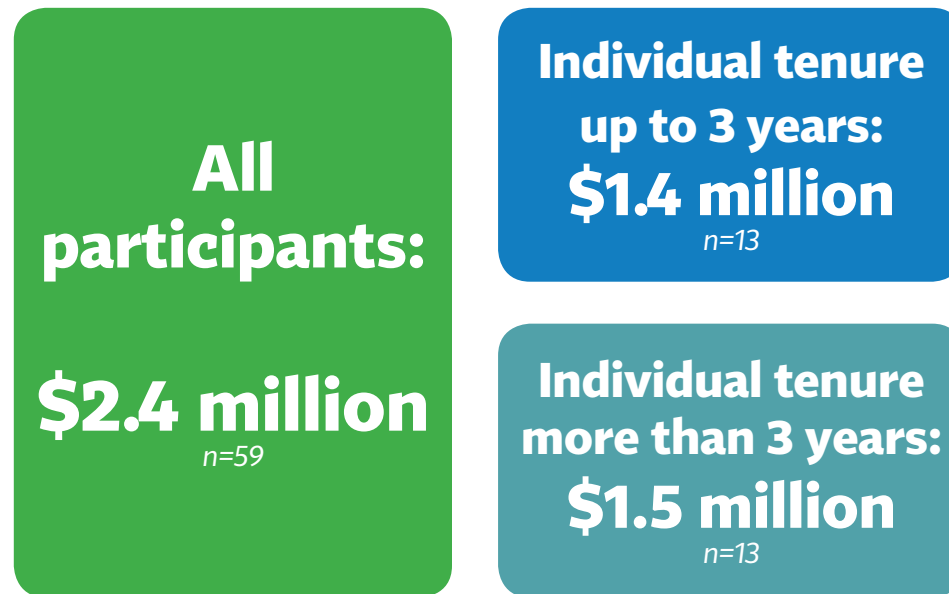
**Outlier responses were removed for calculation of subsample metrics

B1: What is the total budget for the privacy function of your entire corporation or organization? Please include any amounts, whether or not they are within your area of responsibility. Please also include Privacy Legal and Privacy Management. Please also include all internal (including staffing) and external budget amounts.

Length of time in a privacy role at the company has little effect on the budget level

- These findings should be considered directional as subsamples are very small

Average (Mean) Privacy Budget



Notes: *Not all companies that provided information on their budget also answered the questions about tenure

**Outlier responses were removed for calculation of subsample metrics

B1: What is the total budget for the privacy function of your entire corporation or organization? Please include any amounts, whether or not they are within your area of responsibility. Please also include Privacy Legal and Privacy Management. Please also include all internal (including staffing) and external budget amounts.

Privacy budgets vary by industry sector, at least within the sample of businesses interviewed for the study

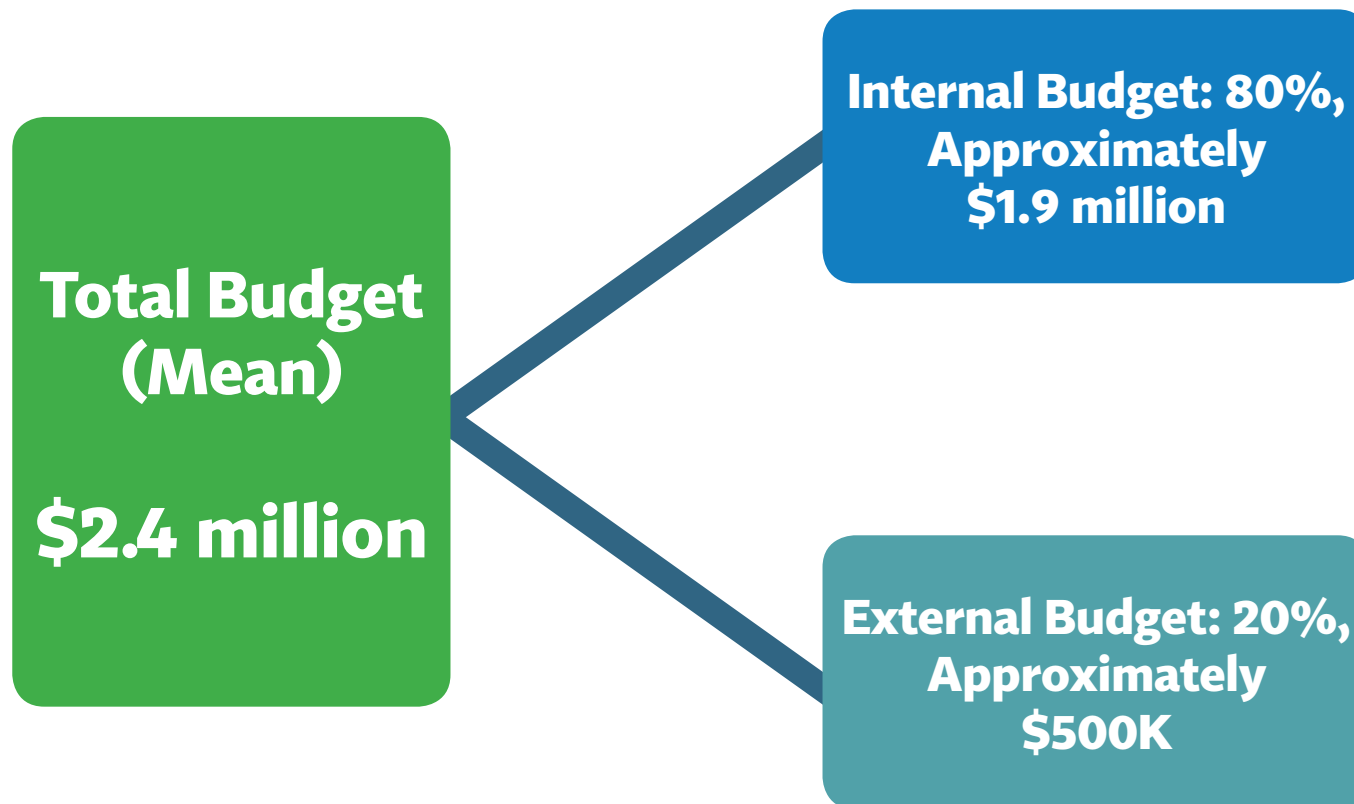
- These findings should be considered anecdotal (at best) as subsamples are extremely small

n	SECTOR	PRIVACY BUDGET (MEAN)
7	Financial services	3,116,667
2	Consumer products	2,850,000
2	Retailing	2,600,000
3	Internet Services	2,566,667
1	Hospitality & Leisure	2,025,827
1	Telecom, cable & wireless	2,000,000
7	Technology & software	1,964,286
2	Pharmaceuticals	1,500,000
2	Manufacturing	1,500,000
1	Conglomerate	1,000,000
1	Education	900,000
2	Healthcare	800,000
2	Energy	180,000
2	Other	800,000

B1: What is the total budget for the privacy function of your entire corporation or organization? Please include any amounts, whether or not they are within your area of responsibility. Please also include Privacy Legal and Privacy Management. Please also include all internal (including staffing) and external budget amounts.

Next, privacy leaders report that about 80% of their total privacy budget goes toward internal expenditures

- That makes the average INTERNAL budget just shy of \$2 million



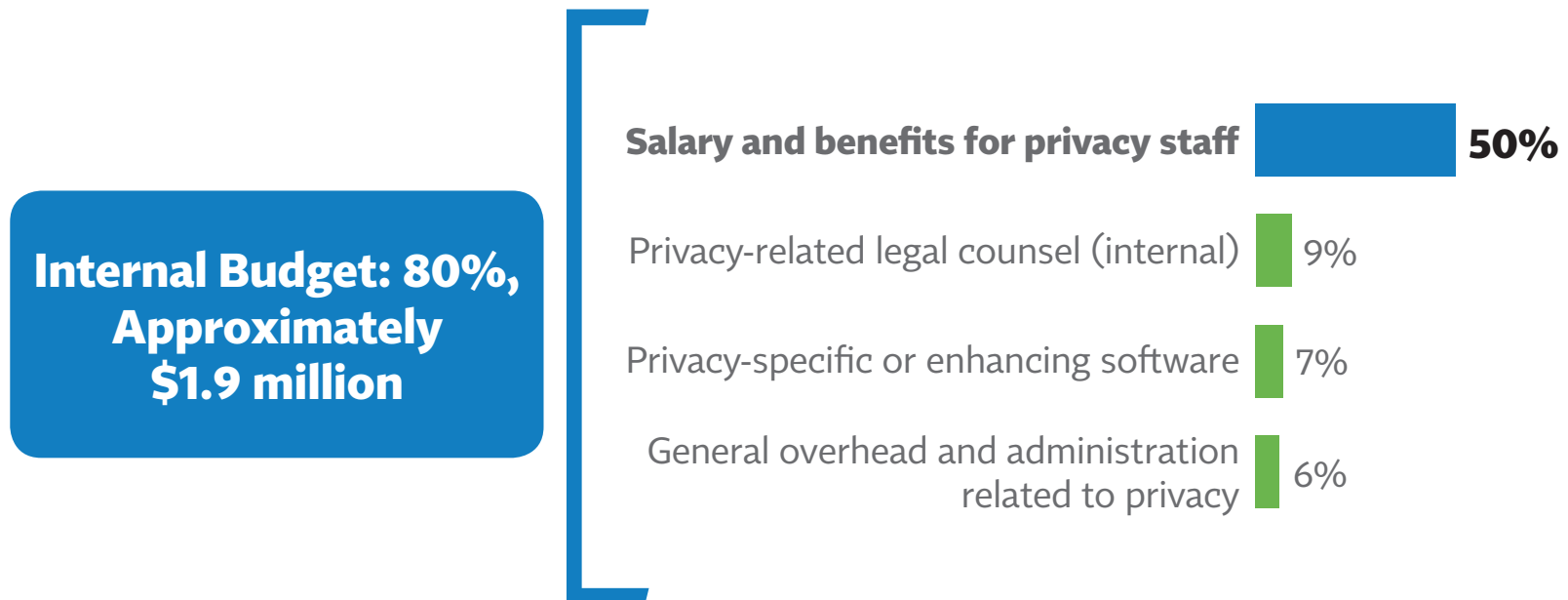
B6: How would you allocate the overall budget amount you entered earlier between internal (conducted by internal staff and resources) and external (outsourced to external consultants or services)?

NOTE: Results are extrapolated to the total, from those able to offer specific internal vs. external figures (n=34)

The largest line item in the internal privacy budget, by far, is for salaries and benefits for staff

- A handful of other items make up readable proportions of the internal budget—including internal legal counsel, software and overhead

Top Internal Budget Allocations

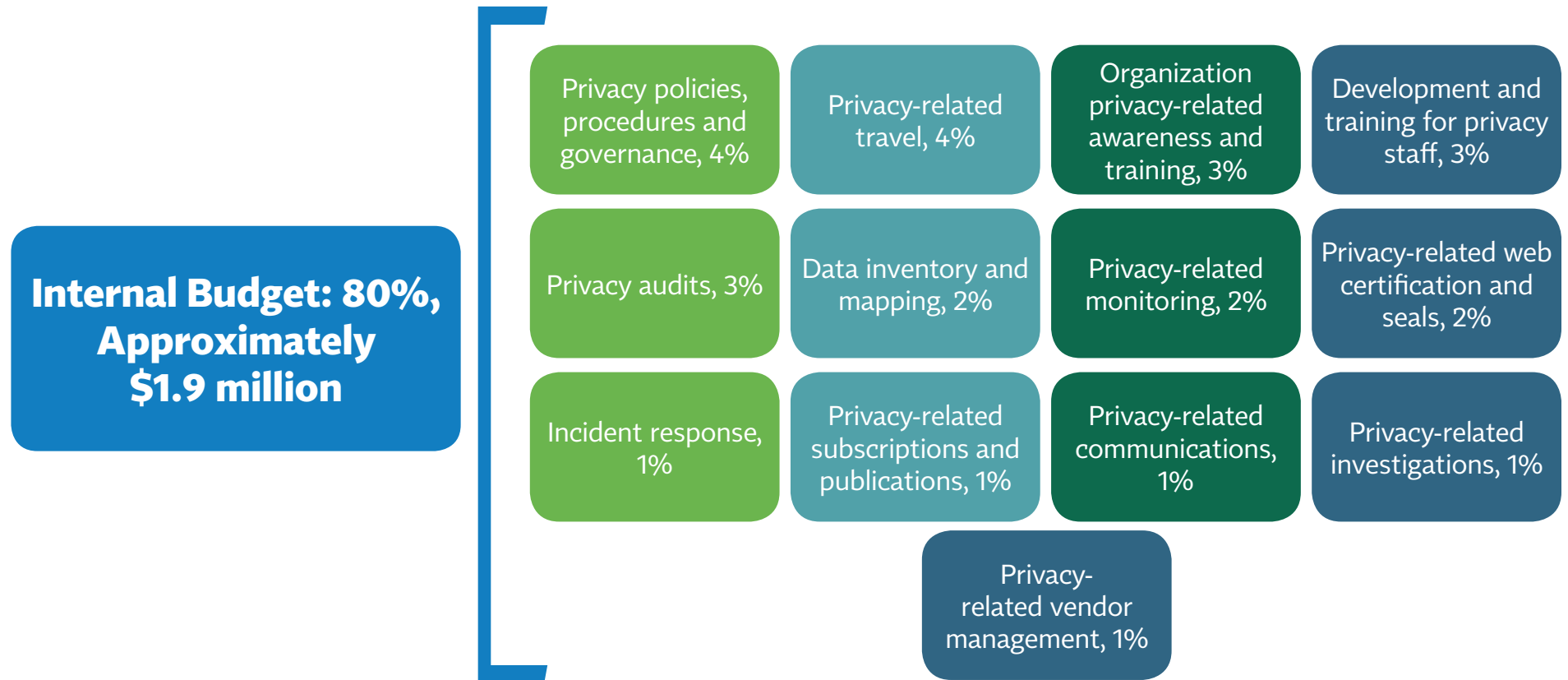


B6: How would you allocate the overall budget amount you entered earlier between internal (conducted by internal staff and resources) and external (outsourced to external consultants or services)?

NOTE: Results are extrapolated to the total, from those able to offer specific internal vs. external figures (n=34)

Each of the other budget items tested makes up no more than 4% of the total internal privacy budget

Other Internal Budget Allocations



B6: How would you allocate the overall budget amount you entered earlier between internal (conducted by internal staff and resources) and external (outsourced to external consultants or services)?

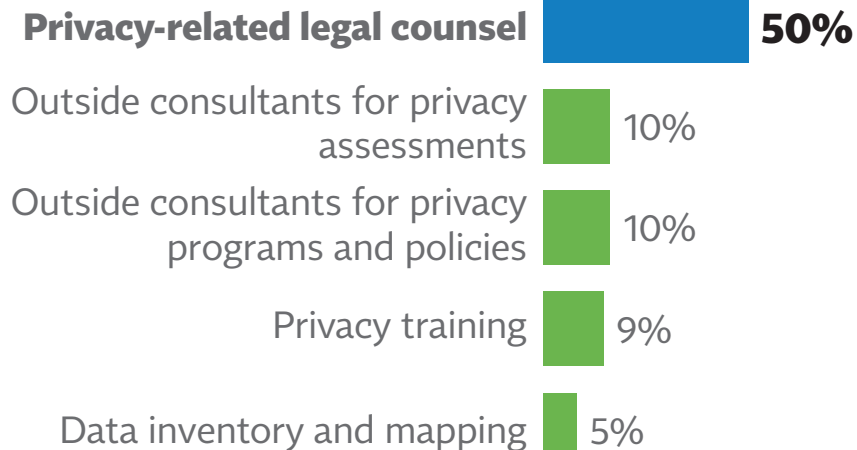
NOTE: Results are extrapolated to the total, from those able to offer specific internal vs. external figures (n=34)

The external budget also has a line item that dominates: half goes to outside counsel

- Outside consultants for assessments and program development, along with training account, for another 30% of firms' external budget

Top External Budget Allocations

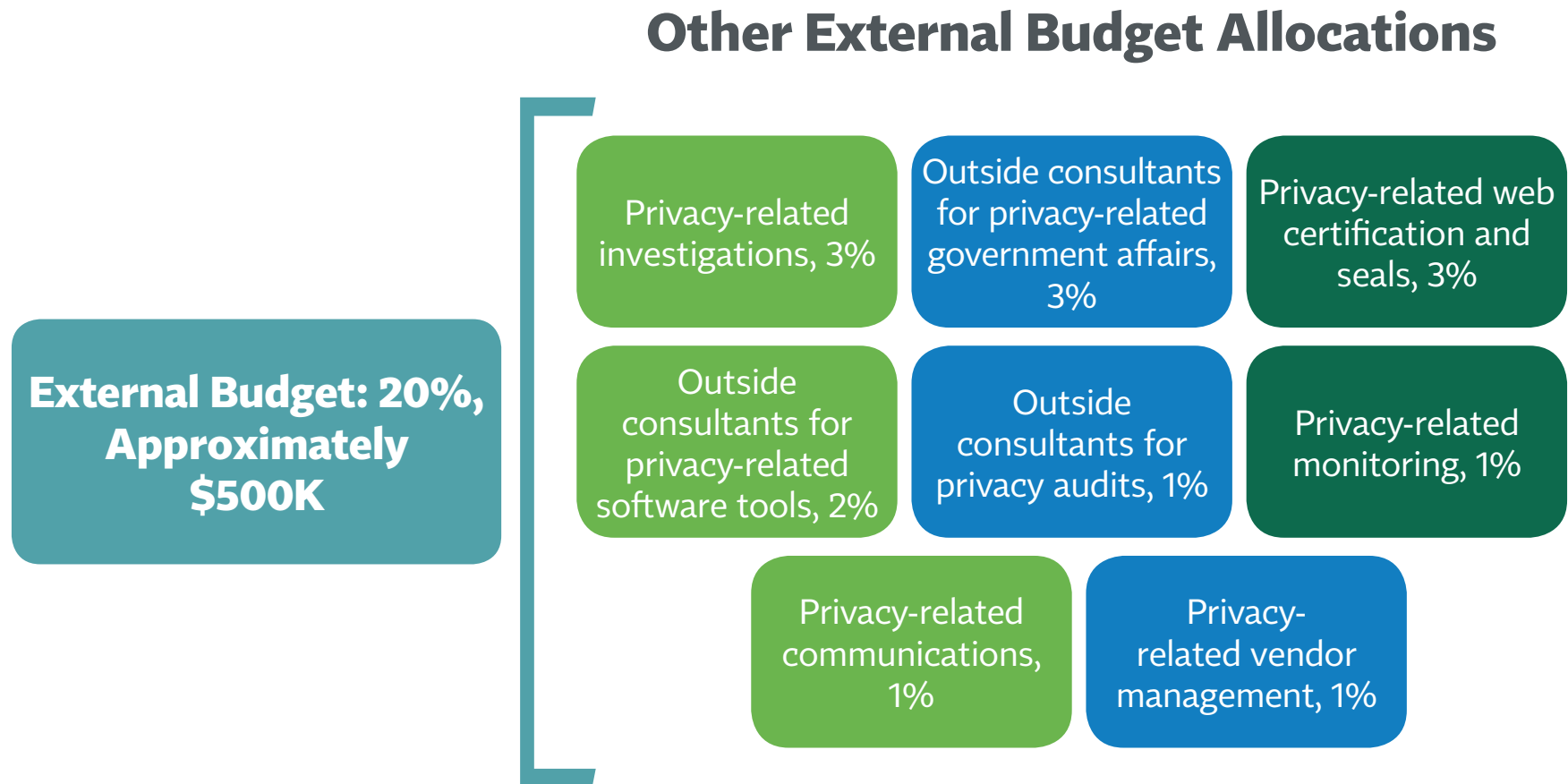
**External Budget: 20%,
Approximately
\$500K**



B6: How would you allocate the overall budget amount you entered earlier between internal (conducted by internal staff and resources) and external (outsourced to external consultants or services)?

NOTE: Results are extrapolated to the total, from those able to offer specific internal vs. external figures (n=34)

As with the internal budget, additional items make up small proportions of external spending



B6: How would you allocate the overall budget amount you entered earlier between internal (conducted by internal staff and resources) and external (outsourced to external consultants or services)?

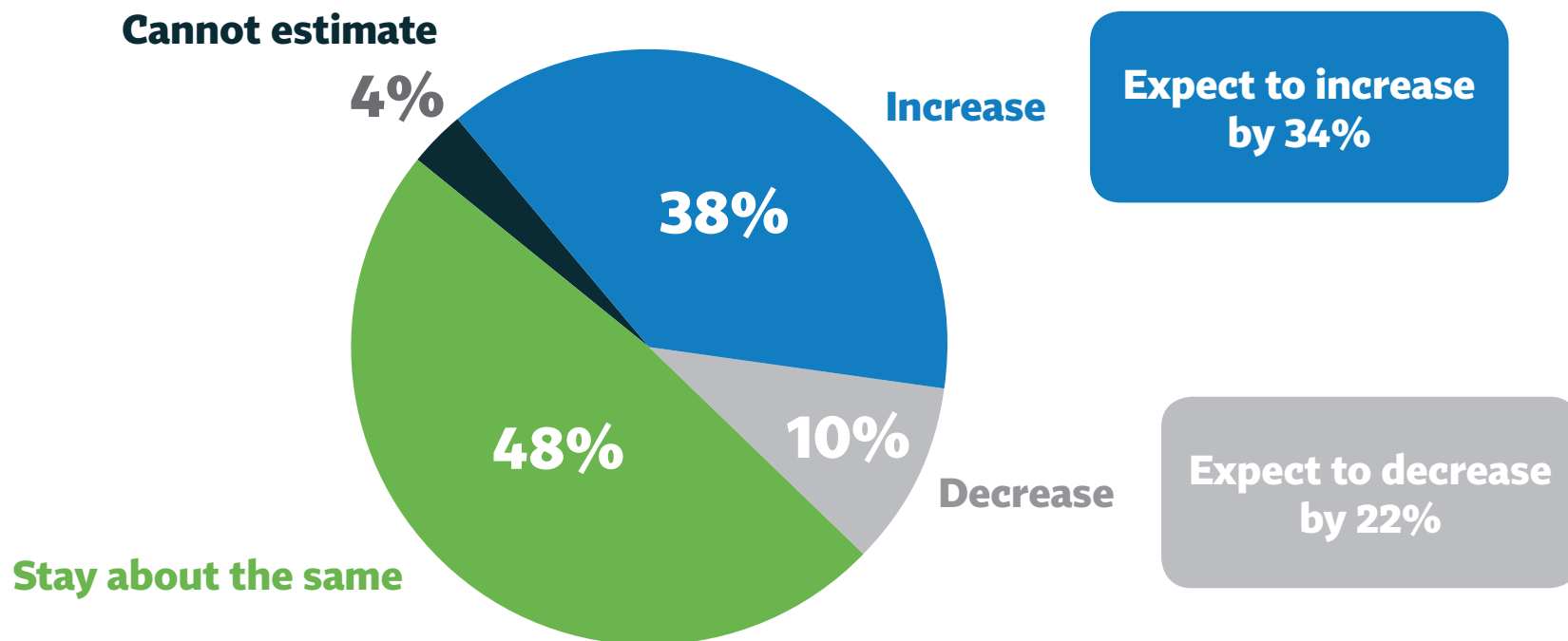
NOTE: Results are extrapolated to the total, from those able to offer specific internal vs. external figures (n=34)

A significant proportion of privacy leaders expect their budgets to increase in the coming year

- 38% say their budget will increase and only 10% say decrease. What's more, those expecting an increase say their budget should grow by about one third

Change in Budget for Coming Year

n=29



B4: In the coming year, do you expect the overall budget for privacy will ...

Topics

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- 6 **Areas of Responsibility**
- 7 Priorities According to Professionals

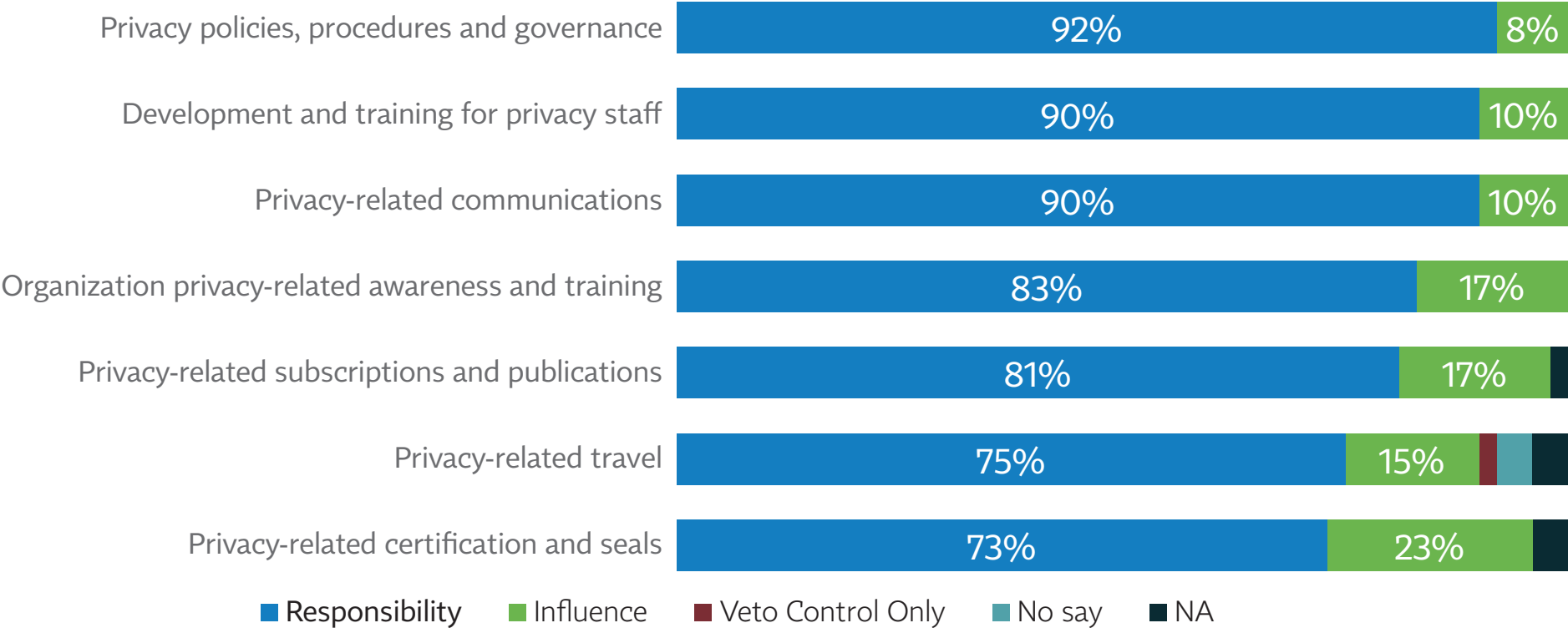


Privacy leaders point to seven internal spending areas where they're most likely to have direct responsibility

- These areas range from developing policies, training and communications to privacy-related travel and certifications

Internal Budget Areas Where Leader Has Most Responsibility

n=48



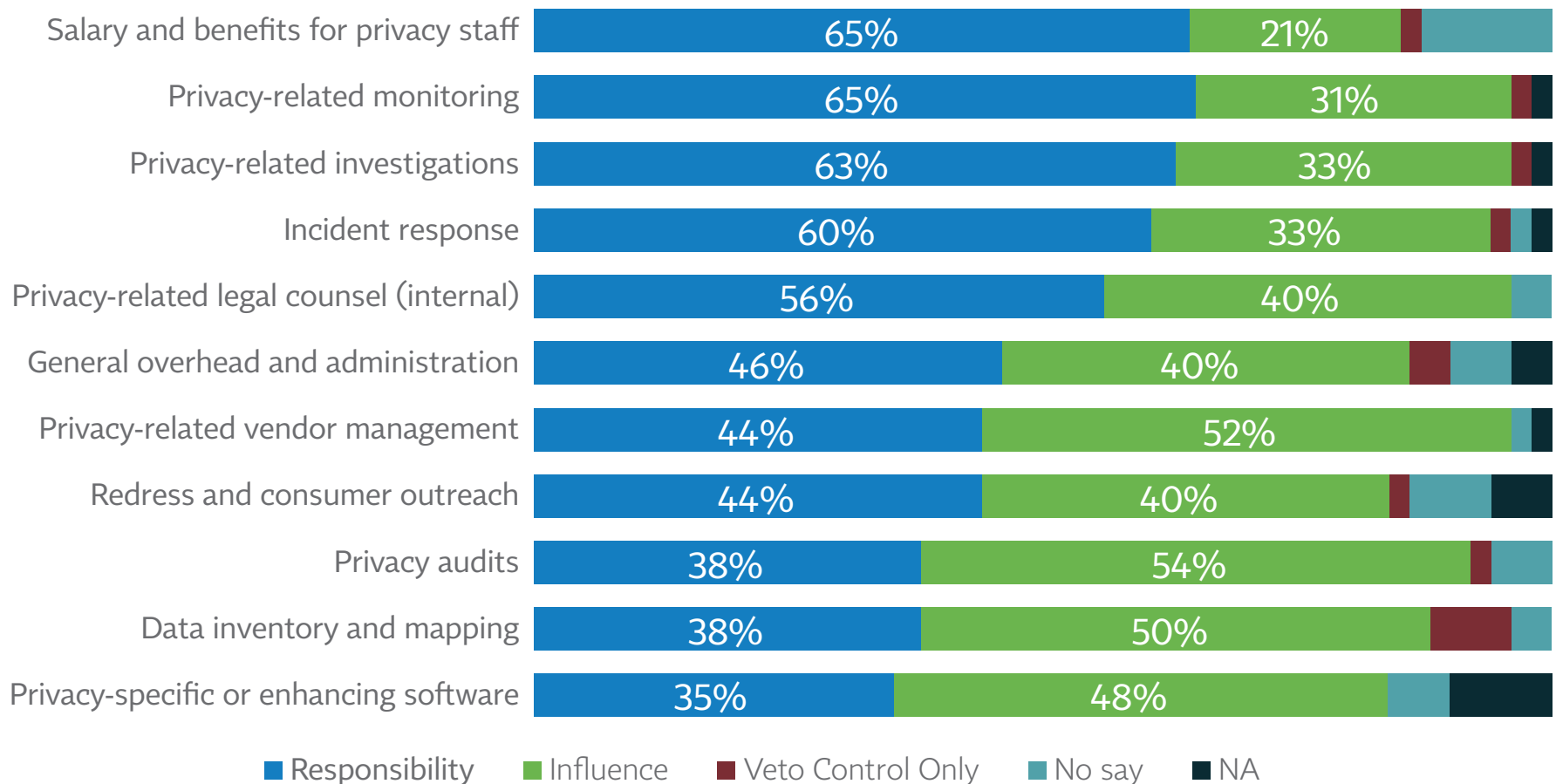
B2: Here are some areas that a privacy budget can fall into. Please tell us if each area: Falls within your privacy budget, falls outside your budget but you have influence over spending decisions, falls outside your budget and you only have veto control, falls outside your budget and you have no say, does not apply to your company at all

They also point to 11 areas where they are less directly responsible

- In many of these areas, the privacy leader has at least some influence. But in general, they have less say regarding things like audits, data inventory and privacy software

Internal Budget Areas Where Leader Has Less Responsibility

n=48

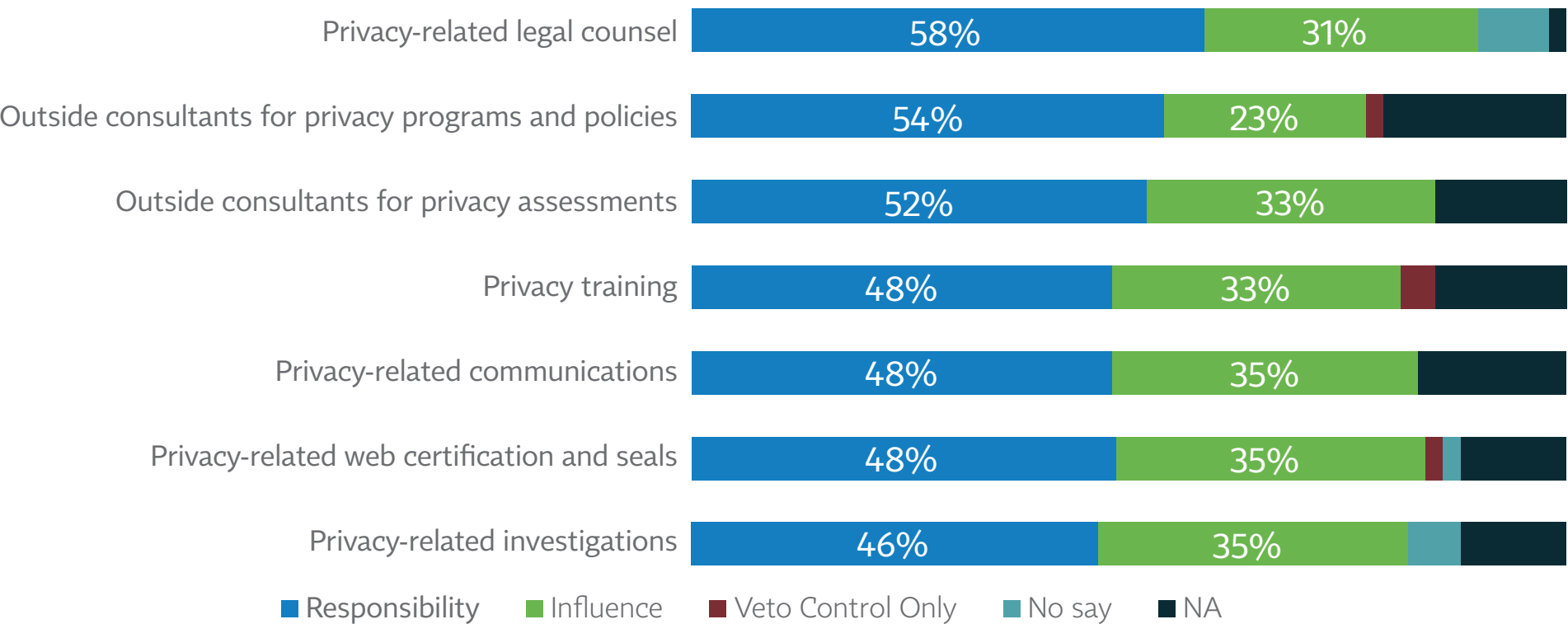


These privacy leaders generally have less direct responsibility for any external spending areas

- However, the areas where they do have the most influence are the areas where, we saw earlier, most external spending goes—outside counsel, consultants and training

External Budget Areas Where Leader Has Most Responsibility

n=48

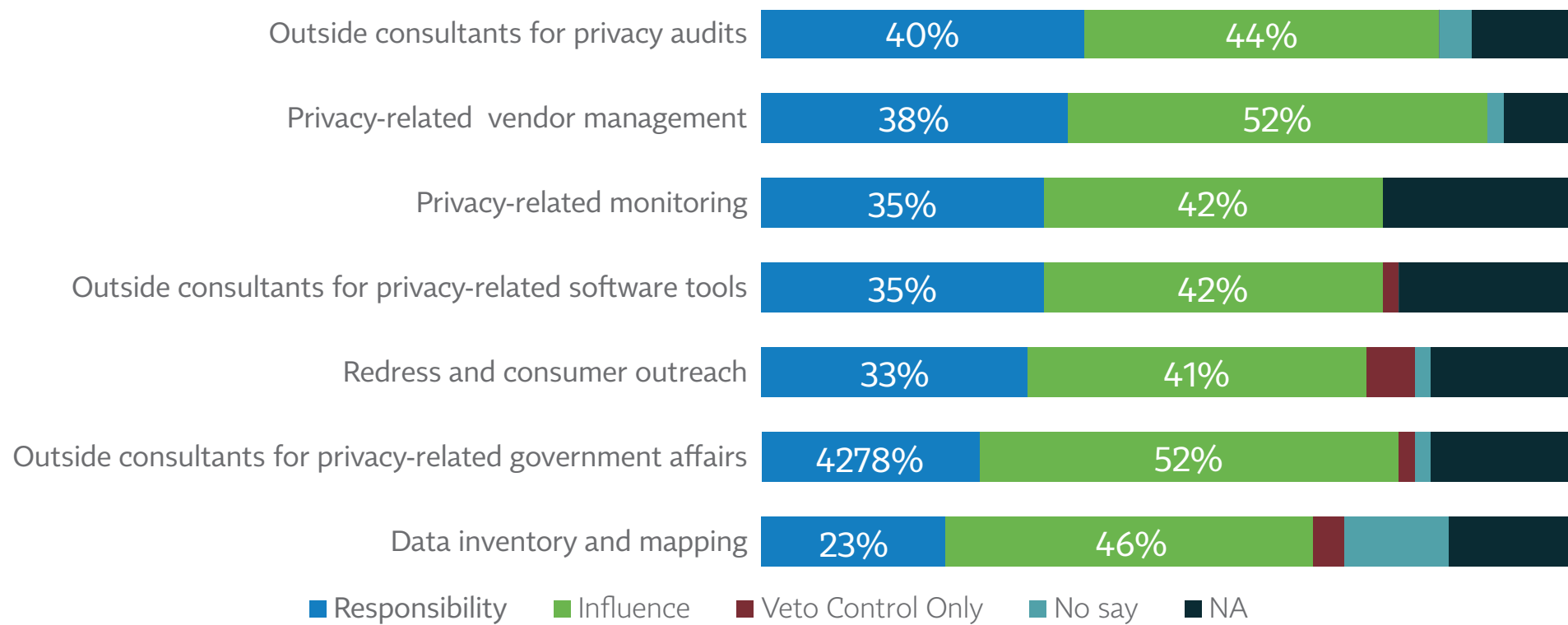


B2: Here are some areas that a privacy budget can fall into. Please tell us if each area: Falls within your privacy budget, falls outside your budget but you have influence over spending decisions, falls outside your budget and you only have veto control, falls outside your budget and you have no say, does not apply to your company at all

Software, outreach, government affairs and data inventory are external items with even less involvement

External Budget Areas Where Leader Has Less Responsibility

n=48



One additional way mature companies distinguish themselves is the breadth of involvement

- Especially regarding such items as privacy publications, travel, monitoring—and, notably, privacy-enhancing software

Internal Budget: Leader Has Responsibility

	PRE, EARLY OR MIDDLE STAGE <i>n=20</i>	LATE MIDDLE STAGE <i>n=17</i>	MATURE STAGE <i>n=11</i>
Development and training for privacy staff	90%	82%	100%
Privacy policies, procedures and governance	90%	88%	100%
Privacy-related communications	95%	82%	91%
Privacy-related subscriptions and publications	80%	76%	91%
Privacy-related travel	70%	71%	91%
Organization privacy-related awareness and training	85%	82%	82%
Privacy-related monitoring	65%	53%	82%
Salary and benefits for privacy staff	60%	65%	73%
Privacy-related certification and seals	80%	65%	73%
Privacy-specific or enhancing software	25%	35%	55%

B2: Here are some areas that a privacy budget can fall into. Please tell us if each area: Falls within your privacy budget, falls outside your budget but you have influence over spending decisions, falls outside your budget and you only have veto control, falls outside your budget and you have no say, does not apply to your company at all

On the other hand, those in less mature programs are more likely to have direct responsibility for

- Privacy-related investigations, audits, redress, data and vendor management

Internal Budget: Leader Has Responsibility

	PRE, EARLY OR MIDDLE STAGE <i>n=20</i>	LATE MIDDLE STAGE <i>n=17</i>	MATURE STAGE <i>n=11</i>
Privacy-specific or enhancing software	25%	35%	55%
Privacy-related investigations	70%	59%	55%
Privacy-related legal counsel (internal)	50%	65%	55%
General overhead and admin related to privacy	45%	47%	45%
Incident response	50%	82%	45%
Privacy audits	50%	24%	36%
Redress and consumer outreach	45%	47%	36%
Data inventory and mapping	45%	35%	27%
Privacy-related vendor management	50%	47%	27%

Similar differences are found regarding external budgets

- Those in mature programs are more involved in consultant decisions; those in less mature programs are more involved in communications, outreach and vendor decisions

External Budget: Leader Has Responsibility

	PRE, EARLY OR MIDDLE STAGE <i>n=20</i>	LATE MIDDLE STAGE <i>n=17</i>	MATURE STAGE <i>n=11</i>
Outside consultants for privacy assessments	50%	47%	64%
Outside consultants for privacy programs	55%	53%	55%
Outside consultants for privacy government affairs	20%	18%	55%
Privacy-related legal counsel	55%	65%	55%
Privacy-related web certification and seals	45%	47%	55%
Privacy training	45%	53%	45%
Outside consultants for privacy audits	35%	41%	45%
Privacy-related investigations	55%	35%	45%
Privacy-related communications	60%	41%	36%
Outside consultants for privacy-software tools	30%	41%	36%
Redress and consumer outreach	30%	35%	36%
Privacy-related monitoring	40%	35%	27%
Data inventory and mapping	30%	18%	18%
Privacy-related vendor management	45%	41%	18%

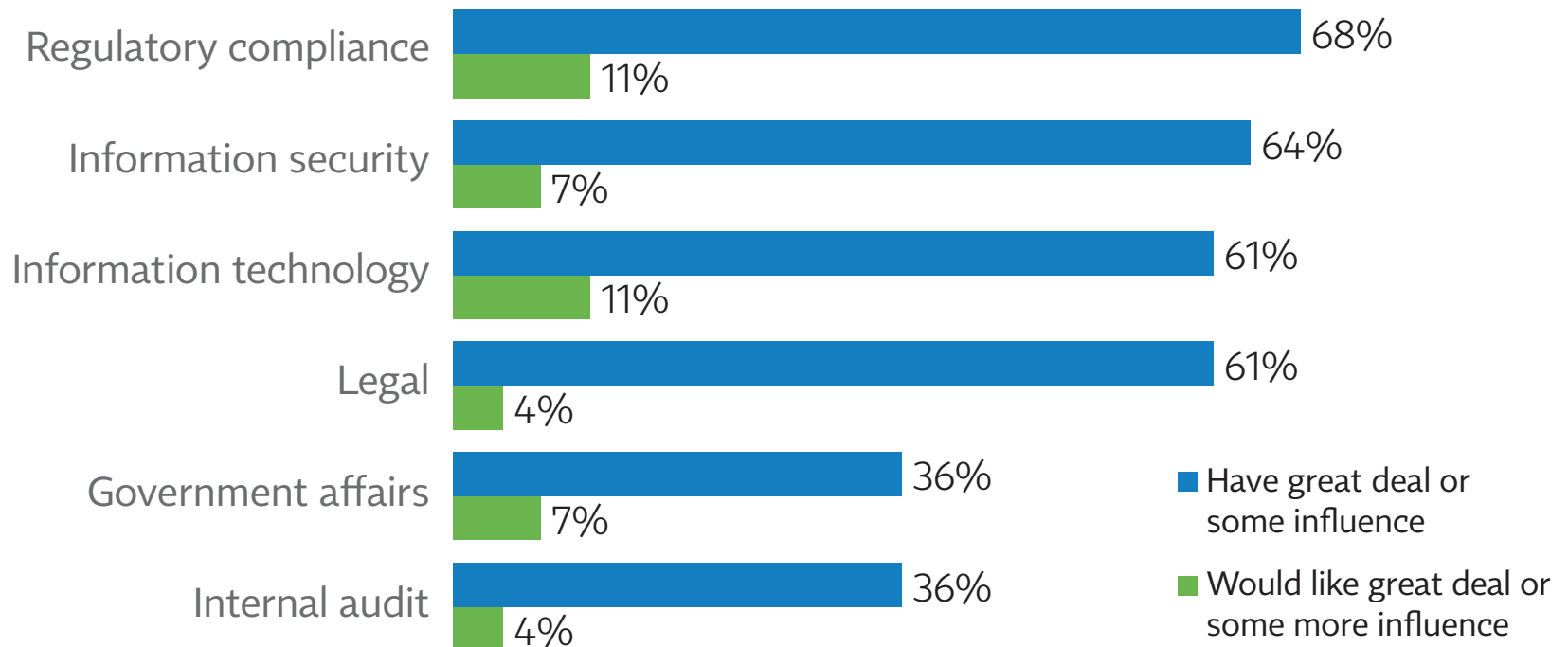
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Six areas emerge where leaders have significant influence and don't feel they need more

- Those areas include compliance, information security and technology, legal, government affairs and internal audits

Areas of Responsibility Where Leaders Are Most Satisfied with Current Influence

n=28



C2: Now for each of these same functions, please indicate whether you have a great deal of influence over the operations and budget of the function, some influence, a little influence, or no influence over the operations and budget of the function within your corporation.

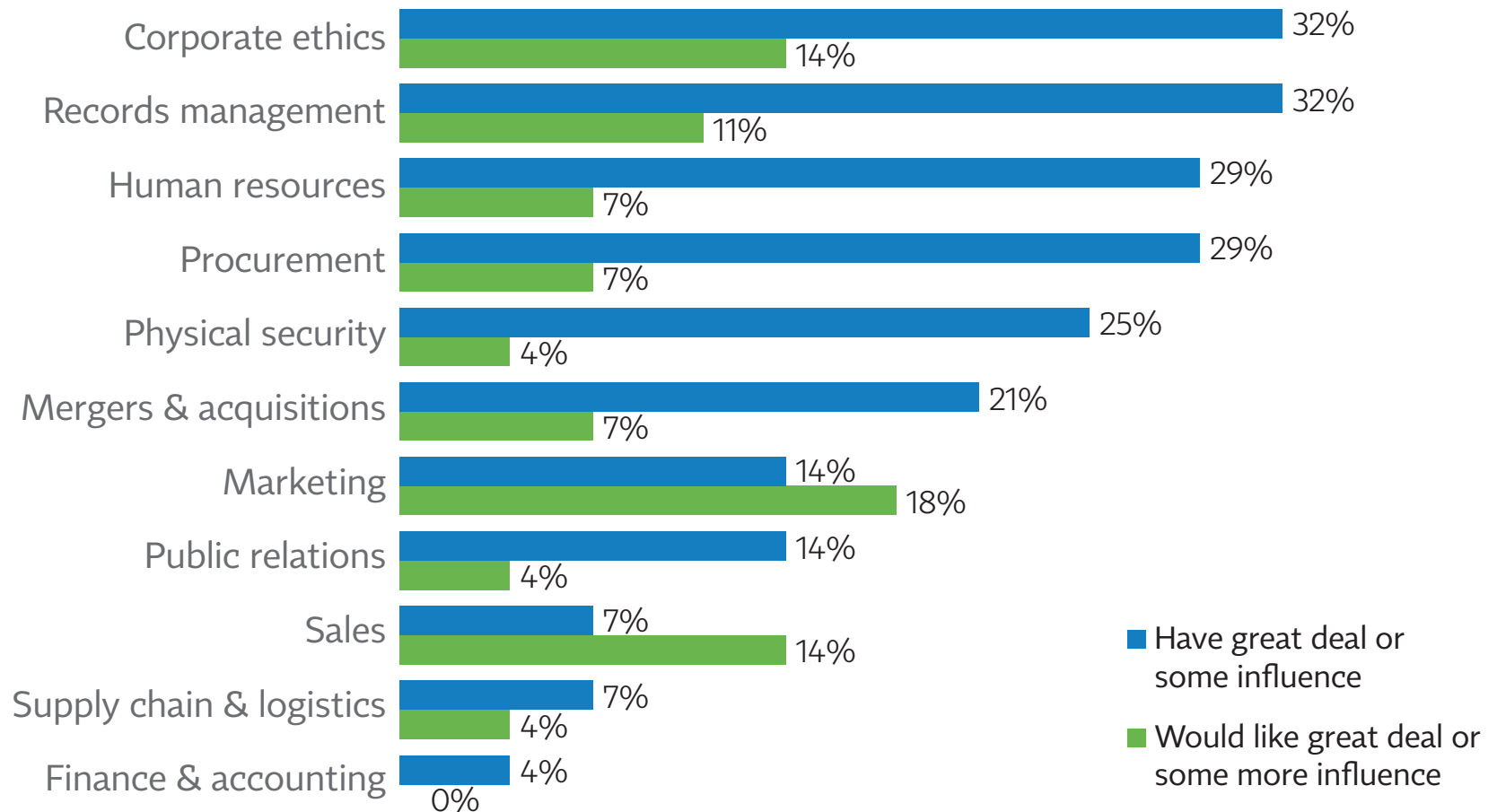
C3: For this same list, please indicate whether you feel that you SHOULD have a great deal more influence, somewhat more influence, a little more influence, or no more influence than you currently have over the operations and budget.

However, several areas emerge as areas with less influence, but with some desire for more

- The most striking examples are corporate ethics, marketing and sales

Areas of Responsibility Where Leaders Are Less Satisfied with Current Influence

n=28



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Finally, when leaders are asked to rank the importance of privacy initiatives, one stands out on top

- Compliance is clearly the most important priority for these firms, ranked first by 49% and first or second by 72%

Privacy Program Priorities

n=57

	RANKED 1 ST	RANKED 1 ST OR 2 ND
Regulatory and legal compliance	49%	72%
Marketplace reputation and brand	21%	42%
Safeguarding data against attacks and threats	14%	33%
Increasing consumer trust	11%	26%
Maintaining or enhancing the value of information assets	5%	11%
Increasing employee trust	0%	7%
Ensuring business partner compliance (including outsourcers)	0%	7%

A10: Following is a list of typical priorities for a privacy program. Please rank these priorities from: 1 = highest to 7 = lowest for your organization.

What’s interesting is that for companies in the mature stage, compliance is almost their exclusive focus

- 71% of mature-stage firms rank compliance first, much higher than less mature companies. In fact, the less mature the company the more divided they are in what their privacy priorities should be

Privacy Program Priorities: Ranked First

n=57

	PRE, EARLY OR MIDDLE STAGE	LATE MIDDLE STAGE	MATURE STAGE
Regulatory and legal compliance	33%	53%	71%
Marketplace reputation and brand	29%	16%	14%
Safeguarding data against attacks and threats	17%	21%	0%
Increasing consumer trust	13%	5%	14%
Maintaining or enhancing the value of information assets	8%	5%	0%

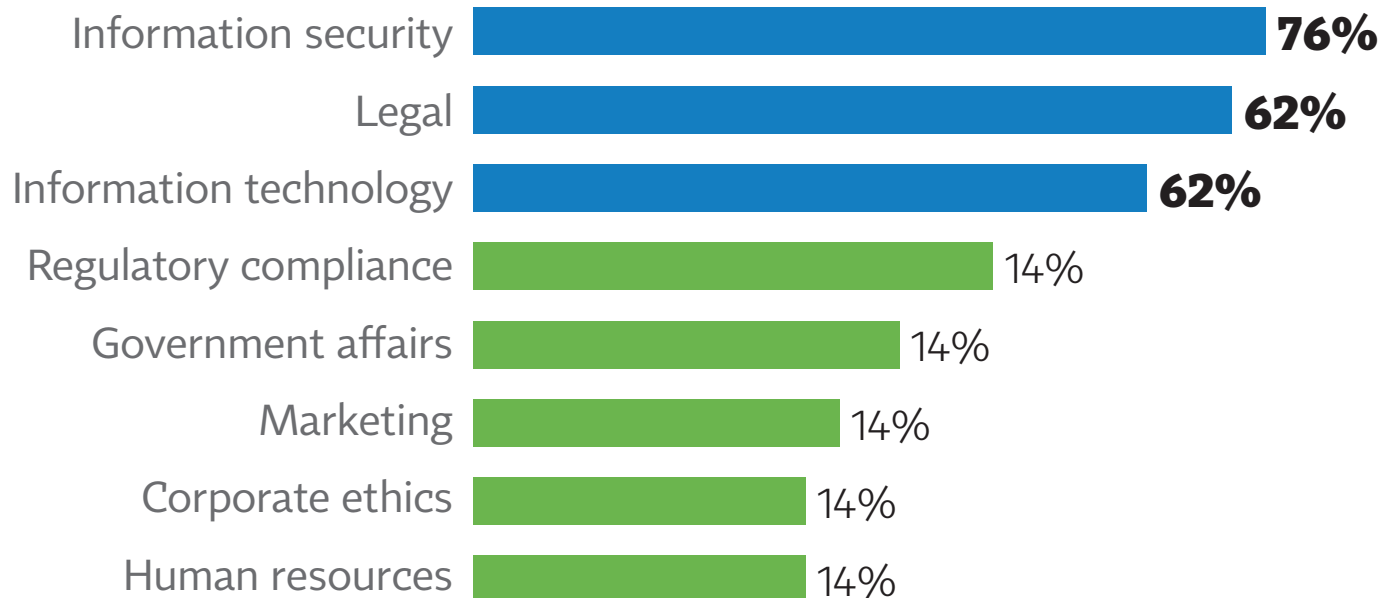
A10: Following is a list of typical priorities for a privacy program. Please rank these priorities from: 1 = highest to 7 = lowest for your organization.

Privacy leaders feel it's most important to work collaboratively with three groups in their firms

- Those groups are: information security, legal and IT. Note that marketing ranks relatively high on this list

Other Functions Seen as “Very Important” for Privacy Collaboration: Top Mentions

n=28



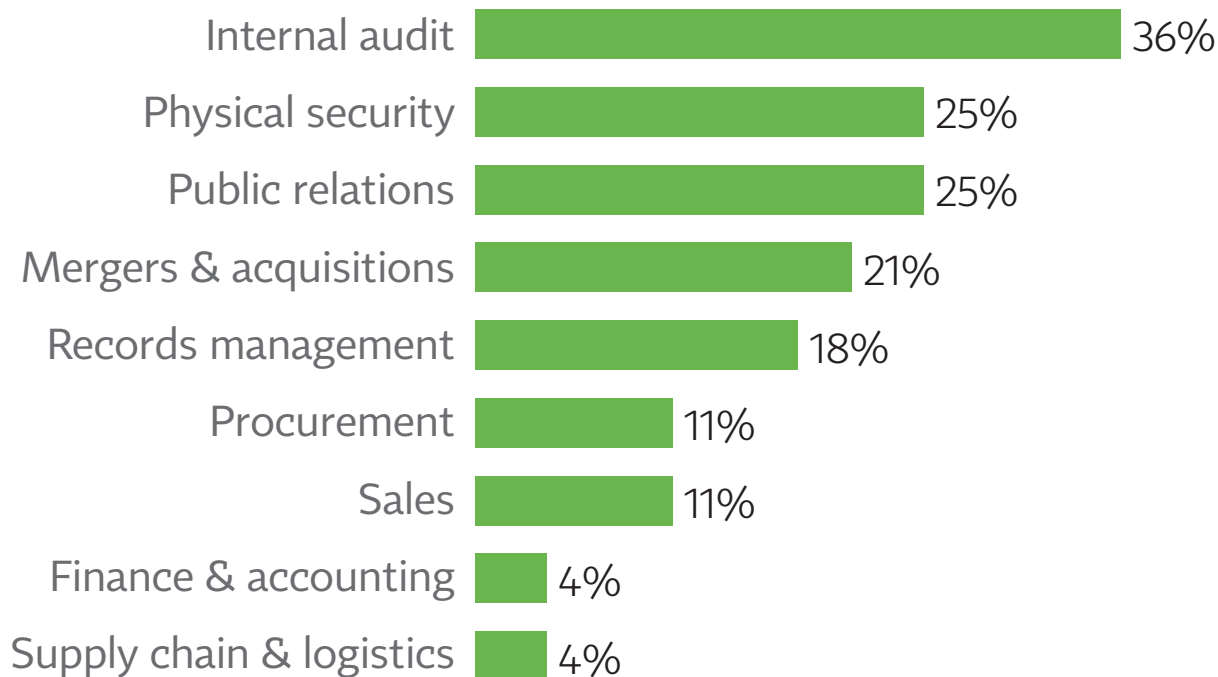
C1: Now we'd like to understand the relationships between privacy and other functions within your corporation. First, please use the following scale to indicate the importance of working together to achieve privacy goals:

As much as some privacy leaders would like more involvement with sales

- Sales ranks relatively low as a group for which leaders feel an especially strong need for collaboration

Other Functions Seen as “Very Important” for Privacy Collaboration: Other Mentions

n=28



C1: Now we'd like to understand the relationships between privacy and other functions within your corporation. First, please use the following scale to indicate the importance of working together to achieve privacy goals:



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