



Jane's DS Forecast

New Cyber Operations Market

- Jane's DS Forecast Cyber Operations market launches August 1, 2011
- Specific focus on the United States
- Forecasts indicate that the sector is resilient and will continue to grow to 2020

Background

With each passing day the international community becomes more interconnected, increasingly relying upon information exchanged by computer networks to better organize and more effectively control the world in which we live. But as our reliance on these cyber networks grows, we have also seen them attacked and the information they contain exploited, impacting global communications, threatening our national infrastructure, and compromising personal identities.

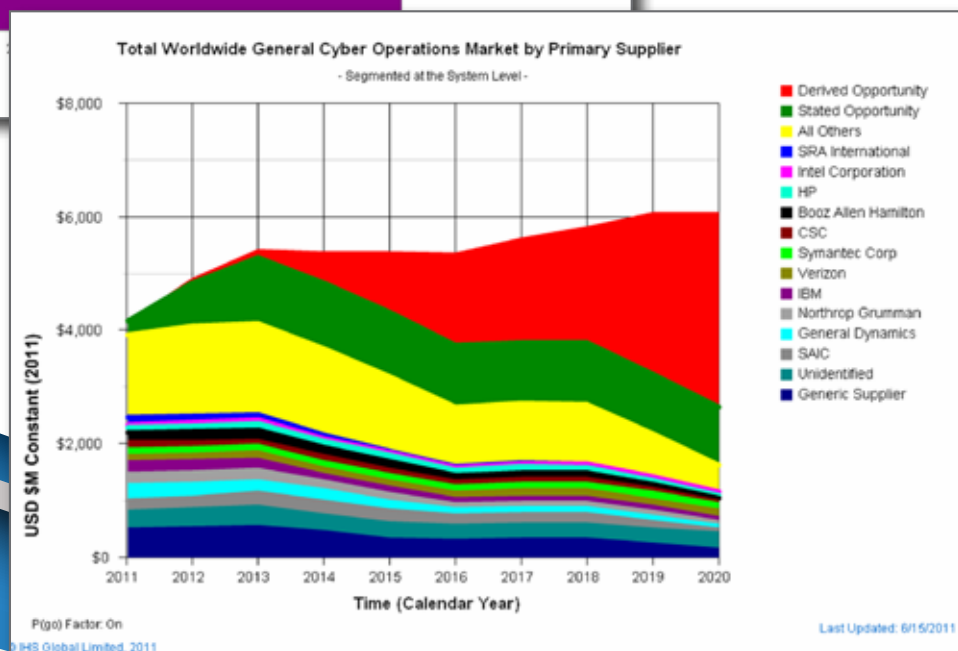
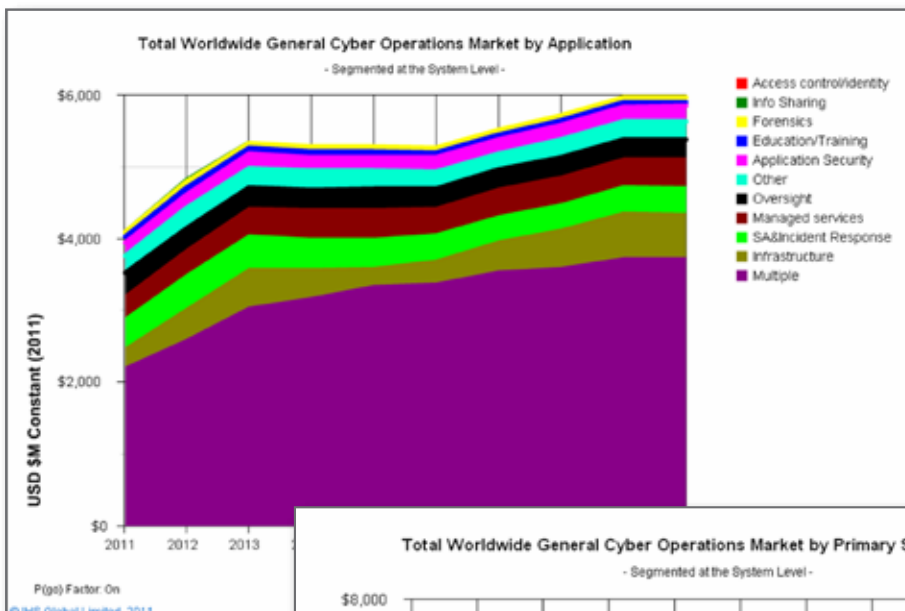
Although this “cyber warfare” has been with us for some time, many modern societies are still grappling with how best to respond. In the United States, for example, cyber security concerns seem likely to give the National Security Agency (NSA) a hand in the monitoring of domestic networks, while the 2011 National Military Strategy of the United States tasks the newly constituted Cyber Command (CYBERCOM) to “collaborate with US government agencies, non-government entities, industry, and international actors to develop new cyber norms, capabilities, organizations and skills.”

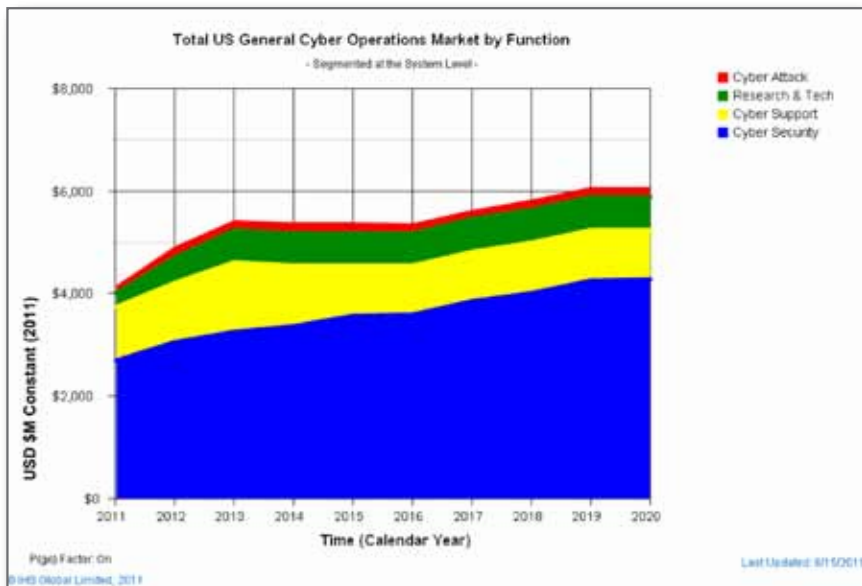


In this uncertain and evolving environment, however, there also exists opportunity – opportunity for those companies with the depth of technical expertise to provide comprehensive cyber solutions to their customers. Continued market success will also require the ability to quickly and decisively adapt to rapid changes in the cyber landscape – agility enabled by reliable market intelligence. With this in mind, Jane's DS Forecast has developed a U.S. Cyber Operations market forecast – built using the same bottom-up approach as our other 20 aerospace and defense forecasts.

The forecast covers Federal spending on unclassified hardware, software, and services that are designed to protect, attack, and/or exploit civil and military computer networks and the data they contain. This specialized new product delivers the same powerful, actionable business intelligence you have come to expect from Jane's DS Forecast, using the same customer interface.

Selected Charts





The Cyber Operations market – initial analysis

As the database has been compiled a number of conclusions regarding the Cyber Operations market have become apparent:

- The U.S. cyber market – while not large in relation to other, more traditional, A&D markets – has weathered the recent economic downturn well and we expect it to continue to grow throughout the forecast period with a compound annual growth rate (CAGR) of greater than 4 percent.
- We predict that the cyber R&D market segment will enjoy a CAGR in excess of 10 percent over the forecast period, indicating that growth in the cyber market as a whole is likely to exceed our current estimates.
- Given the likely involvement of the NSA and CYBERCOM in protecting domestic U.S. cyber infrastructure, success in the cyber-security market segment over the long-term will require a cleared, expert workforce as well as access to classified facilities.
- Perhaps most importantly, success in the cyber warfare market – particularly for large contractors – will require broad expertise in the Information Technology services domain as a whole. More than 50% of the current U.S. cyber market value comes from government or agency wide contracts like the GSA's Alliant GWAC and DISA's Encore II – contracts in which cyber-related work represents a small fraction of total contract value. Smaller firms are often able to compete successfully with larger contractors for cyber-specific work that often is of relatively low value.

Conclusion

2011 has already seen a number of significant cyber warfare attacks, on both government and private organizations, and these incidents will surely only increase. This new U.S.-focused Jane's DS Forecast market provides specialized critical insight into the forecast cyber operations programs of the world's most technologically advanced defense organizations, revealing opportunities for product development, strategic planning and opportunity identification, and supporting long-term profitable growth for prime contractors and niche providers alike.

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August 1, 2011.*



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