# Cybersecurity Market Poised for Further Growth

**11/7/2018**

By Jon Harper

The Defense Department is expected to significantly boost investment in cybersecurity technology over the next five years, according to a recent study.

The market for these technologies is expected to increase to $4.3 billion by 2023, or about 3 percent annually, said Brad Curran, an analyst at Frost & Sullivan.

The extra spending will be partly aimed at thwarting advanced adversaries who could threaten U.S. military systems, with the highest growth rate expected for securing combat systems, said Curran, who authored a recent Frost & Sullivan report titled, "U.S. DoD Cybersecurity Market, Forecast to 2023."

"They sort of got a handle now on the enterprise network side — not completely but there's been a lot of investment there over the last few years," he said in an interview. "But when you talk about combat systems — everything from strategic missile defense systems down to tactical systems — that's kind of lagged behind. So that's a high priority to make sure that a near peer adversary can't disrupt our combat systems that are dependent on computer networks."

The Pentagon is putting big money into cyber capabilities, with about $1.3 billion in new prime contracts awarded so far this calendar year. That doesn't include smaller contracts or subcontracts, or contracts for classified projects, he noted. It also excludes cybersecurity-related initiatives that appear in other budget categories.

"There are all kinds of other areas too that include cybersecurity-type applications," he said. "It's actually a much bigger market."

The department is casting a wider net as it seeks to tap into commercial innovation. Curran anticipates more and more tools developed in the commercial world being applied to defense problems, both on the defensive and offensive side.

The Pentagon is already working with nontraditional companies for activities like enterprise management, cloud computing, big data and autonomy, he noted.

"The traditional defense companies will still be systems integrators for both enterprise and for tactical networks, but I think that both they and DoD are actively searching out partnerships with new companies," he said. "There's a lot of new names in recent contracts for cybersecurity."

It makes sense for the department and major defense contractors that manage large IT systems to buy commercially available tools to avoid unnecessary expenditures, he said.

"You don't have to spend as much R&D money. You don't have to have so much in integration and engineering costs. So you can ease those technology refreshes," he said. "It's beneficial for everybody."