Outline

- Introduction to BSA
- The Rise of Cloud Computing & Software
- BSA Cloud Computing Scorecard
- BSA Global Software Survey
Introduction to BSA

- The leading advocate for the global software industry before governments and in the international marketplace
- Headquarters in Washington, DC
- Global operations – APAC regional offices in Singapore, Bangkok, Beijing, New Delhi, Seoul, and Tokyo
- Advocates for public policies that foster technology innovation and drive growth in the digital economy
Introduction to BSA

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The Rise of Cloud Computing & Software

- Korea’s ICT industry is undergoing a dramatic transformation
  - Cutting-edge developments in AI, the Internet of Things, blockchain, among others, are disrupting almost every industry across the globe

- Termed as the Fourth Industrial Revolution, advances in software and cloud-enabled technologies and services are changing the way we live and interact

- In South Korea, the most innovative country in 2017 according to Bloomberg, the Fourth Industrial Revolution has become one of the most discussed topics in all circles – political, corporate and social
  - The launch of a Fourth Industrial Revolution presidential committee in September 2017 underscores the importance of the topic to Korea
The Rise of Cloud Computing & Software

- Data-driven innovation enabled by software and cloud computing powers the economy, and its future role will be even more critical.

- Over the past three decades, South Korea has firmly established itself as a global powerhouse in ICT, thanks to outstanding achievements in mobile devices, chips and appliances.

- However, corporate Korea is facing a new challenge today as firms lag behind in a global race to keep up with transformations in ICT.

- Key issues that continue to affect Korea’s ICT industry include:
  - Cloud adoption and growth remains largely static
  - Unlicensed software still rampant
INTRODUCING: BSA CLOUD COMPUTING SCORECARD
2018 BSA Cloud Computing Scorecard

- Only report to regularly track change in the international policy landscape for cloud computing
- Ranks 24 countries for cloud readiness – representing 80% of global IT market
- 10 Asia-Pacific countries surveyed: Australia, China, India, Indonesia, Japan, Korea, Malaysia, Singapore, Thailand, and Vietnam
- Assists policy makers in identifying and addressing weaknesses in each market and encourages countries to work together to ensure a healthy cloud ecosystem globally
Key Global Findings

By focusing new attention on the policy areas that matter most to cloud computing, the 2018 Scorecard shows continuing improvements in the policy environment for cloud computing in key global economies.

1. Advanced privacy and security policies set leading countries apart from lagging markets
2. Deviations from widely adopted regimes and international agreements hold back key markets
3. Those few countries that have embraced localization policies pay a heavy price
4. Increased emphasis on IT readiness and broadband deployment leads to interesting results
Scorecard Rankings

2018 BSA Global Cloud Computing Scorecard

By focusing new attention on the policy areas that matter most to cloud computing, the 2018 Scorecard shows continuing improvements in the policy environment for cloud computing in key global economies.
Where Korea Stands

- Overall, with its rank of 12\textsuperscript{th} out of 24, Korea’s position in the Scorecard rankings remains unchanged from 2016
- Korea has a strong commitment to the promotion of the digital economy, and its laws and standards are generally based on international models
- Korea scored well in the IT readiness and broadband deployment section of the scorecard
Where Korea Stands

- Korea imposes complex notice and consent requirements, which affect data flows that are critical for cloud computing.
- Another area of concern is the imposition of a national encryption standard for the procurement of information technology (IT) security devices and related equipment.
- The implementation and enforcement of IP laws could be improved, for instance, Korea’s cybercrime law also does not cover the full range of relevant issues.
- In addition, some IT products that have already passed international security evaluation standards are required to undergo additional local testing in Korea.
Eight Policy Guidelines for Korea

1. Ensuring privacy
2. Promoting security
3. Battling cybercrime
4. Protecting intellectual property
5. Ensuring data portability and the harmonization of international rules
6. Promoting free trade
7. Establishing the necessary IT infrastructure
INTRODUCING:
BSA GLOBAL SOFTWARE SURVEY

Software Management: Security Imperative, Business Opportunity

BSA GLOBAL SOFTWARE SURVEY
JUNE 2018
Conducted in partnership with IDC

Estimates the volume and value of unlicensed software installed on personal computers in 2017, across more than 110 national and regional economies

Based on a global survey of more than 20,000 respondents

Reveals key attitudes and behaviors related to software licensing, intellectual property, and emerging technologies
Why Software Compliance?

Malware Impacts

Organizations now face a nearly one-in-three chance of encountering malware when they obtain or install unlicensed software.

Dealing with the malware associated with unlicensed software can cost more than $10,000 per infected computer for a worldwide total of more than $359 billion.

Users are taking note: 68 percent of computer users and 48 percent of CIOs rated malware among the top three reasons not to use unlicensed software.

CIOs top concerns from these unlicensed malware threats includes the loss of corporate or personal data, system downtime, network outages, and the cost of disinfecting systems.

To help mitigate these impacts, the number of CIOs who have a formal written policy about the use of licensed software has jumped dramatically from 41 percent in 2015 to 54 percent this year. Yet only 35 percent of workers are aware of a formal written policy, suggesting a critical education gap.

Organizations taking proactive steps are finding that a 20 percent increase in software compliance can improve a company’s profits by 11 percent — a boost of more than half a million dollars for the average-sized company in the survey.
Why Software Compliance?

CIOs Report the Top Benefits of Strong Software Compliance

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
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<tr>
<td>Lower security risks</td>
<td>54%</td>
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<tr>
<td>Less risk of legal issues</td>
<td>43%</td>
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<tr>
<td>Increased IT productivity</td>
<td>35%</td>
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<tr>
<td>Protection of corporate brand</td>
<td>28%</td>
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<tr>
<td>Customer or trading partner satisfaction</td>
<td>26%</td>
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<tr>
<td>Increased end user productivity</td>
<td>26%</td>
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<tr>
<td>Lower software costs</td>
<td>20%</td>
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<tr>
<td>Less disruption from audits</td>
<td>19%</td>
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<tr>
<td>Better relationship with vendors</td>
<td>16%</td>
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</table>
Key Global Findings

1. **Use of unlicensed software, while down slightly, is still widespread**: 37 percent of software installed on personal computers globally – APAC leads the world at 57 percent

2. **CIOs report unlicensed software is increasingly risky and expensive**: Malware from unlicensed software costs companies worldwide nearly $359 billion a year

3. **Improving software compliance is now an economic enabler in addition to a security imperative**: Potentially boosting profits by as much as 11 percent

4. **Organizations can take meaningful steps today to improve software management**: As much as 30 percent savings in annual software costs by implementing a robust SAM and software license optimization program
### Rates and Commercial Values of Unlicensed PC Software Installations

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<td>50%</td>
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*Note: The above table represents the rates and commercial values of unlicensed PC software installations in various regions from 2011 to 2015.*
## Where Korea Stands

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<td>$16,439</td>
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</table>
Where Korea Stands

- The use of unlicensed software, although decreasing, is still common in South Korea and the APAC region
  - 32 percent of software installed on personal computers in Korea was found to be unlicensed – a 3 percent drop from 2016
  - The commercial value of unlicensed software stands at US$598 million – a drop from US$657 million since the 2016 report
  - Korea’s unlicensed software installation rate fell 11 percent over the past decade
- This hampers efforts to harness innovative technologies due to the high risk and costs of crippling security threats and malware
- This calls for a need for greater compliance and enforcement by private companies and policymakers
Four Policy Guidelines for Korea

1. LEAD BY EXAMPLE:
   Governments are the largest users of software in the world. As with all organizations, they can benefit from reducing risks, improving their technology accountability, and adopting SAM practices. Governments can also promote SAM and use of fully licensed software in state-owned enterprises, and among contractors and suppliers.

2. INCREASE PUBLIC EDUCATION AND AWARENESS:
   Governments, accounting and auditing professionals, industry consultants, trade associations, and business organizations should educate organizations about software license compliance and the dangers of unlicensed software installation and usage.

3. MODERNIZE LAWS TO ACCOUNT FOR NEW INNOVATIONS:
   With the advent of cloud computing and the proliferation of networked mobile devices, software is being stored, delivered, and used in innovative new ways. Policymakers should ensure it is protected regardless of the format or means of delivery.

4. CREATE A CONDUCTIVE ENVIRONMENT FOR ENFORCEMENT:
   Governments should ensure that legal frameworks provide effective means for redress and promote collaboration among stakeholders to reduce software copyright infringement.
Links and Resources

- Main BSA Website
  http://www.bsa.org
- 2018 BSA Cloud Computing Scorecard
  http://cloudscorecard.bsa.org/2018/
- 2018 BSA Global Software Survey
  https://gss.bsa.org/
Thank you