

Product Differentiation Excellence, Managed Security Service Providers Market North America, 2010

Frost & Sullivan's Global Research Platform

Frost & Sullivan is entering its 49th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The Company's research philosophy originates with the CEO's 360 Degree Perspective,* which in turn serves as the foundation of its TEAM Research** methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2010 North America Product Differentiation Excellence Award in Managed Security Service Providers Market to Vigilant.

Significance of the Product Differentiation Excellence Award Key Industry Challenges Addressed by Product Differentiation Award

The managed security service providers market includes various vendors that offer a breadth of services. The challenge today for many vendors is the continuation of offering innovative services while offering a competitive price. In addition, vendors are trying to keep up with product differentiation while also trying to offer other services, such as professional services to help clients secure a strong security posture. Compliance continues to drive the managed security service providers market. Hence, businesses are looking at ways to reduce risk while meeting operational objectives. MSSP vendors are under extreme pressure to offer these services, but while the market is experiencing solid growth, competition within the market is becoming difficult as various types of security vendors are entering the market.

While the market continues to experience strong growth, businesses still feel reluctant to outsource their security. The primary factor businesses are hesitant to outsource their security is fear. Many businesses will prefer to co-source and still be able to manage part of its infrastructure. MSSPs are experiencing businesses preferring to manage their own security in-house, as many are afraid of losing control of proprietary information. Companies that have made large investments in its staff and infrastructure may resist choosing MSSP services. As a result, this remains a challenge for MSSP vendors.

Key Benchmarking Criteria for Product Differentiation Excellence Award

For the Product Differentiation Excellence Award, the following criteria were used to benchmark Vigilant's performance against key competitors:

- Unique Features/Functionality
- Quality/Complexity
- Customization
- Matched to Target Markets Needs
- Brand Perception of the Uniqueness of the Product

Best Practice Award Analysis for Vigilant

The Decision Support Matrix, shown in Chart 1, illustrates the relative importance of each criterion for the Product Differentiation Excellence Award and the ratings for each company under evaluation. To remain unbiased while also protecting the interests of the other organizations reviewed, we have chosen to refer to the other key players as Competitor 1 and Competitor 2.

Chart 1: Decision Support Matrix for Product Differentiation Excellence Award

<i>Measurement of 1–10 (1 = lowest; 10 = highest)</i>	Award Criteria					
	Unique Features/Functionality	Quality/Complexity	Customization	Matched to Target Markets Needs	Unique Name/Brand Recognition	Weighted Rating
Relative Weight (%)	20%	20%	20%	20%	20%	100%
Vigilant	8.5	8	7.5	8.5	7.5	8
Competitor 1	8	8	7	8	7	7.6
Competitor 2	7.5	7	7.5	8	8	7.6

Criterion 1: Unique Features/Functionality

Vigilant offers a service, Fusion for SIEM. Fusion offers as a specialized SIEM service that delivers a continuously improving security monitoring solution, by remotely handling the ongoing management and development of SIEM infrastructures that resides on the customer premise. Fusion offers 24X7 monitoring of SIEM devices. The service also includes supporting data feeds, ongoing development and tuning of SIEM use cases, program guidance to ensure alignment of security operations to business requirements, and security metrics and reporting. The primary customers that this service targets include those who need more custom services than a typical MSSP can offer, need the advanced correlation and analytics that a SIEM can provide, but lack in-house resources to deploy and manage it, or need ongoing guidance to bring security operations into better alignment with IT risk management and business decision-makers. The service includes unique services such as quarterly maturity cycles, the Fulcrum Framework, and security metrics and program maturity reporting.

Quarterly Maturity Cycles

The Fusion SIEM service offers a service that guides customers through a series of quarterly maturity cycles. The service helps customers implement a roadmap designed for each

customer's unique target objectives. During each cycle, Vigilant engineers refine and implement new SIEM use cases to achieve measurable improvements in security posture which ensures increasing value of their investment over time, and increased in-house efficiency in identifying and responding to priority security incidents. The ability to offer this service requires a deep bench of SIEM expertise, well-honed SIEM operational processes and a hierarchical staffing and training model that enables both scale and depth of skills to meet the needs of a broad customer base.

Fulcrum Framework

Fulcrum Framework is a library of pre-built use cases, cross-mapped to multiple regulatory requirements and common security standards, which enable Vigilant engineers to efficiently deploy "best-practices" SIEM content, helping customers to rapidly meet their program objectives. This is a result of Vigilant encompassing seven years of real-world experience and includes its intellectual property advancements.

Security Metrics and Program Maturity Reporting

In addition to weekly reports and recommendations targeted to security analysts and operations staff, the service also delivers monthly and quarterly reports and functionality for management and executive level CIOs looking for information regarding business objectives, improving security posture and operational benefits. Vigilant's SecureScore™ and MatureScore™ metrics enable improvement-tracking over time across the whole monitored environment.

Criterion 2: Quality/Complexity

Vigilant's competitive differentiator is with its expertise and focus in SIEM, packaged as a practical program that enables customers to use SIEM to drive better alignment between security operations and business stakeholders. Using its library of proven, real-world use cases, best practice-based operational processes and actionable metrics and reporting, Vigilant delivers customized solutions of significantly greater value than have previously been available through any managed security service, and at a price point competitive with much lower-value offerings.

Criterion 3: Customization

Vigilant offers transaction and data-centric methodologies that help discover cybercrime which can include fraud and money laundering. The methodology shows how Fusion for SIEM can deliver rich, high value monitoring services and offers business value to a customer. Fusion was designed to offer a lucrative MSSP value service and offer a high degree of customization.

Vigilant offers a range of on-site services that ensure well-architected, well-aligned and efficient security monitoring to increase the value of security monitoring to the organization as a whole. These include: on-site assessment, design and policy development services; deployment and integration of security tools into the monitoring infrastructure; and

integration between security monitoring and other IT processes. Through Fusion for SIEM, Vigilant also manages first-line support with the customer's SIEM product vendor.

Criterion 4: Matched to Target Markets Needs

Vigilant focuses on meeting the requirements of businesses and public institutions; it does not provide services directly to individual consumers. Fusion for SIEM serves various verticals such as financial services, healthcare, retail, energy and public infrastructure. Vigilant continues to work diligently on researching various market segments and marketing campaigns that will help build traction in the market.

Criterion 5: Brand Perception of the Uniqueness of the Product

Vigilant has offered its "co-sourcing" service for several years, but has recently offered its Fusion for SIEM brand since June 2009. Vigilant has seen over 300 percent increases in customer acquisition in 2009 and a notable shortening of the average sales cycle as a result of the awareness of its SIEM product. A key part of brand promotion has been to build awareness among SIEM vendors partners. Vigilant is a sought-after partner, known for ensuring a high degree of end-customer satisfaction with SIEM products; as a result partners have been very active in promoting the brand because the service enhances their own competitive positioning and helps them overcome sales obstacles. Vigilant continues to benefit from its strong partners, including RSA and ArcSight, and offers its specialized services through value-added resellers and other systems integrators. The company is also continuing to build its brand name through the media, and analyst relations, more aggressive outbound marketing, participation in industry thought leadership forums (such as SANS and SecurityMetrics.org) and securing customers' willingness to participate in joint press and marketing activity.

About Vigilant

Vigilant was founded in 2003 with the mission to help large and mid-size organizations achieve the visibility and insight they need to ensure that critical IT risks are being addressed effectively through business-aware security monitoring solutions, delivered through both on-site consulting and managed services. The company is vendor agnostic and partners with vendors such as ArcSight, RSA, and Imperva. As a niche provider in the MSSP market, the company offers 7 years of expertise in SIEM services

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