

Frost & Sullivan Awards for World Vulnerability

Management Software Markets

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World Vulnerability Assessment Software Market

Market Leadership

Market Leadership Award

Award Description

The Frost & Sullivan Award for Market Leadership is given to the company that has exhibited market share leadership through the implementation of market strategy. The recipient has displayed excellence in all areas of the market leadership process, including the identification of market challenges, drivers and restraints, as well as strategy development and methods of addressing these market dynamics. Furthermore, the Award recipient has continually demonstrated solutions for monitoring market changes and for implementing superior market strategies. By utilizing these strategies for success, the company has established itself as the market share leader in its respective industry.

Research Methodology

To choose the recipient of this Award, the analysts track competitor revenue and market share within the industry. This is achieved through interviews with all market participants and extensive secondary research of proprietary data sources. Finally, the competitors are compared and ranked for relative position. Frost & Sullivan then presents the Award to the company that received the number one industry rank.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used to ascertain final competitor ranking in this industry. The recipient has excelled by substantially increasing one or more of the following criteria:

- Market share

2007 World Frost & Sullivan Award for Market Leadership

IBM Internet Security Systems is the prolific founding vendor of the vulnerability assessment products industry. Started in 1994 in Atlanta, IBM ISS is distinguished by being the only vendor to have maintained superior market share since the industry's inception. Despite the linear growth and increasing complexity of the industry, IBM ISS' Proventia vulnerability assessment platform remains the bulwark of the industry, and a critical component of many of IBM ISS most important managed security service SLAs. In the 2006 marketplace where almost 40 percent of industry revenues are consolidated among the top three market share leaders, IBM ISS holds a 12 percent lead in revenues over its closest challenger. This accomplishment is all the more remarkable when one considers the rate of technological evolutions and challenges in this market as vulnerability assessment products continue to be integrated with complementary products as part of the industry-wide drive towards consolidated security solutions. While IBM ISS did experience a decrease in its vulnerability assessment products 2006 market share, this is a combined reflection of market growth, significant competitor consolidations, and IBM ISS' traditionally dominant market position itself. While in 2005 IBM ISS' competitors claimed to be winning competitive bids against IBM ISS due to a supposed lack of recent investment, the integration with its new parent entity IBM between the third and fourth quarters of 2006 is expected to redefine the future competitiveness of this product line. Independent of the IBM merger, Enterprise Scanner has also been finding new traction in 2007 in less traditional vertical markets, such as retail and manufacturing, as well as more diversified geographic segments that include EMEA and APAC.

IBM ISS' Enterprise Scanner is distinguished by a host of features, including an automated vulnerability remediation workflow, a scalable and cost effective network-based form factor, the ability to leverage existing infrastructures such as Active Directory, integration of ticketing systems like Remedy, as well as the ability to create asset values and customizable reporting and groupings. Enterprise Scanner is also able to integrate with the platform and be managed through a single console, while providing customizable administrative rights and access, load balancing between multiple scanners, X-Force Content, and virtual patching capabilities via SiteProtector, IPS, and Fusion. These features, as well as the ISS marketplace legacy, have been the source of a series of recent successes for Enterprise Scanner, throughout the financial, government, manufacturing, and education verticals.

Although other vendors have besieged IBM ISS' dominant market share in recent years, Frost & Sullivan expects that IBM ISS will dedicate much of its new human and fiscal resources to reinforcing this consistently lucrative product in 2007, and will continue to dominate the market. This position is especially reinforced by the integration of IBM ISS in October of 2006. Because of this transaction, IBM ISS' VA product line will be grown by a larger sales force than any other vendor in the industry. IBM ISS' vulnerability management solutions also benefit from the resources of the X-Force Research and Development Team, and IBM ISS' unique vulnerability management service. The X-Force Research and Development Team is a global authority on vulnerability and threat research that forms the basis of the threat scanning conducted by IBM ISS' Proventia vulnerability management platform. The synergy that results from IBM ISS' vulnerability research, Proventia VA management solution, and VA management service has placed IBM ISS in the unique position of a vertically-integrated vendor and provider in this marketplace.

IBM ISS' continued commitment to Enterprise Scanner and serving this market is also well illustrated by the collective enhancements that are scheduled for this product line in 2007. These include a PCI Compliance template that is designed to meet growing demand, Windows 2003 SP1 support, patch and update role-up, maintenance refinements, four more port activations on ES 1500, bandwidth throttling, custom check writing, adding Enterprise Scanner to an IBM blade, as well as improvements to usability and documentation. These product improvements are also being complemented by simultaneous additions to vulnerability management services done within the auspices of managed security. Deepened integration of Enterprise Scanner with IBM ISS' signature managed security services will enhance PCI offerings, add new Windows scanning capabilities, additional asset grouping, improved ticketing, new CPE capabilities, as well as on demand scanning.

For its continued excellence and dominance of the vulnerability management software products market, IBM ISS is the 2007 recipient of the Frost & Sullivan Market Leadership Award.

Market Penetration Leadership

Market Penetration Leadership Award

Award Description

The Frost & Sullivan Award for Market Penetration Leadership Award is presented each year to the company that has demonstrated excellence in capturing market share within their industry. The recipient has demonstrated strategic excellence in product innovation, marketing, and sales strategies that have resulted in the largest gain in market share over the past 2-3 years.

Research Methodology

To choose the recipient of this Award, the analyst team tracks market share gain, increase in sales, and brand awareness efforts within the industry. This is accomplished through interviews with market participants, end-user studies, and extensive secondary research.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used to determine final competitor rankings within the industry. The recipient of this Award has excelled based on one or more of the following criteria:

- Competitive pricing strategies—perceived customer value versus price
- Strong sales force strategy—number of sales people (direct and indirect), sales force specialization, efficiency in distribution, ability to train and educate, and strong customer service
- Ability to establish brand awareness through promotional activities and advertising
- Strategic alliances that expand customer base (increase distribution, marketing and sales resources, and global expansion)
- Product innovation—satisfying unmet needs, creating new needs, and developing new technologies

2007 Global Frost & Sullivan Award for Market Penetration Leadership Award Recipient: Qualys

Founded in 1999, Qualys has been a software-as-a-service vendor from the beginning. Qualys provides solutions for IT security, compliance, and audit to a constituency of CSOs and IT Security Directors through channels of security consulting organizations, managed security service providers, and outsourcers. 8 years after it was founded, Qualys has received 65 million dollars in investment endorsements from Trident Capital, GRP Ventures, ABS Ventures, and a host of private investors. That more than half of all of Qualys' personnel is devoted to research and development support and operations is one clear indication of its commitment to this field. The stats on Qualys' continued leading market growth illustrate the rewards that have come with this commitment. Of the 3,000 active subscribers worldwide, 30 percent of the Fortune 100 rely on Qualys for their scanning, in addition to 220 of the Forbes Global 2,000. Through these subscribers, QualysGuard Data Centers perform 150 million IP scans per year with 5000 appliances deployed in 65 countries. Qualys' leading product offering, QualysGuard, is designed to prioritize network threats in order of compliance sensitivity, while minimizing the cost of implementation and management. Large, global enterprises in particular are said to be increasingly drawn to network-based, agentless vulnerability management technologies as they purportedly reduces both the time and cost of deployment for network administrators that continue to be faced limited resources of budget and personnel.

Qualys's vulnerability management solutions are built around the premise that the automation of vulnerability management is the key to meeting the increasingly demanding business and regulatory environments that the enterprise faces in the contemporary market. Central to this is the belief that only the seamless coordination of the IT compliance audit team, management, and the enterprise vulnerability and risk management audit team will yield the level of security performance that satisfies these increasing demands. Furthermore, making this structure operational relies on the close cooperation of the VM team with remediation personnel, whereby the VM team oversees network scanning and ticket creation, and the remediation team focuses on changing configurations accordingly while reducing the interim patching times. The synergy that results from this structure is what Qualys ultimately believes will demonstrate continuous improvement with compliance auditing.

This process is enhanced by QualysGuard' on demand dashboard views and drilldown reporting features, which focus on PCI compliance, policy and governance management, NAC agents, and security risk management. This system is also compatible with SIMS integration, and active directory helpdesk. Qualys prides this platform on its scalability, 'six sigma' accuracy, and reliability that is evidenced by 99 percent plus availability, or 17 hours of unscheduled downtime in 6 years. Finally, Qualys believes that its new QualysGuard AJAX user interface offers additional value to its global clientele. There are many examples of such global enterprises among Qualys' clientele including AXA, DuPont, Hershey Foods, ICI Ltd, Novartis, Sodexho and Standard Chartered Bank. The recently released Qualys Guard 5.0 has distinguished Qualys as the recipient of the 2007 SC Magazine Award for Best Security Product and Best Vulnerability Assessment.

For creating a dynamic mix of product features resulting in additional customer value, and strong annual gains in market share, Qualys is the consecutive recipient of the 2007 Frost & Sullivan Award for Market Penetration Leadership.

A B O U T B E S T P R A C T I C E S

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

A b o u t F r o s t & S u l l i v a n

Frost & Sullivan, a global growth consulting company, has been partnering with clients to support the development of innovative strategies for more than 40 years. The company's industry expertise integrates growth consulting, growth partnership services, and corporate management training to identify and develop opportunities. Frost & Sullivan serves an extensive clientele that includes Global 1000 companies, emerging companies, and the investment community by providing comprehensive industry coverage that reflects a unique global perspective and combines ongoing analysis of markets, technologies, econometrics, and demographics. For more information, visit www.frost.com.

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World Application Security Software Market

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2007 World Frost & Sullivan Award for Market Leadership

The Waltham, MA. based company Watchfire was founded in 1996 and has 180 employees who design and build web application security software that pinpoints critical vulnerabilities and improves the remediation process. Watchfire is also a provider of services that help ensure the security and compliance of the websites of its broad clientele. In particular, the Online Risk Management and Web Application Security testing software helps to drive costs out of the online operation through the automation of processes, and the prioritization of issues for immediate remediation.

The latest release of Watchfire's AppScan software, version 7.0 automates and supports a number of features that help to ensure the security of the sites it tests. Automatic privilege escalation testing, support for two-factor authentication sites and improved reporting aids testers in determining the needed fixes for potentially vulnerable sites. Watchfire also provides tracking of the status of discovered vulnerabilities, thereby going well beyond the realm of traditional 'testing' to achieve true vulnerability management. This is only one of the reasons that Frost & Sullivan believes Watchfire will continue to be the leader in this segment of the market.

AppScan allows enterprise users to conduct in-house auditing according to proprietary security schedules. Moreover, AppScan's Reporting Console allows these users to consolidate the resulting data and distribute targeted reporting throughout the enterprise for both corporate governance purposes, as well as the spectrum of industries-specific compliance mandates including PCI, GLBA, HIPAA, and FISMA. Finally, AppScan Enterprise seeks to foster a culture of organizational network security through features such as its ability to distribute scanning permissions, thereby advancing end user education at the institutional level. Key features of the AppScan Reporting Console include desktop integration, web-based report distribution, and enterprise metrics and visibility. Desktop integration allows enterprise users to accumulate a central source of web application vulnerabilities, while the web-based features allow for less costly distribution of reporting to developers and auditors. Watchfire prides itself on AppScan's ability to focus on the timely and accurate remediation of the actionable data that it produces, as well as having developed the world's first web-based application vulnerability scanning solution. Additionally, Watchfire attributes much of this confidence to ten years of experience in the enterprise software realm that has produced a professional services team that is fluent in addressing the unique needs of individual clients, and computer-based training. This computer-based training is one of four 'pillars' of a success program that Watchfire has designed that also includes product excellence, application security consulting, and a commitment to providing unsurpassed support.

In 2006 and early 2007, Watchfire has reinforced its leading position with a list of accolades, including being the recipient of three of SC Magazine's most prestigious award categories: Best Security Company, Best SME Security Solution, and Best Regulatory Compliance Solution. Watchfire was also designated as a finalist in the category of Best Audit and Vulnerability Assessment Solution, as well as Best Managed Security Services. Watchfire's clientele consists of 800 companies, including nine of the ten largest banks, eight of the world's largest technology companies, seven of the world's most valuable brands, and sixteen of the twenty largest government agencies. Perhaps the most resounding endorsement that Watchfire has received to date, however, is IBM's announcement in the second quarter of 2007 that it intended to acquire Watchfire.

For continuing to lead the application security segment through a broad set of competitive features, and a variety of accolades, Watchfire is the recipient of the 2007 World Frost & Sullivan Market Leadership Award.

Market Penetration Leadership

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