



2018 North American Managed & Professional Security Services  
Competitive Strategy Innovation and Leadership Award



2018  
**BEST PRACTICES**  
AWARDS

## Contents

<i>Background and Company Performance Industry Challenges .....</i>	<i>3</i>
<i>Strategy Innovation and Customer Impact .....</i>	<i>3</i>
<i>Conclusion.....</i>	<i>6</i>
<i>Significance of Competitive Strategy Innovation and Leadership .....</i>	<i>7</i>
<i>Understanding Competitive Strategy Innovation and Leadership .....</i>	<i>7</i>
<i>Key Benchmarking Criteria .....</i>	<i>8</i>
<i>Strategy Innovation.....</i>	<i>8</i>
<i>Customer Impact .....</i>	<i>8</i>
<i>Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices .....</i>	<i>9</i>
<i>The Intersection between 360-Degree Research and Best Practices Awards.....</i>	<i>10</i>
<i>Research Methodology .....</i>	<i>10</i>
<i>About Frost &amp; Sullivan .....</i>	<i>10</i>

## Background and Company Performance

### Industry Challenges

The practice of cybersecurity is challenging and no company is immune from these challenges. Topmost of the challenges is the threat actors. They are in relentless pursuit of victims, show no mercy, and spend money to make money. This “commercialization” of attack tactics (various types of malware delivery vehicles), technology (e.g., big data analytics), and procedures (if-then game plans) leave the unprepared victims that much more vulnerable to exploitation.

In response, organizations have increased their spending on cybersecurity technologies and staffing. This has not been uniformly effective for two reasons. First, as more security technologies have been added, the administrative complexity grows leading to sub-optimized cybersecurity practices, and protection gaps for attackers to exploit. Moreover, a leading complaint among companies is that they already have too much technology and they are looking to strengthen their risk management through simplification. Second, the practice of cybersecurity requires people, process, and technology. But with the demand for cybersecurity expertise increasing, a bidding war has ensued raising salaries and weakening retention. Combined, the cost of in-house cybersecurity is rising and personnel churn undermines an organization’s quest to establish, adapt, and maintain best practice operations; further undermining their efforts to combat attackers and, for some, hindering their aspirations in digital transformation.

Third, the attack surface is both distributed and dynamic. Cloud service adoption and mobile device usage, for example, place more of an organization’s operations and assets that require protection over a wider surface area. Also, this surface area changes as organizations leverage information technology (IT) in its varied and evolving forms to serve their business and customer needs and compete in increasingly borderless markets. Attackers are well aware of this dynamic and the practicality of the “chain only being as strong as its weakest link.” Consequently, this broadening and undulating attack surface places organizations at greater risk unless their cybersecurity practices can expand and adapt in equal measure.

Cybersecurity is in an era of perpetual change and, at the same time, the strategic importance of cybersecurity is escalating. For companies, complacency in evolving and strengthening their cybersecurity practices represents their most significant risk. Failure to change can lead to dire consequences.

### *Strategy Innovation and Customer Impact*

Supporting our selection of Optiv for this Best Practice recognition, the following criteria were evaluated.

## Competitive Differentiation

The competitive playing field in managed & professional security services is highly diverse. For a vast number of the market players, security services are an element of their businesses rather than their business. Optiv, on the other hand, is a Security Solutions Integrator, that couples deep cyber security expertise with proven planning, implementation, and management services to optimize client infrastructure, operations, and governance. Its only business has been security services and all evidence, as presented in the other recognition criteria, demonstrates this exclusivity of purpose.

As companies are faced with choice on who to partner with in their cybersecurity journeys, they are justified in asking the variety of providers knocking on their doors, “what is your cybersecurity pedigree, and are you committed to cybersecurity and do your past and planned investments reflect unwavering commitment?” Optiv has the proof points to stamp those questions with an unequivocal affirmative.

## Strategic Execution

Cybersecurity, as referenced earlier is complex, and, correspondingly, there is no silver bullet solution. Rather a broad portfolio of service offerings is essential to address clients’ cybersecurity needs. Moreover, client needs differ and change over time based on several factors including but not limited to: competitive environment, risk tolerance, maturity of internal capabilities, regulatory obligations, cyber threats, and engagement needs (e.g., strategic projects versus operations).

Through a combination of acquisitions and internal development, Optiv has built one of the broadest portfolios of service offerings. Steeped in professional security services, Optiv has also rapidly expanded its managed security services portfolio with material business success as evident by growing revenues at a pace that exceeds the managed security services industry in North America.

Recognizing that clients will view cybersecurity from an “issue” perspective, Optiv has also leveraged its in-house capabilities to construct solutions for an assortment of prevalent and pressing client issues, such as: cloud security, enterprise security architecture, advanced threats, Internet of Things (IoT), next-generation operations, security intelligence, and General Data Protection Regulation (GDPR). And as noted next, Optiv has shown a proclivity to develop and enhance distinctive service offerings, all intended to align with and enable the business through security.

## Strategy Effectiveness

Broadness in service offerings is essential to be a sought-after provider, but the provider must also show offer distinctiveness. In that regard, Frost & Sullivan notes Optiv’s aggressiveness in identifying areas of offer distinction (Identity & Access Management-IAM, Third-party Risk Management-TPRM, and cyber threat intelligence-as-a-service) and then building on these offers to deepen alignment with clients’ evolving needs.

Pertaining to IAM, a long-standing Optiv offering, Optiv acquired Advantive LLC, a provider of IAM services and solutions in April 2016. More recently, Optiv announced the availability of an Identity Centric Security Workshop to assist clients in improving their IAM programs, and a Ping Identity – Netskope Integrated Solution to support clients in context-based authentication and access policy enforcement for cloud applications.

With respect to TPRM, Optiv acquired assets of Evantix, a provider of a Software-as-a-Service (SaaS) application for managing third-party risk, in May 2016. Five months later, Optiv announced major enhancements to its TPRM suite with a focus on holistic and lifecycle attributes. In November 2016, the Evantix 5.0 update was released, focusing on improved scalability and visibility into risk assessment lifecycles and tracking of remediation issues. More recently in May 2017, Optiv announced the integration of BitSight's risk monitoring ratings into the Evantix platform.

Also in 2017, Optiv launched its cyber threat intelligence-as-a-service offering in January. And, in another acquire-to-expand move, Optiv acquired Decision Lab, a big data, automation and orchestration services company, in November 2017. Assuming consistency with previous acquisitions, we anticipated that additional solution enhancements in advanced security analytics and big data services will occur in 2018.

### **Partner Engagement Experience**

Cybersecurity complexity has many tentacles and one that should not be overlooked is the complexity associated with partner engagements. Simply, the more partners a client has in supporting its cybersecurity endeavors further complicates a likely client scenario of technology and vendor sprawl in deployed security platforms and appliances. Optiv's lengthy tenure in offering security services and serving clients of varied backgrounds, deep technical expertise, and broad managed and professional security services portfolio presents potential and existing clients the means to consolidate their partner engagements. In doing so, partner engagement is simplified and intimacy between provider and client grows; a benefit in robust partnerships.

### **Customer Service Experience**

With a foundation in professional security services, its physical proximity to clients has been instrumental to Optiv's success. That proximity directly contributes to Optiv's ability to demonstrate first-hand technical expertise and customer service passion; demonstrations that are more difficult in remote settings. Moreover, Optiv's acquisitions, inclusive of acquired companies' consultants and practitioners, of Adaptive Communications (June 2016) and Comm Solutions (March 2017) strengthened Optiv's physical presence in the Northeast region of the United States and the November 2017 acquisition of Conexsys accomplished the same in Canada. Additionally, Optiv established a presence in Bangalore, India, and is increasing its base in Europe, both organically and inorganically. Reflective of its expanding geographic presence and in response to security breaches, Optiv can place an experienced analyst on-site with the client in 24-48 hours,

Optiv believes in fostering a close physical presence with its client base to support the business relationship as a trusted partner.

### **Brand Equity**

Born out of the 2015 merger of Accuvant and FishNet Security, the Optiv brand was quickly established. The aforementioned investments in offerings, capabilities, and geographic presence are clear demonstrations that the company is genuinely intent on growing and solidifying its brand. Like its clients, complacency is not an Optiv attribute. Further funding the company's means was the February 2017 acquisition of Optiv by KKR, a global investment firm. In summary, all evidence points to an Optiv brand that will continue to expand and strengthen in the years ahead.

### *Conclusion*

Cybersecurity is a strategic imperative to all companies in this digital age. At the same, the pace of change in cyber threats, assets that must be protected, and the web of operational interactivity contributes to a dynamic and complex scenario where few companies can feel confident in relying exclusively on their own cybersecurity capabilities. In essence, a trusted partner has become essential. Optiv has the experience and capabilities of a trusted partner in cybersecurity. Furthermore, Frost & Sullivan's market analysis substantiates this point as Optiv is the largest pure-play managed and professional security services provider in North America as measured in 2016 revenues. And in a market dominated by conglomerates of much larger size, Optiv distinguishes itself as being among top five in market share where the difference between first and fifth is less than five percentage points.

With its strong overall performance, Optiv has earned Frost & Sullivan's 2018 Competitive Strategy Innovation and Leadership Award in the North America Managed and Professional Security Services market.

## Significance of Competitive Strategy Innovation and Leadership

Any successful approach to achieving top-line growth must (1) take into account what competitors are, and are not, doing; (2) meet customer demand with a comprehensive, value-driven product or service portfolio; and (3) establish a brand that resonates deeply with customers and stands apart from other providers. Companies must succeed in these three areas—brand, demand, and positioning—to achieve best-practice levels in competitive strategy.



## Understanding Competitive Strategy Innovation and Leadership

As discussed above, driving demand, brand strength, and competitive differentiation all play a critical role in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Strategy Innovation and Customer Impact.



## *Key Benchmarking Criteria*

For the Competitive Strategy Innovation and Leadership Award, Frost & Sullivan analysts independently evaluated two key factors—Strategy Innovation and Customer Impact—according to the criteria identified below.

### *Strategy Innovation*

#### **Criterion 1: Strategy Effectiveness**

Requirement: Strategy effectively balances short-term performance needs with long-term aspirations and vision for the company.

#### **Criterion 2: Strategy Execution**

Requirement: Adoption of best-in-class processes supports the efficient and consistent implementation of business strategy.

#### **Criterion 3: Competitive Differentiation**

Requirement: Unique competitive advantages with regard to solution or product are clearly articulated and well accepted within the industry.

#### **Criterion 4: Executive Team Alignment**

Requirement: The executive team is aligned along the organization's mission, vision, strategy, and execution.

#### **Criterion 5: Stakeholder Integration**

Requirement: Strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees.

### *Customer Impact*

#### **Criterion 1: Price/Performance Value**

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

#### **Criterion 2: Customer Purchase Experience**

Requirement: Customers feel they are buying the most optimal solution that addresses both their unique needs and their unique constraints.

#### **Criterion 3: Customer Ownership Experience**

Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

#### **Criterion 4: Customer Service Experience**

Requirement: Customer service is accessible, fast, stress-free, and of high quality.

#### **Criterion 5: Brand Equity**

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.



## Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 <b>Monitor, target, and screen</b>	Identify Award recipient candidates from around the globe	<ul style="list-style-type: none"> <li>Conduct in-depth industry research</li> <li>Identify emerging sectors</li> <li>Scan multiple geographies</li> </ul>	Pipeline of candidates who potentially meet all best-practice criteria
2 <b>Perform 360-degree research</b>	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> <li>Interview thought leaders and industry practitioners</li> <li>Assess candidates' fit with best-practice criteria</li> <li>Rank all candidates</li> </ul>	Matrix positioning all candidates' performance relative to one another
3 <b>Invite thought leadership in best practices</b>	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> <li>Confirm best-practice criteria</li> <li>Examine eligibility of all candidates</li> <li>Identify any information gaps</li> </ul>	Detailed profiles of all ranked candidates
4 <b>Initiate research director review</b>	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> <li>Brainstorm ranking options</li> <li>Invite multiple perspectives on candidates' performance</li> <li>Update candidate profiles</li> </ul>	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 <b>Assemble panel of industry experts</b>	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> <li>Share findings</li> <li>Strengthen cases for candidate eligibility</li> <li>Prioritize candidates</li> </ul>	Refined list of prioritized Award candidates
6 <b>Conduct global industry review</b>	Build consensus on Award candidates' eligibility	<ul style="list-style-type: none"> <li>Hold global team meeting to review all candidates</li> <li>Pressure-test fit with criteria</li> <li>Confirm inclusion of all eligible candidates</li> </ul>	Final list of eligible Award candidates, representing success stories worldwide
7 <b>Perform quality check</b>	Develop official Award consideration materials	<ul style="list-style-type: none"> <li>Perform final performance benchmarking activities</li> <li>Write nominations</li> <li>Perform quality review</li> </ul>	High-quality, accurate, and creative presentation of nominees' successes
8 <b>Reconnect with panel of industry experts</b>	Finalize the selection of the best-practice Award recipient	<ul style="list-style-type: none"> <li>Review analysis with panel</li> <li>Build consensus</li> <li>Select recipient</li> </ul>	Decision on which company performs best against all best-practice criteria
9 <b>Communicate recognition</b>	Inform Award recipient of Award recognition	<ul style="list-style-type: none"> <li>Present Award to the CEO</li> <li>Inspire the organization for continued success</li> <li>Celebrate the recipient's performance</li> </ul>	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10 <b>Take strategic action</b>	Upon licensing, company may share Award news with stakeholders and customers	<ul style="list-style-type: none"> <li>Coordinate media outreach</li> <li>Design a marketing plan</li> <li>Assess Award's role in future strategic planning</li> </ul>	Widespread awareness of recipient's Award status among investors, media personnel, and employees

## The Intersection between 360-Degree Research and Best Practices Awards

### Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

### 360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



## About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.