FROST & SULLIVAN

2012

◐ beyond**trust** ®

2012 North American Vulnerability Research Product Leadership Award

FROST & SULLIVAN

50 Years of Growth, Innovation & Leadership

Product Leadership Award
Vulnerability Management
North America, 2012

Frost & Sullivan's Global Research Platform

Frost & Sullivan is in its 50th 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 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 2012 North American Product Leadership Award in Vulnerability Management to BeyondTrust (by way of their acquisition of eEye Digital Security).

Key Industry Challenges

Frost & Sullivan recognizes that vulnerability management is an indispensable tool in an organization's IT security architecture. These products scan an organization's network for vulnerabilities and other security weaknesses that must be fixed in order to prevent security risks. Basic network scanning technology is now very mature. However, the vulnerability management market has shown renewed growth due to new customer requirements, innovative new technologies, and increasing market competition.

Frost & Sullivan firmly believes that to stay competitive, businesses must adopt new technologies and practices including virtualization, mobile devices, Web 2.0 applications, and cloud computing. New business technologies provide operational efficiencies but also introduce new security risks. Businesses now seek ways to safely adopt these new technologies and are investing in security vendors that focus on solving these cutting-edge needs.

In addition, businesses now expect security products to be increasingly automated and to provide a measurable return on investment (ROI). Vulnerability management vendors must deliver products that are more autonomous, easier to manage, and scalable. Many vendors in the vulnerability management market have identified the need for innovative new vulnerability management products and feature sets. The ability to deliver these innovative products will help individual vendors to distinguish their capabilities in the market.

According to Frost & Sullivan's research, the vulnerability management market has demonstrated renewed growth in 2011, as vendors continue to add new features and security capabilities to their products. However, the market has also become more competitive. Both market leaders and emerging companies have had to adapt to changing competitive factors, and the future competitive landscape will be shaped by vendors'

ability to deliver valuable products. Vendors can rapidly advance their position in the market by focusing on leadership in these product categories.

### Key Benchmarking Criteria for Product Leadership Award

For the Product Leadership Award, the following criteria were used to benchmark BeyondTrust's performance against key competitors:

• Product Features/Functionality

• Innovative Element of the Product

• Provides Customer Value Enhancements

• Product Quality

• Product Acceptance in the Marketplace

Decision Support Matrix and Measurement Criteria

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Matrix (DSM). The DSM is an analytical tool that compares companies' performance relative to each other with an integration of quantitative and qualitative metrics. The DSM features criteria unique to each Award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. Fundamentally, each DSM is distinct for each market and Award category. The DSM allows our research and consulting teams to objectively analyze each company's performance on each criterion relative to its top competitors and assign performance ratings on that basis. The DSM follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are shown in Chart 1.

Chart 1: Performance-Based Ratings for Decision Support Matrix

9–10 Excellent
7–8 Good
4–6 Fair
1–3 Poor
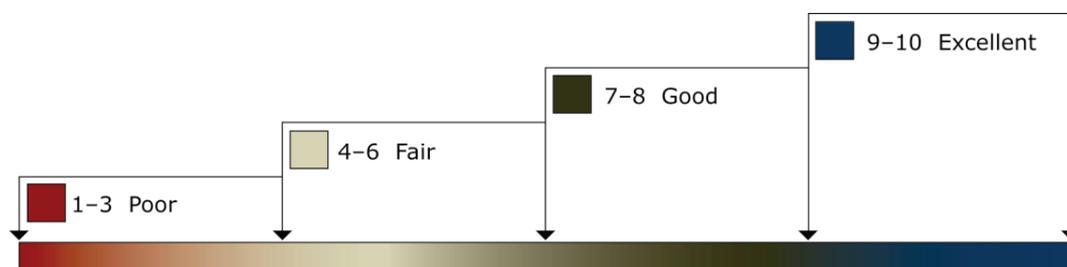
This exercise encompasses all criteria, leading to a weighted average ranking of each company. Researchers can then easily identify the company with the highest ranking. As a final step, the research team confirms the veracity of the model by ensuring that small

changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

Chart 2: Frost & Sullivan's 10-Step Process for Identifying Award Recipients

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Analyze Industry Challenges and Opportunities	Confirm Award Categories of Relevance and Importance	Establish Award Criteria	Develop Best Practice Research Instruments	Conduct Best Practice Research with Industry Value Chain Players

STEP 6	STEP 7	STEP 8	STEP 9	STEP 10
Attribute Relative Weights for Criteria	Nominate Top 3 companies for award	Determine ratings for each company across criteria	Complete ratings for all criteria and companies	Identify recipient company based on final weighted average rating

Best Practice Award Analysis for BeyondTrust

The Decision Support Matrix, shown in Figure 3, illustrates the relative importance of each criterion for the Product Leadership of the Year Award and the ratings for each company under evaluation. To protect the interests of the award recipient's competitors, we have chosen to refer to them as Competitor 1 and Competitor 2.

**Figure 3: Decision Support Matrix for
Product Leadership Award**

Measurement of 1–10 (1 = lowest; 10 = highest)	Award Criteria					
	Features/Functionality	Innovative Element of the Product	Provides Customer Value Enhancements	Product Quality	Product Acceptance in the Marketplace	**Weighted Rating**
Relative Weight (%)	20%	20%	20%	20%	20%	100%
BeyondTrust	10	9	9.5	9.5	9.5	9.4
Competitor 1	9	8	8.5	9	9	8.7
Competitor 2	9	8	8	8.5	8.5	8.4

Criterion 1: Product Features/Functionality

Frost & Sullivan's independent research reveals that the BeyondTrust Retina CS vulnerability management suite offers numerous valuable features and an array of security add-ons to ensure that the product matches the customer's unique security and compliance requirements.

BeyondTrust products include a number of "smart" product features that allow the customer to automate repetitive processes in the vulnerability management process. For example, smart targeted scans allow the customer to define specific device characteristics such as installed software that will automatically trigger deeper vulnerability scans. Retina also offers smart grouping for automated asset tracking, smart rules based on device characteristics, and smart alerting.

The Retina Regulatory Compliance module is available as an add-on to help businesses navigate complex government and industry regulatory requirements. Patch Management is another add-on that enables businesses to fix any vulnerable systems before they can be infiltrated. The Configuration Compliance module further ensures that organizations are implementing best practices with regards to secure device configurations.

Criterion 2: Innovative Element of the Product

BeyondTrust has focused extensively on developing vulnerability management capabilities that address threats faced by modern IT organizations. This focus is reflected in new functionality in Retina CS 3.0 such as cloud connectors, vulnerability management for virtualized environments, and agentless scanning for mobile devices. Retina now supports mobile devices on the enterprise network including Blackberry, Android, and ActiveSync-managed devices. These devices can be agentlessly scanned and managed through Retina CS with the same process used for traditional network-attached endpoints.

Retina CS can scan assets in private and public cloud environments such as Amazon EC2, VMware vCenter, GoGrid or RackSpace. This allows businesses to identify and correct vulnerabilities in their virtual infrastructure with the same process that they use to manage physical assets. Retina CS 3.0 can also be used to discover and scan virtualized applications and report the results in the centralized management console. Traditionally, security products have had little visibility into these types of dynamic environments.

Criterion 3: Provides Customer Value Enhancements

Enterprise IT organizations are increasingly interested in the value and efficiencies offered by virtualization, cloud computing, and mobile computing devices. However, in Frost & Sullivan's opinion, few security products have been able to address the unique threats presented by these technologies and practices. Retina provides the requisite security functionality to ensure that customers can safely embrace these new technologies. As

result, BeyondTrust's innovative products and features enable new business practices that will be essential to remain competitive in the future.

Retina CS 3.0 also provides automation of key security processes. This further enhances the efficiency of customers' security programs and provides measurable return-on-investment by reducing the time and resources spent on vulnerability management. Furthermore, the Retina CS license includes Insight, advanced analytics, intelligence, and reporting capabilities. These capabilities allow BeyondTrust customers to identify advanced threats and adjust their security strategy accordingly.

Criterion 4: Product Quality

BeyondTrust products offer the scalability and reliability necessary for deployment in enterprise and federal organizations. Furthermore, BeyondTrust continues to develop new features and to enhance existing capabilities as evidenced by the release of Retina CS 3.0 in February 2012. This release added the virtualization, cloud, and mobile vulnerability management components that businesses now need to secure the modern enterprise network. However, Retina CS 3.0 also improved the product scalability and performance and included upgrades for reporting, alerts, filtering, and event monitoring.

Criterion 5: Product Acceptance in the Marketplace

Frost & Sullivan's research finds that BeyondTrust products have had success in commercial businesses and federal agencies including high-profile organizations such as the Department of Defense (DoD), which has relied on eEye to protect its most sensitive information for eight years. As a result, eEye demonstrated strong growth in 2011 with 70 percent year-over-year growth for Q2 2011.

In May 2012, eEye was acquired by BeyondTrust, a provider of privileged identity management solutions. The combination of these products' capabilities will enable customers to prioritize security and vulnerability management processes based on a broader set of available contextual data including privileges, data flow, and data sensitivity. As a result, this acquisition will enable BeyondTrust to deliver valuable context-driven and intelligent security and compliance solutions.

Conclusion

Frost & Sullivan's analysis of the Vulnerability Management Market clearly shows that BeyondTrust has identified the key security challenges that are most pertinent to modern enterprise IT organizations. This focus is reflected in the new functionality in Retina CS 3.0 that allows businesses to secure emerging technologies such as virtualization, cloud computing, and mobile devices. As a result of these new product capabilities, Retina CS 3.0 enables businesses to safely embrace new technologies and business practices. Additional new features such as smart targeting and smart rules will increase the

efficiency and effectiveness of customers' security programs. For these reasons, Frost & Sullivan is proud to present the 2012 Product Leadership Award in Vulnerability Management to BeyondTrust.

The CEO 360-Degree Perspective™ - Visionary Platform for Growth Strategies

The CEO 360-Degree Perspective™ model provides a clear illustration of the complex business universe in which CEOs and their management teams live today. It represents the foundation of Frost & Sullivan's global research organization and provides the basis on which companies can gain a visionary and strategic understanding of the market. The CEO 360-Degree Perspective™ is also a "must-have" requirement for the identification and analysis of best-practice performance by industry leaders.

The CEO 360-Degree Perspective™ model enables our clients to gain a comprehensive, action-oriented understanding of market evolution and its implications for their companies' growth strategies. As illustrated in Chart 5 below, the following six-step process outlines how our researchers and consultants embed the CEO 360-Degree Perspective™ into their analyses and recommendations.

Chart 4: CEO's 360-Degree Perspective™ Model

Critical Importance of TEAM Research

Frost & Sullivan's TEAM 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 seven of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

Chart 5: Benchmarking Performance with TEAM Research
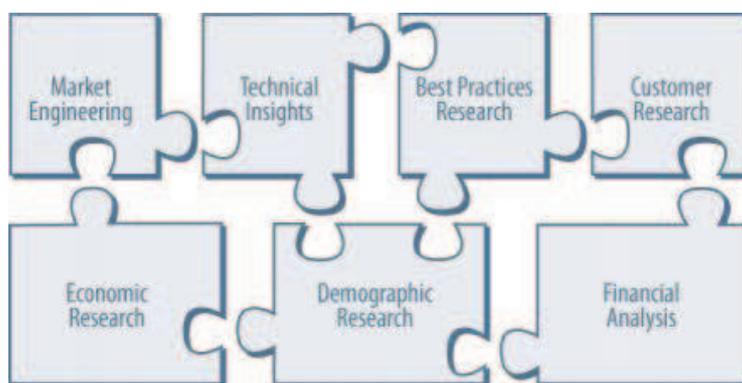
About Frost & Sullivan

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 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.