

Chris Christiansen  
Vice President  
IDC Security Products & Services

# Network Security: Two Worlds Collide?

s Conference

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# Who is IDC?



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- > 775+ analysts worldwide
- > 3,900+ yearly vendor visits



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# Security: Part of a Whole

■ Customer service/care

■ IT Infrastructure

■ Information/IT systems security

■ Sales performance

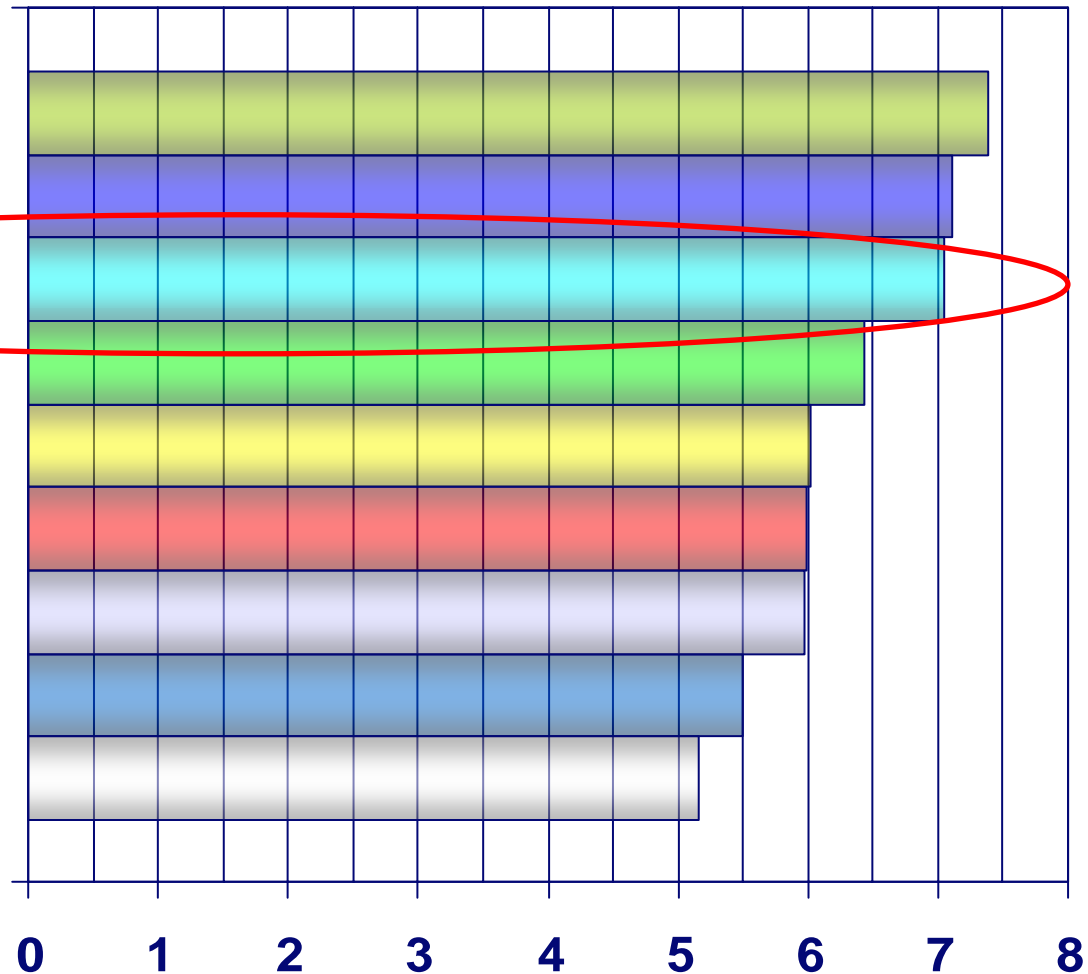
■ Product development/innovation

■ Marketing performance

■ Performance tracking

■ Regulatory compliance

■ Mobility and wireless solutions deployment

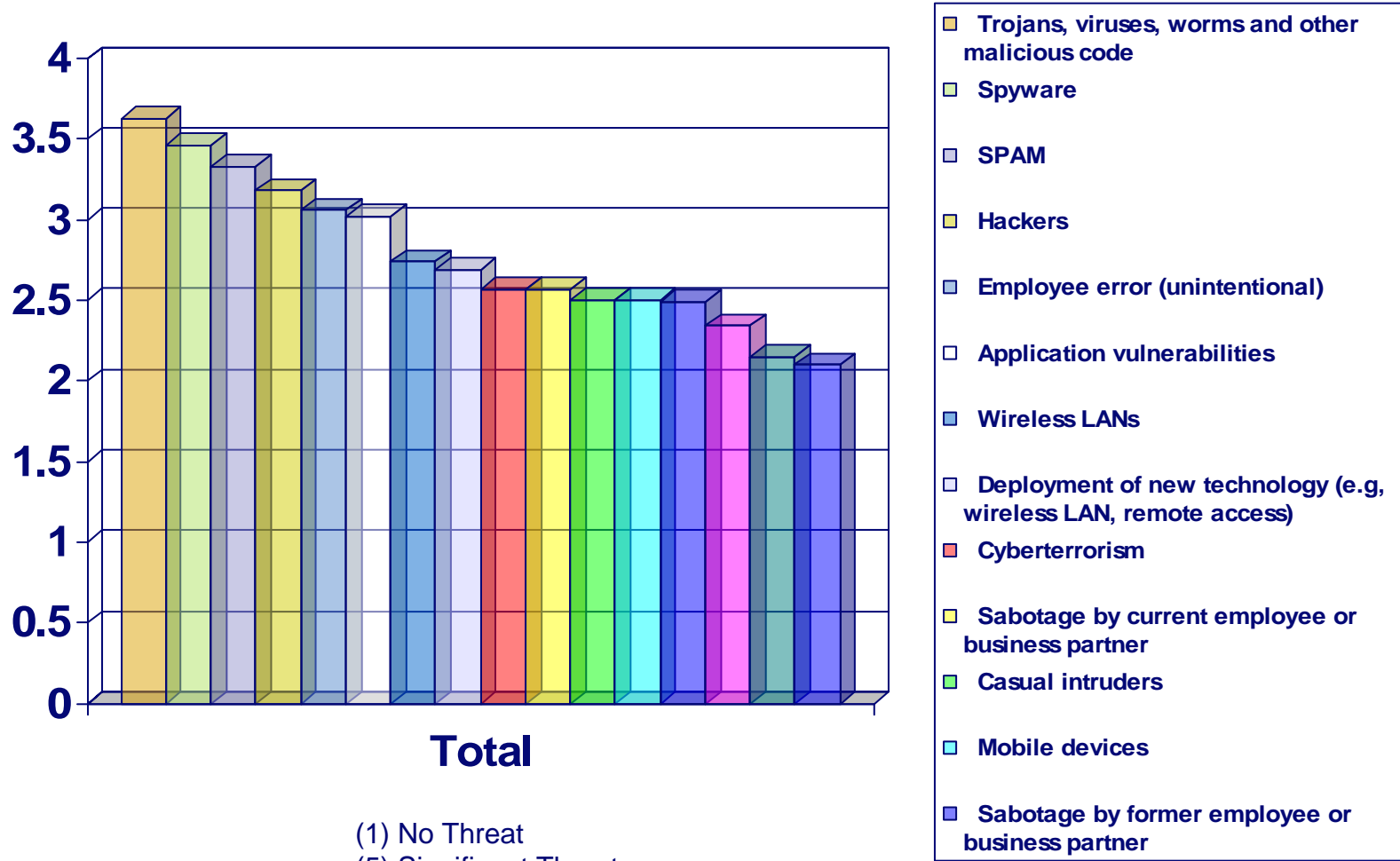


N = 168 US Executives

Note: Data is weighted; Scale – 1 = Not at all important, 10 = Very important

Source: Project Barometer III, IDC, January 2005

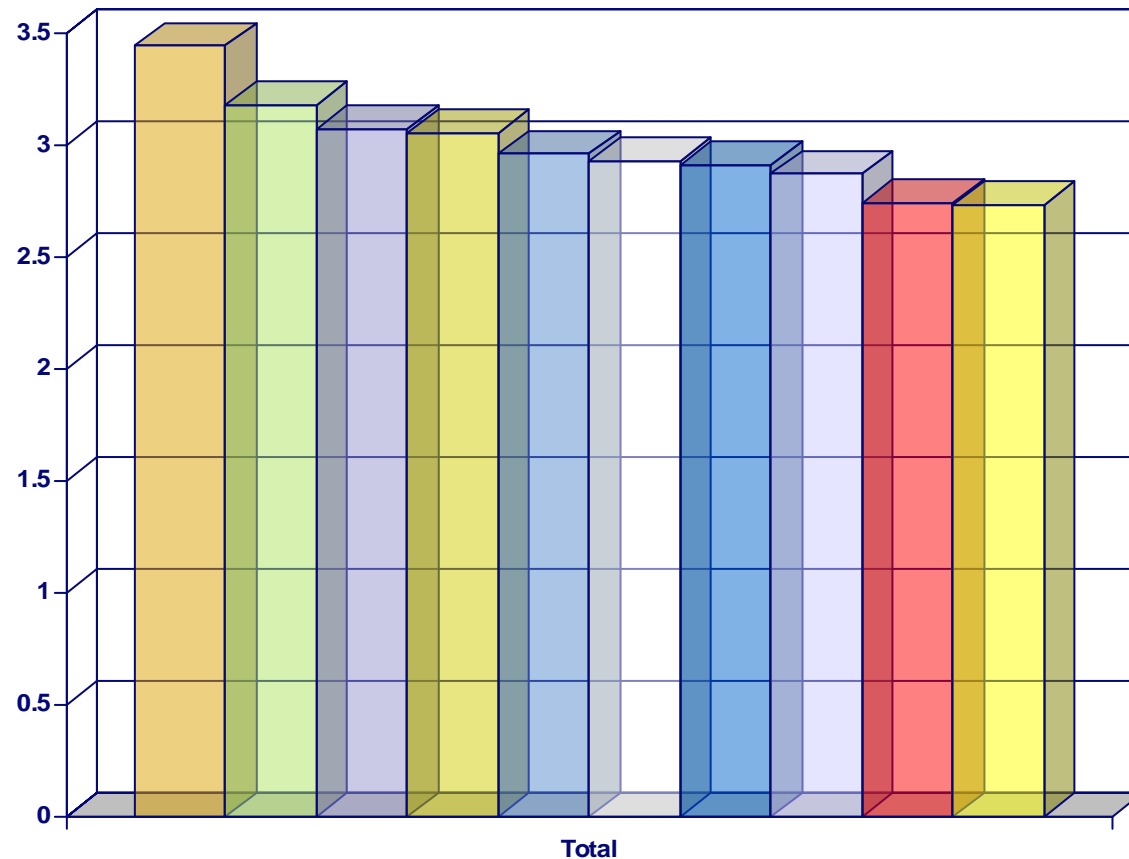
# Threats Rated



(1) No Threat  
 (5) Significant Threat

# Future Security Challenges

Q: Please rate the top security challenges your company will face over the next 12 months (Top 10)

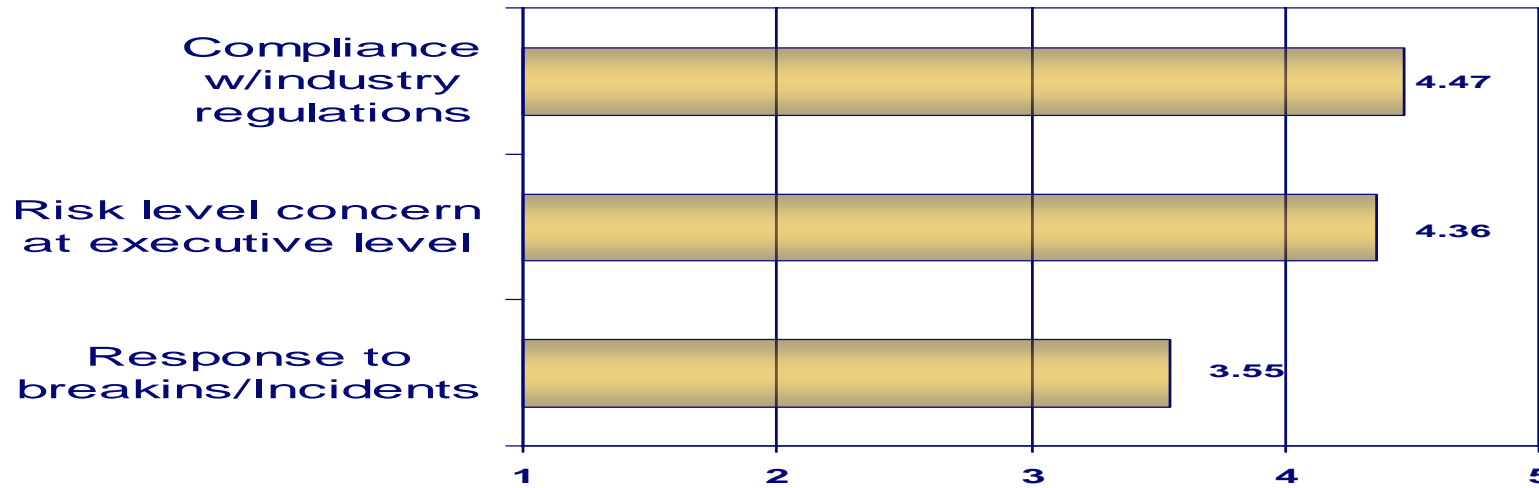


- Increasing sophistication of attacks
- Employees underestimate importance of following security policy
- Increasing complexity of security solutions
- Budget too small to cover necessary security purchases
- Increasing volume and complexity of network traffic
- Always-on environment
- Patchwork nature of network security
- Business executives underestimate importance of following security policy
- Network configuration management
- Wireless devices used in the enterprise

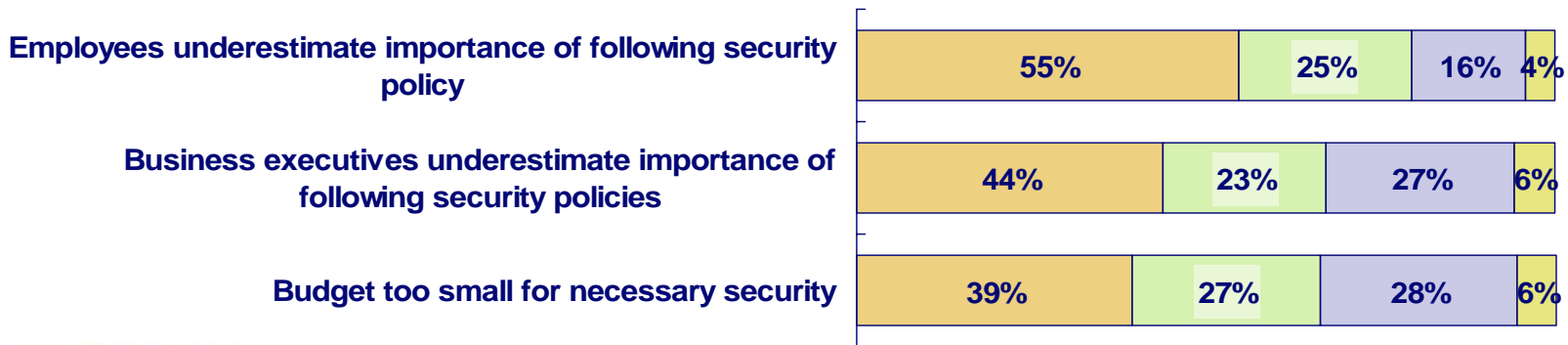
(1) No Threat  
(5) Significant Threat

# Compliance: Top of Mind

**2003:** Using a 6 point scale where 1 is not an influence and 6 is a strong influence, how much influence do each of the following factors contribute to this faster rate of growth in IT security spending?

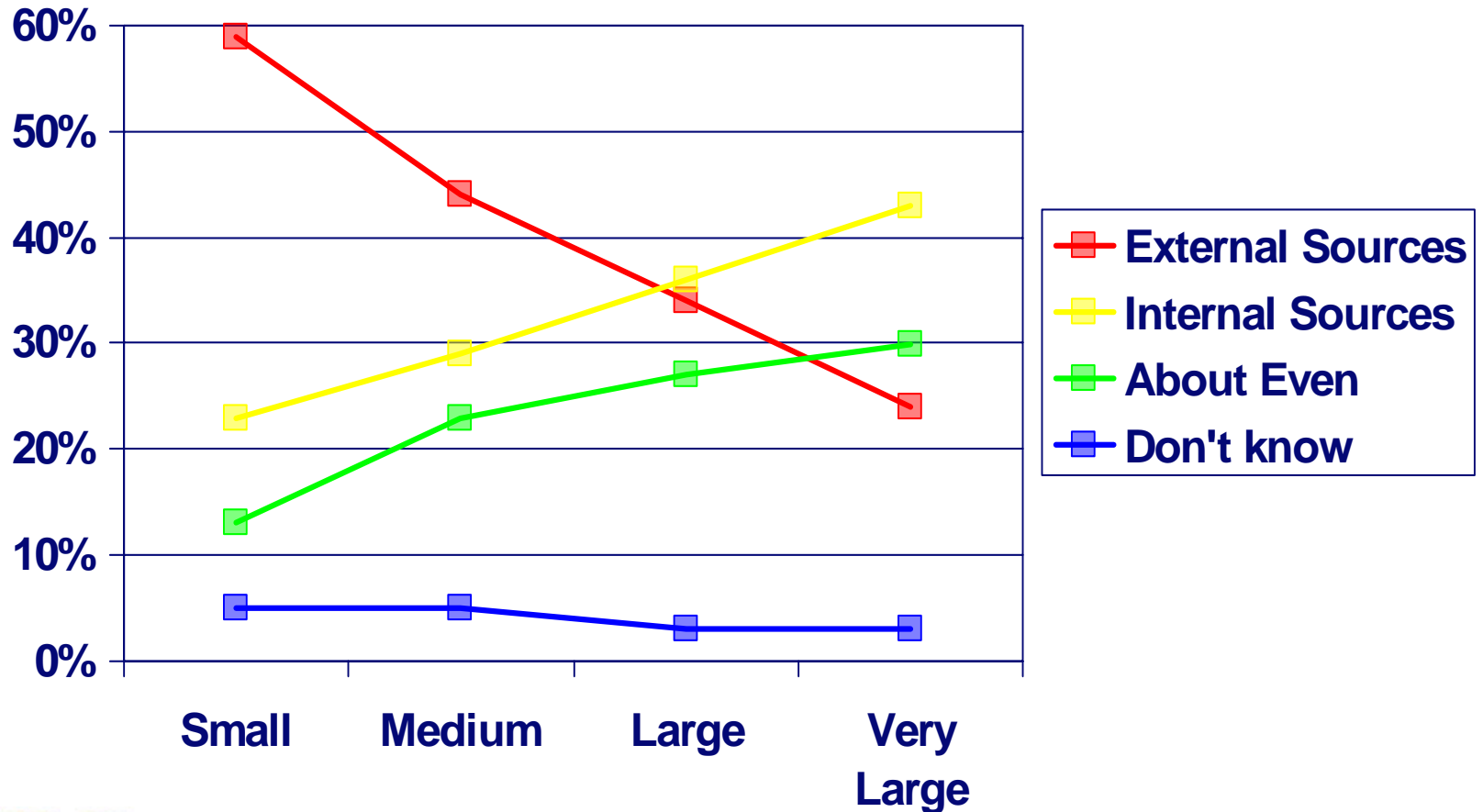


**2004:** Please rate the top security challenges your company will face over the next 12 months. (Scale: 5=Significant challenge; 1 = no challenge)

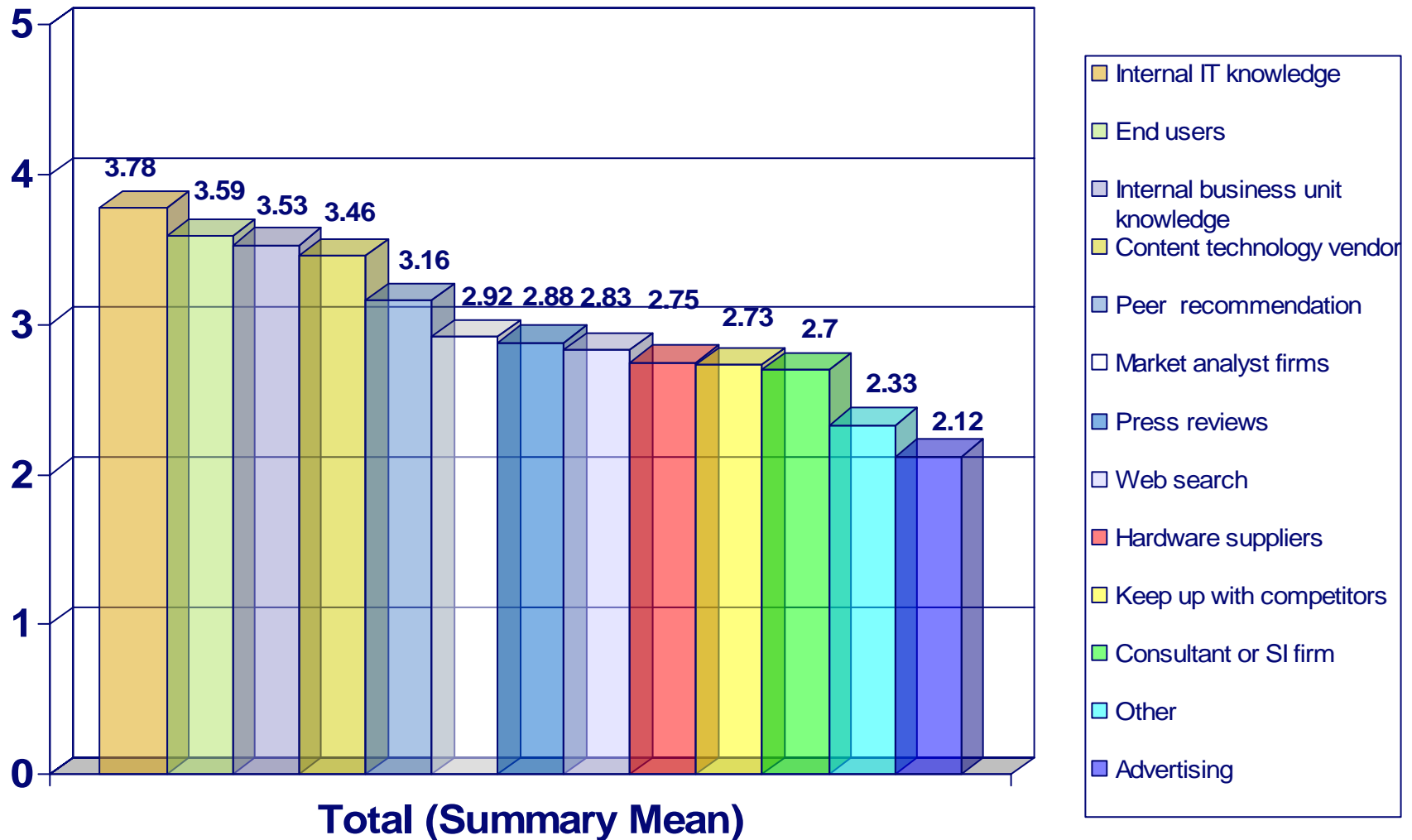


# Perception of Threat Source Internal v. External

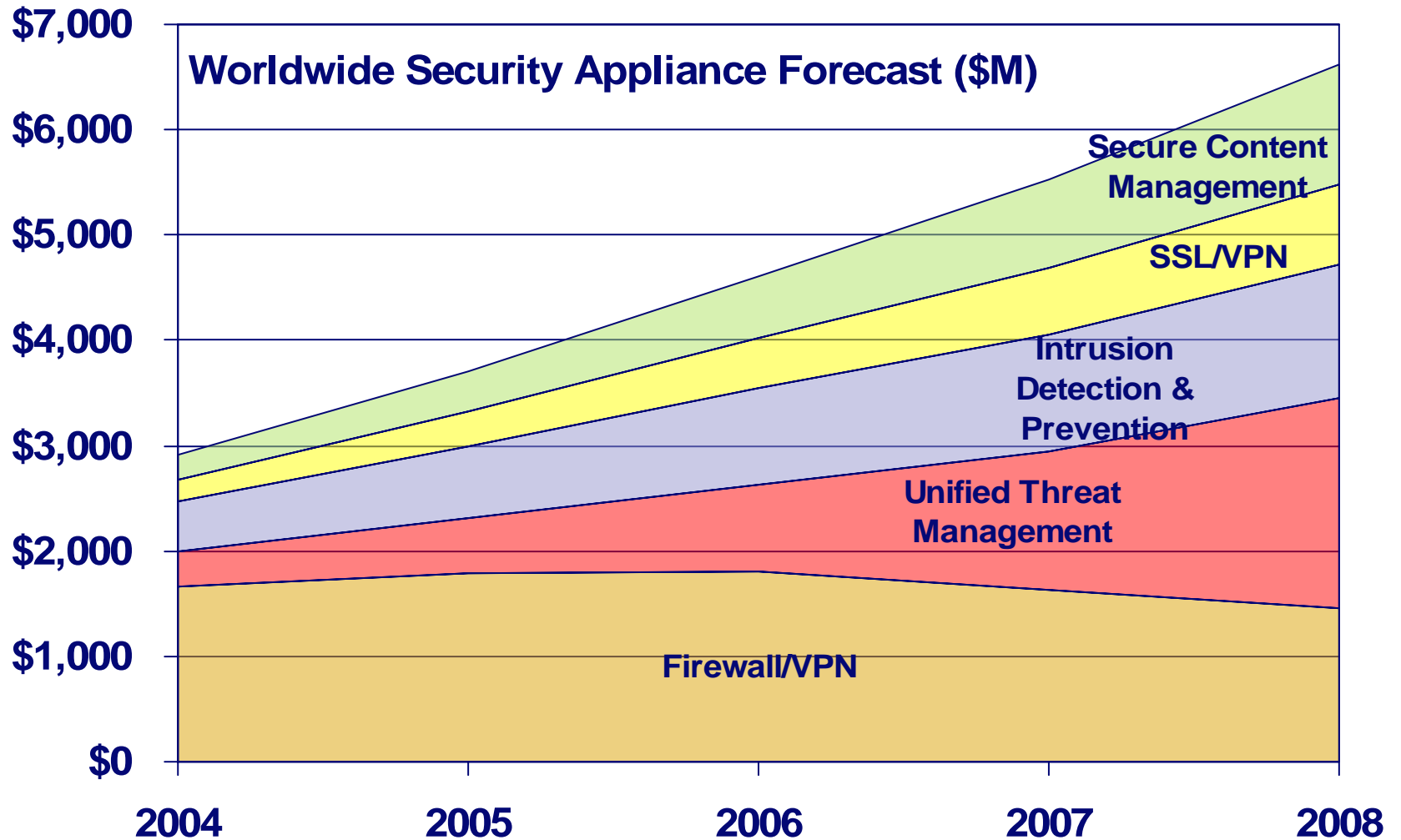
Q: Do you believe that the most serious threats to your company's enterprise IT infrastructure originate from internal or external sources?



# Who Influences Purchase Decisions?

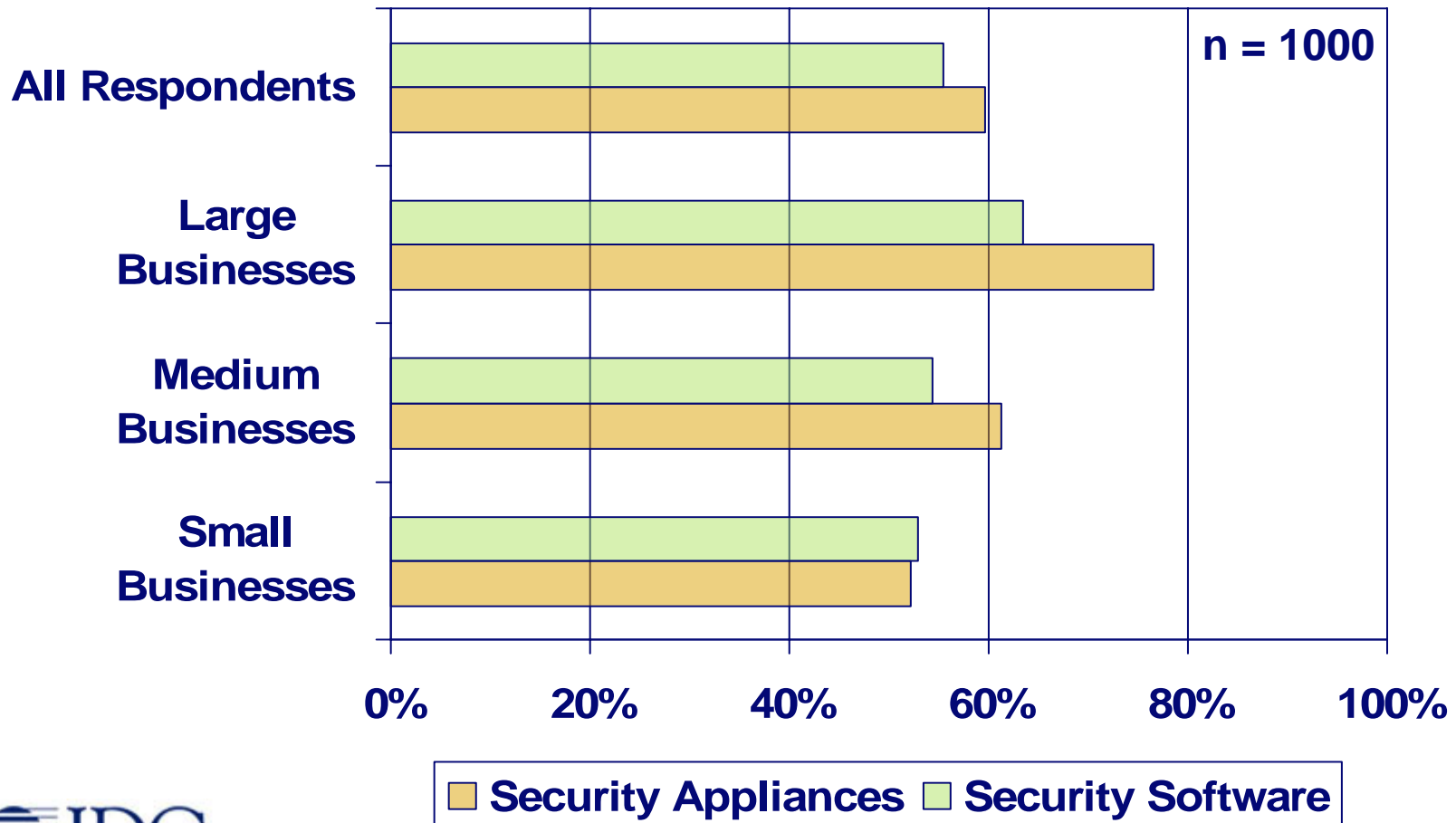


# Security Appliances: Forecast



# Appliances vs Software

Q: Which network security technologies do you have in your organizations infrastructure?

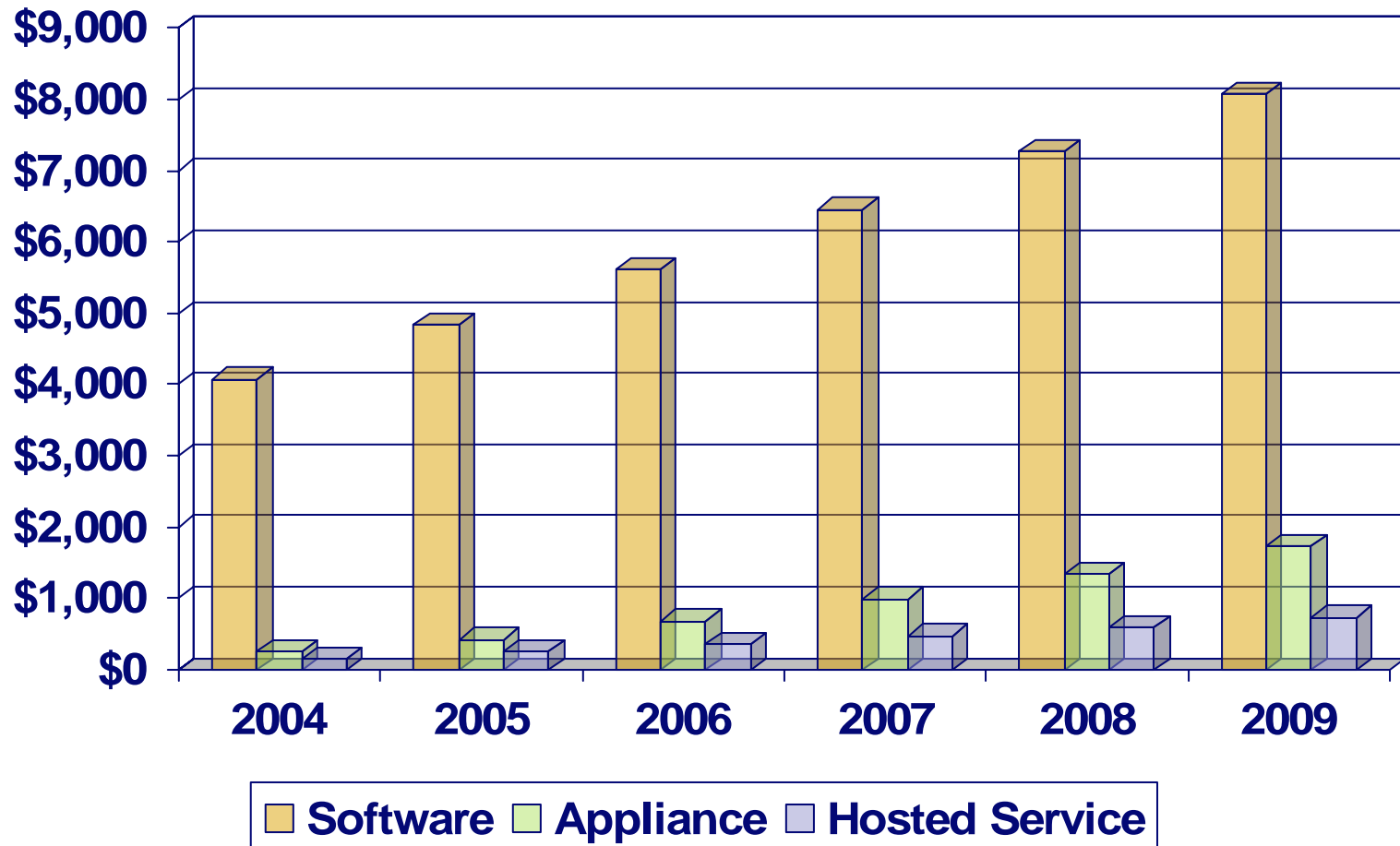


# The Appliance Advantage

- Plug and Play
- Simplified Management
- Optimised Hardware - Performance
- Troubleshooting Ease
- Less operator interaction
- Reduced Costs
- Channel Benefits

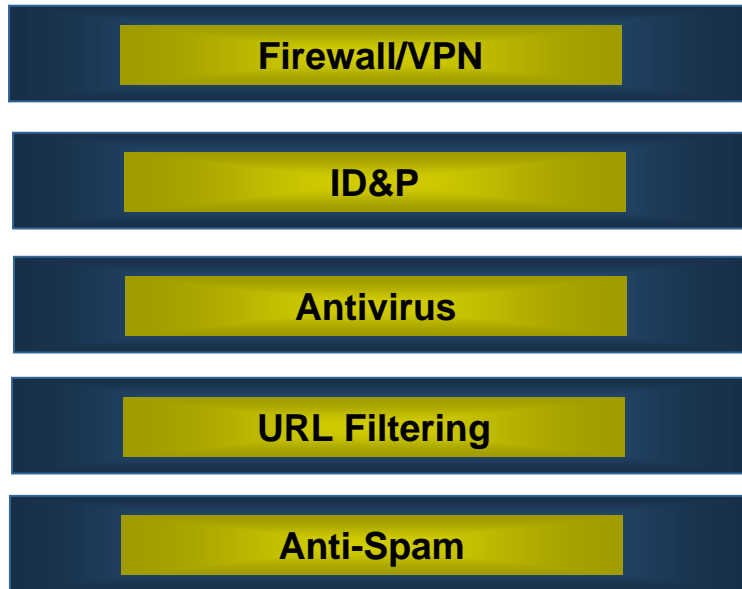
**By 2008, 80% of all security products will be delivered via an appliance**

# Worldwide SCM Product Revenue by Platform, 2004-2009 (\$M)



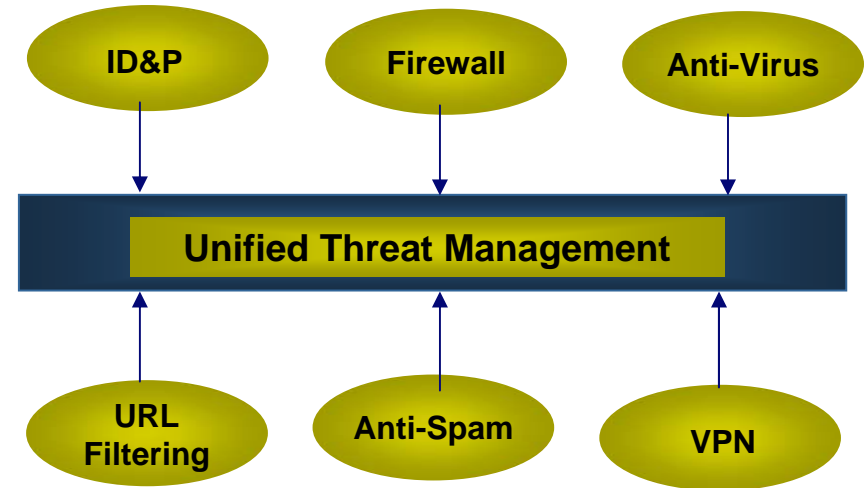
# Security Appliances – *Single-function VS Multi-function*

## Point Solutions



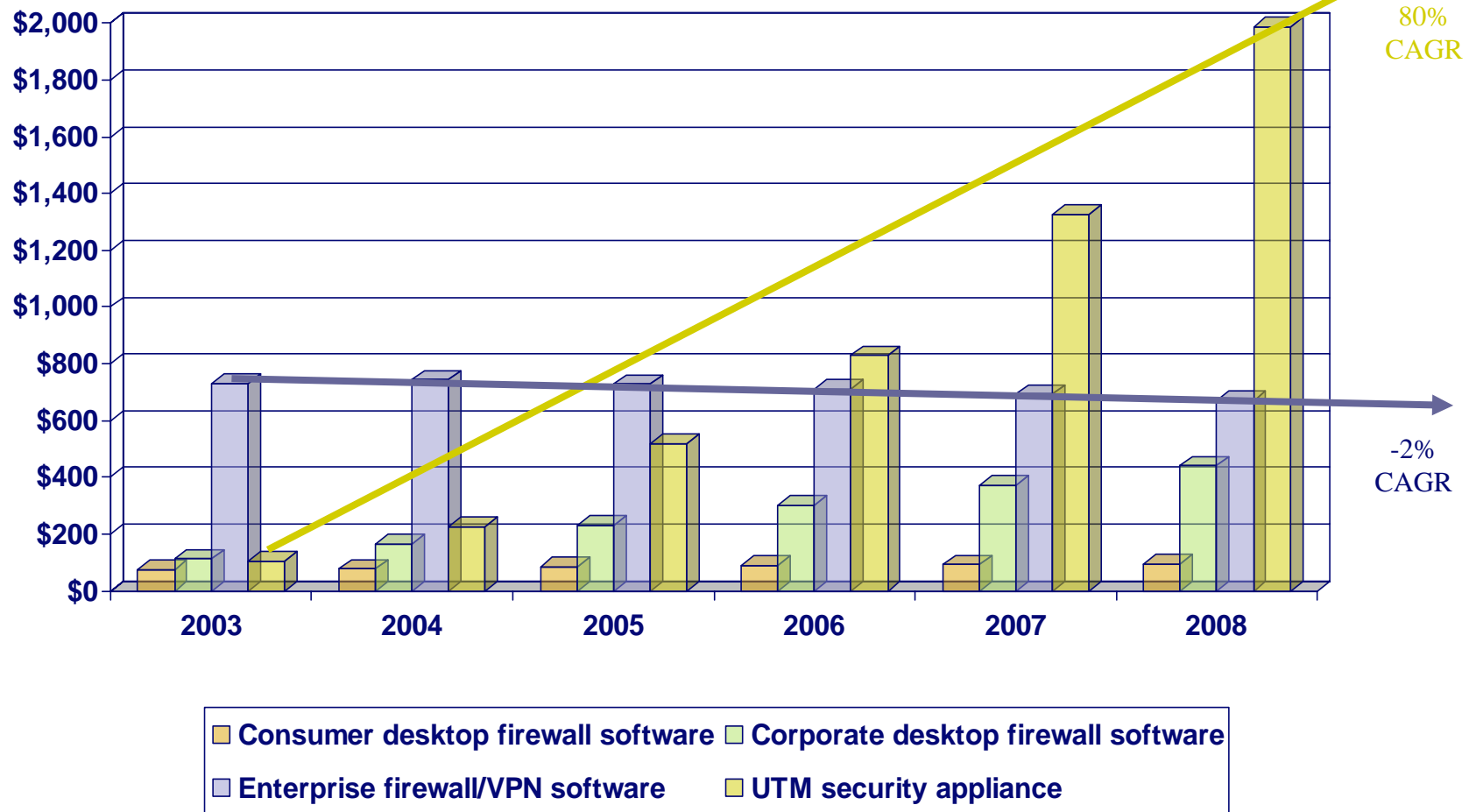
VS

## Integrated Solutions

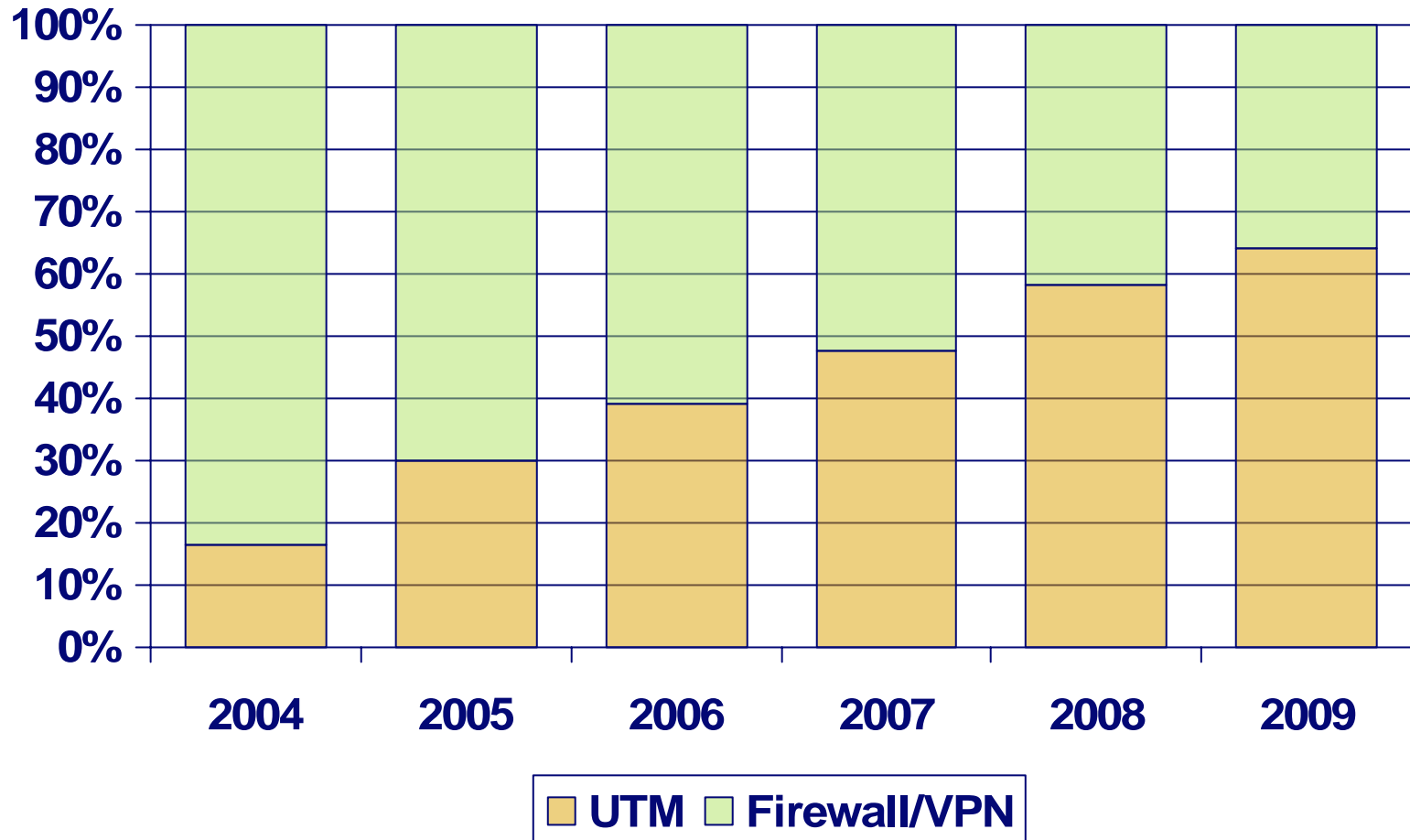


# Firewall/VPN Transitions To Threat Management

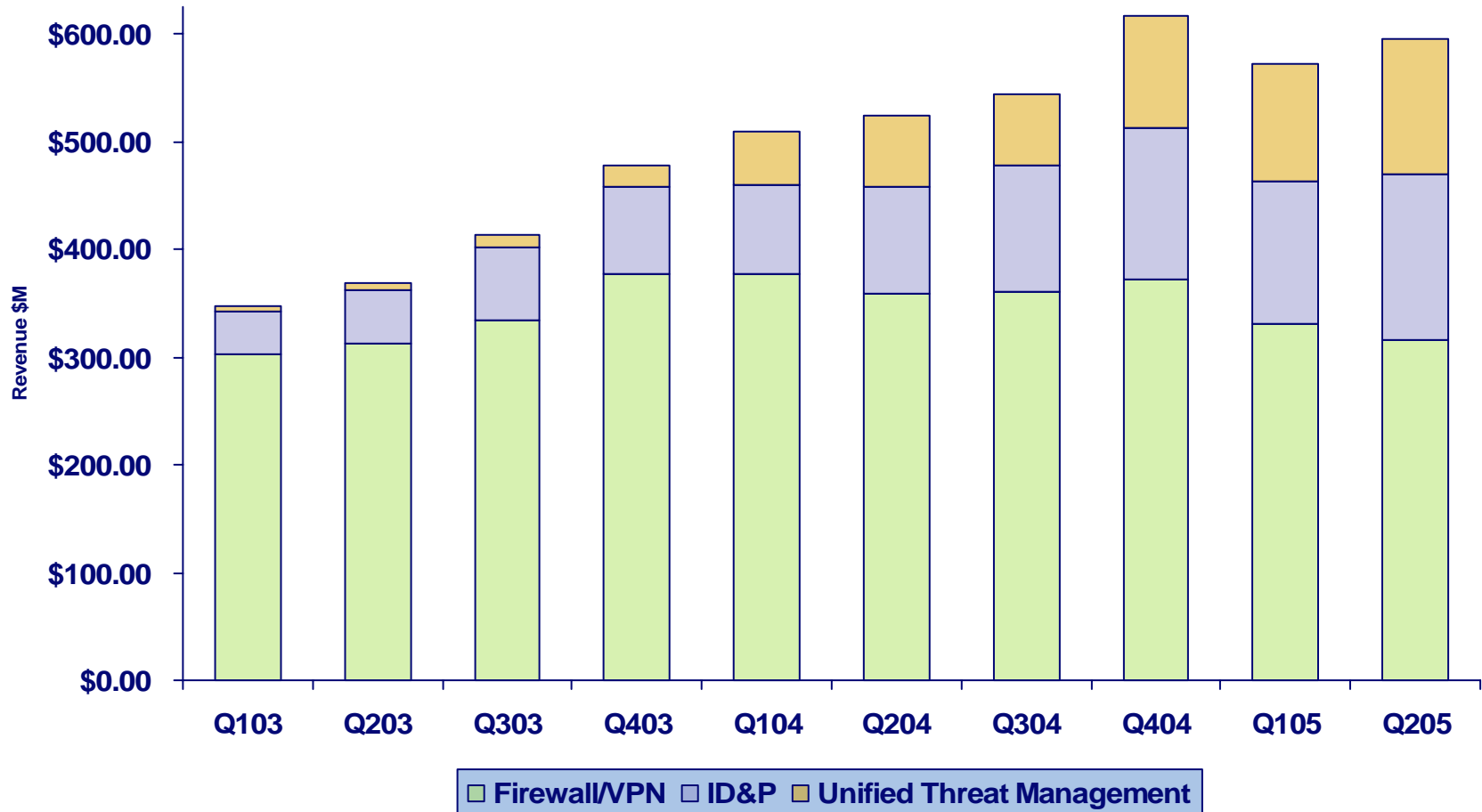
*Market is moving toward consolidated gateways with multiple applications.*



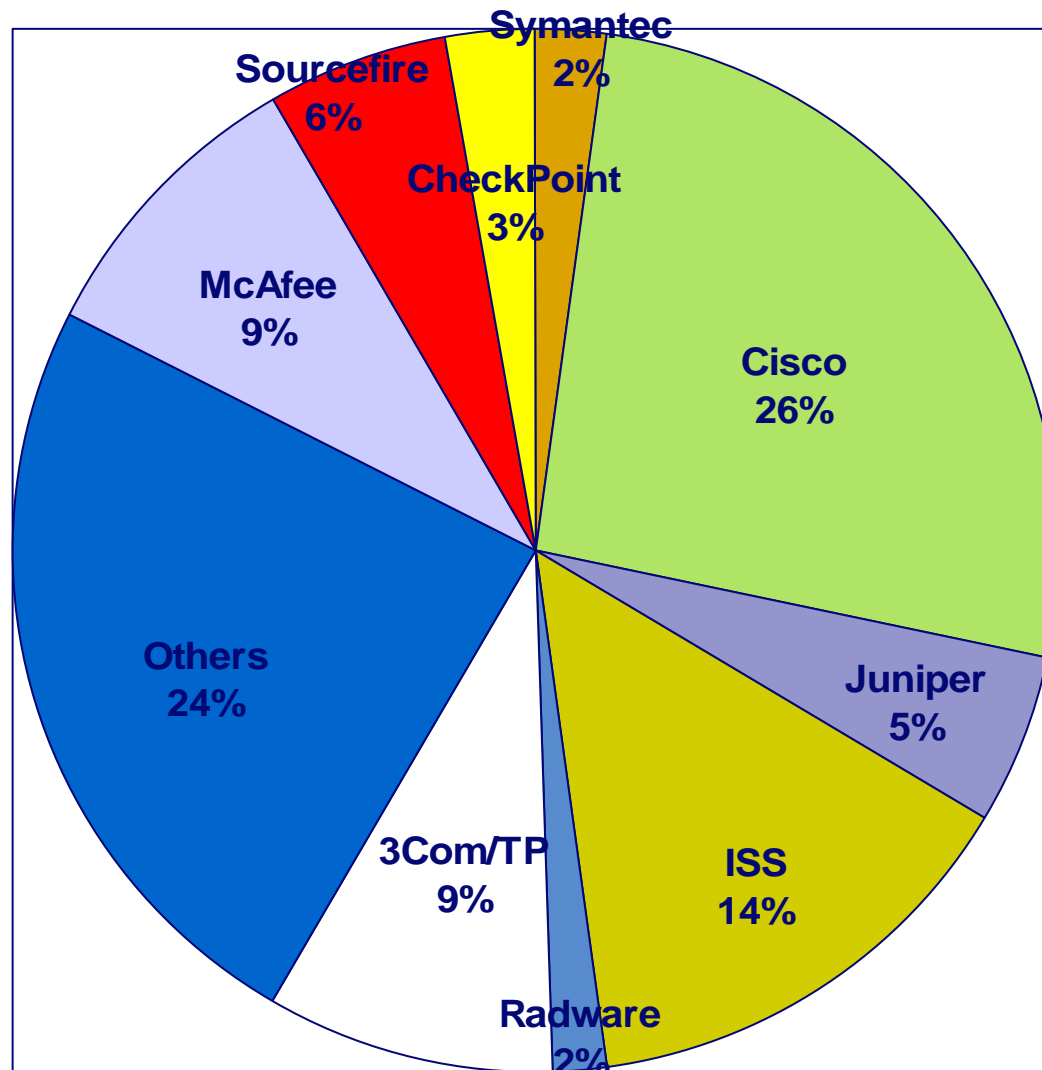
# Worldwide Threat Management Appliance Market Moving to UTM (Revenue)



# Security Appliance Mix Change by Quarter (FW/ID&P/UTM)



# Network ID&P Appliance Worldwide Market Shares 1H05 (Revenue)



# Summary: Customer Criteria for Security Appliances

- 1) **Current and future needs.** Vendor understands and anticipates technical, business, and compliance (internal & external) requirements. Vendor can help shape future IT strategy.
- 2) **Technically sound.** Meets all current and anticipated technical requirements while guaranteeing a reasonable level of service.
- 3) **Labor issues.** Existing staff can understand technologies, implementation issues, and maintenance. No additional staff is needed and organizational conflict is manageable.
- 4) **Vendor viability.** The vendor has stable financials and management. It's acquisition is unlikely, product strategies show longevity, service levels remain strong, and forced conversions are minimal.
- 5) **System Integration (SI) multiple and Lock-in.** Does not require additional SI contracts or other products that customers did not foresee. Does not require Rip & Replace of existing infrastructure. Does not lock in the customer.

# Summary: Customer Requirements

Reduce administration

Automate monitoring

Look for unauthorized behavior by legitimate users

Recognize that continuity requires security and network integration

Evaluate the severity of internal threats

Balance:

- Best of breed against need for unified solutions
- Effectiveness against disruption, cost, & accuracy

# Market Developments next 12 months

- Emphasis on operational efficiency and business enablement
- Compliance and Risk Management drives customer requirements
- Proactive approaches to new threat environments expand security offerings (e.g., SSL-VPN, SpyWare, OCC, FireDoor)
- EndPoint Security and Admission Control re-balances network, client, and host security

# Market Developments next 12 months, con't

- Consumer (including Home Office) slowly moves towards appliances
- Acceptance of Intrusion Prevention as mainstream appliance component
- Internal Security become moves top of mind with dedicated solutions (FireDoor – Admission Control – Audit)
- Application/Software security becomes next battleground
- Storage Security – Still a Question

# Vendors to Watch in 2006

- **Cisco:** NAC drives security into network infrastructure
- **Juniper:** Expanding intrusion prevention into access control
- **Secure Computing:** UTM push with CyberGuard
- **Citrix:** Light-weight access and compliance with IAM, SSL VPN, and Teros
- **Symantec:** Bindview, Sygate, and WholeSecurity improves compliance
- **Microsoft:** Expanding into appliances through partners
- **McAfee:** Integrating SCM and IPS with risk management
- **F5:** Application security and delivery
- **Fortinet:** Early leader in UTM
- **Webroot:** Spyware innovator with great ambitions

# Summary

- High market demand
  - Security enables business operations
  - Appliances will dominate security space, but it is a new deployment platform, not necessarily a software competitor
  - Compliance requirements driving security budgets
- Security products continue to have exceptional growth expectations
- Security technologies dynamic and always changing in order to respond to sophisticated threats
- Active mergers and acquisition market but also new start-ups continue to appear

