



2018 Global Endpoint Management  
Growth Excellence Leadership Award



2018  
**BEST PRACTICES**  
AWARDS

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## Background

### *Industry Challenges*

The complexity and volume of cyberthreats continue to mount. For businesses of all sizes, this is a serious problem. Contributing to this problem is attack surfaces that consist of a diverse set of endpoint devices including desktop PCs, notebook PCs, servers, tablets, smartphones, virtual desktops, and various IoT devices. This diversity and volume of device types also contributes to diversity in operating systems (OSs). OSs encompass several versions of Windows, MacOS, Linux, iOS, and Android. Correspondingly, each device and OS combination presents its own management and vulnerability issues.

Endpoint management is a software platform or suite which identifies and manages access to users and devices over a corporate network. An organization's network administrator is able to discover, provision, deploy, update, and troubleshoot endpoint devices. This is to maintain endpoint devices and comply with policies and standards. This includes tracking inventory, deploying new apps, patches, updates and monitoring activity.

The growth of mobile devices and BYOD is also contributing to the challenges of endpoint management. The biggest challenge with mobile devices and BYOD is getting visibility to the device directly and then being able to manage the device to the extent feasible or possible by law. Without this, a user can easily and commonly have devices on the network that are not properly secured, configured or have access to items the end user needs to do their job.

Device and OS diversity, mobile devices, and BYOD each add to the complexity of ensuring adequate endpoint security, but the complexity and challenges do not end there. A variety of endpoint security agents and gateways are used by organizations to protect devices from compromise, ensure sensitive data is not leaked, and block end users from reaching websites that are questionable in content or have malicious intent. This too adds to the orchestration challenges of endpoint management as endpoint management is not just the devices that need continuous management but also endpoint security agents and the security gateways in order to provide optimal protection.

With small and midsize businesses (SMBs) suffering the greatest from the shortage of InfoSec talent and the rising cost to hire and retain InfoSec talent, endpoint management products do not fully address their challenges. They need expertise to leverage endpoint management to its fullest extent. To that end, Managed Service Providers (MSPs) have been and continue to be prominent partners of endpoint management vendors to better serve SMBs. Additionally, with MSPs also providing outsourced capabilities in IT functions and network administration, the inclusion of endpoint management to MSPs' service portfolios is a logical and strategic fit.

Organizations must stay up to date with anti-malware, patches, compliance regulations and other issues. They need automated tools and centralized management. Channel partners

and Managed Service Providers (MSPs) are key partners for endpoint management vendors. SMB and midsize customers in particular rely on MSPs since they are resource constrained and will outsource IT functions. MSPs bundle endpoint management with other solutions to provide comprehensive services.

Security has become the primary concern for endpoint management. The increasing pace and severity of malware is driving endpoint management vendors to add security into their solutions. The integration of security with endpoint management is also known as operational security. Most vendors employ endpoint security and other security solutions, either their own or with partners.

Endpoint management is deployed across all business segments, but skews more toward SMB. These two segments are growing slightly faster than the rest. There is a high volume of small organizations that lack internal sources and need automated tools. Consequently, many turn to MSPs for endpoint management.

Endpoint management is a fast-growing market. In 2016, revenues grew 20.3% to \$2.1 billion. Frost & Sullivan projects a CAGR ('16 to '21) of 17.3%. The high growth rate and volume of the endpoint management market has attracted more vendors in the last few years. There are over 23 vendors in endpoint management. Consequently, establishing a leadership position or growing market share in such a competitive market is challenging both incumbent and new vendors in endpoint management.

### *Growth Performance and Customer Impact*

Avast Business is the result of an acquisition of AVG by Avast Software on October 3, 2016. The goal was to gain scale, technological depth and geographical breadth. The acquisition expanded Avast's SMB business. AVG had a strong reseller base. Both Avast and AVG are based in the Czech Republic. The new Avast is positioning itself to take advantage of emerging growth opportunities in Internet Security and improve organizational efficiencies.

Both Avast Software and AVG were well known for their anti-virus and other endpoint security solutions. The Consumer/SOHO and SMB segments were their primary target markets. The remote monitoring and management (RMM) solution, Managed Workplace, was originally developed by AVG. In September 2015, AVG partnered with XLAB to integrate ISL Online (desktop sharing technology) into Managed Workplace, an important feature for MSPs.

The merger of Avast and AVG brings together the strengths both companies had in technology, product features, and relationships with channel partners. The new Avast going into 2017 offered one comprehensive and complete set of new endpoint protection solutions

as well as enhanced managed service solutions to simplify the job of securing businesses and deliver greater efficiencies for channel partners.

Frost & Sullivan has determined that among the top five endpoint management vendors, Avast Business was the only one to gain market share in 2016; the others saw eroding positions.

## **Strategy**

Avast Business Managed Workplace RMM provides comprehensive monitoring and management capabilities from a single pane of glass. Managed Workplace offers a broad range of endpoint management and remote monitoring services, including anti-virus, identity service, backup & disaster recovery, NOC & Help Desk, premium remote control, asset management and more.

Prior to the acquisition, AVG focused on continually improving Managed Workplace. AVG demonstrated to its customers its commitment to improving its own infrastructure and continually incorporated constructive feedback from its partners into the product. The company's goal was to remove the complexity that MSPs often faced when managing their customers' data. In addition to adding and improving features, such as automation upgrades, patching, remote control, device management capabilities and others, AVG also integrated its antivirus service starting in October 2014.

In early 2016, long before the acquisition by Avast, AVG launched Managed Workplace 10. This was a simplified service delivery platform that also provided "core RMM capabilities integrated with the service models that MSPs use to deliver security services." In early 2016, AVG revamped its MSP and SMB partner strategy and strengthened its management and channel team.

## **Diversification**

Avast is a global organization with over 1,500 employees. It has hundreds of millions of users in over 150 countries. Avast Business is focused on SMB and channel partners, in particular MSPs. Avast Business, even prior to the AVG acquisition, has been continually rolling out innovations. There has been a steady pace of updates to Managed Workplace with version 11.0 released July 2017. This latest version added a security assessment feature that enables MSPs to easily perform real-time security assessments of their SMB client sites, consolidate the data into easy-to-read reports, and prescribe solutions for any issues discovered. Thus replacing costly and complex assessment and monitoring solutions. Avast Business Antivirus Pro Plus, Avast's highest tier of endpoint protection, was released in September 2017 and is integrated into Managed Workplace. In December 2017, Avast Business added network assessment to its security assessment feature so MSPs can

measure their customers security levels in four key areas: antivirus, patch, user, and now network security. Managed Workplace is available for on-premise and cloud deployments.

## **Sustainability**

Avast Business is focused on SMB and channel partners, in particular MSPs.

Avast Business believes SMBs are an underserved market when it comes to security. There has been a significant increase in attacks on SMB customers, who also suffer from a talent shortage of security professionals. Avast Business is uniquely positioned to serve this market with products designed specifically for them and for IT service providers who support them.

Avast Business is also focused on providing both endpoint protection and network management in one solution for the channel. Channel partners and MSPs are looking to differentiate themselves and find new sources of revenue. With Avast Business, they can provide new and differentiated services in a single platform to increase revenue and drive down costs.

Avast Business has developed a new product portfolio, which includes Managed Workplace, Endpoint Protection Solutions and CloudCare. This portfolio provides a comprehensive and complete set of new endpoint protection solutions as well as enhanced managed service solutions to simplify the job of securing businesses and delivering greater efficiencies for channel partners. Each of these product areas has ongoing product development and improvements.

The merger of Avast and AVG, as noted, brought together different technologies. Avast brought a managed cloud back end. AVG had a strong presence in the English-speaking world and Avast was strong in non-English speaking countries. Thus, the combined efforts have broadened the company's geographic footprint. Avast end users supply a constant stream of data to Avast's immense cloud-based machine learning engine.

## **Brand Equity**

Avast was founded in 1988. AVG was founded in 1991. Both companies were recognized as leaders in endpoint security, in particular anti-virus for many years. Both companies were early developers of anti-virus technology. Separately they served the Consumer/SOHO and SMB business segments and held significant market share. Though AVG was acquired by Avast, the AVG name is still marketed for various products due to the name recognition.

## *Conclusion*

Frost & Sullivan is proud to bestow the 2018 Growth Excellence Leadership Award to Avast Business. This is a result of leveraging its brand recognition, channel partnerships, delivering innovations to MSPs, and focusing on the needs of the rapidly growing SMB segment. Avast acquired AVG in October 2016, thereby adding an endpoint management solution to its product portfolio. The new Avast Business brings together the strength of both former companies. The new product portfolio provides one comprehensive and complete set of new endpoint protection solutions as well as enhanced managed service solutions. The increased number of end users that resulted from the merger, continued product innovations and focus on serving MSPs and SMB customers bodes well for Avast Business to sustain its growth path.

## Significance of Growth Excellence Leadership

Growth Excellence Leadership is about inspiring customers to purchase from y our company, and then to return time and again. In a sense, then, everything is truly about the customer, and making those customers happy is the cornerstone of any long -term successful growth strategy. Companies that excel in driving growth strive to be best-in-class in three key areas: meeting customer demand, fostering brand loyalty, and carving out a unique, sustainable market niche.



## Understanding Growth Excellence Leadership

Companies that creatively and profitably deliver value to customers ultimately set up their businesses for long-term, rapid growth. This is what Growth Excellence Leadership is all about: growth through customer focus, fostering a virtuous cycle of improvement and success.



## Key Benchmarking Criteria

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

### Growth Performance

- Criterion 1: Growth Strategy
- Criterion 2: Above-market Growth
- Criterion 3: Share of Wallet
- Criterion 4: Growth Diversification
- Criterion 5: Growth Sustainability

### Customer Impact

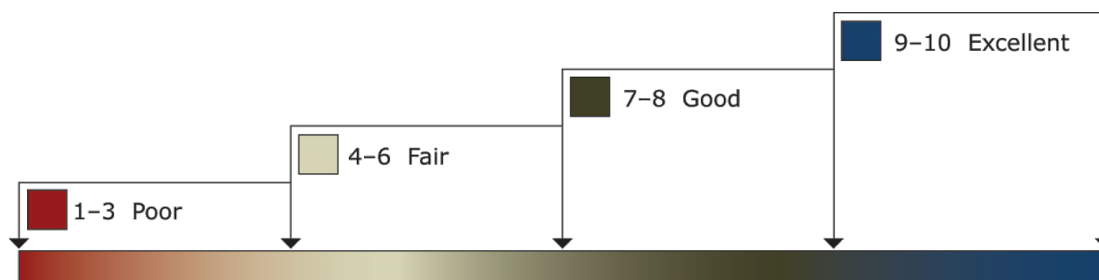
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

## Best Practices Award Analysis for Avast

### Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Ratings guidelines are illustrated below.

#### RATINGS GUIDELINES



The Decision Support Scorecard is organized by Growth Performance and Customer Impact (i.e., These are the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms 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.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key participants as Competitor 2 and Competitor 3.

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>			
<b>Growth Excellence Leadership</b>	Growth Performance	Customer Impact	Average Rating
<b>Avast</b>	<b>9</b>	<b>9</b>	<b>9.0</b>
Competitor 2	5	6	5.5
Competitor 3	6	7	6.5

### *Growth Performance*

#### **Criterion 1: Growth Strategy**

Requirement: Executive team has a shared vision for the organization’s future growth and has created and implemented a strategy that is consistent with that vision .

#### **Criterion 2: Above-market Growth**

Requirement: Company’s growth rate exceeds the industry’s year-over-year growth rate.

#### **Criterion 3: Share of Wallet**

Requirement: Customers allocate a greater percentage of their total spend to purchasing products or services produced by the company.

#### **Criterion 4: Growth Diversification**

Requirements: Company is equally able to pursue organic (e.g., distribution channel optimization, new product innovation) or inorganic (e.g., acquisitions, partnerships) growth opportunities consistent with the long-term objectives of the organization.

#### **Criterion 5: Growth Sustainability**

Requirement: Company has consistently sought out opportunities for new growth, enabling the organization to build on its base and sustain growth over the long -term.

### *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.

*Decision Support Matrix*

Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.



## 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 of 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 is able to 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>.