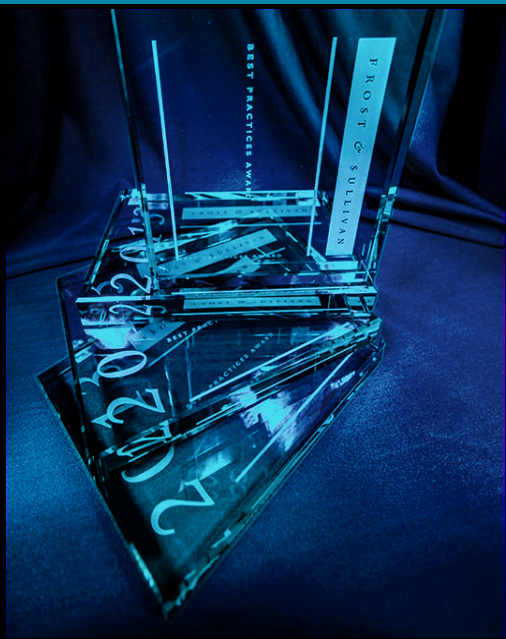


F R O S T & S U L L I V A N



2016 North American
Managed Security Service Platform
Market Leadership Award



FROST & SULLIVAN

BEST
2016 PRACTICES
AWARD

NORTH AMERICAN
MANAGED SECURITY SERVICE PLATFORM
MARKET LEADERSHIP AWARD

2016
BEST PRACTICES
AWARDS

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Background and Company Performance

Industry Challenges

Managed security services are becoming an increasingly important, if not indispensable part of the cyber security industry. Managed Security Services provide proactive monitoring of the customer's security environment, and may encompass protection against denial of service attacks; email viruses and worms; spam; firewalls; and network intrusion detection and prevention services.

Frost & Sullivan ongoing analysis reveals that five key market forces drive the need for these services:

1. The increasing complexity and focused targeting of attacks boosts demand for organizations to pursue a managed security service provider relationship
2. Evolving compliance requirements for organizations drive the need for managed security service providers in North America
3. The shortage of in-house and deep security expertise and talent drives demand for organizations to partner with a managed security service provider
4. The increasing complexity of network security point products is difficult to manage for businesses with small security teams.
5. Intensifying focus on the core functions of the organization drive cloud service adoption and subscribing to MSSPs

Frost & Sullivan notes that North American managed security services providers should not to get overly distracted by the hype in the news. Successful providers are the companies that stay close to their customers and provide genuine solutions. Frost & Sullivan points out that those managed security service providers that strategically focus on their customers are more successful in growing revenue. Customers of managed security service solutions want problems solved. The mere addition of more alerts to be addressed is not solving the challenges security teams face; in reality, alerts without prioritization and actionable remediation add to their litany of challenges.

Managed security service providers also have a symbiotic relationship with their technology partners, as customers rely on the partner's products. Consequently, managed security service providers must be intimately familiar with those products and their manufacturers.

For network security platform providers, success with MSSPs leads to success with end user organizations. Security platform providers need to empower MSSPs to be successful and profitable; as such, the MSSP becomes an extremely powerful channel advocate for

the platform providers.

Frost & Sullivan points out the following characteristics of desirable technology partners and products:

- Easy to centrally manage and configure remotely
- Attractive price/performance ratio
- Brand name recognition when the managed security service provider needs leverage
- Market penetration or perceived leader in technology - both existing and new.
- Market channel cooperation
- Strong customer face: reports, display, self-service
- Low support burden
- Virtualization capabilities

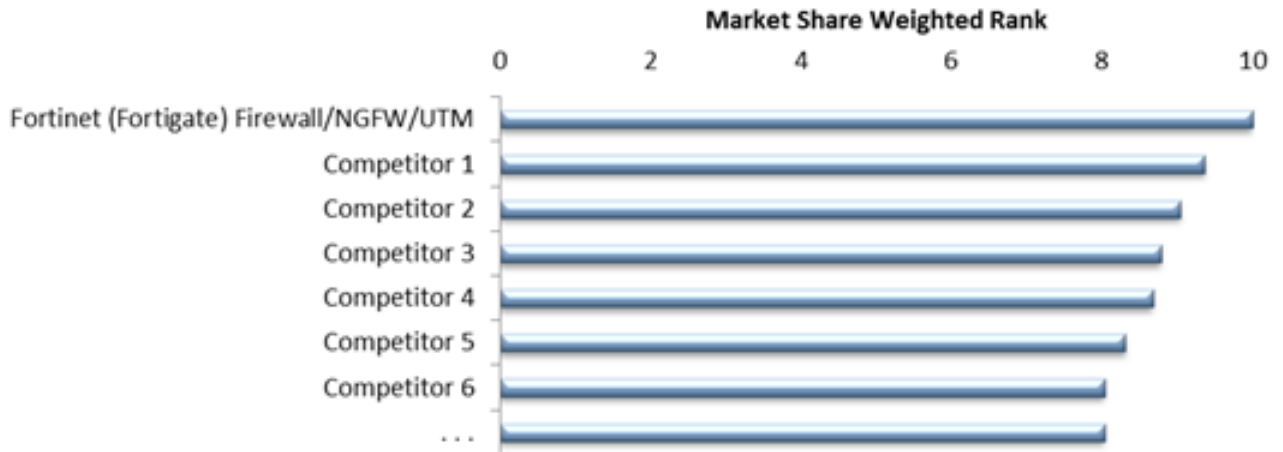
Frost & Sullivan independent research shows that Fortinet is the security platform market leader with MSSPs, establishing many best practices to achieve its powerful industry position and setting a standard for others to emulate.

Market Leadership of Fortinet

Customer Acquisition

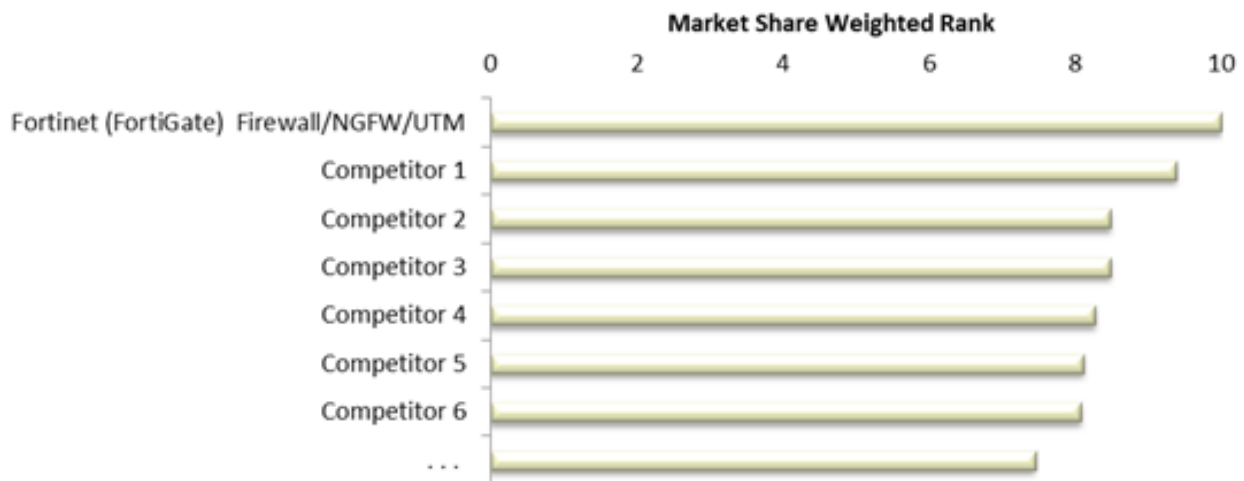
Fortinet has achieved a dominant position with MSSPs with its FortiGate line of high performance firewalls, next-gen firewalls and Unified Threat Management (UTMs). In Frost & Sullivan's recent ranking of over 100 network security platforms, the FortiGate line scored the highest possible ranking among North American MSSPs. Frost & Sullivan's ranking is based on a market share weighting of MSSPs supported.

Total Network Security Platform Market: MSSP Ranking North America, 2015



Fortinet's dominance is not a recent phenomenon. Fortinet has outdistanced the market for two years in row.

Total Network Security Platform Market: MSSP Ranking North America, 2014



Price/Performance Value

Fortinet's FortiGate product is well suited to the true needs of MSSPs, as it provides a rich set of features. In addition to stateful firewall functionality, the FortiGate platform provides other security services - such as intrusion prevention, antimalware, Web filtering, advanced threat protection. Not only does service bundling within a single platform provide clear value to the MSSP (e.g., more services to offer its customer base), but also by managing these security services from a single management console, this reduces training and support costs for MSSPs.

Additionally, a foundation tenet of Fortinet's strategy is to enhance the profitability of its MSSP partners, a message that resonates quite well with MSSPs. Tools such as monthly billing, service automation and return-on-investment models help to assure an MSSP's ability to be profitable in leveraging Fortinet platforms in support of their managed security services customers.

In addition to a common OS and a single management platform, there are other steps that Fortinet takes to reduce "soft" costs. One of the ways this is accomplished is by enhancing the FortiGate platform to eliminate the need to support the platforms of its competitors, a fact that Fortinet is not shy about admitting. A higher number of vendors for the MSSP means higher staffing for the same number of customers . . . and same revenue. Supporting fewer platforms saves MSSPs training and support costs, a fact that Frost & Sullivan stresses cannot be ignored.

Technology Leverage

The design of the management platform is one of the core reasons that FortiGate product line enjoys high adoption by MSSPs. All of the FortiGate firewall-based platforms run the same operating system (OS). A FortiGate 60D running at a retail branch has the same OS as a multi-tenant platform running in the core of a telecom provider.

The common OS reduces the investment training and support efforts for MSSPs. The common OS also lowers the soft costs associated with managing multiple devices, especially when MSSPs capitalize on management platforms (FortiManager) and open API compatibility for integration into MSSP customer self-service portals and other such integrations. The bottom line is the common OS enables MSSPs to be more profitable.

Customer Ownership Experience

Fortinet invests in the knowledge base of its MSSPs partners to ensure that the MSSP is in a position to service its customers, but also to build a successful managed security services business. Free training is provided for MSSP personnel to reduce the upfront cost burden to support Fortinet security tools. Sponsorship programs are offered for qualifying military veterans looking for a career in cyber security with MSSPs. Certification of MSSP staff is

nurtured and actively encouraged. Finally, higher levels of MSSP participation and certification are rewarded with greater pricing discounts.

Conclusion

With its strong overall performance, Fortinet has achieved a leadership position in supporting MSSPs, with the top market ranking through the FortiGate product line. Fortinet has accomplished this by identifying the unique needs of this channel partner and precisely executing to address this need. Frost & Sullivan is proud to bestow the 2016 Market Leadership Award to Fortinet.

Significance of Market Leadership

Ultimately, growth in any organization depends upon customers purchasing from a company, and then making the decision to return time and again. Loyal customers become brand advocates; brand advocates recruit new customers; the company grows; and then it attains market leadership. To achieve and maintain market leadership, an organization must strive to be best-in-class in three key areas: understanding demand, nurturing the brand, differentiating from the competition.



Understanding Market Leadership

Clear demand, strengthened brand, and competitive differentiation all play a critical role in a company's path to market leadership. This three-fold focus, however, is only the beginning of the journey and must be complemented by an equally rigorous focus on the customer experience. Best practice organizations therefore commit to the customer at each stage of the buying cycle and continue to nurture the relationship once the customer has made a purchase. In this way, they build a loyal, ever-growing customer base and methodically add to their market share over time.

Key Performance Criteria

For the Market Leadership Award, Frost & Sullivan analysts independently focused on specific criteria to determine the areas of performance excellence that led to the company's leadership position.

Criterion	Requirement
Growth Strategy Excellence	Demonstrated ability to consistently identify, prioritize, and pursue emerging growth opportunities
Implementation Excellence	Processes support the efficient and consistent implementation of tactics designed to support the strategy
Brand Strength	The possession of a brand that is respected, recognized, and remembered
Product Quality	The product or service receives high marks for performance, functionality and reliability at every stage of the life cycle
Product Differentiation	The product or service has carved out a market niche, whether based on price, quality, uniqueness of offering (or some combination of the three) that another company cannot easily duplicate
Technology Leverage	Demonstrated commitment to incorporating leading edge technologies into product offerings, for greater product performance and value
Price/Performance Value	Products or services offer the best value for the price, compared to similar offerings in the market
Customer Purchase Experience	Customers feel like they are buying the most optimal solution that addresses both their unique needs and their unique constraints
Customer Ownership Experience	Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service
Customer Service Experience	Customer service is accessible, fast, stress-free, and of high quality
Customer Acquisition	Product strength enables acquisition of new customers, even as it enhances retention of current customers

The Intersection between 360-Degree Research and Best Practices Awards

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 players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



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

Our Awards team strives to follow a 10-step process (illustrated below) to evaluate Award candidates and assess their fit with our best practice criteria. The reputation and integrity of our Awards are based on close adherence to this process.

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

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 almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.