



Microsoft Recognized as the

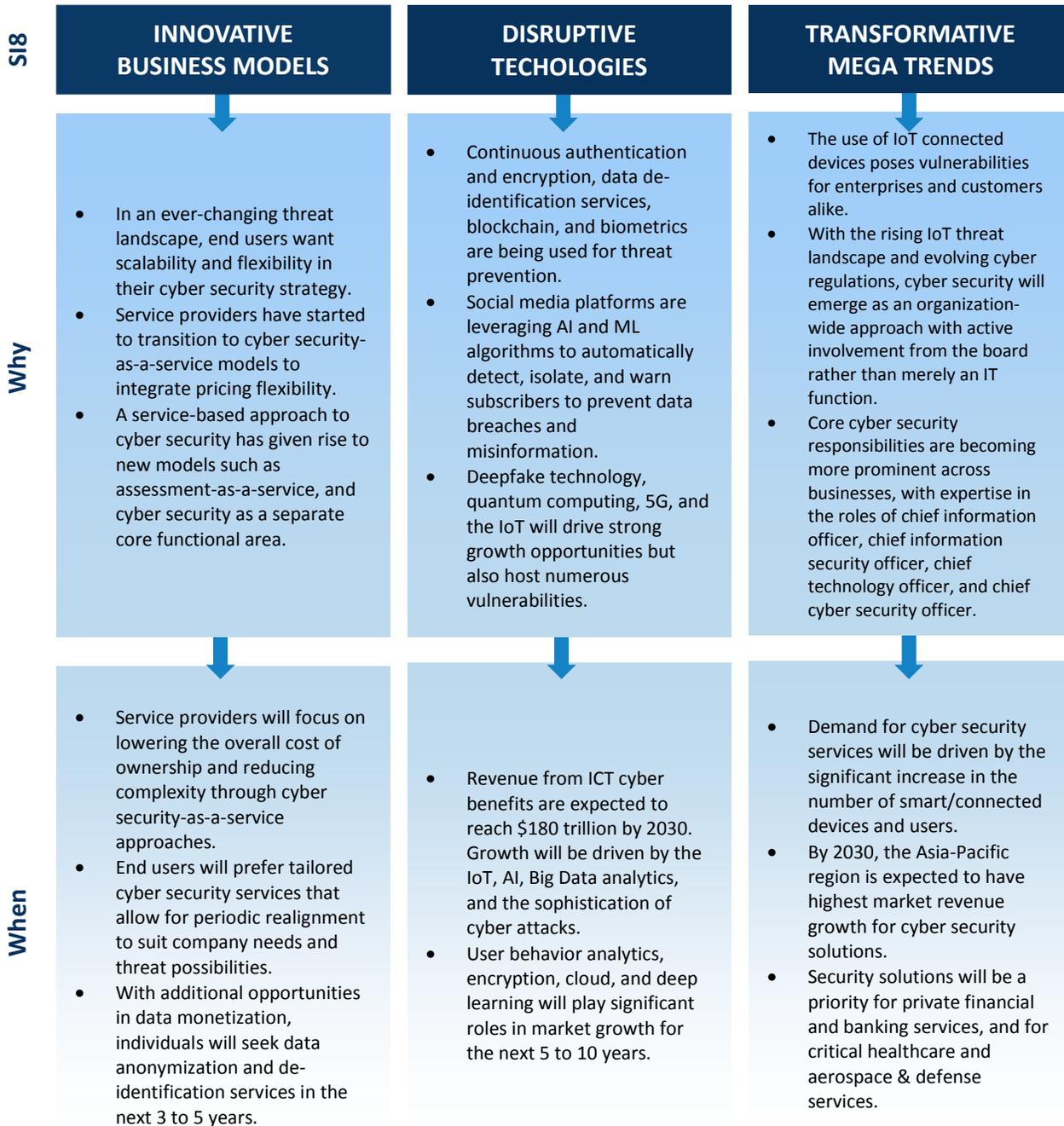
2021

Company of the Year

Global Workforce Identity
and Access Management Industry
Excellence in Best Practices

Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the cyber security industry: innovative business models, disruptive technologies, and transformative Mega Trends. Every company that is competing in the cyber security space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan’s recognition of Company is a reflection of how well it is performing against the backdrop of these imperatives.



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Microsoft excels in many of the criteria in the Workforce IAM space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Digital transformation initiatives and their progress determine an organization’s capability to cope with business continuity challenges. When enterprises started to resume operations in the aftermath of restrictions imposed due to the pandemic, Identity and Access Management (IAM), an important component of the overall security posture for an organization, became critical. Greater reliance on remote working led to increased demand for seamless and secure access to enterprise networks for the workforce.

Enterprises are at different stages in their IAM adoption journeys, and the gradual process of acquiring different IAM solutions to meet their requirements has led to siloed and complex systems, unique to each company. Integration and compatibility issues render infrastructures vulnerable. Enterprises need IAM systems that are easy to integrate and use, can be rapidly implemented, are effective, future-proofed, and meet all operational and regulatory requirements.

Companies that subscribed to Windows 2000 often managed on-premises infrastructure components and systems with a single identity per user with Microsoft’s Active Directory (AD) Domain Services. They can now extend IAM, as part of digital transformation initiatives, to include applications across the Cloud and on-premises with Microsoft’s Azure AD, an Identity-as-a-Service (IDaaS) solution. Microsoft is a leading technology provider with a broad ecosystem that includes offerings such as the Azure platform, Cloud and computing services, and operating systems – security is also one of its core offerings. The

company carries forward its vision to provide an open and interoperable ecosystem through partnerships with others across the industry and by contributing actively to building standards.

Addressing demand for a complete identity solution

Being a part of the larger Azure ecosystem and the native integration with Microsoft's security portfolio, Microsoft IAM offerings leverage technical strengths to enable benefits such as an extensive developer platform, open-source contributions, analytics, and compute capabilities for customers. Guiding Microsoft's IAM innovations is the philosophy of providing a complete identity solution. For instance, it has consolidated authentication and access management into one holistic solution, with core functions such as single sign on (SSO), multi-factor authentication (MFA), adaptive authentication, and passwordless authentication to meet different directory management scenarios. Similarly, inclusion of identity governance and privileged identity management will help customers simplify their IAM environments. Bridging silos with IAM technology ensures better user experience and makes it harder for bad actors to exploit vulnerabilities. Adaptive access policies and adaptive authentication, demoed recently at Microsoft Ignite, offer a smart and easy option for customers to set up device-based conditional access policies by combining identity and endpoint manager solutions. Taking into consideration user action, contextual authentication adds an additional layer to prevent unauthorized access.

Microsoft is also pioneering verifiable credentials and self-sovereign identities or decentralized identity, building it on permissionless Blockchain technology to allow people greater control over information and how they share it. This is a major area of focus for Microsoft; the solution is in private preview currently and being put to the test by a small sample of customers. Keio University (Japan) deployed Microsoft's cloud-based identity management system, while its employees and educators use Microsoft 365 and Azure cloud services for routine tasks. As part of a research project in 2020, the University deployed another solution—Verifiable Credentials with decentralized identifiers, which is based on Azure AD. The solution will provide a secure and interoperable way to manage and share transcripts and certificates to 33,000 students and 386,000 alumni, eliminating the manual processes used currently.

Aligning IAM vision and strategy to macro trends

As the digitalization mega-trend takes hold, and customers adopt the cloud as part of their digital transformation, Microsoft is actively aligning its strategies by providing innovative solutions. Making technology easily available and accessible to end-users to empower them to handle processes, create a better identity lifecycle experience to help end-users and identity teams, and simplify workloads reflects Microsoft's commitment to enhancing the digital experience. As collaboration among human and non-human entities increases, identity capabilities for each will become important. Since non-human entities will be unable to remember passwords, passwordless capabilities will become the norm. Microsoft can extend its existing innovations to develop a roadmap for machine identities.

Other examples of macro trends that Microsoft IAM strategies ascribe to, include the growing trend of remote work and the evolution of business models. Remote working is redefining the future of the workplace and Microsoft believes that the experience of employees, regardless of whether they are in an office or at home, should be identical. In addition to ensuring an agile system that caters to a hybrid

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- Deepali Sathe, Senior Industry Analyst

workforce, this trend is expected to affect product design significantly. Similarly, Microsoft evaluates and monitors business models to simplify pricing for customers. Depending on the security posture that companies want to adopt, some IAM capabilities are available for free, while others are charged on per user basis once customers cross a threshold in terms of number of users.

Focus on solving customer identity challenges and delivering outcomes

To meet customer needs, the leadership team at Microsoft is driving a unified and end-to-end identity solution as a core and priority investment. This includes working with customers to help them solve existing and emerging challenges, offer a complete identity solution that extends to all of their diverse requirements, and to connect more apps and resources across on-premises and the cloud including non-standard and legacy authentication protocols. Similarly, Microsoft is integrating governance to enhance its identity solutions. As part of its short- to medium-term strategies, inclusion of non-human entities, frontline workers and capabilities such as temporary access passes and passwordless authentication, are some of the areas where the company has successfully focused. Microsoft is working toward the final step in the passwordless journey – of eliminating passwords in directories for administrators and end-users.

Having identified security as a priority, Microsoft’s Annual Report 2020 describes its security portfolio, *Defender*, as an offering with ‘broad coverage, spanning identities, cloud apps, devices, IoT, and more’. *Defender* also complements Azure Sentinel, which uses AI to detect, investigate, and automatically remediate threats. Azure AD complements Microsoft’s comprehensive security portfolio with the end-to-end IAM solution, and advances its philosophy of ‘Security is a team sport’ with active participation in standards bodies such as the FIDO Alliance and Decentralized Identity Foundation is a reflection of its commitment.

Seamless experience, diverse portfolio and value add enhance customer purchase experience

Microsoft’s global presence is a key differentiator in ensuring a seamless purchase experience. Customers are not restricted by their location or identity goals, and the wide range of identity solutions available ensure that different needs (such as a software-only domain based solution, an infrastructure-as-a-service (IaaS) cluster of virtual machines, or pure cloud solutions) are all met. Offered as a standalone or part of other Microsoft suites, enterprises can opt for price points that suit their security budgets. Some identity services are also available for free. For instance, opting for the free Microsoft Azure subscription enables access to the core IAM, which includes capabilities such as unlimited SSO to all cloud apps, MFA, and some of the basic security reports. For smaller enterprises with restricted security budgets, this is a significant benefit. Depending on deal size, customers receive progressive discounts and access to sophisticated capabilities to strengthen IAM capabilities. This allows customers to scale up as per their convenience and requirements, with only a limited upfront investment.

Different customer segments typically have varying expectations. For instance, to enable greater value and maximize return on investment for larger customers, support is offered to move to a modern architecture or enable seamless integration with existing and new solutions. Similarly, the company meets requirements of smaller businesses by creating a self-serviced purchase experience so that they can access benefits at a lower cost without deeply engaging with Microsoft employees. Microsoft focuses on creating a seamless initial customer journey so that organizations can handle certain elements on their own, and receive need-based support as required. The diverse portfolio ensures that all customers will find a viable solution for their identity requirements.

Continuous engagement across different levels for higher customer satisfaction

Microsoft prioritizes customer experience (CX) and maintains multiple layers to enable complete support across identity solutions. Dedicated engineering teams work with medium and large companies that typically have more complex infrastructures, and are accountable for their success. This is in addition to program manager led account management teams that help enterprises (purchasing 50-seats or more) to design an effective IAM environment. Fast track programs offer complimentary deployment support to maximize the value of solutions.

Azure AD has a worldwide team of technical, marketing and sales professionals who gather feedback from customers of all sizes across all relevant industries. To ensure deep engagement, the new Microsoft product release process is based on a co-engineering model that views customers as partners in the planning, design, build, and rollout of products and features. Their inputs are a key component in understanding changes and needs in the market. Other initiatives include Customer and Partner Success (CXP), and the Get-To-Production (GTP) teams that engage directly with customers and partners (with an NPS score of 82) to identify requirements and recruit them to validate functionality in early stages of development via design reviews, private previews, and release. A 'Loyalty team' in CXP works with those that provide critical feedback—to understand pain points, provide transparency into the product groups plans and roadmap, and offer guidance, best practices, and alternative means to address customer issues. The direct customer connection to impact product strategy and functionality development enables rapid response and feature update releases on a weekly and monthly basis.

Customers' increased reliance on Microsoft with an end-to-end identity offering

Microsoft's focus on security and a unified strategy became apparent with the consolidation of its security offerings under the *Defender* brand. The value to customers is enhanced as this is complemented by Azure AD, which covers all of the company's identity solutions and is well recognized by the customers. Microsoft is actively educating clients that Azure AD works across all workloads, across all Apps and the cloud, and not just Microsoft 365. This helps customers as they can maximize benefits of the IAM solutions that they already own. Marketing campaigns focus on innovative identity solutions and capabilities, such as conditional access, real time risk assessment, and passwordless authentication to further strengthen differentiation. The identity brand receives further impetus due to its association with the Azure ecosystem. Its support for all open standards helps enterprises to grow and enhance identity capabilities on their own using the robust building blocks provided by Microsoft.

Conclusion

Microsoft emerges as a clear leader in the IAM space, with its Azure ecosystem providing a solid foundation for its capabilities and solutions. The focus on innovation, research and development, and continuous engagement with customers and partners indicate a strong focus on providing future proof solutions to enhance outcomes. Led by a strong leadership team the company offers a broad and diverse set of capabilities that companies of all sizes can use to strengthen their security postures. Its participation in developing standards reveals a commitment to help customers solve their biggest challenges of siloed and complex IAM environments.

For its strong overall performance, Microsoft earns Frost & Sullivan's 2021 Company of the Year Award.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first to market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly 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 high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

