

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

2024 COMPETITIVE STRATEGY LEADER

*IN THE AMERICAS
MANAGED SECURITY
SERVICES INDUSTRY*

LevelB/ue

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

2024
BEST
PRACTICES
AWARD

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. LevelBlue excels in many of the criteria in the MSS space.

AWARD CRITERIA	
Strategy Innovation	Customer Impact
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

Being a Security Services Provider in 2024 is About More Than Just Addressing Unmet Needs

The managed security services (MSS) market is one of the oldest cybersecurity markets, and yet, it continues to grow at a steady pace yearly. This is a result of managed security service providers’ (MSSPs) capabilities to address common organizational challenges and effectively secure their customers’ business-critical assets.

Firstly, cybersecurity solutions and tools have become difficult to manage and complex to operate effectively. This is a consequence of the fast-evolving threat landscape and the myriads of tools that attackers have at their disposal to breach governments or enterprises’ environments, which forces security vendors to develop sophisticated tools that can detect even the most pervasive and subtle threats. Secondly, these tools are only as effective as the teams of experienced and knowledgeable security analysts that manage them. However, there is a growing shortage of cybersecurity personnel, one that the [2023 Global Cybersecurity Workforce Study](#) by ISC2 has measured at almost 4 million unfilled cybersecurity positions across the globe. Because of this, organizations find it challenging to hire, retain, and maintain their own security operations centers and teams.

Managed security services address these issues by providing extensive portfolios of cybersecurity products and services that go from the most basic, such as firewalls, to the most advanced of all, including managed XDR, MDR, managed SASE, or other sophisticated tools with specific use cases. They leverage their own experienced and large teams of cybersecurity analysts to oversee and orchestrate the entire ecosystem, and either provide recommendations and co-manage security or run things completely by

themselves, depending on what customers need. As a result, MSS are ideal to address the issues organizations are facing in today's threat landscape.

This makes the space highly competitive, in which MSSPs not only face off against other companies in similar categories such as service providers, system integrators, telecommunication firms, and pure-play MSSPs to name a few, but also measure up against cybersecurity solution and service categories that address similar issues, such as XDR, MDR, and managed XDR. To succeed in such a fiercely competitive field, providers need the perfect combination of innovation, growth, and an effective business strategy to augment and differentiate their portfolios of managed and professional services from other competitors' offerings.

Introducing LevelBlue, the Growth Leader in the Americas

In 2024, AT&T partnered with WillJam Ventures, a Chicago-based private equity firm specializing in developing cybersecurity companies, to spin out its security services group and form an independent company, LevelBlue. The newly branded company offers the same global security services AT&T has been delivering to customers for more than 30 years: cybersecurity consulting and professional, managed network security, and managed detection and response services. LevelBlue remains one of the leading companies in the MSS sector globally, with decades of security experience and operational know-how backed by robust R&D and business strategies, and a foundation deeply laid in the well-established AT&T business. The firm is the growth leader of Frost & Sullivan's 2024 Americas MSS Frost Radar with one of the highest revenue shares in the region, and the most impressive growth pipeline, resulting in a CAGR that's 50% higher than the market average.

LevelBlue provides managed security services to midsized and large enterprises in North America, mainly in the banking, finance, manufacturing, healthcare, retail, and public sectors. Organizations in these industry verticals are usually at the forefront of security maturity and awareness and understand that cybersecurity is not a cost center, but an essential business enabler that will drive growth in the short and long term. As a result, these enterprises are looking to invest in advanced security solutions and services, which aligns closely with LevelBlue's comprehensive portfolio.

The Bread and Butter – A Comprehensive Portfolio

LevelBlue's offering includes a mix of traditional and more advanced managed services, including but not limited to: firewall management, DDoS mitigation, web application and API protection, managed SSE and SASE, email security, exposure and vulnerability management, endpoint security, and managed detection and response. LevelBlue augments its managed services with consulting and professional services for assessment and advisory, security program design, and governance, risk and compliance. This includes cybersecurity-as-a-service offerings that provide clients with continuous access to LevelBlue consultants for CISO support, zero trust readiness, and more. The firm delivers its services through its seven global network operation centers (NOCs) and security operations centers (SOCs).

LevelBlue's premier service is MDR, which provides 24/7 detection and response across the customer environment (including endpoint, network, and cloud), and includes risk-based vulnerability management, incident readiness and response. As a result of the quality of its MDR service, LevelBlue is also featured as one of the leading players in Frost & Sullivan's MDR Frost Radar. To deliver this service,

LevelBlue harnesses its open XDR platform, Unified Security Management (USM) Anywhere, which showcases the provider's deep understanding of some of the most important megatrends in the cybersecurity industry: visibility, correlation, and third-party integration.

USM Anywhere – Delivering Value Through Integration

USM Anywhere delivers 887 LevelBlue Apps, including 47 advanced Apps, which provide integrations to multiple security and technology vendors. This provides visibility into a customer's entire environment, allowing the platform to ingest, normalize, and correlate data from incredibly disparate sources. As a result of the overarching visibility across security controls and attack vectors, LevelBlue's analysts can see the complete attack story, and can act quickly to dismantle any threat actors' efforts to infiltrate the customer environment.

On top of increasing detection and response capabilities, third-party integration has the dual purpose of increasing flexibility and providing untold value for customers. The sheer number and variety of supported LevelBlue Apps enables organizations to work with whatever solutions they want, making it easier to select best-of-breed or leverage their existing cybersecurity investments. LevelBlue also directly collaborates with leading security vendors such as Palo Alto Networks, Cisco, Fortinet, Zscaler, SentinelOne, Check Point and more, to build deep integrations into the USM Anywhere platform, multiplying customer value. LevelBlue offers integrations for IT technology from vendors like Microsoft, ServiceNow, and Salesforce, as well.

Furthermore, LevelBlue's outstanding third-party integration also boosts its professional services, creating a positive feedback loop to enhance customers' cyber resilience even more. The provider harnesses the added visibility and data collection capabilities of USM Anywhere to obtain essential information about the behavior, health, and status of a given environment, which greatly enhances incident readiness and response engagements, advisory, digital forensics, and assessment programs and services. In turn, LevelBlue can recommend reinforcing security in a certain area, changes of configuration and policies, and the addition of other managed security services, closing the enhancement loop.

More than Just a Name

The decision by AT&T to spin off its cybersecurity business represents another layer in LevelBlue's comprehensive cybersecurity strategy and allows the company to thrive in the increasingly competitive MSS sector.

Becoming a separate company with its own management team allows LevelBlue to be more agile and nimble, focus exclusively on cybersecurity at a strategic level, and direct its R&D efforts into new, cutting-edge technologies and solutions. Telecommunications companies are traditionally slower moving than security companies because of the need to consider a myriad of factors before deciding where and how to innovate. While this makes them steadfast and resistant to crises, it can be a disadvantage in the rapidly evolving cybersecurity industry, which requires companies to stay at the forefront of innovation, including novel technologies such as generative AI.

LevelBlue is now free from those constraints, while still benefitting from the knowledge, know-how, and wider structure of the larger AT&T business, which retains a minority share investment in LevelBlue.

Supported by its collaboration with AWS, LevelBlue now has new ML models, and generative AI capabilities to improve its existing reporting features, accelerate triage, empower SOC analysts, enhance customer experience, and deliver additional insights to both LevelBlue and customer security teams. In combination with its comprehensive and synergistic portfolio of managed and professional security services, this new-found agility will enable LevelBlue to build deeper and stronger relationships with customers around the world, especially with those requiring additional flexibility.

Finally, the strategic partnership with WillJam Ventures should deliver growth opportunities in the form of additional collaboration with other firms and attract additional investments which in turn could increase R&D spending.

Conclusion

Recently formed after splitting off from AT&T, LevelBlue is one of the leading security service providers in the fiercely competitive Americas MSS market. It has achieved greatness thanks to a multi-layered strategy that includes a comprehensive portfolio of managed, consulting, and professional security services, tied together by the flexible USM Anywhere open XDR platform, and a major shift in its business organization which will lead to heightened agility, growth, and innovation improvements. Emerging as one of the top players in the space, LevelBlue's brand identity starts strong, and the firm has immense potential for future growth on a global basis. With its strong overall performance, LevelBlue earns Frost & Sullivan's 2024 Americas Competitive Strategy Leadership Award in the managed security services market.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

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

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

[Learn more.](#)

Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

