IDC MarketScape

# IDC MarketScape: Asia/Pacific Managed Security Services 2020 Vendor Assessment

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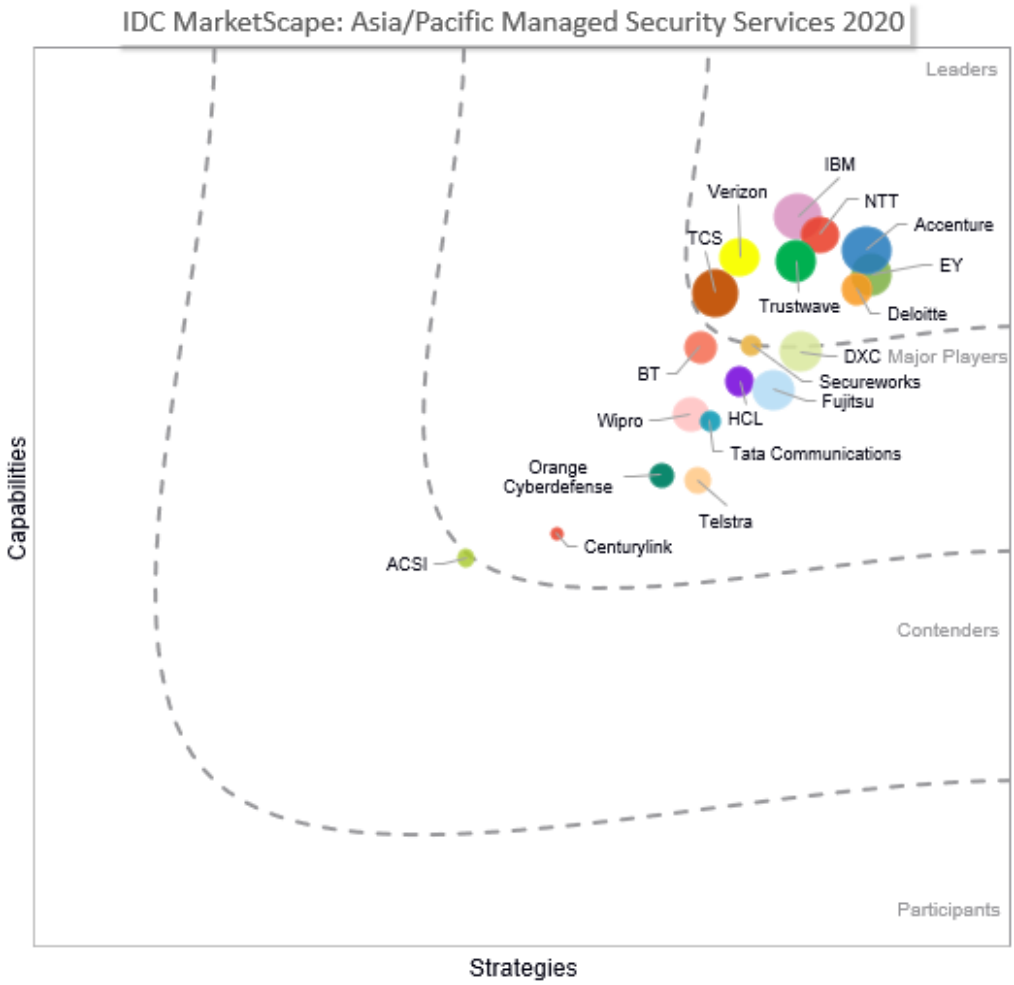
## THIS IDC MARKETSCAPE EXCERPT FEATURES: NTT

## IDC MARKETSCAPE FIGURE

## FIGURE 1

**IDC MarketScape: Asia/Pacific Managed Security Services Vendor Assessment**




Source: IDC, 2020

Note: Please see the Appendix for detailed methodology and market definition.

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## IDC OPINION

As industries make rapid progress in their digital transformation journey on the back of growing regulatory pressure and an increasingly sophisticated threat landscape, many organizations are facing difficulties in maintaining a robust security posture. Perhaps more importantly, with the rising significance and impact of cybersecurity, it is no longer viewed as an exclusively technical or compliance issue, but a business and strategic issue that deserves deliberations in the boardroom. Insufficient awareness about the organization's response plan or lack of preparedness could severely impact business operations and the organization's reputation.

Accordingly, more and more CISOs or heads of IT security are now summoned to boardroom meetings to present the company's security strategy, communicate the value of security investment, and provide cyber risk updates, and so forth. The elevation of security from an add-on element to the strategic imperative status in many organizations have also increased the demand for security services such as managed detection and response, and managed threat intelligence. This increase in demand, in turn, helps drive the growth and evolution of the regional security market, where newer players seek to expand in the area, while traditional market leaders continue to enhance their offerings. Against the backdrop of these new developments, the Asia/Pacific managed security services (MSS) market is shaping up to be highly competitive and vibrant, from which organizations in the region could benefit immensely.

Using the IDC MarketScape model, IDC evaluated 19 organizations between 2019 and 2020 that offer MSS in the region. The assessment reviews the organizations against a broad set of parameters that define current market demand and expectation of MSS buyers. These include breadth of MSS offerings, portfolio benefits, threat life-cycle capabilities, cloud security, delivery model, cost management, market execution, geographic presence, thought leadership, innovation, customer satisfaction, and customer advocacy. Through primary research, in-depth interviews of vendors, and their customer references, IDC evaluated the service providers (SPs) to identify their strengths, and their challenges in the market. Some of the notable themes found in the study are:

- **Varying maturity, varying objectives.** The Asia/Pacific market is arguably the most heterogenous in nature, and as such, there is a high degree of variation in digital maturity among different organization and industries within the region. The objectives and motivations in engaging with an MSS provider also vastly differ according to the maturity levels across the market. IDC found that more mature customers, mainly those belonging in the highly regulated industries, look to vendors to augment their in-house security teams with the provider's expertise, IP, frameworks, or processes that are contextualized to the organization, or industries. In contrast, the less mature customers prefer to outsource most, if not all, of the security and compliance responsibilities to these MSS providers. Thus, vendors with end-to-end, comprehensive portfolio and vertical expertise would have an upper hand in winning accounts from both categories of customers.
- **Customer centricity, the common denominator.** Despite the differences in motivation and objectives, one thing in common between these two customer groups is the need to be customer-centric when it comes to services design, onboarding, and delivery. Customer centricity is reflected by managed security SPs' flexible delivery models, such as MSS-as-a-service option. Having this adaptive and cloudified option is especially important for clients when a growing number of workloads are moving to multiple public and private cloud. Complexity has never been greater as organizations often find themselves with unused, partially installed, and poorly configured security tools that they have accumulated over time.

There is a need for managed security SPs to address complexities, de-risk the cloud migration process, and, more importantly, optimize the cloud investment, including those embedded security tools as part of an infrastructure-as-a-service (IaaS) subscription and/or leveraged cloud security tools from security vendors. IDC observes that a vast number of participating firms could leverage on-premise security information and event management (SIEM), cloud SIEM, and a hybrid of these to offer flexibility and customer-oriented value propositions.

- **Cloud takes center stage.** Many organizations have, at this point, adopted cloud-based security services, and progressed on the cloud security front, which is an indication of the improving proficiency of managed security SPs' cloud security capabilities. For instance, cloud monitoring, cloud access security brokers (CASB) support (mainly for protection of software as a service, or SaaS) are experiencing growing momentum in the region. Some of the managed security SPs with telecommunication providers offer their own security embedded cloud offerings that automate and orchestrate many security functions for threat detection and reporting. Furthermore, many of the participating firms in the study have enhanced their native cloud security capabilities and push offerings such as DevSecOps services.
- **Innovative user interface (UI), enhanced user experience (UX).** Customer centricity also underlies innovation at the interface level. Some of the identified leaders clearly lead the way in terms of user experience features that closely mirror social media, where app-like and Uber-style mechanisms assign available analysts to incidents and shows a stream of threat investigations, alerts, and updates. Moreover, the interface will be enabled with potential voice-controlled digital assistants.

## IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

Many service providers compete in various aspects of managed security services and other capacities. This evaluation is not an exhaustive list of all the players to consider for MSS. Instead, this evaluation reviews the primary players that offer capabilities spanning the entire life cycle of threat management from identify to protect to detect to respond to recover. IDC has collected and analyzed data on 19 managed security SPs for this IDC MarketScape. IDC narrowed down the field of players based on the following criteria:

- **MSS portfolio.** Each service provider is required to possess a fairly comprehensive MSS portfolio, with at least 50% or more matching to IDC's scope of MSS taxonomy, including managed threat intelligence services, managed detection and response services, managed network security services, managed endpoint security services, managed secure web gateway services, cloud posture and compliance monitoring, and OT/IoT monitoring.
- **Geographic presence**. Each vendor is required to have in-country MSS delivery capability (or presence of a security operations center, or SOC) in a minimum of two Asia/Pacific subregions: North Asia (Japan, Korea), Greater China (China, Hong Kong, and Taiwan), Southeast Asia (Singapore, Malaysia, Thailand, Indonesia, Vietnam, and the Philippines), South Asia (India, Pakistan, Sri Lanka, Bangladesh), and ANZ (Australia and New Zealand).
- **Revenue.** Each participating company is required to have a total revenue in excess of US$10 million that was attained in Asia/Pacific in 2018.
- **Multipoint assessment completion**. Each participating company is required to complete a multipoint assessment covering a total of 29 capabilities and strategy criteria defined by IDC to be most conducive to success in delivering managed security services in the region.

## ADVICE FOR TECHNOLOGY BUYERS

As picking the right security vendor is a critical business and strategic decision that should ideally align with their overall business goals, here is IDC's advice that organizations should keep in mind when choosing their vendor-partner:

- **Embrace security by design.** For tech buyers that have just started their digital transformation journey (of which cloud is a key enabler), it is critical to make security foundational or to embrace "security by design" when adopting any new technology or deploying into the cloud to ensure maximum but affordable security and visibility.
- **Incorporate and integrate cyber risk monitoring**. If the organization has an existing managed security SP, review the service-level agreement (SLA) and add metrics regarding cyber risks. In the latest *IDC FutureScape: Worldwide Security and Trust 2020 Predictions*, IDC predicts that, by 2021, 80% of publicly traded companies will embed cyber-risk monitoring into their business planning and quarterly reporting. Continuous cyber-risk monitoring will become table stakes and foundational in business-to-business (B2B) relationships and instrumental in attracting investors and building trust. Building such a process will help drive a more secure and correspondingly trustworthy organization. This will also lead to a tighter integration of an organization's IT and business strategies so technology risk can be translated to business risk.
- **Augment technical capabilities with vertical expertise.** What does it mean for managed security SPs? Your managed security SPs should not only have excellent technical expertise, but also vast experience in business risk or offer cyber risk strategy services. To build effective cyber risk strategies and align them with business goals require deep industry expertise and ability to develop industry-specific threat models that go beyond conventional infrastructure layer monitoring. Based on IDC's evaluation of participating vendors, the majority of the vendors servicing the region are to a degree differentiated by their track record and vertical competencies.
- **Continually review and assess.** For tech buyers that are not in a regulated industry and have a record of limited security investment, it is important to review your organization's current security needs and evaluate if the current setup or vendors are sufficiently equipped with the capabilities to meet both current and future needs. For instance, does the current workflow of the SIEM systems generate too many alerts? What is the rate of false positives? Can new sources, such as IoT connected devices, be added to SIEM? What is the automation rate of Level 1 tasks (e.g., log assembly and triage)? What is the productivity level of SOC analysts? In the near term, evaluate the efficacy of the current SOC setup with key metrics such as time to qualify (an incident), mean time to detect, mean time to mitigate, mean time to recover, rate of automated responses, and alert accuracy. Further, buyers from the critical infrastructure sector stand to benefit from engaging a managed security SP to operationalize the IT-OT convergence and particularly address the rising cyber risks on industrial systems and OT/IoT environment.
- **Deploy emerging technology, consume flexibly**. Leverage artificial intelligence (AI)/machine learning (ML), automation, and threat intelligence analytics to scale and improve current SOC operations. Many of the participating firms in the study have shown significant improvement in their SOC/SIEM capabilities, specifically in analytics, automation, and contextualization. The managed security SP can leverage and incorporate various analytics and AI/ML tools to its SIEM platform to reduce false positives and enhance orchestration and automation. Moreover, the managed security SP should provide flexible options, including cloud SIEM, to its customers. As IT environments' requirements evolve and cloud companies such as Amazon Web Services (AWS), Google, Microsoft, and AliCloud begin to enhance their security

offerings, security as a service will have a greater influence for those organizations with limited IT resources, smaller budgets, and escalating awareness of their security shortcomings. As such, managed security SPs should be flexible with their delivery options, including cloud-based security as a service, as we expect to witness increased market demand.

## VENDOR SUMMARY PROFILE

This section explains IDC's key observations resulting in NTT's position in the IDC MarketScape and provides a summary of the vendor's strengths and opportunities.

### NTT

IDC's analysis, along with customer feedback, places NTT as one of the Leaders in the 2020 Asia/Pacific Managed Security Services IDC MarketScape.

After integrating all the MSS-specific resources and delivery platforms of NTT Group companies in 2016, NTT carried out another reorganization exercise in 2019, consolidating 28 of its brands under one new entity called NTT Ltd. The integration, finalized in July 2019, made NTT Ltd a US$11 billion company with over 40,000 employees. It has a strong presence in the Asia/Pacific region with direct presence in 17 countries, and is one of the largest security service providers in the region.

The provider offers some of the most comprehensive MSS portfolios. To better address its customers' needs, the company has realigned its offerings according to verticals and regional differences. Some of NTT's biggest revenue generators in Asia/Pacific include Threat Detection (TD), and Managed Network Services. NTT's TD utilizes NTT's Advanced Analytics, an analysis engine that provides advanced threat detection to find the proverbial "needle in the haystack" using a guiding principle to shift the focus from "blocked alerts" to "suspicious allow events". The tool employs several techniques for effective detection, including but not limited to proprietary machine learning, behavioral analysis, and network data.

NTT leverages its networking heritage and expertise in network, datacenter, and cloud to deliver strategic value across the business cybersecurity life cycle, and help customers achieve security by design. NTT supports its customers to build intelligence-driven threat life-cycle capabilities through its cyber threat intelligence (CTI) framework, operationalized by its Global Threat Intelligence Center (GTIC). The GTIC follows an integrated structure consisting of People, Process, and Technology platforms to gather, curate, and efficiently propagate CTI.

About 80% of NTT's clients are currently leveraging NTT's cloud security capabilities, indicating the provider's proficiency in cloud-based security services and managed cloud security. For instance, NTT Enterprise Cloud automates and orchestrates many security functions for threat detection and reporting while embedding security technologies such as FW, IDS/IPS, anti-Virus, URL filtering, and application filtering in cloud environments.

NTT engages over 200 technology partners and works very closely with its strategic partners to co-innovate or jointly develop new offerings. Further, NTT acquired WhiteHat Security and made strategic investments with innovative companies such as ShieldX to enhance its capabilities and push new offerings such as DevSecOps services.

### *Strengths*

NTT has an in-depth and comprehensive view of all the cyber incidents throughout the open, deep, dark web and has firsthand access to cross/net flows and global and proprietary honeypots to gather data on emerging threats. To realize its vision of becoming a client-centric, services-led, outcome-based, and innovation-driven company, NTT continuously invests in R&D, and develops its proprietary tools and platforms. NTT's unique SIEM engine is one such R&D accomplishment. In August 2018, Dimension Data (now NTT Ltd.) launched a new Client Innovation Center in Sydney that aims to display a number of innovation technologies and solutions such as IoT, biosensors and wearables, virtual and augmented reality, security, and encryption.

Additionally, following the integration and rollout of its global MSS platform, NTT remains focused on the "right sourcing" model, or the utilization of economies of scale by centralizing a high volume or very advanced skills where possible, while offering proximity to clients with local language and customer-centric value. According to customer feedback, there is continuous improvement in NTT's service delivery, and the engagement evolved from being service provider–customer to one of a strategic business partnership. Clients were also satisfied with the quality of NTT's security professionals.

Using data-driven approaches and persona-based marketing, the company deploys an omni-channel strategy to all its client engagements, including retention, upselling, and cross-selling for potential, new, and existing clients. Beyond that, NTT also publishes the Global Threat Intelligence report, using data from its Global Threat Intelligence Center and real client data. The publication communicates the fact that the global and regional security threats landscape is a big part of NTT's thought leadership effort in the region, enhancing its credibility in the security space.

### *Challenges*

The organization now needs to re-establish all previous brands under the NTT brand, reassuring existing customers of each brand that the services on offer will be the same as, if not better than, previously experienced. It is also important to provide reassurance that Asia/Pacific will continue to be the major hub for the new NTT Ltd.

## APPENDIX

## Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, the strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represent the market share of each individual vendor within the specific market segment being assessed.

## IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

## Market Definition

For the purpose of this study, IDC defines managed security services, or MSS, as the round-the-clock management and monitoring of security solutions and activities delivered from a security operations center, or SOC. We include all MSS, whether these involve the management of security solutions deployed on a customer's premises or solutions hosted in a datacenter or cloud external to a customer's premises.

There is a steady stream of new services offered by MSS providers that extend beyond traditional MSS solutions such as managed threat intelligence and managed detection and response, which directly link to an outcome.

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## Related Research

- *IDC FutureScape: Worldwide Security and Trust 2020 Predictions – APEJ Implications* (forthcoming)
- *Acceleration of Outcome-Driven Managed Security Services in the Asia/Pacific Region* (IDC #AP45395519, January 2020)
- *Security Investment Priorities and Requirements by Verticals: BFSI, Manufacturing, and Retail in Asia/Pacific* (IDC #AP44700819, December 2019)
- *IDC FutureScape: Worldwide Security and Trust 2020 Predictions* (IDC #US45582219, October 2019)
- *Distributed Denial-Of-Services Attacks Are Increasingly Used to Negatively Impact Business in Asia* (IDC #AP44718419, July 2019)
- *Lessons Learnt from the SingHealth Case – Effective Incident Response Strategy and Consideration of Zero Trust Security Framework* (IDC #AP43913219, February 2019)
- *IDC MarketScape: Asia/Pacific Managed Security Services 2018 Vendor Assessment* (IDC #AP42609818, June 2018)

## Synopsis

The IDC MarketScape: Asia/Pacific Managed Security Services 2020 Vendor Assessment study evaluates 19 vendors providing managed security services within Asia/Pacific. Participating vendors were assessed against 29 different market determining criteria, which include breadth of service offerings, portfolio benefit, services delivery model, market execution, cost management, customer

satisfaction, and business performance. IDC conducted a series of interviews and multipoint assessments with vendors and their clients, to comprehensively capture the differentiating factors, strengths, and challenges of each vendor. Following comprehensive and exhaustive analysis, the results were deliberated with IDC's internal panel of expert analysts, resulting in a positioning within the IDC MarketScape figure.

"The top managed security SPs not only have excellent technical expertise and threat life-cycle management capabilities, but also vast experience in cyber risk strategy and services," said Cathy Huang, associate research director, IDC Asia/Pacific Services and Security. "To build effective cyber risk strategies, a managed security SP has to align with business goals, which requires deep industry expertise and capability to develop industry-specific threat models that go beyond conventional infrastructure layer monitoring," she advises.

"The threat landscape continues to evolve at a breakneck speed, and security providers have to consistently be one to two steps ahead of the bad actors," warned James Sivalingam, research manager, IDC Asia/Pacific Services and Security. He added, "The situation is made more challenging in a rapidly digitalizing region such as Asia/Pacific, where organizations have varying levels of maturity across different countries and verticals. However, the study has found that all the major security vendors servicing the region are more than prepared for the challenges for now. In addition to robust capabilities, technologies, and bandwidth to mitigate the prevailing risk factors, security services providers should position themselves as strategic partners to their respective clients and help them achieve security by design to deliver true value to the customer in the region,"

## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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