FROST & SULLIVAN

2024

COMPETITIVE STRATEGY LEADER

IN THE CHINESE MANAGED DETECTION AND RESPONSE INDUSTRY

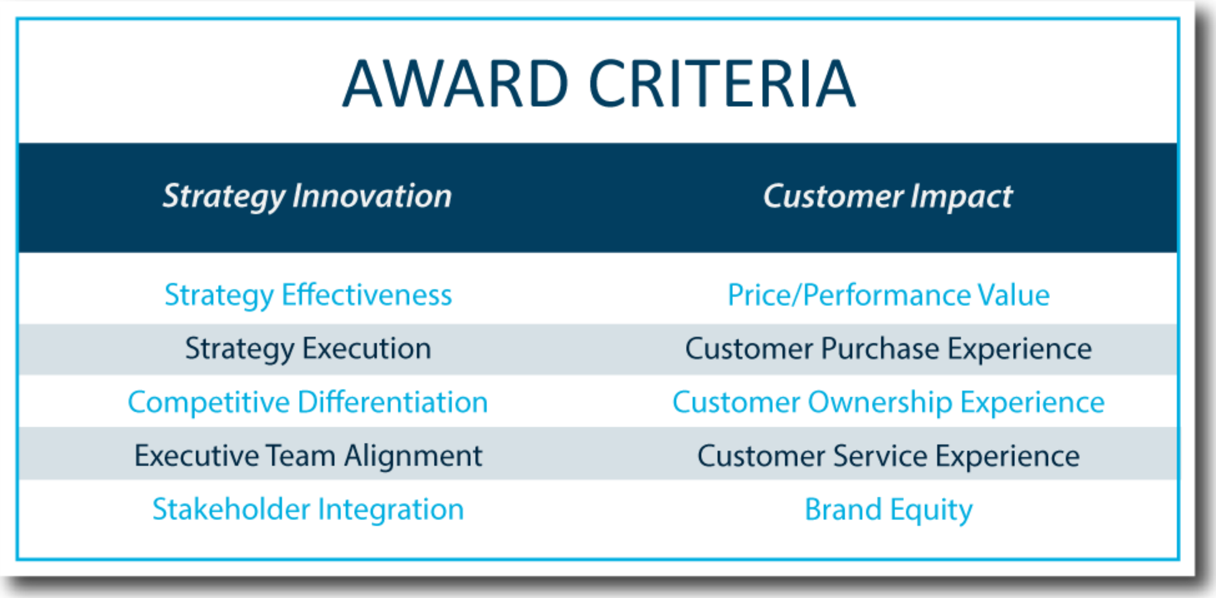
NSFOCUS

FROST & SULLIVAN

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. NSFOCUS excels in many of the criteria in the managed detection and response 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

Cybersecurity Complexities in China

Across the globe, government organizations and enterprises are finding it increasingly difficult to protect business-critical data from cyber attackers. The never-ending arms race between threat actors and security providers involves harnessing technologies such as artificial intelligence (AI) and machine learning (ML) to protect varied environments and threat vectors such as cloud, multi-cloud, and hybrid cloud ecosystems. Threats are increasingly sophisticated, requiring the knowledge and expertise of extensive security teams and associated resources.

Additionally, the monetary, political, customer trust, and brand equity costs of security incidents such as data breaches continue to increase. Attacks against critical infrastructure have historically had a major impact on entire regions or countries, with governments are seeking to establish regulations and best practices to support enterprises.

In this context, managed detection and response (MDR) platforms provide visibility across the endpoint, network, cloud, and other environments, identifying threats through a combination of AI, ML, orchestration, data correlation, and integration with native and third-party security solutions. However, the most important aspect of MDR is the service element, providing a combination of threat hunting, incident response, platform management, and more via a team of cybersecurity experts. Because of this, organizations are increasingly partnering with MDR providers to boost cyber resilience and enhance their cybersecurity maturity in the process.

The Chinese cybersecurity market has a set of additional complications that make MDR particularly suitable for organizations operating in the region. As a result of the ongoing geopolitical East-West conflict, Chinese government entities and enterprises can become targets of cyberattacks aimed at critical infrastructure. Because of this, the Chinese government is pushing to significantly strengthen cybersecurity across the country. Chinese MDR providers will become essential to empower organizations in this transition, helping them to navigate the changing regulatory landscape while protecting them against the onslaught of advanced cybersecurity attacks.

NSFOCUS – A World-Class Contender based in China

Headquartered in Beijing, NSFOCUS is a cybersecurity company with over 20 years of industry experience. The firm has over 4,000 employees spread across more than 50 offices across China and the rest of the world, including the US. Its customers include large telecommunications companies, global financial institutions, as well as education, healthcare, and government institutions.

NSFOCUS concentrates its security efforts around network and cloud security, including NGFW, DDoS/cloud DDoS protection, web application and API protection, threat intelligence, and more. Acknowledging the complex needs of Chinese organizations, NSFOCUS developed its MDR service to centralize security management and increase the cyber resilience of its customers.

Frost & Sullivan's updated MDR research positions NSFOCUS as one of the leading providers in the global market, thanks to the firm's innovation and strategic technology investments.

Delivering Guidance to Increase Security Maturity and Compliance

NSFOCUS MDR delivers 24/7 monitoring, detection, and response across the environment, spanning the endpoint, network, and cloud. The company delivers MDR through its Intelligent Security Operations Management Platform (ISOP), which can integrate with NSFOCUS threat intelligence, vulnerability scanning, endpoint security management, and other products and services. Such native integration allows NSFOCUS MDR to address a multitude of use cases and to multiply the value it provides for customers.

Additionally, the platform integrates with over 60 third-party cybersecurity vendor solutions, enhancing flexibility for organizations that prefer to retain their existing security stacks. This is essential for organizations seeking to upgrade their security resilience and increase security maturity while operating with limited budgets. While it is more difficult to parse and normalize data obtained from external sources, MDR services with a vendor-agnostic focus compensate customers with heightened versatility.

Furthermore, ISOP links with NSFOCUS' T-ONE CLOUD platform through the customer network, enabling the customer's and NSFOCUS' security teams to communicate and collaborate across on-premise, cloud, and hybrid environments. This promotes cooperation and increases cyber resilience, allowing NSFOCUS' experienced professionals to share their knowledge, best practices, and security strategy advice. To further strengthen its client partnerships, NSFOCUS offers co-managed capabilities to assist customer analysts directly in resolving cybersecurity incidents.

Organizations across China increasingly demand these features, as many need guidance to establish effective security strategies. As a response to the rapid evolution of the threat landscape and the geopolitical situation, the Chinese government will establish new regulations to increase the cyber resilience and security maturity of many industry verticals. These measures include ransomware attack simulation, data security training, and many other self-examination and self-regulation procedures to evaluate risk and prevent cyberattacks. NSFOCUS' flexibility and support-oriented features mean it will be a prime candidate to partner with organizations traversing this world of new regulations and increasingly complex security environments.

Overcoming the Cybersecurity Talent Gap

Another issue that restricts the ability of global organizations to secure their business-critical assets is the shortage of cybersecurity personnel, and China is no exception. Globally, the workforce gap is almost at 4 million jobs in the surveyed countries (which do not include China) according to ISC2's Cybersecurity Workforce Study. Taking this into consideration, the South China Morning Post paints an even more concerning picture for the future of China, with the gap in the country alone reaching 3.27 million unfilled jobs by 2027, as higher education institutions train barely 30,000 professionals every year.

Consequently, Chinese organizations will need support from MDR providers to keep their environments secure. Flexibility, guidance, co-managed approaches, and delivering additional security services through the platform should be complemented with advanced technology; AI and ML are essential for next-generation security needs.

To accelerate detection and response, NSFOCUS MDR includes integration with NSFOCUS SOAR, delivering automatic response playbooks, automatic alert triage, and over 10,000 detection rules that aid threat identification. Additionally, NSFOCUS has developed its own AISecOps technology, leveraging ML to filter noise, analyze and sort large-scale logs, and automatically extract and enrich event information, among other functions. This technology helps reduce the overload of information for analysts, allowing them to focus on the truly important tasks and incidents by handling false positives and automatically performing response actions to dispose of common threats.

Finally, NSFOCUS launched NSFGPT in 2023 as part of its AI and ML development. NSFGPT is an LLM tool that harnesses the threat intelligence, data, and knowledge that NSFOCUS has accumulated over its 20+ years of experience and its security engagements to support analyst decision-making and significantly enhance security operations. One of the solution's most notable features is a natural language interface that enables users with little security knowledge to analyze issues and incrementally increase their understanding. As a supporting tool of its MDR service, and added to the vast network of professional knowledge that the model can provide, NSFGPT allows NSFOCUS to deal with the talent shortage. Inexperienced analysts can ramp up their expertise quickly, which translates into a better, more efficient service for customers. It can also be leveraged as part of other product or service offerings to directly help customers alleviate their security resource challenges.

Conclusion

NSFOCUS is a world-class cybersecurity that delivers MDR services in the Chinese region. The company's MDR platform provides visibility across the endpoint, network, and cloud, coupled with flexible features such as third-party integration to multiply value. NSFOCUS understands the value proposition of MDR, delivering AI and ML-powered detection and response to augment analysts and make a tangible difference in the changing security landscape. Additionally, the company has developed its own LLM-based security assistant to empower analysts and help customers overcome the cybersecurity talent gap, which is impacting Chinese organizations significantly. With its strong overall performance, NSFOCUS earns Frost & Sullivan's 2024 Chinese Competitive Strategy Leadership in the managed detection and response 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

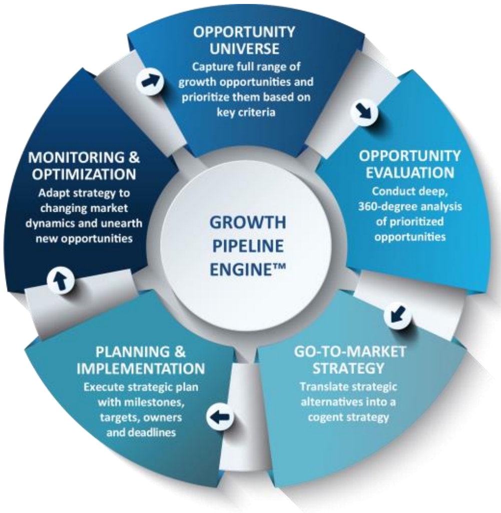
Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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.


GROWTH PIPELINE ENGINE™
OPPORTUNITY UNIVERSE
Capture full range of growth opportunities and prioritize them based on key criteria
OPPORTUNITY EVALUATION
Conduct deep, 360-degree analysis of prioritized opportunities
GO-TO-MARKET STRATEGY
Translate strategic alternatives into a cogent strategy
PLANNING & IMPLEMENTATION
Execute strategic plan with milestones, targets, owners and deadlines
MONITORING & OPTIMIZATION
Adapt strategy to changing market dynamics and unearth new opportunities

Key Impacts:

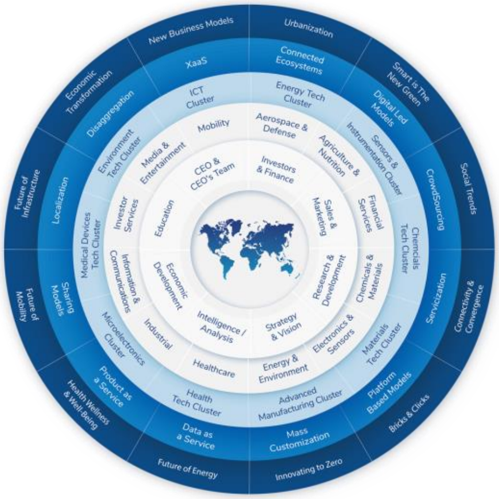
- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

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)


New Business Models
Urbanization
Smart is The New Green
Social Trends
Connectivity & Convergence
Bricks & Clicks
Innovating to Zero
Future of Energy
Health Wellness & Well-Being
Future of Mobility
Future of Infrastructure
Economic Transformation
XaaS
Connected Ecosystems
Digital Led Models
CrowdSourcing
Servicization
Platform Based Models
Mass Customization
Data as a Service
Product as a Service
Sharing Models
Localization
Disaggregation
ICT Cluster
Energy Tech Cluster
Sensors & Instrumentation Cluster
Chemcials Tech Cluster
Materials Tech Cluster
Advanced Manufacturing Cluster
Health Tech Cluster
Microelectronics Cluster
Medical Devices Tech Cluster
Environment Tech Cluster
Mobility
Aerospace & Defense
Agriculture & Nutrition
Financial Services
Chemicals & Materials
Electronics & Sensors
Energy & Environment
Healthcare
Industrial
Information & Communications
Investor Services
Media & Entertainment
CEO & CEO's Team
Investors & Finance
Sales & Marketing
Research & Development
Strategy & Vision
Intelligence / Analysis
Economic Development
Education