

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

2024 COMPANY OF THE YEAR

*IN THE GLOBAL
WORKFORCE IAM
INDUSTRY*



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

BEST
2024 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. Microsoft excels in many of the criteria in the workforce IAM space.

AWARD CRITERIA	
Visionary Innovation & Performance	Customer Impact
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

Microsoft Entra Portfolio improves the efficiency and effectiveness of customer IAM systems

Microsoft’s erstwhile Active Directory (AD) was one of the most used products as organizations relied on

“Workforce IAM comprises many components, and customers struggle to build an efficient and effective IAM system due to gaps and lack of compatibility when trying to put together products from multiple vendors. Microsoft’s portfolio allows customers to future-proof their workforce IAM capabilities by offering scalability and retaining relevance as they progress on their digital transformation journey.”

**- Deepali Sathe,
Senior Industry Analyst**

it to maintain their traditional identity and access management (IAM) systems. Over the years, IAM evolved as more sophisticated risks, technologies, and identity security solutions developed. In response to the increasing identity threats and solutions landscape, Microsoft added many new products and services to its portfolio. To manage the challenge of educating customers and creating a brand to reflect its growth, Microsoft rebranded Azure AD in 2022 as Microsoft Entra ID, with the tagline ‘Secure access for a connected world’. Since then, the entire offering has been restructured and reflects the trend of unification in the identity security industry.

Microsoft Entra portfolio comprises eight products, across traditional IAM, (Microsoft Entra ID, Microsoft Entra ID Governance, and Microsoft Entra External ID), emerging identity security (Microsoft Entra Verified ID, Microsoft Entra Permissions Management,

and Microsoft Entra Workload ID), and network access capabilities (Microsoft Entra Internet Access and Microsoft Entra Private Access). While additional capabilities are beyond the scope of this discussion, a mention is pertinent since it speaks volumes about Microsoft taking a leadership role in identity security. It has done this via a layered approach of adding products that filled gaps in its portfolio to compete effectively in the market. Adding adjacent capabilities such as Verified ID to gain an advantage over competitors, and including relevant network access capabilities within the portfolio strengthened its identity security offering. Workforce IAM comprises many components, and customers struggle to build an efficient and effective IAM system due to gaps and lack of compatibility when trying to put together products from multiple vendors. Microsoft's portfolio allows customers to future-proof their workforce IAM capabilities by offering scalability and retaining relevance as they progress on their digital transformation journey.

Establishing best practices to innovate and expand

Microsoft improves its workforce IAM capabilities and insights by analyzing more than 78 trillion signals across its products and clients, using consolidated intelligence to provide better protection from threats that are affecting others in the ecosystem. The collective knowledge, resulting recommendations, and preempting of risks help customers to improve their security posture. This is especially important for companies that are shorthanded and unable to deploy large security teams to manage their IAM systems.

Microsoft uses four pillars to guide the innovation and development of their products:

1. Secure access to any app or resource from anywhere,
2. Protect and verify every identity,
3. Provide only necessary access, and
4. Simplify the user experience.

This allows it to go beyond employees and provide access to non-human identities and privileged access, fulfilling a key requirement of workforce IAM customers that need a seamless access experience.

Its ability to work seamlessly in a hybrid- and multi-cloud environment makes it a preferred option for large and very large enterprises. An innovation that will have a significant impact on employee productivity and management of IAM with limited resources is the integration of Microsoft Copilot. Security Copilot for Microsoft Entra can assist in investigating identity risks, troubleshooting sign-ins, and creating lifecycle workflows. For instance, it enables users to bypass the lengthy and manual process of reviewing logs to understand why an access request was granted or refused and receive guidance via a simple natural language query-based method. Similarly, a cohesive and easy-to-use portal designed for identity security admins improves visibility while it protects and ensures access to apps, devices, and data.

Microsoft has more than 90 identity service provider partners and more than 15,000 partners in the security domain. These include technology partners, consultants, managed service providers, other vendors in the ecosystem such as identity threat detection and response (ITDR), or governance providers, and system integrators (SI's). The partnerships allow Microsoft to expand its reach across business segments and regions and promote its vision of democratizing security, also requires the company to maintain a strict set of standards for quality. Microsoft Intelligence Security Association (MISA) specializes

in supervising partners, facilitating best practices, and providing technical guidance, to ensure adherence to the strict requirements that Microsoft demands from its partners.

Microsoft enhances customer experience with a focus on ease of implementation and use

Microsoft has successfully utilized client trust and its presence in the organizational tech stack to build and expand its security portfolio. An entire ecosystem of MSPs, system integrators, and software providers helps organizations manage their Entra ID systems and create robust and modern workforce

“Microsoft has successfully utilized client trust and presence in the organizational tech stack to build and expand its security portfolio. An entire ecosystem of MSP’s, system integrators SI’s, and software providers helps organizations manage their Entra ID systems and create robust and modern workforce IAM systems with additional insights and integration with other systems.”

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IAM systems with additional insights and integration with other systems. For customers already familiar with Entra ID, the ease of integrating, sharing signals, training employees, and a similar user interface enhance the experience. The other aspect that benefits customers is the integration with other Microsoft Security products such as extended detection and response (XDR), cloud-native security information and event management (SIEM), and Secure Service Edge (SSE). This enhances intelligence and improves the performance of IAM.

Microsoft has several items on its product roadmap that will enhance its workforce IAM solution outcomes such as security by default using conditional access auto-enroll policies, improved security using Face Check with Microsoft Verified ID (now GA) , and passwordless/platform single-sign-on authentication in MacOS with Microsoft Entra ID. A robust roadmap ensures that Microsoft Entra clients are confident in the company’s focus on continuous improvements, new features, and capabilities. The modular nature of the portfolio makes it easy to land and expand. Customers can start with one capability and as they get accustomed to their first purchase, they can add on the others. New customers also have access to free standard trials, where they can experiment with different capabilities in real-life scenarios and test out the full product suite with full access for the duration of the trial. Many companies unable to hire IAM experts or afford MSPs rely on these free trials to begin their IAM journey and determine their requirements. They are also aided by the deep integration of artificial intelligence (AI) enabled automation and Copilot. Microsoft is one of the pioneers of the natural language model, and customers are assured of the best possible utilization of this capability to enhance security outcomes.

To promote adoption Microsoft offers several pricing tiers. In addition to a variety of standalone offers (e.g., Entra ID Free P1 / P2), the company offers bundled offers (e.g., M365 E3 / E5 which includes Entra ID P1 / P2 respectively) to address the business context and needs of different customer segments. Microsoft’s efforts to create a seamless customer journey include engagement with customers using 1st and 3rd party platforms, events, and media to educate customers about IAM topics. It follows up with demos, documentation, and trial offers to engage customers. Interested parties can engage further with technical experts and (dedicated and generalist) sales support for guidance. In addition, Microsoft provides support throughout planning, training, and deployment, while a centralized database tracks customer inquiries and monitors service-level agreement (SLA) alignment. Microsoft introduced the

Microsoft Entra Suite in July 2024 that brings together network access, identity protection, identity governance, and identity verification solutions in one easy to acquire toolset for secure employee access. Bundled offers and Suites are typically sold at a significantly discounted price.

As Microsoft continues to build on the success of its Azure AD brand, it has transitioned into a company recognized for its security portfolio as much as it is recognized for its technology products. In fact, the company doubled its security revenues to \$20 billion in 2024. Partners are keen to work with Microsoft, and many providers consider inclusion in MISA an achievement. With a vision that extends beyond other IAM providers, the company has the resources and expertise to take the next step forward as it aligns identity and network access products. The ease of updating the existing IAM portfolio and the immense help available across the ecosystem to integrate other systems into Microsoft's IAM capabilities increases customer confidence. Similarly, experiences and benefits shared by current clients from implementing Microsoft Entra further enhance its brand equity.

Conclusion

Following the consolidation and rebranding of Azure AD, Microsoft has successfully transitioned to Microsoft Entra since its launch in 2022, which now encompasses all of Microsoft's identity and access capabilities. The product portfolio provides secure access across human and non-human identities, and hybrid and multi-cloud environments to create a comprehensive suite of IAM capabilities. More than 90 ISV partners help the company to continue expanding its presence globally while enabling customers to improve their identity security posture. As one of the pioneers of natural language processing and generative AI, customers are assured of state-of-the-art automation and intelligence capabilities leveraging AI, and improved security outcomes with Copilot. The company continues to simplify IAM for its customers, by automating and simplifying the implementation and use its IAM capabilities.

For its strong overall performance, Microsoft is recognized with Frost & Sullivan's 2024 Global Company of the Year Award in the Workforce IAM industry.

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

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™.

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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)**

