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BEST PRACTICES
AWARDS

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AWARD

2020

CISCO

ASIA-PACIFIC EMAIL SECURITY VENDOR OF THE YEAR
Contents
Letter of Congratulations........................................................................................................ 3
Background and Company Performance ............................................................................ 4
   Industry Challenges........................................................................................................ 4
   Visionary Innovation & Performance and Customer Impact........................................ 4
   Conclusion .................................................................................................................... 7
Significance of Company of the Year ............................................................................... 8
Understanding Company of the Year .............................................................................. 8
   Key Benchmarking Criteria ........................................................................................ 9
Best Practices Award Analysis for Cisco Systems .......................................................... 9
   Decision Support Scorecard ....................................................................................... 9
   Visionary Innovation & Performance ........................................................................ 10
   Customer Impact ....................................................................................................... 10
   Decision Support Matrix ........................................................................................... 11
The Intersection between 360-Degree Research and Best Practices Awards ............ 13
   Research Methodology ............................................................................................... 13
About Frost & Sullivan .................................................................................................... 13
Copyright ....................................................................................................................... 13
Letter of Congratulations

I am proud to present you with this year’s award for Company of the Year in the Asia-Pacific email security industry.

Frost & Sullivan’s global teams of analysts and consultants research a wide range of markets in multiple industries and regions, and identify companies that are true industry leaders, delivering best practices in growth, innovation, and leadership. These companies have a keen eye on the future and drive innovation that meets upcoming needs before they become commonly visible, often being first to market with new solutions. They focus on delivering the best products at optimal prices to maximize customer value and experience. Identifying these companies involves extensive primary and secondary research across the entire value chain of specific products and/or markets. Against the backdrop of this research, Frost & Sullivan is pleased to recognize Cisco Systems as the Company of the Year in the Asia-Pacific email security industry.

Delivering excellence worthy of the Company of the Year recognition is never an easy task, and it is made even more difficult considering today’s competitive intensity, customer volatility, and economic uncertainty—not to mention the difficulty of innovating in an environment of escalating challenges to intellectual property. In this context, your receipt of this award signifies an even greater accomplishment.

Moreover, Frost & Sullivan recognizes that this accomplishment is the result of many employees, customers, and investors making daily choices to support the organization and contribute in a meaningful way to its future.

I enthusiastically acknowledge and celebrate these achievements, and wish you great success in the future. Frost & Sullivan is here to support you on any future endeavor.

Sincerely yours,

David Frigstad
Chairman
Frost & Sullivan
Background and Company Performance

Industry Challenges

Email is a technology that goes back for at least 40 years. Since its invention, individuals and organizations alike have been using it to communicate reliably and instantaneously with each other. Today, email is all but ubiquitous in the day-to-day operations of enterprises across the world. In Asia-Pacific (APAC), growing interconnectivity arising from intensifying network development, especially in developing economies, has only added to the number of email users worldwide. While this phenomenon has led to an unprecedented capacity for regional communication and collaboration, it has also led to an equally unmatched level of security exposure. Email is the number one threat vector by far when it comes to cybersecurity. According to CSO\(^1\), 94% of malware is delivered via email, and phishing makes up 80% of reported security incidents. The latter sets up organizations for potential data breaches, which costs $3.92 million on a global average according to IBM\(^2\). Furthermore, vulnerable organizations will have to contend with intangible costs, such as a hit to their reputation and loss of trust. Organizations are thus presented with a clear case regarding the need to secure their email systems considering the potential financial and non-financial costs a breach would incur.

Visionary Innovation and Performance/Customer Impact

Cisco is a major technology provider across the world, including APAC. The company offers products ranging from network infrastructure and communication tools to cybersecurity offerings. In that last domain, Cisco has painstakingly built a name for itself as the foremost email security vendor in the region. It did and continues to do this through a combination of solid business acumen, cutting-edge products, effective and extensive marketing, and unmatched customer service.

Frost & Sullivan has identified 6 key areas where Cisco showed exceptional leadership in 2019:

Financial Performance

The primary testament to Cisco’s leadership in the APAC email security market is its revenue position relative to competitors. Cisco is by far the highest-grossing vendor by absolute revenues and, by association, market share. In 2019, Cisco generated $88.9 million across fourteen APAC countries according to Frost & Sullivan. This amounts to a 16.8% market share across the entire region, which remains the highest despite a relative drop from the year prior. Compared to its closest competitor, the market share difference amounts to $8.1 million more revenue generated by Cisco year-over-year (YoY).

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\(^1\) Top cybersecurity facts, figures and statistics for 2020, CSO, 2020
\(^2\) Cost of a Data Breach Report, IBM, 2019
Cisco is also the market share leader in email security in Hong Kong, India, Indonesia, the Philippines, Singapore, and Thailand. Overall, the company grew at a 4.5% YoY growth rate, adding approximately $3.9 million more in revenues from 2018. Broken down to its component countries, Cisco performed the best in Taiwan, Japan, and the Philippines with YoY growth rates of 13.1%, 11.5%, and 11.4%, respectively.

The company enjoys a wide customer base across many verticals but does particularly well amongst service providers and banking, financial services, and insurance customers. In 2019, those two markets made up more than 45% of its total email security revenues. However, it has been seeing strong demand from the government, education, and manufacturing sectors over the years, which is gradually accounting for more of the company’s revenue base. Just over two-thirds of its customers comprise large enterprises, defined as organizations with more than 500 employees, while small-to-medium businesses make up the rest. Incidentally, all of Cisco’s revenue growth stemmed from its large enterprise customer base as revenues from small-to-medium businesses saw a slight decline YoY.

**Implementation of Best Practices**

Cisco’s industry-leading email security products are a consequence of an elaborate and well-thought-out series of plans, systems, and processes. For one, Cisco’s core email security product, Cisco Email Security, is one of the most comprehensive email security solutions in the market. It covers all of the major functions email security products are expected to do, such as blocking and detecting threats, defending users from phishing and fraud, protecting against spam, and protecting data contained within incoming and outgoing mail. Compared to its competitors, where it differentiates itself is in the realms of threat intelligence via its Talos division; and domain reputation technology, which is also powered by Talos. Threat intelligence is a crucial aspect of all cybersecurity domains as it is required to effectively determine, analyze, contextualize, predict, and handle cyberthreats. Without threat intelligence, cybersecurity vendors will be left in the dark about the changes to the threat landscape and will not be able to adapt to novel and ever-changing threats dynamically.

Cisco Talos gathers and processes threat data not only from its email security products but from the entirety of its cybersecurity portfolio. As a result, it can generate unparalleled insights into the behaviors, patterns, and tendencies of threat actors and malware. Cisco thus has the ability to block a greater number of unwanted email threats compared to its competitors while keeping false positives and negatives to a minimum. By extension, Cisco Email Security creates a reputation score based on sender domains, which prompt it to block, scan, quarantine, or allow a message through.

Cisco integrates a variety of optional add-on features that bolsters the capabilities of its core email product. First among them is Advanced Malware Protection (AMP), which provides real-time, zero-day malware and ransomware protection. AMP analyzes suspected email threats within a sandbox, which allows them to be executed in an environment isolated from the enterprise’s information technology systems. Additionally, Mailbox Auto-Remediation for
Microsoft Office 365 removes threats that become malicious post-inspection automatically. Cisco Umbrella, the company’s web and network security portfolio, lends its URL intelligence capabilities to prevent infection via infected links through time-of-click analyses.

To protect organizations against potentially costly data breaches, Cisco incorporates a data loss prevention function into its email security product. With this, confidential information contained within outgoing emails such as financial data, intellectual property, and customer information is checked for and secured through a combination of encryption, disclaimers, quarantining, and notifying. It also makes certain compliance to various regulations such as the Sarbanes-Oxley Act is abided by.

To round off its end-to-end value proposition, Cisco provides security awareness to its customers through relevant simulations and training. Approaches include phishing simulating, module-based interactive and gamified security classes, and consultative coaching.

Cisco’s offerings exemplify a holistic, best-of-breed approach to email security as they collectively leave no stone unturned while maintaining a high level of performance.

**Brand Equity**

Cisco has made a name for itself in the APAC market for its quality, performance, and prestige of its products and services. In many of the APAC countries in which it operates, the Cisco brand is equated to top-of-the-line capabilities, be it in networking, communications, wireless technology, or security. Its brand equity did not happen overnight. Cisco has had a presence in many APAC countries for decades. For example, even in its smallest market, Vietnam, Cisco has had a presence for 20 years and was one of the first foreign companies to set foot in the country. Through its many years of business across APAC, Cisco established sales channel partner networks, tailored its marketing and products to local customers’ needs, and delivered services with the customer at the forefront of its priorities.

Furthermore, it boasts a long list of companies, ranging from large to small, as customers. Amongst them are global Fortune 500 companies, local government and enterprise customers, and even smaller family-owned businesses. Regardless of size or type, Cisco’s email security is backed by its excellent brand name.

**Price/Performance Value**

While not known to be the cheapest solution on the market, Cisco’s value shines when its price point is compared to the value it brings to organizations. As mentioned before, Cisco has a complete email security suite—but many email security vendors do as well. Where it differentiates itself is by providing industry-leading capabilities not offered by its biggest competitors. For example, while many email security solutions are able to scan URLs for malicious links, many are hindered when they are artificially shortened. Cisco does not have this issue.

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Moreover, its aforementioned sender domain reputation filtering and DNS-based authentication of named entities are exclusive capabilities. Other areas of strength, such as external threat feeds, anti-phishing, and secure email gateway redundancies, only add to the benefits Cisco brings its customers. In these ways, the true value of its email security solution is expressed.

**Customer Ownership Experience**

Customers generally have a positive perception of Cisco and its products, including its email security solution. This is because Cisco listens to its customers’ needs and problems and then uses those to develop more suitable products and services. Feedback is regularly asked for from a variety of channels, but primarily through its CSAT survey, which is subsequently measured and analyzed. From there, it finds the gaps in its current offerings and then works to close them up. Customers have expressed satisfaction with what they get from the company, and many go on to create repeat and even greater business opportunities.

**Customer Service Experience**

Cisco has always put its customers in front. In 2019, it took steps to further enhance its customer experience by creating a streamlined customer and partner engagement model. The company achieves this by partnering closely with customers using its consultative approach to achieve their desired goals, including scaling and quickening project delivery and providing customers with insights and possibilities from its digital platforms. Constant communication with its customers on real-time innovations and releases within Cisco allows clients to be always informed on how they could benefit from the latest changes.

**Conclusion**

In short, Frost & Sullivan research indicates that Cisco has exhibited strong leadership through its exceptional customer impact, visionary innovation, and performance. The company continues to excel in bringing value-added email security solutions to market while keeping customers happy with its superb customer journey experience. Cisco Email Security has shown time and again that its core competency is top-notch, with unwanted email block rates much higher than the industry average, while at the same offering capabilities not seen by its competitors.

With its strong overall performance, Cisco Systems earns Frost & Sullivan’s 2020 Asia-Pacific Email Security Vendor of the Year award.
Significance of Company of the Year

To receive the Company of the Year Award (i.e., to be recognized as a leader not only in your industry, but among non-industry peers) requires a company to demonstrate excellence in growth, innovation, and leadership. This excellence typically translates into superior performance in three key areas—demand generation, brand development, and competitive positioning—that serve as the foundation of a company’s future success and prepare it to deliver on the 2 factors that define the Company of the Year Award: Visionary Innovation and Performance, and Customer Impact).

Understanding Company of the Year

Driving demand, brand strength, and competitive differentiation all play critical roles in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Visionary Innovation and Performance to enhance Customer Impact.
Key Benchmarking Criteria
For the Company of the Year Award, Frost & Sullivan analysts independently evaluated each factor according to the criteria identified below.

Visionary Innovation and Performance
- Criterion 1: Addressing Unmet Needs
- Criterion 2: Visionary Scenarios through Mega Trends
- Criterion 3: Implementation of Best Practices
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Financial Performance

Customer Impact
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practices Award Analysis for Cisco Systems

Decision Support Scorecard
To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows research and consulting teams to objectively analyze performance according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Ratings guidelines are illustrated below.

RATINGS GUIDELINES

The Decision Support Scorecard considers Visionary Innovation and Performance and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.
The results of this analysis are shown below. To remain unbiased and to protect the
interests of all organizations reviewed, Frost & Sullivan has chosen to refer to the other
key participants as Competitor 1 and Competitor 2.

<table>
<thead>
<tr>
<th>Company of the Year</th>
<th>Visionary Innovation &amp; Performance</th>
<th>Customer Impact</th>
<th>Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cisco Systems</td>
<td>8.5</td>
<td>10</td>
<td>9.25</td>
</tr>
<tr>
<td>Competitor 1</td>
<td>8</td>
<td>7</td>
<td>7.5</td>
</tr>
<tr>
<td>Competitor 2</td>
<td>8</td>
<td>5</td>
<td>6.5</td>
</tr>
</tbody>
</table>

**Visionary Innovation & Performance**

**Criterion 1: Addressing Unmet Needs**
Requirement: Implementing a robust process to continuously unearth customers’ unmet
or underserved needs, and creating the products or solutions to address them effectively.

**Criterion 2: Visionary Scenarios through Mega Trends**
Requirement: Incorporating long-range, macro-level scenarios into the innovation
strategy, thereby enabling first-to-market growth opportunity solutions.

**Criterion 3: Implementation of Best Practices**
Requirement: Best-in-class strategy implementation characterized by processes, tools, or
activities that generate a consistent and repeatable level of success.

**Criterion 4: Blue Ocean Strategy**
Requirement: Strategic focus on creating a leadership position in a potentially uncontested
market space, manifested by stiff barriers to entry for competitors.

**Criterion 5: Financial Performance**
Requirement: Strong overall business performance in terms of revenue, revenue growth,
operating margin, and other key financial metrics.

**Customer Impact**

**Criterion 1: Price/Performance Value**
Requirement: Products or services offer the best value for the price compared to similar
offerings in the market.

**Criterion 2: Customer Purchase Experience**
Requirement: Customers feel they are buying the optimal solution that addresses both
their unique needs and their unique constraints.

**Criterion 3: Customer Ownership Experience**
Requirement: Customers are proud to own the company’s product or service and have a
positive experience throughout the life of the product or service.
**Criterion 4: Customer Service Experience**  
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

**Criterion 5: Brand Equity**  
Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

**Decision Support Matrix**  
Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.
## Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best practice criteria. The reputation and integrity of the awards are based on close adherence to this process.

<table>
<thead>
<tr>
<th>STEP</th>
<th>OBJECTIVE</th>
<th>KEY ACTIVITIES</th>
<th>OUTPUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Monitor, target, and screen</td>
<td>Identify award recipient candidates from around the world</td>
<td>Pipeline of candidates that potentially meet all best practices criteria</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Conduct in-depth industry research</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Identify emerging industries</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Scan multiple regions</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Perform 360-degree research</td>
<td>Perform comprehensive, 360-degree research on all candidates in the pipeline</td>
<td>Matrix positioning of all candidates’ performance relative to one another</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Interview thought leaders and industry practitioners</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Assess candidates’ fit with best practices criteria</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Rank all candidates</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Invite thought leadership in best practices</td>
<td>Perform in-depth examination of all candidates</td>
<td>Detailed profiles of all ranked candidates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Confirm best practices criteria</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Examine eligibility of all candidates</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Identify any information gaps</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Initiate research director review</td>
<td>Conduct an unbiased evaluation of all candidate profiles</td>
<td>Final prioritization of all eligible candidates and companion best practices positioning paper</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Brainstorm ranking options</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Invite multiple perspectives on candidates’ performance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Update candidate profiles</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Assemble panel of industry experts</td>
<td>Present findings to an expert panel of industry thought leaders</td>
<td>Refined list of prioritized award candidates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Share findings</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Strengthen cases for candidate eligibility</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Prioritize candidates</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Conduct global industry review</td>
<td>Build consensus on Award candidates’ eligibility</td>
<td>Final list of eligible award candidates, representing success stories worldwide</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Hold global team meeting to review all candidates</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Pressure-test fit with criteria</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Confirm inclusion of all eligible candidates</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Perform quality check</td>
<td>Develop official award consideration materials</td>
<td>High-quality, accurate, and creative presentation of nominees’ successes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Perform final performance benchmarking activities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Write nominations</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Perform quality review</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Reconnect with panel of industry experts</td>
<td>Finalize the selection of the best practices award recipient</td>
<td>Decision on which company performs best against all best practices criteria</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Review analysis with panel</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Build consensus</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Select winner</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Communicate recognition</td>
<td>Inform award recipient of recognition</td>
<td>Announcement of award and plan for how recipient can use the award to enhance the brand</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Announce award to the CEO</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Inspire the organization for continued success</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Celebrate the recipient’s performance</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Take strategic action</td>
<td>Upon licensing, company able to share award news with stakeholders and customers</td>
<td>Widespread awareness of recipient’s award status among investors, media personnel, and employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Coordinate media outreach</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Design a marketing plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Assess award’s role in strategic planning</td>
<td></td>
</tr>
</tbody>
</table>
The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan’s research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients accelerate growth and achieve best-in-class positions in growth, innovation, and leadership. The company’s Growth Partnership Service provides the CEO and the CEO's growth team with disciplined research and best practices models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan’s Growth Partnership, visit http://www.frost.com.

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