2016 Global DDoS Mitigation Entrepreneurial Company of the Year Award
Contents
Background and Company Performance .................................................................3

Industry Challenges .................................................................................................3
Entrepreneurial Innovation and Customer Impact .....................................................3
Conclusion .................................................................................................................5
Significance of Entrepreneurial Leadership ...............................................................6
Understanding Entrepreneurial Leadership ..............................................................6

Key Benchmarking Criteria .......................................................................................7
Best Practice Award Analysis for Nexusguard .........................................................7

Decision Support Scorecard .....................................................................................7
Entrepreneurial Innovation .......................................................................................8
Customer Impact ....................................................................................................8
Decision Support Matrix ..........................................................................................9
Research Methodology .............................................................................................10
About Frost & Sullivan .............................................................................................10
Background and Company Performance

Industry Challenges

A distributed denial-of-service (DDoS) attack is a unique cyber threat. Threat actors can be lone amateurs or coordinated groups; their methods can be brute force assaults or sophisticated precision strikes; and their targets can be any organization in any country. Additionally, the goal of DDoS attacks is different. Other methods of cyber-attacks look to penetrate defenses to take control of network assets or exfiltrate data. DDoS attacks look to instead cripple cyber assets under waves of Internet traffic that flood a targeted system. As a result, customers are challenged to measure DDoS risk and to plan their defenses accordingly.

Early DDoS mitigation solutions were large enterprise solutions requiring mass scale appliances that were best suited for service provider networks. Unfortunately, many businesses are also targeted with DDoS attacks but lack the resources to defend against them.

Large enterprises that can invest in these DDoS mitigation solutions are discovering that the threat continues to morph. Threat actors are shifting to more frequent but short duration attacks. And yet, customers must be able to defend against all types of attacks. Since a DDoS attack is highly targeted against a specific organization, a safe assumption is that an attacker will be well motivated to launch an attack and will modify their tactics as necessary to ensure success.

DDoS mitigation vendors continue to develop new solutions to address these attacks. As threats evolve and new technologies introduce new vulnerabilities for attackers to exploit, the DDoS mitigation market is becoming ever more open to disruption. New competitors are gaining market share and established competitors must be innovative to stay relevant. An entrepreneurial company can quickly gain market share and influence the DDoS mitigation market.

Entrepreneurial Innovation and Customer Impact

The entrepreneurial company of the year is one that introduces innovative new solutions into the market place to meet customer needs.

Market Gaps

Nexxusguard Service Provider Enablement empowers Internet service providers (ISPs) and hosting service providers with the specific goal of detecting and mitigating DDoS attacks. Nexxusguard Service Provider Enablement is a multi-tenant hybrid solution that allows service providers to deploy the Nexxusguard platform onsite, for in region mitigation. Then it automatically signals the Nexxusguard global network to mitigate attacks that reach a specific threshold. The Nexxusguard solution also provides Web Application Firewall (WAF)
capabilities and content distribution network (CDN) acceleration services.

Nexusguard Service Provider Enablement empowers service providers to deliver DDoS mitigation as a service to their customers with revenue sharing and instant provisioning capabilities. This Nexusguard program fills a significant market gap as many businesses lack the resources or budget to justify a large DDoS mitigation appliance deployment. The Nexusguard solution is sensitive to the needs of service providers, offering both cloud-based mitigation and a private, in-country model. This approach offers lower latency, high performance services, and most importantly, data sovereignty to providers and their customers.

**Price/Performance Value**

A major challenge for the DDoS mitigation market is the high cost of these solutions. DDoS mitigation solutions must be highly scalable and reliable to defend against the largest scale attacks. Therefore, a DDoS mitigation appliance requires high performance hardware to handle the largest attacks and as a result, can cost hundreds of thousands of dollars. Even with an appliance purchase, significant bandwidth will be required to absorb large attacks.

By comparison the Nexusguard solution is offered as a service. Customers can forego a large capital investment inherent with an on-premises appliance and sign up for the Nexusguard service for a fraction of the price. The Nexusguard service requires a monthly or yearly subscription service and therefore represents a manageable operational expense.

The time and effort required to deploy a DDoS mitigation solution is an important consideration that can significantly raise its total cost of ownership. By offering the DDoS mitigation solution as a service, service providers can quickly deploy the solution for their own protection and rely on Nexusguard security expertise as needed.

**Competitive Differentiation**

Attackers are continually attempting to improve their attack success rates in two primary manners: increasing the scale of the attacks or utilizing smarter, stealthier attacks that are hard to attack. Therefore, DDoS mitigation vendors are challenged to detect attacks of all types with a high degree of accuracy. Wrongly blocking legitimate traffic will cause costly lost sales opportunities, embarrassment, and frustration.

To address these concerns, Nexusguard utilizes an innovative heuristics approach with progressive challenges in order to discern end user intentions with minimal impact to the end user experience. The Nexusguard solution also features adaptive learning capabilities to minimize false positives over time.

The Nexusguard architecture is capable of handling up to 1.44 Terabits per second (Tbps) of traffic, ensuring that customers will be safe from the largest attacks. As a result, the
Nexusguard solution is capable of detecting and mitigating attacks ranging from simple network layer floods to advanced, stealthy attacks such as Slowloris.

**Customer Ownership Experience**

Nexusguard operates two SOCs (in San Francisco and Hong Kong) through which they are able to provide true 24/7 monitoring with instant response. Nexusguard provides real-time and historical views of network activities to help customers improve the effectiveness of their security solutions, detect suspicious activity, and prove compliance with business and regulatory requirements.

**Market Disruption**

Nexusguard faces steep competition from established vendors with strong histories of providing scalable, reliable mitigation appliances, and large CDN service providers with robust networks. However, Nexusguard has carved out a strong following in the APAC and LATAM markets and has grown rapidly since its inception in 2008. The company recently added offices in London, San Francisco, Singapore and Sydney.

Most importantly, Nexusguard has proven the ability to disrupt the market and gain market share in recent years. The introduction of its new Service Provider Enablement program will help the company to penetrate a highly discriminating and growing, market segment.

Nexusguard also offers a complete range of DDoS defense solutions. This includes DDoS vulnerability assessment and penetration testing services. These services help customers to mature their approach to DDoS mitigation from "emergency, under attack" response to a comprehensive response strategy that is tested and updated on a regular basis.

Additionally, the company continues to add data scrubbing centers in new regional markets. For example, Nexusguard is expanding in North America, inclusive of San Jose, Los Angeles, Miami, and Virginia. In 2014, Nexusguard quadrupled its market share, making it a leading market contender and one of the largest DDoS mitigation vendors globally.

**Conclusion**

Nexusguard was founded with a singular purpose to deliver the most effective DDoS mitigation solution possible. Frost & Sullivan's independent analysis clearly shows that this vision has driven the development of a highly scalable solution with advanced features and competitive pricing. As a result, Nexusguard has gained a strong foothold in the DDoS mitigation market and is targeting new markets for future growth opportunities in 2016.

Because of its strong overall performance, Nexusguard has earned Frost & Sullivan’s 2016 Global Entrepreneurial Company of the Year Award.
Significance of Entrepreneurial Leadership

Ultimately, growth in any organization depends upon customers purchasing from your company, and then making the decision to return time and again. In a sense, then, everything is truly about the customer—and making those customers happy is the cornerstone of any long-term successful innovation or growth strategy. To achieve these dual goals (customer engagement and growth), an organization must be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.

Understanding Entrepreneurial Leadership

Demand forecasting, branding, and differentiation are part of an entrepreneurial company’s larger journey toward forming deep relationships with customers and permanently altering the market with their actions. These two concepts—entrepreneurial innovation and customer impact—are therefore the cornerstones of this award, as discussed further in the next section.
Key Benchmarking Criteria

For the Entrepreneurial Company of the Year Award, Frost & Sullivan analysts independently evaluated two key factors—Entrepreneurial Innovation and Customer Impact—according to the criteria identified below.

Entrepreneurial Innovation
- Criterion 1: Market Disruption
- Criterion 2: Competitive Differentiation
- Criterion 3: Market Gaps
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Passionate Persistence

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 Practice Award Analysis for Nexusguard

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 our 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 is organized by Entrepreneurial Innovation and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria 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 chooses to refer to the other key players as Competitor 2 and Competitor 3.

**DECISION SUPPORT SCORECARD: ENTREPRENEURIAL COMPANY OF THE YEAR AWARD**

<table>
<thead>
<tr>
<th>Measurement of 1–10 (1 = poor; 10 = excellent)</th>
<th>Entrepreneurial Innovation</th>
<th>Customer Impact</th>
<th>Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Entrepreneurial Company of the Year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nexusguard</td>
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<tr>
<td>Competitor 2</td>
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<tr>
<td>Competitor 3</td>
<td>8.5</td>
<td>7</td>
<td>7.75</td>
</tr>
</tbody>
</table>

**Entrepreneurial Innovation**

**Criterion 1: Market Disruption**
Requirement: Innovative new solutions that have a genuine potential to disrupt the market, obsoleting current solutions and shaking up competition

**Criterion 2: Competitive Differentiation**
Requirement: Deep understanding of both current and emerging competition to create and communicate strong competitive differentiators in the market

**Criterion 3: Market Gaps**
Requirement: A clear understanding of customers’ desired outcomes, the products that currently help them achieve those outcomes, and where key gaps may exist

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

**Criterion 5: Passionate Persistence**
Requirement: A deep belief in the “rightness” of an idea, and a commitment to pursuing it despite seemingly insurmountable obstacles

**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 like they are buying the most 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 can 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.

DECISION SUPPORT MATRIX: ENTREPRENEURIAL COMPANY OF THE YEAR AWARD

![Decision Support Matrix](image)
The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of our 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, leading to 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 players and for identifying those performing at best-in-class levels.

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to 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 practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit [http://www.frost.com](http://www.frost.com).