



Palo Alto Networks Recognized as the

2021

Company of the Year

Indian Network Security Industry

Excellence in Best Practices

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. Palo Alto Networks excels in many of the criteria in the network security space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
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

Identifying the Change in Network Security

During the digital transformation in cybersecurity, traditional network security methods for firewall (FW), cyber-attack detection systems, and intrusion prevention systems become inadequate defense methods. Enterprises continue to experience drastic changes in their cybersecurity landscapes with

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defense and attack management capabilities. Frost & Sullivan research identifies cloud edge services as a new driving force for the segment, which achieves greater adoption of edge security solutions, centered by FW platforms.¹ Moreover, governments across countries continue their efforts to upgrade security systems to tackle the uptick in targeted attacks. Large projects for banking, financial services, and insurance (BFSI), telecommunications, hosting providers on a

private cloud, and data centers in different countries will also become important catalysts for market growth in the next five years.²

Cyber-attacks are now more advanced, intelligent, comprehensive, and impactful to organizations and

¹ Asia-Pacific Network Security Growth Opportunities (Frost & Sullivan July 2021)

² Ibid.

their formal network boundaries. Larger attack surfaces and a lack of skilled talent to manage all incoming circumstances result in significant risks. The COVID-19 pandemic plays a part in the increased vulnerability enterprises face as they transition to the cloud. As more employees connect remotely, the demand for flexibility on connecting endpoint devices (laptops, mobile, and other Internet of Things

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[IoT] devices) leads enterprises to re-structure their system architecture. However, legacy security solutions cannot adapt to this transition effectively, leading to more security breaches. Security teams recognize the need to deploy a better portfolio of solutions, such as next-generation firewalls (NGFWs) that will deliver higher throughput performance capabilities, minimize complexity, increase agility,

and reduce risk exposure. To secure data from various environments like multi-cloud, hybrid cloud, mobile users, and suppliers, enterprises stack and layer their security solutions to manage threats. However, these integrations become burdensome, costly, and time-consuming for teams and enterprises. NGFW offers granular-level application visibility and control across the entire enterprise infrastructure. Additionally, the solution releases the burden of enterprises purchasing separate hardware to enable each enhanced capability, providing everything through a single hardware box.

The shift to the cloud is not the only factor in optimizing network security. Adapting hybrid environments increases digital acceleration and optimizes network security for large enterprises and small organizations. With the transformation of the threat landscape, the need for security vendors that provide enterprises with a holistic solution will enable a zero-trust framework across all networks, not just cloud environments. In addition, harnessing techniques such as automation, artificial intelligence (AI), and machine learning (ML) will further streamline the holistic approach. Compared to traditional network security solutions, delivering security through a robust platform will improve threat visibility and increase the end-user experience.

Recognizing Continued Market Penetration for Network Security

Founded in 2005 with its headquarters in Santa Clara, California, Palo Alto Networks is a multinational cybersecurity company that improves organizations' cybersecurity barriers through a robust portfolio of applications and utilizing an innovative holistic platform approach. In 2020, Frost & Sullivan recognized Palo Alto Networks for its visionary innovation and leadership displayed in network security for the India market. In 2021, the company continues to address its customers' unmet needs and increase its market-leading performance. Palo Alto Networks' NGFW portfolio is its premier strength that provides customers with the most comprehensive features. Frost & Sullivan acknowledges the achievements Palo Alto Networks makes in the Indian market during the COVID-19 pandemic and its methods to retain customer satisfaction and drive innovation.

Providing an End-to-end Approach with a Robust Portfolio

At the forefront of innovation, Palo Alto Networks delivers an end-to-end holistic platform approach to help customers integrate with existing solutions, consolidate current services, and simplify enterprise

security architectures with the goal of managing and maintaining an enhanced security posture. Palo Alto Networks streamlines the concept of providing an integrated portfolio with its three platforms STRATA, CORTEX, and PRISMA. Together the company meets end-to-end demands across network, endpoint, and cloud security. Palo Alto Networks notes itself as building the industry's first holistic platform that manages network security, cloud-native security, and operational security. In June 2020, the company unveiled a virtual launch of its PAN-OS10.0, gaining 7,000 registrants. This enhancement to its NGFW enables customers to visualize and secure their entire enterprise infrastructure (including IoT) and supports speed and error reduction with automatic policy recommendations.³

Palo Alto Networks' platform approach is beneficial in analyzing granular data points for threats from different datasets instead of focusing on one area at a time. Moreover, its platform applies techniques that help customers handle sophisticated threats and attacks. A key differentiation from this approach is the time-to-response concept, which is uniquely faster than most competing solutions. Palo Alto Networks uses AI and ML technology enhancements that provide customers with a zero-trust security framework. Being a next-generation security company, this offering proves how the company achieves technological advancements recognition amongst other industry leaders.

Recognizing Growth through the COVID-19 Pandemic

Palo Alto Networks focuses on building large projects with government and defense entities in India, as they remain key revenue contributors and provide multi-fold growth for the company. Despite industry growth strains caused by the pandemic, in India, Palo Alto Networks increased its market share by over 1.0% and gained the top position in the India network security market.⁴ Furthermore, Frost & Sullivan research shows that during the second half of 2020, Palo Alto Networks provided solutions to more than 20,000 customers in Asia-Pacific and reported annual revenue of \$627.5 million for the end of 2020.⁵ In India alone, the company generated \$76 million in revenue for 2020. BFSI and service providers remained the key vertical for the company, accounting for 22.4% and 21.9% respectively.⁶

To drive business, Palo Alto Networks garners commercial sales from key partnerships with cloud vendors, resellers, and original equipment manufacturers. In 2020, Palo Alto Networks secured partnerships with CloudGenix (improving cloud-delivered security) and Expanse (utilizing the CORTEX suite for on-premise assets, remote employees, and cloud environments).⁷

Palo Alto Networks focuses on helping organizations with large security infrastructures with remote workforces to stay connected. The company offers service-level agreements on cloud delivery services for critical business applications to ensure that end-user connectivity and access levels remain consistent. The company notes network security as a price-sensitive market; therefore, its customer engagement remains a top offering beginning with extensive pre-sale and ongoing post-purchase support; the company houses two technical assistance centers that provide customers with 24/7 support. The company focuses on the user experience through automation and customer feedback sessions at the user and executive levels. The program provides instructor-led training by authorized

³ *Asia-Pacific Network Security Growth Opportunities* (Frost & Sullivan July 2021)

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

training partners for public enrollment with free digital learning and a cybersecurity academy at no cost to qualified universities.⁸ Palo Alto Networks extended customer offerings prove the company's strides towards innovation and enhancing the customer experience is recognizable in the market. Frost & Sullivan applauds Palo Alto Networks for its upstream success in the India network security market and its solid position as a market leader.

Conclusion

As companies in India continue to focus on basic requirements for network security, the market shows an increasing interest in robust firewall protection for large enterprises in the ongoing digital transformation. With enterprises searching for a holistic platform approach for threat detection and response, the ability to manage unified control over security infrastructures is difficult to attain. Palo Alto Networks maintains a strong growth momentum amongst competitors in the Asia-Pacific region and is a leader in India for the network security market. The company garners a robust and impressive revenue and customer base in India, showing steady strides towards growth even during the COVID-19 pandemic. Palo Alto Networks' next-generation firewall portfolio is its premier offering that provides customers with the most comprehensive features. Its industry-leading machine learning-based platform applies techniques that help customers handle sophisticated threats and meet end-to-end demands across network, endpoint, and cloud security. Palo Alto Networks enables enterprises to go beyond standard threat protection by building a strong security posture and resilience. With its strong market-leading performance and overall growth, Palo Alto Networks earns Frost & Sullivan's 2021 Indian Company of the Year Award in the network security industry.

⁸ <https://www.paloaltonetworks.com/services/education> (Accessed November 2021)

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)

