

FROST & SULLIVAN

viettel
security

2022
COMPANY
OF THE
YEAR

VIETNAM
CYBERSECURITY SERVICES INDUSTRY

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. Viettel Cyber Security excels in many of the criteria in the Vietnam cybersecurity services 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

Addressing Unmet Needs

Demand for cybersecurity services has increased tremendously in Vietnam over the last few years because of better awareness of cybersecurity and the increasing popularity and acceptance of the cybersecurity service model. The COVID-19 pandemic and the unprecedented surge and evolution of cyberattacks have pushed many local organizations to outsource their security operations to security service providers for a better security posture and for a risk assessment of their IT infrastructure, data, and applications. Moreover, many organizations have realized that their traditional cyber-risk management models are no longer sufficient and adequate, driving them to outsource these operations to trusted security partners to manage and mitigate these risks more effectively.

Viettel Cyber Security is a branch of Viettel Group, a leading telecommunication company in Vietnam. The company has become the leading cybersecurity service provider in Vietnam that provides both cybersecurity services and home-grown products to meet the rising demand for reliable and advanced cybersecurity services in the country. VCS specializes in security services, including penetration testing, vulnerability testing, security operation center advisory services, consulting, and its well-known managed security services with managed detection and response, 24/7 monitoring, security analytics, threat intelligence, and incident response.

With an extensive security service portfolio and strong expertise and experience in providing cyber security services, VCS is set apart from other competitors in the market. While other competitors remain

focused on legacy services or try to address some specific customer use cases, VCS employs a holistic approach to meeting customer demand by offering comprehensive services and products in its ecosystem, including traditional services, such as penetration and vulnerability testing, consulting, 24/7 security monitoring, security operations center (SOC) advisory services, threat intelligence, incident response, and advanced endpoint detection and response.

To cater to the work-from-home requirement during the COVID-19 pandemic, VCS became the first local vendor to provide zero trust network access solutions as a cloud-delivered service (VCS M-Suite). The service integrates identity management and device management to help organizations cope with the surge in the requirement for secure remote access when most employees were ordered to work from home, enabling VCS to gain greater traction and preference among local organizations as a trusted security partner.

Leadership Focus

VCS focuses on R&D activities to strengthen its security services and products, remain competitive, and maintain its leadership position in the market. Since its foundation, VCS's R&D team has successfully developed new products and services to cater to the emerging customer requirement for security operations. Financial fraud detection and response; development, security, and operations (DevSecOps); and Internet of Things (IoT) assessment are the new services that the company introduced in 2021 to cater to the rising demand for anti-fraud in finance, cloud security, and IoT and operational technology security. Other competitors use third-party solutions, which can result in higher costs for their clients.

"In 2021, VCS Service grew by more than 25% year-on-year (YoY) and continued to extend its market leadership, with a total estimated revenue of \$4.9 million, which is larger than its competitors. During 2021, VCS's client base grew by more than 200%."

**- Anh Tien Vu,
Senior Industry Analyst**

With its R&D activities and home-grown products and services, VCS can keep costs low and thus help clients reduce their total cost of ownership and improve the purchase experience, enabling the company to continue gaining preference among local businesses.

VCS has been proactively developing a home-grown cybersecurity ecosystem with its endpoint detection and response (EDR) platform called VCS-aJiant; user and entity behavior analytics (UEBA) solution called VCS-KIAN; VCS-NSM for network security monitoring; VCS-CyCir for security orchestration, automation, and

response (SOAR) solution; and threat intelligence services, all of which have seen great traction among local organizations over the last two years because they enable customers to embrace their digital transformation securely in an integrated and cost-effective manner. By leveraging artificial intelligence (AI) and machine learning (ML), these security solutions enable organizations to automate threat hunting and threat detection and response processes effectively. VCS claims that its ML capabilities can help customers reduce about 46% of false positives in threat detection.

One of the biggest value propositions that VCS brings to customers is the ability to help them address their challenges in managing different security solutions from a wide range of vendors. Each organization has dozens of different security tools that operate in siloes, contributing to the challenges in their daily security operation activities. Moreover, most organizations are short on security

professionals and expertise to run and manage these solutions effectively. VCS consolidates security management capabilities into a single solution called Viettel Security Operation Platform. The consolidated platform enables VCS to improve security management and automate the investigation process, thus allowing customers to manage and mitigate their cyber risks and threats faster and more effectively.

As organizations in Vietnam continue to face the shortage of security professionals in the next few years, VCS has a competitive edge in the market by offering AI-powered security services that allow organizations to reduce repetitive tasks and improve security operational efficiency.

Financial Performance

In 2021, VCS Service grew by more than 25% year-on-year (YoY) and continued to extend its market leadership, with a total estimated revenue of \$4.9 million, which is larger than its competitors. During 2021, VCS's client base grew by more than 200%. While its managed security service continued to grow steadily at 7% YoY, VCS saw tremendous growth in its penetration testing service as well, which grew by 143% YoY. New services, such as threat intelligence and threat hunting services, increased almost 600% and 200%, respectively, in 2021.

More notably, VCS saw a shift in its customer segmentation in 2021. In previous years, most of VCS's customers were from the government and defense sectors; however, the ratio began to shift to the enterprise sector, led by banking, financial services, transportation, and eCommerce, allowing the company to maintain its sustainable growth momentum going forward.

Customer Purchase and Service Experience

VCS is a leader in the Vietnamese market, with a wide range of security services that meet the requirements of local organizations. While VCS can help customers of all sizes deal with traditional security challenges through its security assessment, security consulting, advisory services, and new services, the company continues to strengthen its capabilities to offer SOC advisory services and training, which can help local and provincial governments build and manage their SOCs to comply with the requirement for multi-layered defense. The company's services complement the core managed security services (MSS) portfolio and enhance its overall value proposition for customers. As a result, VCS is trusted by a significant number of government organizations, in terms of its SOC advisory services. As of 2021, VCS is the largest company in Vietnam that provides SOC advisory services for the government sector.

VCS's managed security service portfolio covers all customer infrastructure layers, from networks and gateways to endpoints and applications, which are powered by the company's AI and ML technologies. The company, therefore, can consolidate and automate security operations across different security stacks, thus reducing repetitive tasks and increasing operational efficiency. At the same time, VCS provides other advanced services, such as threat hunting, malware analysis, incident response, and continuous security assessment, all of which help customers manage and mitigate cyber risks effectively.

In addition, VCS has been expanding its services to new areas, such as cloud infra, IoT, and industrial control systems/supervisory control and data acquisition (ICS/SCADA), to offer a comprehensive security services portfolio that covers different environments (e.g., cloud, information technology, and operational technology) for clients across industries, including government, banking and finance, retail, transportation, and other critical infrastructure.

VCS's services can meet the requirements of customers of all sizes; therefore, organizations can use VCS's solutions through flexible service-level agreements (SLAs), under which the company offers services such as incident response and consulting free of charge, thereby enhancing the value proposition for clients.

"With an extensive security service portfolio and strong expertise and experience in providing cyber security services, VCS is set apart from other competitors in the market. While other competitors remain focused on legacy services or try to address some specific customer use cases, VCS employs a holistic approach to meeting customer demand by offering comprehensive services and products in its ecosystem, including traditional services, such as penetration and vulnerability testing, consulting, 24/7 security monitoring, security operations center (SOC) advisory services, threat intelligence, incident response, and advanced endpoint detection and response"

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VCS has more than 200 security experts that are highly experienced and respected in the cybersecurity industry in Vietnam. For instance, the company's professional security expert team has discovered about 300 common vulnerabilities and exposures (CVEs) and has been widely recognized for its security expertise and knowledge by top organizations, such as Tesla, PayPal, PHP, Microsoft, and Facebook. Leveraging its strong security team, VCS provides 24/7 customer service and support and effectively addresses customers' challenges.

VCS has focused specifically on the user experience by setting up a user experience department that collects feedback to improve its products and services, whereas the company's project management department manages and

streamlines purchase and deployment/implementation processes. With these efforts, VCS has successfully increased its customer retention rate up to 90%, with the number of loyal customers increasing up to 30%. Going forward, VCS will focus on its User Experience Improvement program for its cybersecurity services to increase the retention and loyalty rate among existing customers and to maintain its growth momentum.

Brand Equity

VCS benefits from the popularity of Viettel Group, the leading telco corporation in Vietnam, by positioning itself as the leader in the cybersecurity service market. As a spin off from Viettel Group, VCS has a defense background and has become the most trusted local security partner in the country. The company, therefore, is the most preferred security service provider, in terms of its SOC advisory services, managed security service, threat intelligence, and incident response, among organizations in highly regulated industries, such as banking, finance, payment, telcos, and government.

Conclusion

Vietnamese businesses are facing greater challenges in managing their security posture and security operations because of the shortage of security professionals and domain expertise; therefore, these businesses are engaging with security service providers to manage cyber risks more effectively. With the constant evolution of cyber threats and increasing challenges in security operations, cybersecurity service providers must invest more in advanced technologies, such as automation and AI/ML, to streamline their processes and operations and stay competitive in the market.

With a robust security service portfolio and strong industry expertise, VCS has emerged as the preferred partner for Vietnamese organizations in terms of cybersecurity services. VCS has become the leader in the cybersecurity service market and continues to invest significantly in all domains, including technology, expertise, and processes, to stay competitive and maintain its market leadership position in the country. These efforts have enabled the company to become the most trusted security service partner in the market, helping it outperform its competitors in 2021.

With its strong overall performance, Viettel Cyber Security earns Frost & Sullivan's 2022 Company of the Year Award in the Vietnamese cybersecurity services 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)**

