FROST & SULLIVAN

2024

CUSTOMER VALUE LEADER

IN THE GLOBAL CLOUD SECURITY

FROST & SULLIVAN

BEST PRACTICES AWARD

2024

CROWDSTRIKE

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. CrowdStrike excels in many of the criteria in the cloud security space.

AWARD CRITERIA

Business Impact	Customer Impact
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Industry Challenges

Migrating to the cloud has become the new norm and an inevitable trend among global organizations. Cloud has become an important technology that helps businesses achieve their goals. Frost & Sullivan's 2023 cloud survey shows that the adoption of public cloud and hybrid cloud services will become dominant by 2025, while the adoption of multi-cloud will also increase significantly in the next 2 years.

However, cloud migration brings a host of new attack vectors and cyber risks and increases the attack surface due to the use of open-source software and cloud-native application development tools. Cloud environments' dynamic nature, marked by rapid scalability and continuous innovation, presents a profound disparity between the speed of cloud expansion and security programs' ability to scale. This mismatch creates concerns for chief information security officers (CISOs), as their security teams often find themselves overwhelmed by routine tasks, leaving limited capacity to tackle critical risks. The resulting strain on security teams and the risk of overlooking vulnerabilities not only hampers innovation but also strains relationships between security and development teams.

Meanwhile, CISOs often find it challenging to strike a balance between the constraints of budget limitations and tool proliferation. The need for efficient security operations has prompted CISOs to seek consolidation of security tools and streamlined operations. Balancing these challenges within multi-cloud architectures, which organizations are increasingly adopting, further compounds the complexities CISOs must address. To navigate these challenges, CISOs seek solutions to bridge skill gaps between security and

development teams to facilitate continuous compliance adherence and offer comprehensive cloud security coverage.

As a result, organizations across the world will adopt new cloud security tools, particularly the integrated cloud-native application protection platform (CNAPP), to address these challenges. This is in addition to helping them better manage cyber risks throughout the entire cloud technology stack, from the cloud infrastructure, cluster, container, and application codes to the application development life cycle.

Though requirements for cloud security platforms vary, Frost & Sullivan finds that most organizations seek:

- A unified platform with comprehensive security capabilities throughout the cloud application life cycle, from code development to production deployment and runtime protection.

- A cloud-agnostic platform for integration capabilities with cloud service provider (CSP) and third-party tools that offer seamless visibility and protection across different cloud infrastructures and other security tools to provide holistic security.

- A platform that provides holistic code-to-cloud/cloud-to-code intelligence with artificial intelligence (AI)-based risk prioritization to provide real-time monitoring, application traffic analysis, and threat intelligence to promptly detect and respond to security incidents.

- A platform that empowers developers with shift-left security capabilities to help them quickly address security issues, aligning with the trend of shifting security responsibilities leftward.

- A platform equipped with generative AI for enhanced automation, risk detection, remediation, and assistance.

- A stable, scalable, flexible, and easy-to-use platform to support deployment and management across platforms and environments.

In 2023, the global CNAPP industry generated $3.9 billion, representing a year-over-year (YoY) growth of 31.3%. Frost & Sullivan projects this momentum to continue at a compound annual growth rate (CAGR) of 22.8% from 2023 to 2028, with revenue reaching $10.82 billion in 2028 due to the increasing demand for holistic cloud-native security solutions.

Gaining Customer Traction through Excellent Customer Values

Established in 2011, CrowdStrike is a leading cybersecurity technology company headquartered in the United States. It provides organizations with a sophisticated cloud-native platform to protect endpoints, cloud workloads, identities, and data. CrowdStrike leverages its cloud-native Falcon platform that boasts ease of deployment, scalability, and reduced operational overhead through a single, lightweight agent architecture in cloud environments. It delivers strong runtime protection, cloud security posture management, identity, and permissions and can be integrated into the company's well-known extended detection and response (XDR) platform and managed detection and response (MDR) services to increase effectiveness of security operations.

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> **Industry Principal, Global Cybersecurity Research**

(CIEM), cloud workload protection platforms (CWPPs), container security, infrastructure as code (IaC) security, and cloud security posture management (CSPM) with Kubernetes security posture management (KSPM) features as well as application security posture management (ASPM) through the recently acquired ASPM solution from Bionic. This will help CrowdStrike strengthen its platform, and it will provide protection across the entire CNAPP stack and simplify security operations and management for customers, thereby increasing overall operational value.

The solution integrates seamlessly with all major CSPs. This enables extended protection and facilitates cross-platform XDR capability through a single agent across different environments and many partner applications, reducing agent proliferation and making the platform completely unified and easy to manage. Organizations also benefit from the recent rollout of updates with advanced capabilities, including IaC support for major CSPs and K8s, 1-click deployment of sensors, agentless snapshot scanning, attack path visualization (including: legacy environments (on-premises and cloud virtual machines [VMs]), identities, AWS S3 and container images), drift prevention for containers, automated remediation, cloud threat hunting, custom policies, and an enhanced CSPM compliance dashboard for the cloud. These advantages make CrowdStrike Falcon Cloud Security an appealing cloud security platform with comprehensive capabilities to deliver more value.

CrowdStrike's platform uses behavior analytics technologies for non-malware threats and fileless attack detection to help businesses detect and prevent cloud misconfigurations; ensure compliance; manage and protect hosts, VMs, applications, and containers/K8s through early vulnerability identification; and operate threat detection and response, runtime protection, and compliance enforcement. This focus appeals to organizations dealing with the complexities of multi-cloud security and emphasizes efficiency-related benefits when compared to managing disparate on-premises security tools.

Particularly, CrowdStrike's breach prevention-first approach allows organizations to proactively protect the cloud environment from the increasingly sophisticated threat landscape, while some competitors' compliance focus is reactive and might not cover all the potential vulnerabilities.

CrowdStrike distinguishes itself from its competitors through the following features and capabilities:

- The CrowdStrike Falcon platform leverages AI-powered indicators of attack by training cloud-native ML and combining this data with expertise from CrowdStrike's Adversary Operations team who track over 230+ adversaries for faster detection and response.

- Its platform provides a full Cloud Detection and Response solution through integrated CNAPP,

AI and incidence response capabilities with end-to-end 24/7 managed detection and response, threat hunting, and incident response services for the cloud.

● Its proprietary integrated CNAPP platform delivers both agentless and agent-based capabilities with strong behavioral indicators of attacks for cloud control plane and runtime protection capabilities as well as visibility into misconfigurations and compliance issues for cloud workloads in a single, unified platform.

● Customers praises CrowdStrike Falcon Cloud Securityfor its lightweight agent that delivers excellent threat detection and response for hosts and containers with minimal overhead. The agent can be extended to support many partner applications, thereby reducing agent proliferation.

● CrowdStrike supports graphs with both runtime and cloud metadata for attack path visualization in near real time across multi- and hybrid cloud environments.

● Its agentless application discovery and mapping provides a code-accurate map and real-time inventory into every microservice, database, API and dependency running in production.

● The vendor has the largest image registry integration for vulnerability analysis.

Driving Robust Growth through an Outstanding Brand Name and Effective Growth Strategy

CrowdStrike is an important security participant that offers a comprehensive XDR/endpoint detection and response (EDR) cloud, identity, and data security platform. It has excellent brand perception, an extensive customer base for its platform and MDR service, and a robust channel partner ecosystem (including Global Systems Integrators [GSI], MSSPs, and CSPs), which enable it to cross-sell and upsell its cloud security solutions to large businesses (LBs) in multiple verticals to maintain its strong growth momentum.

With an integrated platform approach, CrowdStrike integrates its endpoint security, incident response, security assessment, and MDR and cloud threat hunting services into 1 platform, enabling customers to extend protection from the endpoint to the cloud with excellent support, enhancing customer confidence, improving the overall solution experience, and setting itself apart from its competitors, some of whom mainly focus on technology solutions and not expertise and services.

This helped CrowdStrike maintain an impressive growth momentum during the last few years, and it registered rapid revenue growth. In 2023, its CNAPP business registered a robust YoY revenue growth of 41.7%, which was significantly higher than the overall industry growth average, enabling it to increase its industry share and solidify its position as the 4th-largest CNAPP company, with a significant industry share of 8.2%.

CrowdStrike has successfully penetrated multiple industries, including banking, financial services and insurance (BFSI); technology; healthcare and medical (H&M); media and entertainment (M&E), and retail/eCommerce. The change from a modular approach to combining CNAPP capabilities into 1 license makes it easier for customers to scale in keeping with cloud environment changes, enabling CrowdStrike to maintain the robust growth of its cloud security business in the next few years.

CrowdStrike's go-to-market (GTM) strategy is a well-designed combination of its technology advantages, strategic partnerships, and marketing efforts that emphasize expertise and value, which allows the company to rapidly gain ground in the competitive cloud security space. In terms of strategic partnerships, CrowdStrike has been ramping up efforts to promote its cloud security solutions through channel partners, particularly resellers and distributors, to provide local presence and expertise essential for international growth. Key channel programs that CrowdStrike has initiated include the Accelerate Partner Program, Falcon Complete for Service Providers, CrowdStrike MarketPlace to expand its ecosystem, and the CrowdCredit Reward Program to incentivize partner engagement. Particularly, CrowdStrike adopts a land-and-expand sales model as part of its Accelerate Partner Program that offers a modular platform, allowing customers to start with essential cloud security needs and seamlessly add further protection capabilities later. On the contrary, its competitors provide a full solutions suite, making it difficult for customers to strike the balance between needs and budget. More importantly, the Accelerate Partner Program is designed to empower the partner ecosystem, including VARs, MSPs, MSSPs, GSIs, SIs, cloud marketplaces, distributors, telcos, OEMs, insurers, incident responders, and ISVs, and expand business engagement with CrowdStrike's technology solutions. This initiative and strategy have driven its presence and penetration in the industry, showcasing its value and trust among channel partners and customers, which is attributable to the robust growth of its overall Falcon platform and cloud security offerings.

Furthermore, to support organizations' multi-cloud journeys, CrowdStrike has strengthened its partnerships with major cloud service providers, such as AWS, Microsoft Azure, and Google Cloud, to provide seamless support and integration within dominant cloud platforms. This enables customers to securely embrace their multi-cloud strategies, and it makes CrowdStrike solutions easily accessible and positions the company as a natural security choice.

Accelerating Popularity through a Customer-first Service Approach

Apart from its excellent technological capabilities and a robust channel partner ecosystem to support its growth, the success of CrowdStrike's cloud security business is greatly driven by its customer-first approach, with support going beyond traditional assistance. Its support capabilities are a combination of its top-notch managed services backed by world-class security experts, customized support, and the global presence of its partner ecosystem, which positions it as a leader in the cloud security space. This customer-centric approach enables it to gain customers' trust and confidence and empowers organizations to confidently embrace the cloud to accelerate their digital transformation while maintaining a robust security posture.

CrowdStrike's robust managed services and product support increase the effectiveness of its Falcon platform to meet the different requirements of organizations looking to adopt a holistic approach to cloud security. Its Falcon Complete Cloud Security service provides 24/7 MDR, enabling organizations to address the challenge of implementing and running an effective and mature cloud security program without the difficulty, burden, and cost associated with building a program internally, which helps them reduce complexity, operational overhead, and time to value. In a way, the service lowers adoption barriers and bridges the skills gap organizations face, making its cloud protection solution accessible and attractive to several organizations, particularly for small businesses and those with less in-house security expertise, allowing them to confidently migrate to the cloud with robust protection from day 1.

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CrowdStrike provides multiple levels of product support programs. This allows organizations to choose the right level that best fits their sizes and requirements and helps them derive maximum benefit from their investment. While other competitors offer some level of support, they often do it through their channel partners, which might cause some challenges in addressing customers' needs due to the involvement of intermediaries. By providing different packages of support directly, CrowdStrike makes the support available and accessible to customers in the most direct way.

CrowdStrike also offers premium customer support offerings called Express, Essential, and Elite, which target different customer sizes and needs. In addition, every offering includes technical account managers (TAMs), showing the proactive approach to supporting customers throughout the life cycle, from purchasing and deployment to operation and maintenance. CrowdStrike also offers global assistance through local phone support, automated case routing, and clear response-time commitments. These initiatives streamline access to assistance and empower customers to address incidents based on urgency.

Overall, CrowdStrike's customer support model facilitates the broader adoption of cloud security solutions with its extensive channel partner ecosystem and world-class security experts. More importantly, the focus on maximizing technology use and breach prevention capabilities brings in greater value to its cloud security solutions, enabling CrowdStrike to increase customer satisfaction, retention, and loyalty and encouraging the expansion of platform adoption for more comprehensive coverage.

Conclusion

While migrating to the cloud delivers significant benefits to organizations in their digital transformation journeys, it also creates greater security challenges due to the ever-expanding and increasingly complex attack surface in cloud and cloud-native environments. CISOs want to adopt integrated cloud security platforms that can help them deal with these challenges with lesser hassle and reduced management overheads.

CrowdStrike stands out as a unified cloud-native security platform for comprehensive protection of endpoints, cloud workloads, identities, and data. Its integrated approach, along with a focus on breach prevention and proactive support, delivers seamless customer support and experience, which sets it apart from its competitors. By enhancing its security technology capabilities, gaining customer trust, and maximizing the value of its solutions, CrowdStrike has gradually become a popular cloud security choice among organizations, boosting the adoption of its solutions and revenue growth over the last few years to become a leader in the competitive cloud security industry.

With its strong overall performance, CrowdStrike earns Frost & Sullivan's 2024 Global Customer Value Leadership Award in the cloud security industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

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™.

Learn more.

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)**