

# TippingPoint

a division of 3Com

TippingPoint: Recipient of the  
2007 Global Frost & Sullivan Award for Market Penetration Leadership



*“Partnering with clients to create innovative growth strategies”*

## I. Market Overview/Key Challenges

Vulnerability research is not a new field. In the early days of computing, finding vulnerabilities and reporting those back to the vendor was a badge of honor. Even when the Internet gained widespread acceptance, and remote attacks become more prominent, the discovery and disclosure of vulnerabilities was limited primarily to the developers of software and to hackers looking to make a name for themselves. Financial motivation has changed the game.

In today's world of identify theft and enterprise espionage, defacing a website for credit is no longer the motivation for attackers. Organized crime has entered the picture, and financial rewards are at stake. No longer can vendors simply wait until the next revision to release patches, commonly used applications need to be updated as soon as possible. Vendors are finding that they do not always excel in the discovery of vulnerabilities.

Unfortunately, the number of vulnerabilities being discovered and reported is going up. Frost & Sullivan found the number of reported vulnerabilities has increased ten-fold since 2000 (see Figure 1) indicating the severity of this problem.

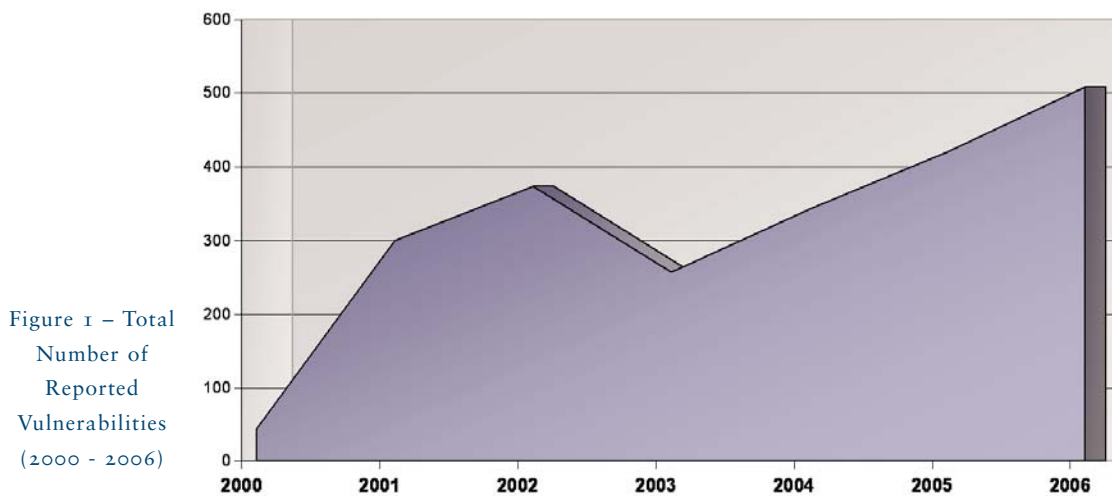


Figure 1 – Total Number of Reported Vulnerabilities (2000 - 2006)

Research organizations have taken a variety of approaches to the challenge of keeping up with malicious coding. Some research organizations have continued to hire more talent, increasing their staff with highly skilled researchers. Other research organizations have adopted the open source model of finding vulnerabilities, depending on a worldwide collective of talent.

## II. Award Category & Relevance

The world market for vulnerability research has been steadily growing since 2000, with no signs of slowing. Security researchers must compete not only with each other, but also with an established underground community comprised of black hat hackers with different motivational factors than traditional criminals. The difference is that the attacks perpetrated can have far more devastating effects.

Being credited with reported vulnerabilities is good for more than just bragging rights; it is crucial to protecting the invaluable information on business and personal computer systems everywhere. Thus, success in this market is primarily indicated by the number of reported vulnerabilities. Other weighed factors include the severity of such reports and extent to which the vulnerabilities apply to the public.

Many companies find that they struggle with increasing growth and managing strong growth is often times as great, if not greater, challenge than selling more products.

Frost & Sullivan has started to see consolidation through acquisitions and partnerships in this market. Many vendors have unique approaches and strong technology but do not have the resources necessary to penetrate the market. A company must utilize their ability to react quickly to changing market conditions in order to survive.

## II. 2007 Global Frost & Sullivan Award for Market Penetration Leadership

### Award Description

The Frost & Sullivan Award for Market Penetration Leadership is given to the company that has exhibited market share leadership through the implementation of market strategy. The recipient has displayed excellence in all areas of the market leadership process, including the identification of market challenges, drivers, and restraints, as well as strategy development and methods of addressing these market dynamics. Furthermore, the Award recipient has continually demonstrated solutions for monitoring market changes and for implementing superior market strategies. By utilizing these strategies for success, the company has established itself as the market share leader in its respective industry.

### Research Methodology

To choose the recipient of this Award, the analysts track competitor revenue and market share within the industry. This is achieved through interviews with all market participants and extensive secondary research of proprietary data sources. Finally, the competitors are compared and ranked for relative position. Frost & Sullivan then presents the Award to the company that received the number one industry rank.

### Measurement Criteria

In addition to the methodology described above, there are specific criteria used to ascertain final competitor ranking in this industry. The recipient has excelled by substantially increasing one or more of the following criteria:

- Market share
- Revenue growth rates
- Profitability
- Market and technology innovation

**2007 Global Frost & Sullivan Award for Market Penetration Leadership  
Award Recipient: TippingPoint**



TippingPoint has established a vulnerability contribution program that has driven the growth of their research program and coincided with a boost in the overall market. TippingPoint has consistently seen phenomenal growth numbers year over year and has the highest growth of any company in the vulnerability research market, as shown in Figure 2. TippingPoint posted gains of over 80 percent for 2005 alone. This is over 50 percent larger than the growth of any other competitor in the market.

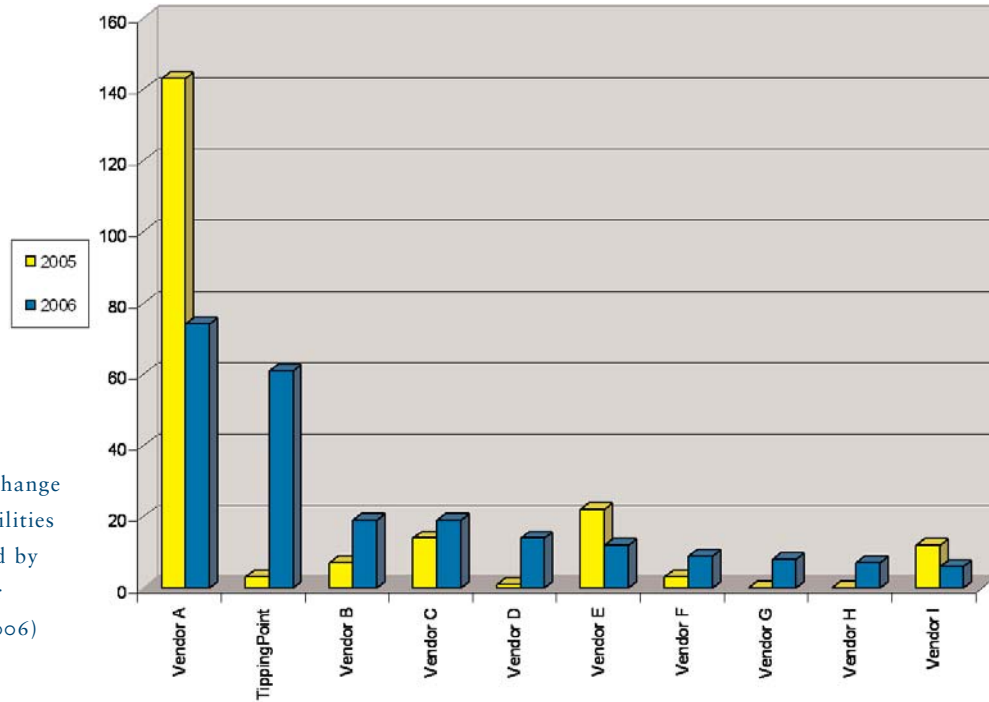


Figure 2 – Change in Vulnerabilities Discovered by Vendor (2005 - 2006)

In a market as competitive and rapidly changing as vulnerability research, it is impossible for a company to earn Market Penetration Leadership without a unique and well established research organization. TippingPoint uses a two-prong approach to vulnerability research. First, TippingPoint maintains an internal research organization – DV Labs. This is a traditional research organization that hires talented researchers who specialize in vulnerability discovery. Second, TippingPoint began the Zero Day Initiative, a program designed to tap the worldwide community of security researchers by offering monetary compensation.

TippingPoint is one of the first companies to augment their expert security research team with a vulnerability contribution compensation program. Though controversial, this program has seemed to boost the number of vulnerabilities reported. In spite of its skeptics, the program seems to be related to the trend of overall growth in this market.

All vulnerability information is reported in a responsible manner (vulnerability reporting policies can be found at <http://zdi.tippingpoint.com/details.html>). A patch, or workaround, is usually developed by the software vendor before the vulnerability information is ever released to the public.

Information gained from their research is then incorporated into the Digital Vaccine service, a subscription based service that updates customers' intrusion prevention systems. Thus, TippingPoint customers are better protected from unrealized threats long before anyone else.

#### IV. Summary of Best Practices

TippingPoint has consistently pushed the envelope of performance with their IPS platform. TippingPoint also prides itself in its commitment to providing customers with accurate, timely protection via its Digital Vaccine service.

TippingPoint has realized that relying only on its in house expertise limits its effectiveness in the discovery of vulnerabilities. By tapping into the global knowledge base of researchers, TippingPoint leverages its own experts and creates global network of professionals, all in the employ of TippingPoint.