

MSSP Best Practices - Winning Approach to Building an MSSP

Outsourcing entire security strategies through a trusted partner has become a progressively more viable option for small, medium, and large enterprises, creating an enormous opportunity for managed security service providers (MSSPs), says Vishak Raman



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In the past three years, we have witnessed a rapid consolidation and convergence of technologies, managed services, and their applications within the security market. The enterprises' need for outsourced security services is a strong one and is a popular choice for many companies with challenges such as meeting regulatory compliance requirements and combating infrastructure and resource issues such as lost productivity, theft, liability, and staffing costs.

In this context, outsourcing entire security strategies through a trusted partner has become a progressively more viable option for small, medium, and large enterprises, creating an enormous opportunity for managed security service providers (MSSPs).

In order to address increasingly complex security issues and needs, MSSPs must be prepared to grow their managed security services offerings in a very dynamic and competitive market. The challenge and opportunity for MSSPs is in choosing the right security solution to meet these requirements now and in the future, while at the same time enabling a highly profitable business model.

Optimizing the MSSP business model in a very dynamic market requires a security solution that maximizes service revenues while reducing capital and operating expenses. This is where unified threat management (UTM) solutions are offering real advantages, delivering multi-layer security, wire-speed performance, and modular scalability.

The management guide to MSSP

Given the breadth of the addressable market, MSSPs need to have a flexible security service delivery infrastructure, capable of meeting all enterprises' needs and 'scratching whatever itch' individual customers have. Using a single consis-

tent technology platform, MSSPs benefit from being able to cater for the maximum range of customer scale with the maximum breadth of security functions and deployment scenarios.

Scale

Increase in operational efficiencies is the biggest advantage that comes from market scalability. Integrated security platforms are available to support CPE offerings, scaling from the remote office to the very large enterprise. Add to this, core network based platforms are delivering multi-Gigabit virtualized security services from the MSSP's POP or datacenter. With all of these platforms running the same code, all sharing ASIC-accelerated network and security capabilities, another key element is returned to address the market: Service Footprint.

Flexible deployment options

For security service customers that are on the Internet or have logical connections to the service delivery point, cloud-based virtualized services are extremely cost-effective, which are enabled by chassis-based integrated security platforms, from both capex and opex perspective and are therefore, alternatives to CPE-based offerings.

The ability to create ubiquitous managed security with network-based or CPE-based deployments give MSSPs the ability to extend their footprint to any location for hosting their services.

Broad Portfolio

A broad base of deliverable security applications can be bundled in many different packages either for generic market consumption or to create premium-focused or vertical-specific offerings. As a result, they allow MSSPs to address any customer with an optimized business model. The flexibility of integrated security bundles reduces

these providers' risk of losing a sale as the provider can address customers' requests for either a single security application or a set of individual service offerings.

MSSPs also benefit from being able to create market propositions simply by reinventing their marketing rather than by completely restructuring their roots. Some of these are built from the ground up, but many more evolve either from traditional hosting companies or from IT security consultancy. UTM innovation in new products and features, driven by end-user adoption, can be easily integrated into their existing security portfolios, giving them not only investment protection but also new revenue streams as new or existing customer demands are efficiently and rapidly met.

Evolving the MSSP business model through UTM

'Staying valuable' is the key principle of customer retention and it is easier said than done. However, here again UTM solutions are ideally suited to make your service easily evolve with your customers needs.

Grappling with Growth

UTM platforms offer the breadth of product capabilities that compose a holistic suite of managed security services. Fundamentally, it allows MSSPs to offer customers of all sizes, a full suite of security applications, which they can adopt in time as their security needs grow.

Changing challenges/objectives

With UTM platforms, customer retention efforts are eased by the ability to respond with a wide portfolio of security services. It is a far less daunting and costly task to develop and deliver new services on existing infrastructure. With the quicker time to market and reduced cost of new service offerings, this directly reduces the risk of the provider

while ensuring its capacity to support small to very large businesses security needs. Exhaustive customer demands are also supported by deployment flexibility, with both 'network-based' and 'CPE-based' being achievable.

Budgeting Budgets

MSSPs cannot be held to ransom by limited budget customers, but the ability to price aggressively negates the threat of competitors targeting their client base. Unless the service provider in question is particularly well financed to survive a price war, the ability to discreetly manage available margins becomes critical. Some MSSPs will have more margins to play with than others and these differences will be in no small part due to which vendor's platform is employed.

Customer care

Customer experience is one of the most important factors in up selling efforts leading to increased average revenue per user (ARPU). By fostering the initial customer experience, MSSPs can easily turn the first single security function sale into a second, third, fourth, and so on. Therefore, they are required to concentrate on providing great customer service, establishing a regular and valuable aggregated reporting process for all services, and managing key client accounts proactively.

On the path to higher ARPU

The cost of sale for a new customer is seven times higher than the cost of sale for an existing one, so it is clear that if an MSSP can make the most of the clients it already has, then its revenues and margins will improve. Increasing ARPU depends on an ability to offer more services in a more compelling fashion. This is inexorably linked to average margin per user, the golden ticket to profitability in the race.

Bundling/up-selling

UTM solutions are critical to a MSSP's up-selling efforts. Up-selling the single service customer should be a standard selling practice for any of these service providers. Ratcheting up a service after the deployment of a UTM platform is far more cost-effective, rapid, and simple than shipping another box or turning up another virtualized point solution and getting the service to interoperate smoothly—all while providing an excellent customer experience.

UTM solutions provide the most rapid, while least costly and risky path to ARPU by increasing a MSSP's number of security service delivery strategies. One of the most obvious of these is the creation of solution bundles. With UTM platforms, MSSPs can benefit from a single investment, 'reselling' the essential security applications such as firewall, VPN, antispyware, anti-virus, antispyware, IPS, Web filtering, remote access-IPSec, and SSL, to name a few.

Low TCO (Total Cost of Ownership)

UTM eclipses the point solution approach when considering operational efficiencies by allowing the creation of multiple managed security offerings that scale across MSSPs' target markets with one security vendor, one set of provisioning, support, and change management procedures.

Summary

Generating success in the MSSP market is an object lesson in realizing efficiency. UTM minimizes the resources required to produce and deliver a suite of security services that provide customers and the MSSP itself with as many choices as possible. Chosen and deployed correctly, it offers far more than any alternative approach – enabling these service providers to grow their business and support the dynamic security requirements of the broadest addressable market. ■