FROST & SULLIVAN

VERINT®

2017 North American
Physical Security Intelligence Solutions
Company of the Year Award

FROST & SULLIVAN

2017

BEST
PRACTICES
AWARD

NORTH AMERICAN
PHYSICAL SECURITY INTELLIGENCE SOLUTIONS
COMPANY OF THE YEAR AWARD

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Security threats globally continue to evolve beyond just a physical security incident or cybersecurity breach. Private and public enterprises, law enforcement agencies, government entities, and other organizations no longer face one-dimensional threats and must look to enhance their physical and logical security systems as a whole, rather than prioritize improvements to one over the other.

Physical systems, such as access control or surveillance operations, previously operated separately from logical systems, leaving cybersecurity and identity management operations handled by a different team altogether. As platforms become more comprehensive, Frost & Sullivan observes how the divide between physical and logical security continues to decline. As such, businesses and government agencies are pushing to refresh and upgrade their security operations to include more converged solutions.

Security operators also struggle with managing the massive influx of video data coming from their surveillance systems, which makes it quite difficult to identify and analyze events as they occur or enact timely security protocols. They can only react to incidents instead of taking a proactive approach to mitigate organizational risks, ensure security, and reduce operator errors.

Surveillance technology providers report to Frost & Sullivan that they properly understand customers' growing demands for more proactive protections, as well as better analysis and intelligence functions to truly modernize their security operations. Frost & Sullivan tracks how vendors are introducing more advanced video analytics functions, better situational awareness capabilities, and robust intelligence reporting with their offerings.

Many customers, while interested in adding these functions to their security systems, struggle with budgetary constraints or finding advanced intelligence solutions that integrate into their legacy systems, without disrupting operations or requiring system reconfiguration.

Frost & Sullivan research finds that video analytics technology spending will reach a peak growth rate of 9.5% in 2017 due to more end-user demand for these advanced technologies. The rapid development and advancement of use cases for intelligence programs will drive spending to reach an estimated $605.9 million by 2023, increasing at a compound annual growth rate of 7.4% from 2016 to 2023.

Visionary Innovation & Performance and Customer Impact

Headquartered in Melville, NY, Verint Systems (Verint) is a global leader in actionable intelligence solutions that allow organizations to gather crucial insights into their security and business operations and learn to anticipate, respond, and act in ways that advance their business. Their Situational Intelligence Solutions unit is driving the instantiation of this vision in the security domain via their Intelligent Security Operations Center (SOC) framework, utilizing a flexible, open architecture that integrates diverse security sub-systems and applies intelligent analytics across multiple domains. At the heart of this framework lies their advanced Situational Awareness Platform.

Verint Situational Awareness Platform provides organizations a solution to help modernize their security operations center by automating critical functions and gathering valuable intelligence to improve their overall efficiency.

Utilizing the Situational Awareness Platform to Modernize Security Operations

Verint's Situational Awareness Platform delivers critical insights into an organization's security operations through both traditional physical security systems, such as surveillance and advanced situational awareness, and Cyber Intelligence, protecting network infrastructure and an organization's critical data. Today's security professionals operate in an increasingly complex threat environment, making protecting people, property, and mission-critical information vital to an organization's success. Verint's solution presents customers with an easy-to-deploy intelligence offering that meets their growing needs to manage, analyze, and respond to an ever-increasing amount of data from its surveillance and connected logical systems. The platform applies advanced analytics to help security operators assess a situation both in real time and forensically so that they can properly react and respond to the event. The solution also provides detailed reporting on critical metrics like average response time and system policy violations to help organizations constantly evaluate and improve their security operations procedures and ensure compliance with internal and external standards.

By including both video and data-based business analytics, Verint provides customers in a variety of industries with the intelligence needed to improve and protect their businesses. The Situational Awareness Platform allows organizations to "start anywhere" with the deployment of their platform, seamlessly integrate with existing security systems, and scale as their client's needs grow over time. The platform also allows for expanded collaboration with other departments and agencies when needed. For example, Verint's Situational Awareness Platform allows security operators to view their video management system (VMS) and control room operations, while also sharing their insights with field operators and other emergency response resources to help assist with investigations and provide real-time situational analysis. Verint's solution includes a module, Verint Dispatch Manager, which offers advanced mobile dispatch capabilities by leveraging smartphone technology to establish comprehensive two-way communications with the command center and the responders in the field. The solution is offered as on-premise, cloud-only, or hybrid deployment options, allowing customers to choose the best option for their system.

An Intelligence Platform Built on Market Expertise

Verint's expertise in the intelligence and analytics solutions market has been developed through its work in surveillance and security applications with the Situational Awareness Platform, as well as basic VMS components, such as hardware, servers, storage, and cameras. As analytics and intelligence technologies' predictive accuracy evolved, Verint integrated them into its offering. Today, Verint's analytics extend to helping customers deploy technology like facial recognition, license plate recognition, and activity-based surveillance analytics, all using open-standard IP cameras.

Frost & Sullivan recognizes the company's ability to leverage these advanced capabilities, as well as Big Data analytics and situational awareness, to truly shape the security intelligence market. For major customers such as the Guayaquil Corporation for Public Safety, Verint's solution provided Guayaquil with a way to network all of its wireless and wired cameras into a centralized surveillance solution to enhance the security of the city and improve the lives of its citizens. Verint's inherent flexibility, easy integration, and ability to deliver Actionable Intelligence make it an easy decision for customers with complex and sophisticated security needs. Now, as converged security systems generate more interest, Verint serves as a trusted advisor to its customers about the benefits of combining their physical and cyber security operations and how Verint's technology can help them leverage the large data volumes collected by these systems to respond faster and more efficiently to security situations when they arise.

Verint continues to monitor security technology market trends in order to offer customers best of breed solutions. One trend gaining momentum is machine learning and Verint believes this technology, currently a "want-to-have" for customers, is likely to move to a dominant "need-to-have" for future converged security technology purchases, confirming insights from Frost & Sullivan's observations. As such, Verint monitors advancements in the various analytics and logic behind machine learning properties in order to better understand how these technologies can benefit and streamline integrated security operations.

Verint is a $1.2 billion dollar company and holds more than 800 patents globally for its Actionable Intelligence technology portfolio. The company invests heavily in research and development to support their continued dedication to product improvement and operational excellence. Verint's experience and domain expertise in data analytics and security intelligence functions, as well as its vision for what the future holds in the realm of customer needs, solidifies its role as a prominent voice in the security intelligence market.

Frost & Sullivan independent analysis reveals that while other competing analytics providers may have some focus on security intelligence functions or in-depth analytics, they can only provide customers with one or the other; Verint's Situational Awareness Platform brings both functions into one solution. Verint's long-standing reputation as a leading data analytics and intelligence provider offers better brand value to customers looking to upgrade to a proven analytics and security intelligence solution.

Solutions to Meet Any Business Case

Verint's customer base of more than 10,000 organizations in 180 countries includes federal departments and agencies, as well as municipal governments, transportation authorities including seaports, rail and airports, critical national infrastructure, and large enterprises and retailers—including 80% of the Fortune 100 companies. The platform's system-agnostic programming allows for easy integration with existing security systems. The company recently adopted a flexible purchasing approach that allows customers to start where they want and grow where they need. Even smaller organizations that may not be ready for the full Situational Awareness Platform can benefit by selecting a smaller set of functionality components and slowly scale-up the solution as their need for more sophisticated functionality grows. This is all part of Verint's Customer For Life approach dedicated to doing whatever it takes to make its customers successful.

Frost & Sullivan feels that the company's adherence to customer service globally is evident in its ongoing technology services throughout a solution's lifecycle, inherent system flexibility, additional customer services such as strategic consulting and implementation/training, and 24/7 support services. With offices across the globe, Verint ensures that its representatives can serve the needs of any customer quickly, no matter where they are in the world, and are always available to answer questions or address concerns. Frost & Sullivan thus believes that Verint's unwavering commitment to providing the most technologically advanced security intelligence solutions, while becoming a customer's long-term partner for its intelligence needs, solidifies its role as a top-tier vendor within the security intelligence market.

Conclusion

More robust and accurate analytics and intelligence solutions are a top-of-mind concern for businesses that want to protect their physical and cyber assets from loss or theft. As a leader in security intelligence operations, Verint offers its flexible Situational Awareness Platform to customers seeking a simple-to-use and reliable security system. The platform's ability to collect, process and analyze data from multiple sources and offer operators highly actionable intelligence allows for more efficient identification and responses to security incidents and ensures that assets remain protected.

With its commitment to accurate intelligence reporting and advanced platform functionality, Verint earns the 2017 Frost & Sullivan Company of the Year Award.

Significance of Company of the Year

To receive the Frost & Sullivan Company of the Year Award requires a market participant to demonstrate excellence in growth, innovation, and leadership. This kind of excellence typically translates into superior performance in three key areas: demand generation, brand development, and competitive positioning. These areas serve as the foundation of a company's future success and prepare it to deliver on the two criteria that define the Company of the Year Award (Visionary Innovation & Performance and Customer Impact).

- Acquire competitors' customers
- Increase renewal rates
- Increase upsell rates
- Build a reputation for value
- Increase market penetration

- Earn customer loyalty
- Foster strong corporate identity
- Improve brand recall
- Inspire customers
- Build a reputation for creativity

DEMAND

BRAND

Company of the Year

COMPETITIVE POSITIONING

- Stake out a unique market position
- Promise superior value to customers
- Implement strategy successfully
- Deliver on the promised value proposition
- Balance price and value

Understanding Company of the Year

Demand, brand strength, and competitive differentiation all play a critical role in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Visionary Innovation & Performance to enhance Customer Impact.

Key Benchmarking Criteria

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated two key factors—Visionary Innovation & Performance and Customer Impact—according to the criteria identified below.

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs
Criterion 2: Visionary Scenarios through Mega Trends
Criterion 3: Implementation Best Practices
Criterion 4: Blue Ocean Strategy
Criterion 5: Financial Performance

Customer Impact

Criterion 1: Price/Performance Value
Criterion 2: Customer Purchase Experience
Criterion 3: Customer Ownership Experience
Criterion 4: Customer Service Experience
Criterion 5: Brand Equity

Best Practices Award Analysis for Verint Systems

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Rating guidelines are illustrated below.

RATINGS GUIDELINES
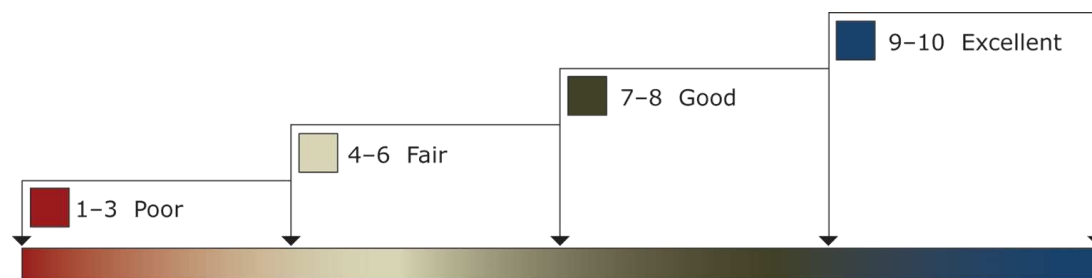
The Decision Support Scorecard is organized by Visionary Innovation & Performance and Customer Impact (i.e., these are the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard.). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key participants as Competitor 2 and Competitor 3.

Measurement of 1–10 (1 = poor; 10 = excellent)			
Company of the Year	Visionary Innovation & Performance	Customer Impact	**Average Rating**
Verint Systems	**9.0**	**10.0**	**9.5**
Competitor 2	9.0	8.0	8.5
Competitor 3	8.0	9.0	8.5

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs
Requirement: Implementing a robust process to continuously unearth customers' unmet or under-served needs, and creating the products or solutions to address them effectively

Criterion 2: Visionary Scenarios through Mega Trends
Requirement: Incorporating long-range, macro-level scenarios into the innovation strategy, thereby enabling "first-to-market" growth opportunity solutions

Criterion 3: Implementation of Best Practices
Requirement: Best-in-class strategy implementation characterized by processes, tools, or activities that generate a consistent and repeatable level of success.

Criterion 4: Blue Ocean Strategy
Requirement: Strategic focus on creating a leadership position in a potentially "uncontested" market space, manifested by stiff barriers to entry for competitors

Criterion 5: Financial Performance
Requirement: Strong overall business performance in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Impact

Criterion 1: Price/Performance Value
Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience
Requirement: Customers feel they are buying the most optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience
Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

**Criterion 4: Customer Service Experience**
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity
Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.
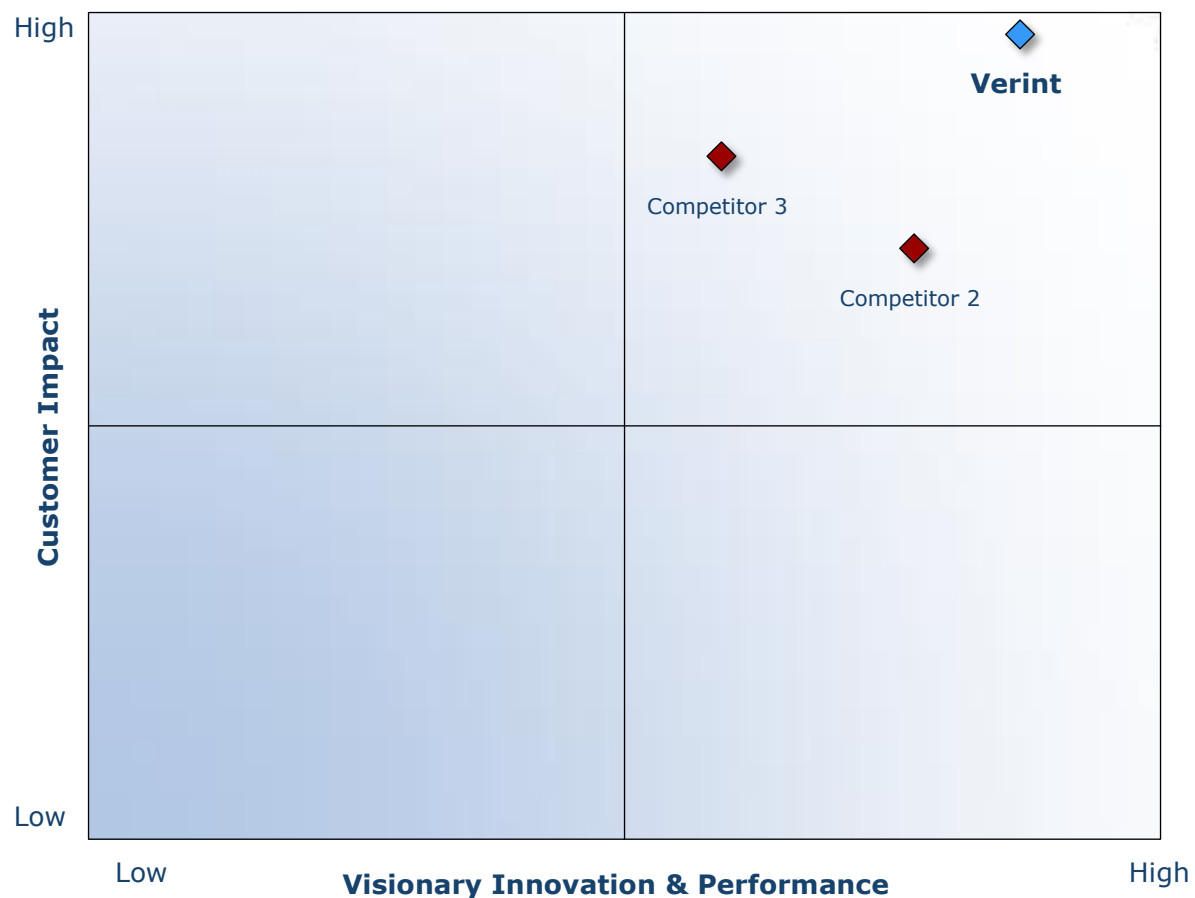
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP		OBJECTIVE	KEY ACTIVITIES	OUTPUT
1	**Monitor, target, and screen**	Identify Award recipient candidates from around the globe	• Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies	Pipeline of candidates who potentially meet all best-practice criteria
2	**Perform 360-degree research**	Perform comprehensive, 360-degree research on all candidates in the pipeline	• Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates	Matrix positioning of all candidates' performance relative to one another
3	**Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps	Detailed profiles of all ranked candidates
4	**Initiate research director review**	Conduct an unbiased evaluation of all candidate profiles	• Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles	Final prioritization of all eligible candidates and companion best-practice positioning paper
5	**Assemble panel of industry experts**	Present findings to an expert panel of industry thought leaders	• Share findings • Strengthen cases for candidate eligibility • Prioritize candidates	Refined list of prioritized Award candidates
6	**Conduct global industry review**	Build consensus on Award candidates' eligibility	• Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates	Final list of eligible Award candidates, representing success stories worldwide
7	**Perform quality check**	Develop official Award consideration materials	• Perform final performance benchmarking activities • Write nominations • Perform quality review	High-quality, accurate, and creative presentation of nominees' successes
8	**Reconnect with panel of industry experts**	Finalize the selection of the best-practice Award recipient	• Review analysis with panel • Build consensus • Select winner	Decision on which company performs best against all best-practice criteria
9	**Communicate recognition**	Inform Award recipient of Award recognition	• Present Award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10	**Take strategic action**	Upon licensing, company able to share Award news with stakeholders and customers	• Coordinate media outreach • Design a marketing plan • Assess Award's role in future strategic planning	Widespread awareness of recipient's Award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation, and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best-practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.