

# proofpoint<sup>></sup>

Defend Email. Protect Data.



Defend  
Prevent  
Analyze  
Encrypt



## Lower Your TCO: Email Security in the Cloud

Paul LaPorte, Proofpoint, Inc.



- **Brief introduction to Proofpoint**
- **Email security drivers**
- **Leveraging Cloud computing**
  - Demystifying the Cloud
  - Different deployment options
  - Solving unique business problems
  - Common misconceptions
- **Total Cost of Ownership**
  - Research
  - TCO analysis
  - Why TCO is much better in the Cloud
- **Q&A**

# Proofpoint Snapshot



- **Leading independent email security and compliance provider to Global 2000**
- **100% focused on reducing email risks**
- **2500+ customers, including the world's best-recognized brands**
- **Flexible Cloud deployments**
- **Recognized by Gartner as "leader" and most visionary in recent magic quadrant**
- **Recognized as fastest growing company messaging security vendor (Source: IDC, 2008)**

## Customers

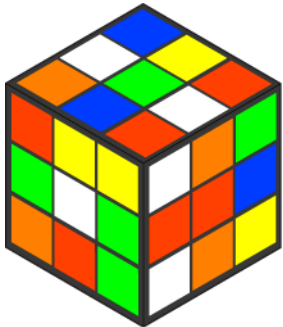
- **Bank of America**
- **Kaiser Permanente**
- **Mary Kay**
- **Wells Fargo**
- **HCA**
- **Bristol Myers-Squibb**
- **Honda**
- **UCLA**
- **The Leukemia & Lymphoma Society**
- **Seagate**
- **National Financial Partners**
- **The Texas Credit Union League**
- **Hitachi Data Systems**
- **Tyson Foods**
- **KLA Tencor**
- **Burlington Coat Factory**



# Cloud Email Security Drivers



## Complexity

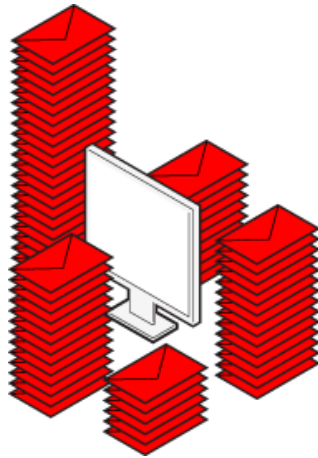


Email + Compliance + Archiving + Encryption

Need for Business Continuity

Focus IT on core business

## Growth



Spam Volumes Double Every Few Months

Increasing Size of Archives

Rapid Evolution in Spam Attack Methods

## Cost

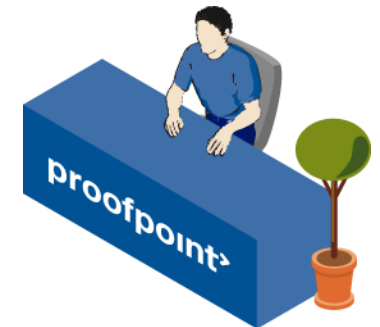


30% Lower (TCO) Total Cost of Ownership

70-90% Reduction in Network Traffic

Predictable for Budgeting

## Quality of Service



Better Availability

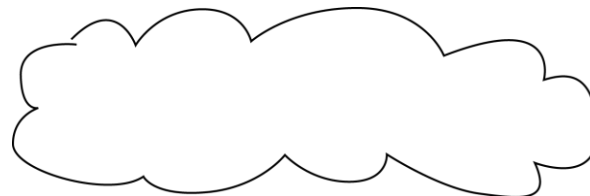
Service Level Agreements

Leverage Service Provider Expertise

# Growing Complexity – Risks and Problems



**Cloud-Computing**  
How to leverage on-demand?



**Gateway Management**  
More volumes/policies

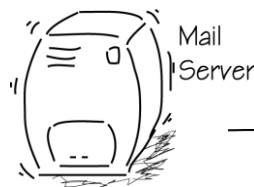


**Inbound Security Risks**  
More threats

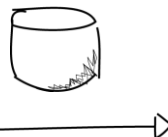


**Outbound Security Risks**  
Zombies

**Leaks of Sensitive Information**  
Easy access  
Tighter regulation



**Bogged Down Servers**  
Bigger files from users  
More spam



**Admin Keeping End-users Happy**  
While keeping costs low

**Encryption Mandates**  
Can't confuse users

**eDiscovery & Compliance**  
More requirements

# What Is The Cloud?



- **Concept**
- **It represents a virtual place OUTSIDE your organization where something electronic is done**
- **Cloud computing generally is technology-related activities that happen elsewhere**
- **Specifically, cloud computing provides applications and infrastructure that can be accessed from anywhere and you subscribe to some services**
- **You leverage the economies of scale that come from a large environment designed to be shared across many groups**
- **You only pay for what you need or use**

# Why Cloud Computing Is Hot



Cloud Computing is also known as SaaS, Hybrid, On Demand, and Hosted

Cloud deployments will overtake appliances in new sales in 2009\*

- **Lowest TCO**
- **Simplify complexity**
- **Reduce risk and uncertainty**
- **Improve quality of service**



\* Based on predicated market share and growth data from Gartner Research and IDC

# Reasons To Leverage The Cloud



- **It's OK – you're already in the cloud**
  - Services: virus, spam and reputation definition
  - Infrastructure: Internet, telecommunications
  - Applications: salesforce.com, ADP
- **Immediate, realizable benefits and savings**
  - Capture the TCO gap
  - TCO improves over time
  - Eliminates risk and uncertainty
- **Cloud models for everyone**

# Demystifying The Cloud



Cloud 1  
Pure SaaS

Cloud

Application

System + Expertise

On-Premise

Key Benefit

Highest attainable TCO

Cloud 2  
Mixed-Mode  
Hybrid

Cloud

Application

System + Expertise

On-Premise

Application

Key Benefit

Optimal TCO given business requirements

Cloud 3  
Basic  
Hybrid

Cloud

System + Expertise

On-Premise

Application

Key Benefit

Optimal TCO given business requirements

# Proofpoint Cloud-Based Offerings



## Cloud

## On-Premise

Cloud 1  
Pure SaaS

**Security, Archiving,  
DLP, Encryption**  
**Dynamic Updates**

Key  
Benefit

Highest  
attainable TCO

## Cloud

## On-Premise

Cloud 2  
Mixed-Mode  
Hybrid

**Security, Archiving,  
DLP, Encryption**  
**Dynamic Updates**

Key  
Benefit

Optimal TCO  
given business  
requirements

## Cloud

## On-Premise

Cloud 3  
Basic  
Hybrid

**Archiving**  
**Dynamic Updates**

Key  
Benefit

Optimal TCO  
given business  
requirements

# Case Study #1

## Full Deployment in the Cloud



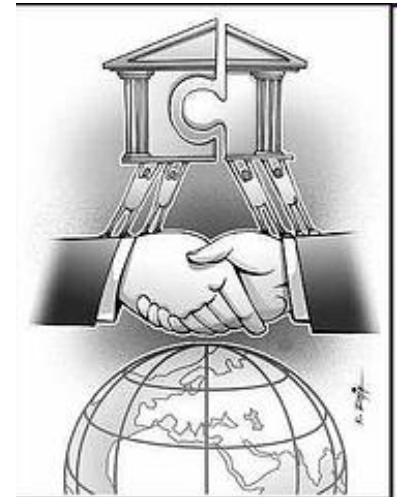
### Company

- 120,000 employees
- Very large mail volumes
- Target of various forms of attacks

### Business Challenge

- Keep up with rapid changes in email security environment
- Reduce risk associated with unpredictable spam growth and increasing attacks
- Reduce costs

### Large Bank



### Results

- 90% reduction in network load due to processing in the cloud
- Dynamic capacity weathered numerous spam surges that previously jammed system
- Eliminated unsustainable appliance purchases and ever increasing management burden
- Lowered TCO substantially

# Case Study #2

## Load Shedding in the Cloud



### Professional Services

#### Company

- 140,000 employees
- Worldwide consulting services

#### Business Challenge

- Sustainable growth
- Local administration
- Integrated solution



#### Results

- Pass all mail through cloud solution to filter 80% of traffic
- Route remaining mail to local practices for further administration
- Unified hybrid solution from a single partner

# Case Study #3

## Cloud + Appliances for DLP



### Regional Healthcare

#### Company

- 14,000 employees
- Network of hospitals
- Located in hurricane belt

#### Business Challenge

- Meet requirements for disaster recovery
- Protect patient record information
- Capacity management to deal with spam trends



#### Results

- Use Cloud solution for inbound email
- Achieved TCO savings on cloud components
- Gain a geographically remote secondary data center for business continuity
- Use on-premises appliances to meet need to keep HIPAA data on site

# Common Misconceptions About The Cloud



- **“We will lose control over our environment”**
- **“Our sensitive data could be lost or otherwise compromised”**
- **“It’s not integrated with the rest of our environment”**

# Are These Objections Valid?



- **Newer Cloud offerings address these challenges**
  - Product and admin functionality have increased control
  - Security is much stronger, often eclipsing on site security
  - Flexible choices integrate at multiple levels
  
- **Cloud solutions are growing faster than on-premise ones**
  - No longer the exception
  - Large and small companies are deploying Cloud offerings, either as SaaS or in hybrid configurations

# Case Study #4

## Security & TCO in the Cloud



### Company

- 50,000 employees
- Previous large PII data loss
- Very biased towards on premise security

### Business Challenge

- Improve email security
- Lower data loss risks
- Reduce costs

### Large Retailer



### Results

- Went fully into the cloud for the first time
- Achieved all security objectives in the Cloud even with security as the top priority
- Improved spam effectiveness and gained capabilities
- Achieved substantial cost of ownership savings

# Understanding Cost of Ownership



## Cloud Savings

- No upfront equipment investment
- Eliminate power usage
- Lower IT administration
- No maintenance
- Data center savings
- 80-90% bandwidth savings
- Minimal support skills

## Total TCO

- 30% lower TCO\*

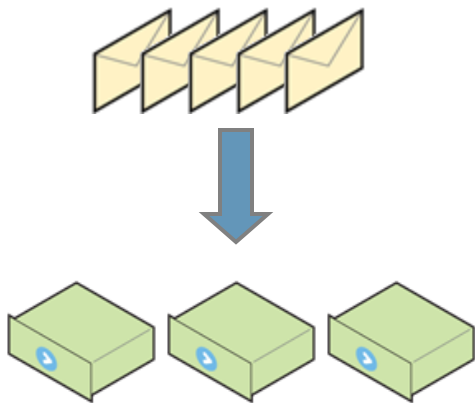
\* McKinsey – average TCO savings across all SaaS applications

## McKinsey & Co, McKinsey Quarterly Delivering Software As A Service 3.31.08

| Example  | Total cost of ownership, \$ thousand |                       | Sources of savings with software as a service  |
|--|--------------------------------------|-----------------------|--|
|  | Software on premises                 | Software as a service |  |
| <b>Implementation, deployment</b>  |                                      |                       |  |
| Customization, integration   | 108                                  | 72                    | • Reduced deployment time, limited customization, self-service through on-boarding scripts   |
| Basic infrastructure testing, deployment   | 54                                   | 0                     | • Does not require infrastructure and application testing  |
| Application infrastructure testing, deployment   | 30                                   | 0                     |  |
| <b>Ongoing operations</b>  |                                      |                       |  |
| Training   | 101                                  | 34                    | • Lowers training requirements through<br>– Simpler user interfaces<br>– Self-training, service capabilities   |
| Management, customization of business process change   | 94                                   | 0                     | • Does not require ongoing business process change management<br>– Vendors monitor customer usage to enhance offering<br>– Customers provide feedback to influence feature functionality |
| Data center facilities rental, operations; security, compliance; monitoring of incident resolution | 750                                  | 0                     | • Includes vendor's costs to serve in subscription price (ongoing operations, back-end hardware and software)  |
| <b>Software</b>  |                                      |                       |  |
| User licenses, subscriptions; maintenance  | 480                                  | 1,500                 |  |
| <b>Other</b>   |                                      |                       |  |
| Unscheduled downtime   | 308                                  | 0                     | • Provides 99.9% general-server availability vs 99%  |
| Unused licenses  | 92                                   | 0                     | • Reduces unused licenses by 20%, users added as needed  |
| <b>Total costs (including those not shown here)</b>  | <b>2,298</b>                         | <b>1,640</b>          |  |

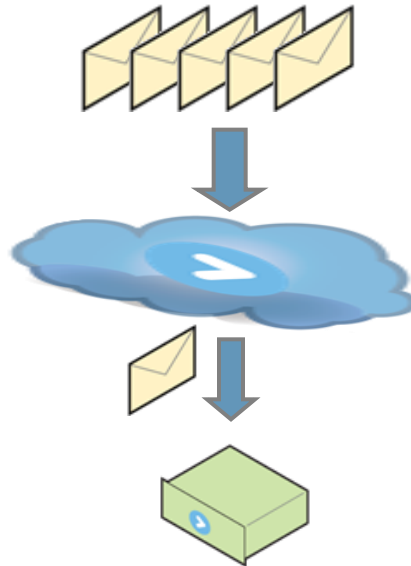
# Understanding TCO By Deployment Type

## Appliance



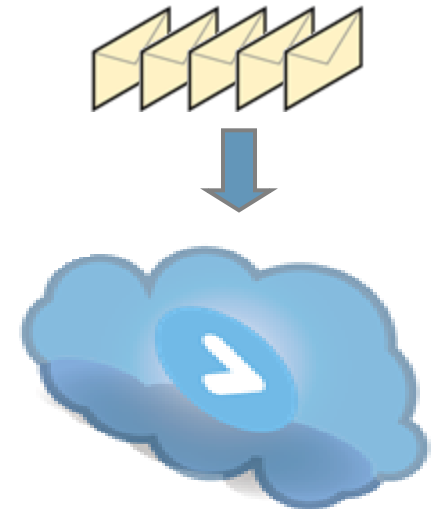
- Add appliances to process increasing spam load
- More HW management
- More variable costs
- Good TCO

## Hybrid



- Cloud sheds most load
- Scale on demand
- Balance need for on premise control and capacity growth
- Better TCO

## SaaS



- Every function in the cloud
- Free IT for more core activities
- Offload many hard costs
- Best TCO



- **Compare the TCO of different cloud computing options with appliances and other deployment options**
- **Helps build a business case to support recommendations**
- **Developed by the Osterman Group, a respected research firm in the messaging space**
  - Focused on the messaging, Web and collaboration industries
  - Practice areas include security, archiving, encryption, content management, etc.
  - Strong emphasis on primary research conducted with decision makers and influencers

# TCO Analysis Assumptions



## > Internal hardware and software

- Cost of appliances and maintenance
- Cost of software licenses
- Cost of support equipment

## > Power requirements

## > Floor space

## > Deployment costs

- Person-hours for deployment and training
- Downtime

## > Labor requirements and costs

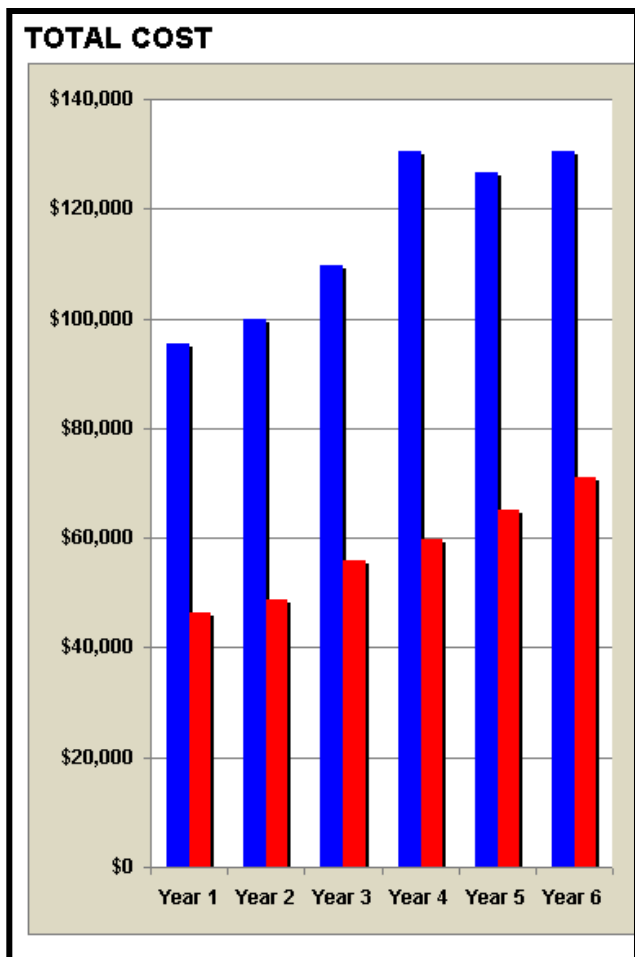
- FTE administrator
- FTE helpdesk

## > Anticipated growth

- Spam and email volumes
- Users
- Archive volumes



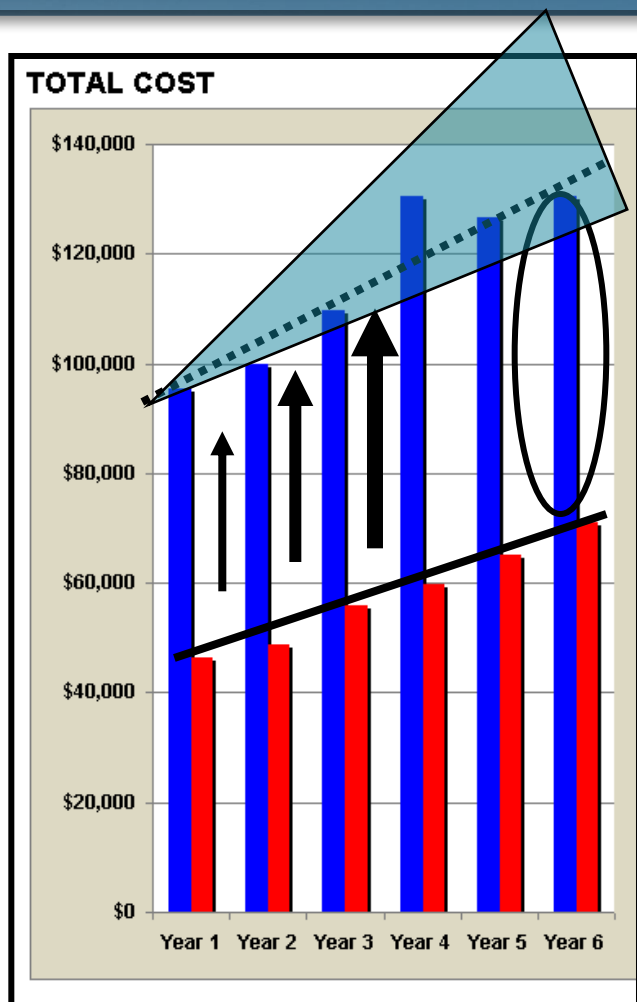
# TCO Analysis Results



■ On-premises solution

■ In-the-Cloud solution

# TCO Analysis Results



■ On-premises solution

■ In-the-Cloud solution

## ➤ TCO Gap is Significant

- Appliances require significant labor costs to manage

## ➤ TCO gap grows over time

- Spam growth requires more appliances and resources

## ➤ The Cloud reduces risk

- Capacity on demand without additional purchases
- Addresses spam growth, attacks, and downtime issues

# Cost Analysis Summary



- **Cloud-based email security provides significantly lower total cost of ownership**
- **TCO savings continue to grow as companies need to add and maintain more appliances over time to address spam growth and other risk factors**
- **Cloud services remove many of the risks and uncertainties that exist in an appliance-only deployment**

# Key Takeaways



- **Leveraging the Cloud - no longer an option, but a best practice**
- **TCO advantages of Cloud computing are powerful, regardless of the approach you choose**
- **Benefits of a Cloud-based email security model**
  - Less expensive
  - Same level of security and control
  - Ability to free up IT staff for other initiatives
  - Financially based SLAs guarantee success
  - Highly resilient – no outages or downtime



- **Accuvant is the premier national information security and compliance management consulting firm. Accuvant security advisors use industry expertise and proven methodologies to help large enterprises assess their environment, improve their compliance posture, and secure their infrastructure.**

# Vital Statistics



- ✓ Established in 2002
- ✓ 180+ employees
- ✓ 21 offices across North America
- ✓ Industry Recognition
  - #831 on the 2008 Inc.5000
  - #220 on the 2007 Inc. 500
  - Deloitte Rising Star in 2004 and 2005
  - Deloitte Technology Fast 50 in 2007 and 2008
  - 5784% revenue growth from 2002 to 2007
  - Ernst & Young Entrepreneur of the Year Finalist in 2006 & 2007
- ✓ Over 1000 enterprise clients, including 25% of the Fortune 1000



# Security Strategy. Expertly Executed.



- **Accuvant has developed four specialized practice areas to address our clients' comprehensive security needs: assessment, compliance, wireless, and security technologies.**





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Register at: [www.proofpoint.com/emailsecuritydemo](http://www.proofpoint.com/emailsecuritydemo)
- **Email Archiving:** Tuesdays at 2:00 pm ET / 11:00 am PT  
Register at: [www.proofpoint.com/archivingdemo](http://www.proofpoint.com/archivingdemo)

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