

proofpoint[>]

Defend Email. Protect Data.



Defend
Prevent
Analyze
Encrypt



Lower Your TCO: Email Security in the Cloud

Scott Prouty and Bruce Browning, 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)**

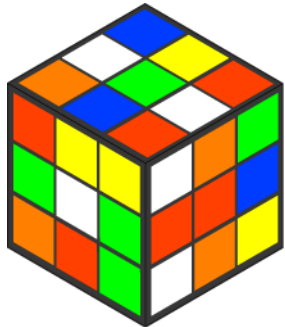
Customers

- **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

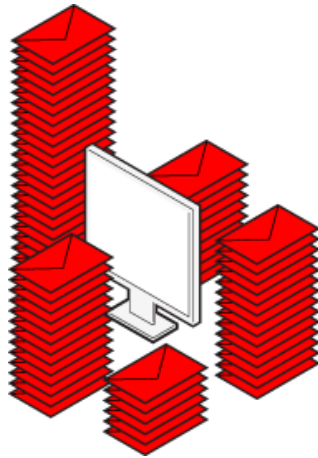


Email + Compliance + Archiving + Encryption

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

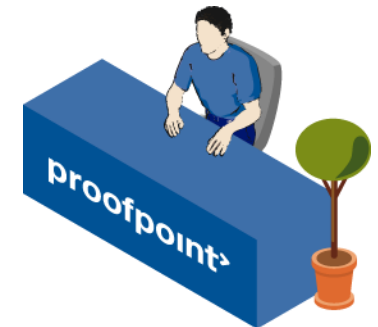


30% Lower (TCO) Total Cost of Ownership

70-90% Reduction in Network Traffic

Predictable for Budgeting

Quality of Service



Better Availability

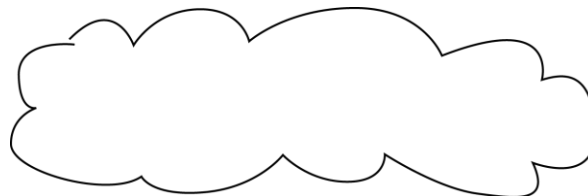
Service Level Agreements

Leverage Service Provider Expertise

Growing Complexity – Risks and Problems



Cloud-Computing
How to leverage on-demand?



Gateway Management
More volumes/policies

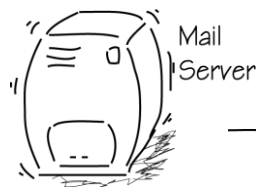


Inbound Security Risks
More threats

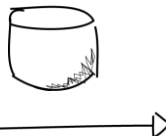


Outbound Security Risks
Zombies

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,
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Optimal TCO
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Cloud

On-Premise

Cloud 3
Basic
Hybrid

Archiving
Dynamic Updates

Key
Benefit

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Case Study #1

Full Deployment in the Cloud



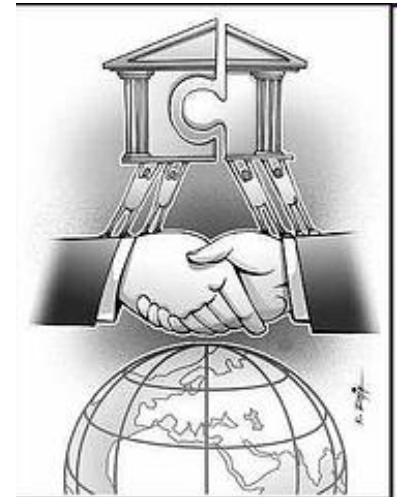
Company

- 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*

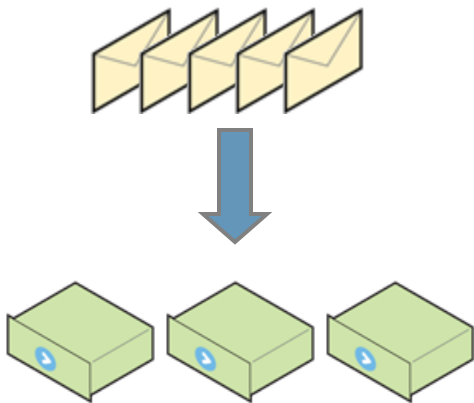
* McKinsey – average TCO savings across all SaaS applications

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 | |
| Implementation, deployment | | | |
| 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 | |
| Ongoing operations | | | |
| Training | 101 | 34 | • Lowers training requirements through – Simpler user interfaces – Self-training, service capabilities |
| Management, customization of business process change | 94 | 0 | • Does not require ongoing business process change management – Vendors monitor customer usage to enhance offering – 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) |
| Software | | | |
| User licenses, subscriptions; maintenance | 480 | 1,500 | |
| Other | | | |
| 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 |
| Total costs (including those not shown here) | 2,298 | 1,640 | |

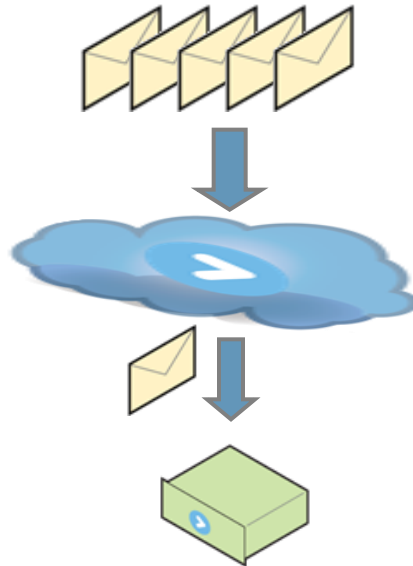
Understanding TCO By Deployment Type

Appliance



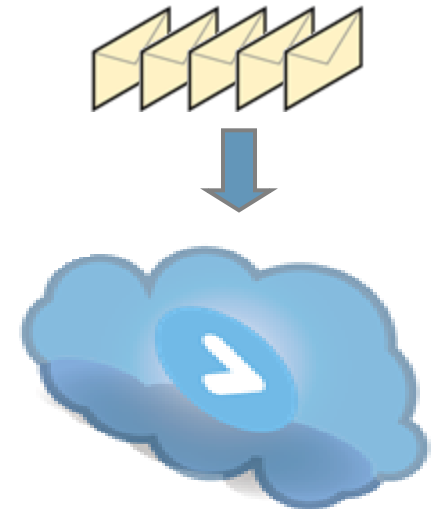
- Add appliances to process increasing spam load
- More HW management
- More variable costs
- Good TCO

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

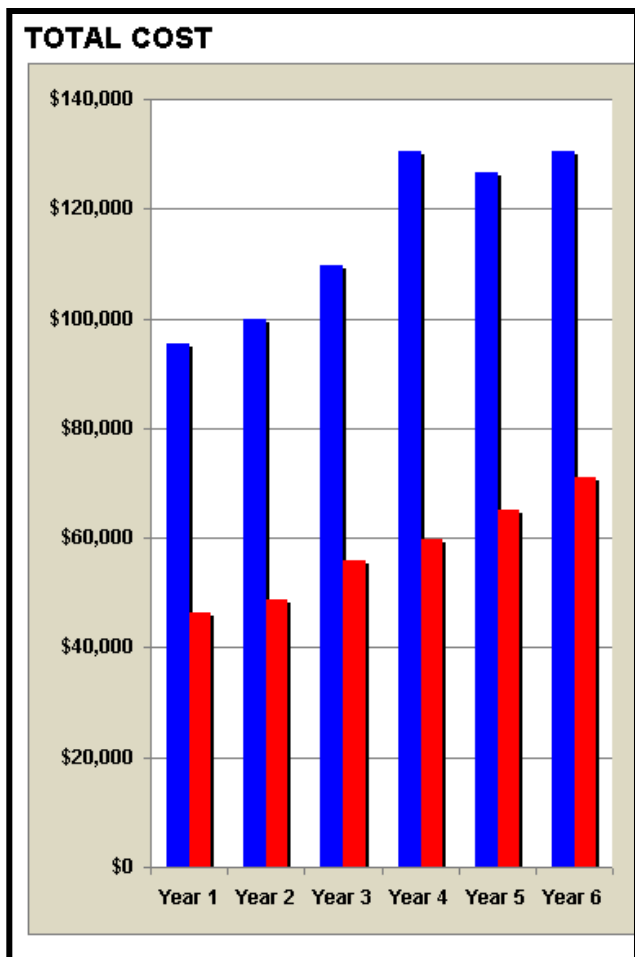
- FTE administrator
- FTE helpdesk

> Anticipated growth

- Spam and email volumes
- Users
- Archive volumes



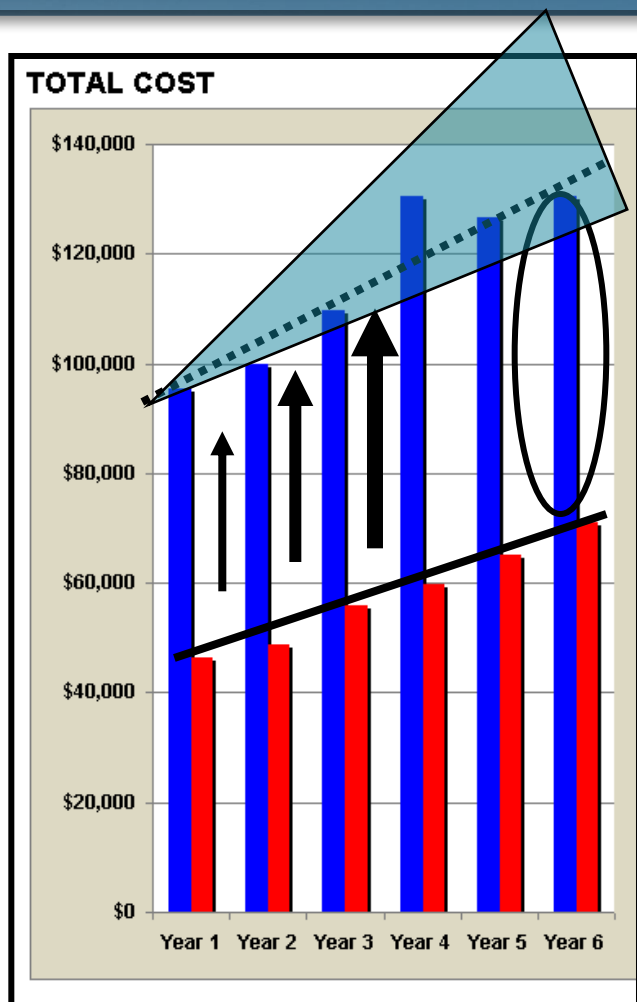
TCO Analysis Results



■ 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



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

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