

PANDA CLOUD OFFICE PROTECTION

Simply... Evolution

MANAGED SERVICES WITH PANDA CLOUD OFFICE PROTECTION



PANDA CLOUD
OFFICE PROTECTION



PANDA CLOUD
EMAIL PROTECTION



PANDA CLOUD
INTERNET PROTECTION





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Introduction

Software as a Service or **SaaS**¹ is rapidly shifting from just a trend to the accepted way of delivering software, with special benefits for small to mid-sized enterprises. **SaaS**, however, also refers to **Security as a Service**, a category within Software as a Service, referring specifically to the delivery of security applications as a Web-based service.

Although the **Security as a Service** model has traditionally referred to security services for email, it applies equally to new solutions aimed at protecting corporate workstations, laptops and servers.

This new security model for protecting endpoints against malware and other Internet-borne threats is characterized primarily by the fact it is hosted on the vendor's infrastructure and managed from a Web console. This allows for centralized security management, regardless of the location of the company or its branch offices.

The traditional IT security solution channel, whose business is based on the resale and

deployment of security solutions, understands this paradigm shift and consequently, many players are including SaaS solutions in their portfolios. By extending their offer to encompass these solutions, they can turn one-off sales into recurring revenue, thereby ensuring that current and future clients don't switch to other providers who may be offering SaaS.

This document explains how and why Managed Service Providers (MSPs²) can and must enter the Managed Security as a Service market.

Value Proposition for Partners

With the aid of Panda Security and through its endpoint SaaS solution, **Panda Cloud Office Protection**, MSPs **can reduce clients' costs while driving up their own revenue**. By extending their service portfolio with this solution, MSPs **will not only increase profitability**, but also the **quality of their services** and their **operating efficiency**.

1. Wikipedia: Software as a Service (SaaS) is a model of software deployment whereby a provider licenses an application to customers for use as a service on demand. SaaS software vendors may host the application on their own web servers or download the application to the consumer device, disabling it after use or after the on-demand contract expires. The on-demand function may be handled internally to share licenses within a firm or by a third-party application service provider (ASP) sharing licenses between firms.
2. Wikipedia: Managed Service Provider (MSP) is typically an information technology (IT) services provider, who manages and assumes responsibility for providing a defined set of services to their clients either proactively or as they (not the client) determine that the services are needed. Most MSPs bill a flat or near-fixed monthly fee, which benefits their clients by providing them with predictable IT support costs. Many MSPs now provide many of their services remotely over the Internet rather than having to perform on-site client visits, which is time consuming and often expensive. Common services provided by MSPs include remote network, desktop and security monitoring, patch management and remote data back-up, as well as technical assistance.



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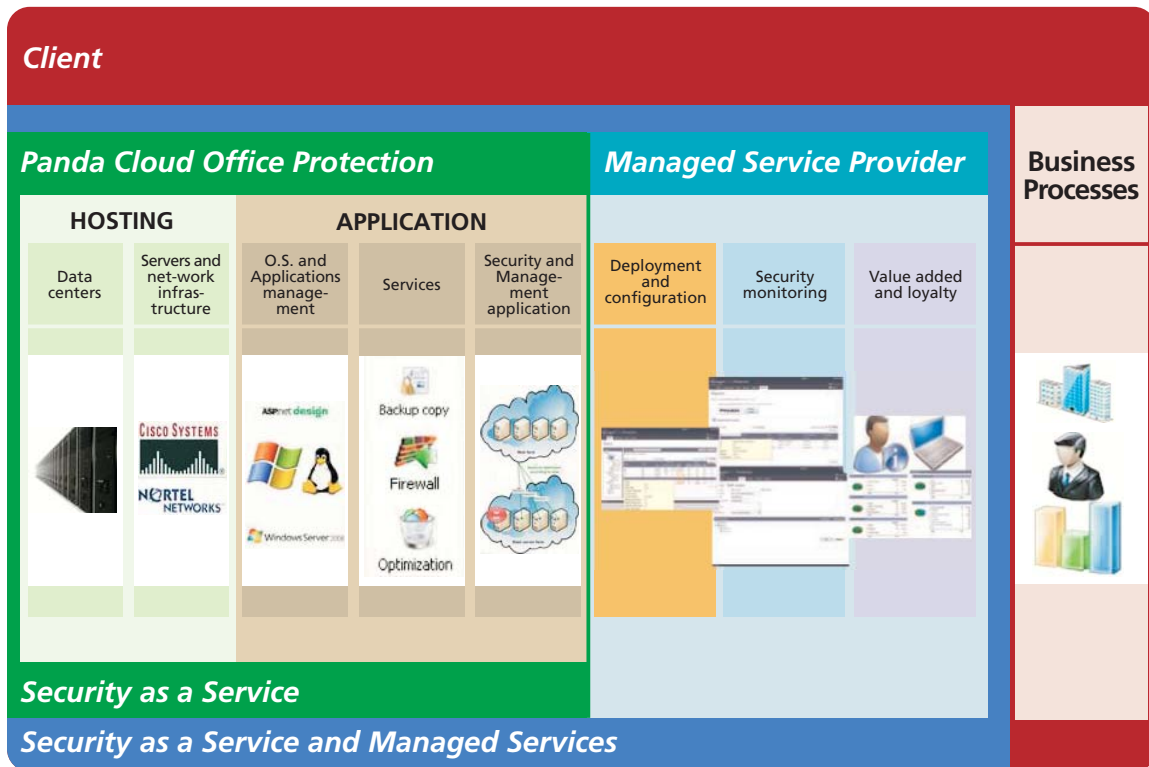


Figure 1: Combined model: SaaS security solutions and Managed Services. Benefits for MSPs and their clients.



1. Adopting the combined model: SaaS and Managed Services

The combined model of SaaS security solutions and Managed Services is rapidly becoming the preferred format for small to mid-sized companies to resolve their IT security requirements. Instead of buying traditional software packages and deploying them on their own internal system

1.1 Main advantages of the SaaS model for IT security

1. The first major advantage of a SaaS solution, as opposed to traditional protection, is that it requires no prior investment. Traditional protection for workstations requires hardware and software investment for the corporate network (administration servers, repositories, databases). It also has vulnerable points that can lead to security holes and system failure, not to mention recurring maintenance and upgrade costs. A SaaS anti-malware solution on the other hand, hosts all the management infrastructure on the premises of the company that provides the service. And the more widely-distributed the environment, the greater the saving (normally, each location to pro-

tect requires at least one server under the traditional management model). In an average scenario of a mid-sized company, the savings generated by a SaaS anti-malware solution could be as high as 50% of the total cost.

2. The second great advantage offered by SaaS is that it helps the Channel offer value-added services to clients, who see that they are delegating their IT security to genuine experts. This allows the Channel to recover the profits they have been losing over recent years due to the increasingly slim margins returned from hardware. According to AMI Partners, "Channel Partners that specialize in the SMB market are redoubling their efforts to take advantage of the opportunities presented by Managed Services and SaaS"³.

3. The third advantage is that it offers the Channel the chance to provide added-value while reducing operating costs, thanks to the possibility of remotely and centrally managing clients' security via the Internet. It also boosts service quality, as it provides the Channel with tools for prioritizing actions and increasing client loyalty.

3. AMI-Partners Press Release, July 16, 2008.



1.2 The needs of the companies that are driving the take-up of the combined model

According to Forrester, "SMBs disclose that the two top drivers among firms for using a managed security service provider is the demand for a specialized skill set (31%) and the need to reduce costs (24%). Other reasons such as reducing complexity or the desire for 24/7 coverage are the primary driver for 19% of firms."⁴

In this section we illustrate how companies are adopting the combined model of SaaS security and Managed Services thanks to the way in which it addresses their specific needs:

- **Lack of specialized resources.** Many organizations do not have resources dedicated to IT management. SaaS solutions offer a high level of availability and reliability which would otherwise not be available to these companies. In addition they can delegate management of services which are not their core business to third parties. This means that all resources can be concentrated on strategic initiatives and business tasks oriented towards the growth of the company.
- **Limited budget.** These companies are also bound to the constraints of efficient budget management, especially in the current economic climate. The combination of SaaS security solutions and delegation of IT management is the only offer that addresses the essential needs of these companies. On the one hand, with SaaS security solutions there is no initial investment required, and all costs can be forecast strictly in line with the growth (or shrinkage) of the company. On the other hand, by delegating service management to MSPs, these companies do not have to dedicate vital resources to processes that are not part of their core business.
- **Adaptation to a changing business scenario.** Businesses are becoming increasingly dynamic. Business processes and the way they are supported, especially from the IT department, have to be flexible to adapt to continuous changes. SaaS security solutions offer the flexibility that SMBs require. SaaS allows clients to expand or reduce the services they contract in line with their own business growth, with no need for additional investment in hardware or software. With SaaS solutions, clients only pay for the services they use.

4. Forrester. "The State Of SMB IT Security: 2008 To 2009". December 24, 2008.



- **Adaptation to business complexity.**

The traditional office model, in which all employees worked in large central locations, is being rapidly displaced by a more disperse model, with many mobile and remote workers spread over wide geographical areas.

Yet their security needs are just as critical, if not more so, particularly given the present malware dynamic⁵. This situation makes the task of managing security efficiently even more complex. The response of many companies is to

look for security solutions that allow the protection to be implemented and managed regardless of geographic location. Such remote, centralized management is possible over the Internet, allowing employees or sub-contractors secure access from practically anywhere.

Successful MSPs are able to understand these needs and offer reliable, quality services to SMBs, aligning IT solutions with the business objectives of their clients.

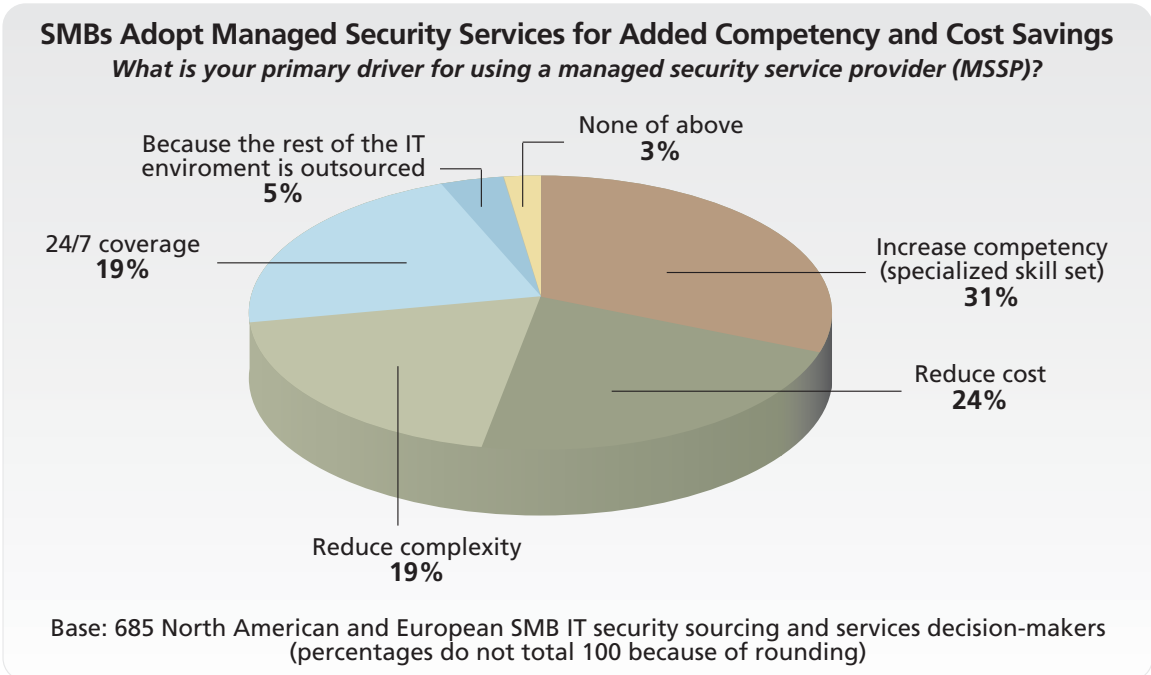


Figure 2: Forrester. "The State Of SMB IT Security: 2008 To 2009", December 24, 2008. SMBs are adopting managed security services to increase competency and reduce costs."

5. It is a known fact by all security professionals that there are more malware samples infecting users than ever before. Malware writers have realized that can gain large amounts of money for distributing malware, combined with the use of advanced techniques, has resulted in an exponential growth of criminally professional malware being created and distributed to infect unsuspecting users (Panda Security. Whitepaper "Collective Intelligence"). In the first eight months of 2008, PandaLabs had already detected more malware than in the entire history of the Panda company, with an average of 22,000 new strains appearing everyday. (PandaLabs Annual Report 2008: http://www.pandasecurity.com/resources/pro/02dw_Annual_Report_Pandalabs_2008.pdf).



1.3 Target market of the combined solution model

Companies from all sectors and of all sizes are adopting SaaS solutions combined with Managed Services offered by MSPs, as the security model that best adapts to their needs.

Nevertheless, there are market segments where MSPs can penetrate more easily, and with greater success, by combining SaaS security solutions and Managed Services. The two key factors that determine the probability of success are: The size of the company and the complexity of its needs.

- **Size.** One of the great benefits of SaaS solutions when combined with Managed Services is the flexibility it offers companies. With no need for initial investment in hardware, software and deployment, and no recurring costs, the Total Cost of Ownership of the solution is significantly reduced.

SaaS security solutions allow companies to delegate **platform management to the solution provider, and security management to the MSP**. Therefore the maintenance and management costs which would otherwise have to be met by the client company can be dedicated to its core business.

That said, there is no doubt that it is SMBs who are most likely to adopt this model as it offers new security capacity without initial investment, making them more competitive as key resources are freed up.

- **Complexity of needs.** SaaS security solutions allow for rapid and simple deployment, although they offer less security and management configuration options than on-site solutions. This means that a company with 'standard' security requirements is most likely to appreciate the benefits of a SaaS security solution combined with Managed Services delivered by a service provider.

With these two key factors, typical candidates for this model are SMBs with 500 employees, without hardware or human resources dedicated to security and with standard security requirements.

There is an increasing trend for companies to choose, or at least consider, adopting SaaS solutions, combined with the delegation of service management as the answer to their security needs.

This changing trend creates new opportunities for IT service providers, allowing them to expand their portfolio of services and generate recurrent revenue.



2. MSPs: The opportunity to extend service portfolios

MSPs can take advantage of this clear business opportunity by extending their service portfolio to include SaaS security solutions and Managed Services.

This business opportunity allows MSPs to:

- Satisfy the new demands of companies.
- Increase recurrent revenue.
- Save time and increase profitability.
- Improve service quality and customer satisfaction.
- Improve operating efficiency.
- Increase the client loyalty ratio.



3. Extending the portfolio with Panda Cloud Office Protection

Panda Cloud Office Protection is a security solution for PCs and servers based on the concept of **Software as a Service (SaaS)**. SaaS lets companies focus on their core business, freeing them from the management tasks and operating costs associated with traditional security solutions.

Panda Cloud Office Protection also offers Panda Security Partners a Web console designed specifically to allow MSPs to manage their clients centrally, underlining the commitment of Panda Security to MSPs.

This console allows Panda Security Partners to manage security remotely and effectively for multiple clients from a single console, with no need for investment in additional hardware or software. This way, SMBs as well as widely-distributed companies can subcontract security management to a Panda Security Partner (an MSP).

It also gives partners greater control over their clients, as they can monitor licensed status (how many are in use and when they need to be renewed).

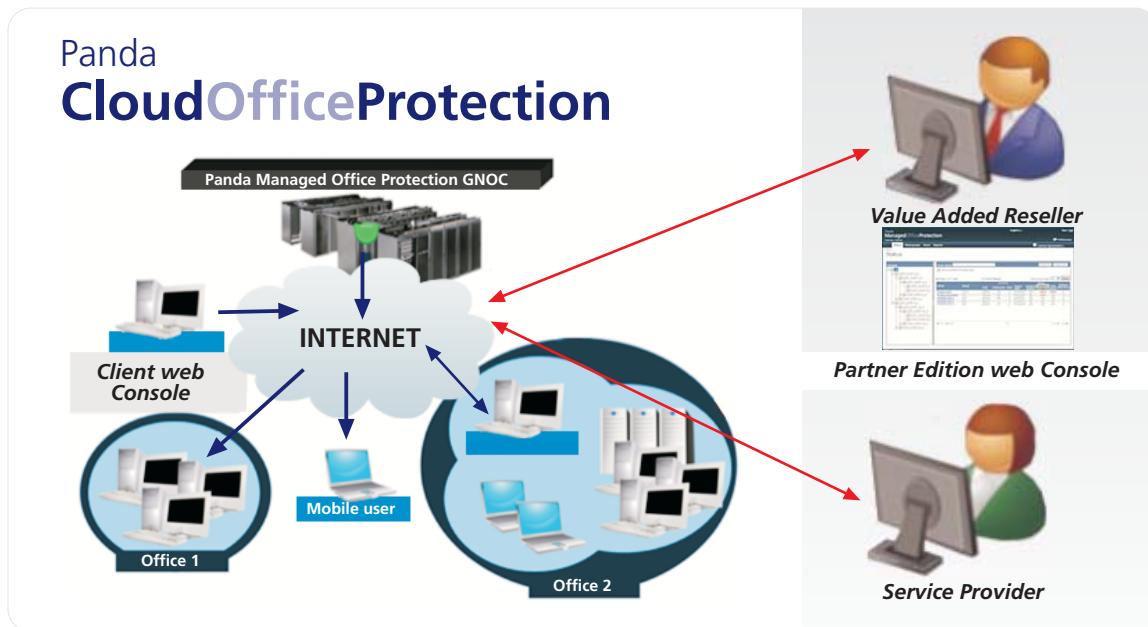


Figure 3: Panda Cloud Office Protection offers a series of effective tools for MSPs providing managed security services.



MSPs can exploit this exceptional business opportunity **by including** Panda Cloud Office Protection in their service portfolio.

This extension of services is a great opportunity for MSPs as it allows them to:

3.1 Satisfy the new demands of companies

SaaS security solutions meet the new demands of SMBs thanks to:

1. Minimal, predictable operating costs:

- No need for infrastructure investment:
 - Administration servers.
 - Operating system.
 - Additional software licenses (e.g. databases).
 - Server maintenance.
 - Infrastructure dimensioning when companies grow.
- Time saving and no need for specialized personnel:
 - Easy to install (click on url).
 - Remotely managed through a Web console.
 - Automated software updates and upgrades without requiring specialist intervention.

2. Elimination of complex tasks.

The Web console allows administrators to easily deploy, manage and monitor protection, at anytime from anywhere.

3. Always available.

The service is hosted on the provider's infrastructure. The provider is responsible for management and maintenance, ensuring 24x7 availability.

The provider therefore is also responsible for taking action in the event of an incident, thereby guaranteeing the service is always available.

4. Possible delegation of security management to specialized service providers, allowing clients to focus on their core business.

3.2 Increased recurrent revenue

Panda Cloud Office Protection can reduce the security operating costs of companies, to the extent that the Total Cost of Ownership (TCO)⁶ can be as much as 50% less⁷, when compared with a traditional security solution. Apart from the initial cost of licenses, traditional security solutions also entail other costs including additional hardware and software, deployment, installation, maintenance and management, etc. all of which can be eliminated or significantly reduced with Panda Managed Office Protection.

6. Wikipedia: Total Cost of Ownership (TCO) is a financial estimate designed to help consumers and enterprise managers assess direct and indirect costs. TCO tries to offer a statement on the financial impact of deploying information technology during its whole life-cycle.

7. Assuming an installation of 50 endpoints with one branch office.

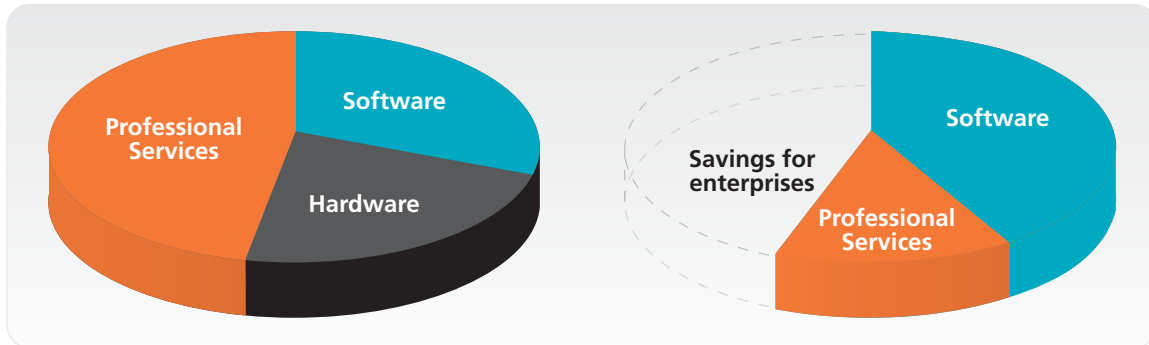


Figure 4: Example of cost distribution for a traditional security solution. One office– 50 endpoints– 2 years. Total cost: €11K

Figure 5: Example of cost distribution with Panda Cloud Office Protection. One office– 50 endpoints– 2 years. Total cost: €6.5K The total saving in this typical example is €4.5K.

As we have outlined above, companies with a disposition to benefit from the advantages of the SaaS security model, tend to complement this security software delivery model with the delegation of service management to an MSP. Therefore, part of the saving on the TCO generated by SaaS solutions can be diverted to the costs of professional service management.

MSPs who offer professional services and security management services would obtain a greater margin in each operation, from licenses, professional services and the security management service. This model combining SaaS security solutions with security management offers the client:

- Greater savings with respect to traditional solutions.
- Improved security risk management.
- No need to recruit IT security specialists.
- Better budget management, with predictable recurrent costs.
- A global, scalable solution, adapting to the size of the business at any time.

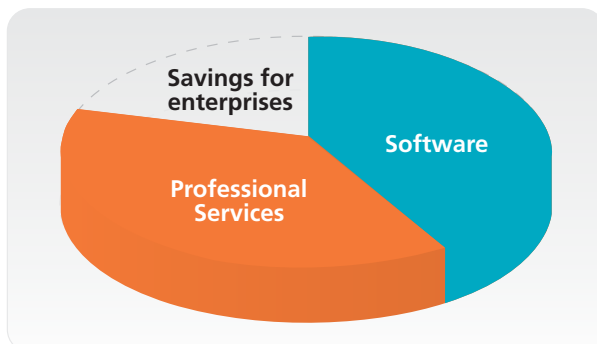


Figure 7: Example of the distribution of costs of Panda Cloud Office Protection and managed services offered by an MSP.



3.3 Time-saving and increased profitability

The profitability of the Managed Services is directly proportional to management efficiency. A tool is required that enables monitoring and control, remotely and from a central point, of all clients. This minimizes the effort required for each client, as the service is delivered correctly but without continuous on-site visits, thereby reducing operating costs for the MSP.

The Service Provider Web console in Panda Cloud Office Protection not only allows for centralized monitoring of the security status and the status of each client's subscription, but also offers access to detailed information on the status of each installation in each client with a simple click.

3.4 Improved service quality and customer satisfaction

The Service Provider Web console in Panda Cloud Office Protection lets service providers operate proactively in daily operations. It makes it easy to detect any problems and respond rapidly, even before clients are affected. Incidents can be prioritized, as the console offers a global vision of the security situation of all clients.



3.5 Improved operating efficiency

In the past, without a SaaS security solution such as Panda Cloud Office Protection with its Service Provider console, MSPs would typically have to dedicate 10 or 15 minutes a day in monitoring the status of each client's security. This would involve checking malware activity, confirming updates, verifying the status of the protection, and reviewing the license status. The Service Provider console in Panda Managed Office Protection lets MSPs view all this information, for all clients, simultaneously. In the same 10 or 15 minute period, they can attend to their entire client base. As business increases, the Service Provider console lets them improve the efficiency of the mana-

ged services, with no need for a proportional increase in the time spent administering clients.

The Service Provider console -Partner Edition Console - allows all our partners to organize their clients in a multilayered structure, grouping them according to their own specific needs (by region, size, reseller, account manager, etc.). This means the console will precisely reflect their own business model, resulting in greater efficiency in business management.

It is possible, for example, to organize clients by geographical area, by reseller that manages a group of clients, etc., and create a user with administration or monitoring rights to this group.

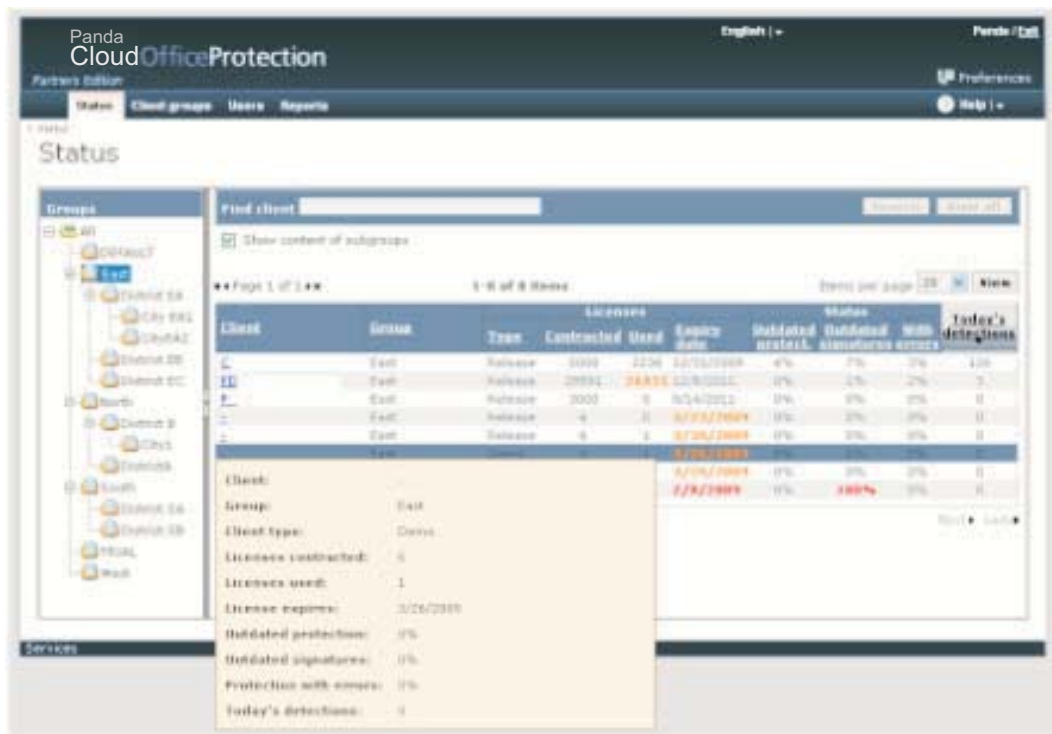


Figure 8: Panda Cloud Office Protection allows remote, centralized management of all clients through a single Web Console.



This organizational tree lets service providers see the license status of their clients, - used licenses and expiry dates-, allowing them to rapidly identify any sales action that is required.

intervention, as clients periodically receive an executive status report and/or detection reports automatically sent to their mailboxes. This demonstrates the quality of the service to clients and also the importance of maintaining the subscription.

3.6 Increase the client loyalty ratio

MSPs can demonstrate the added-value of their services, with no need for manual in-

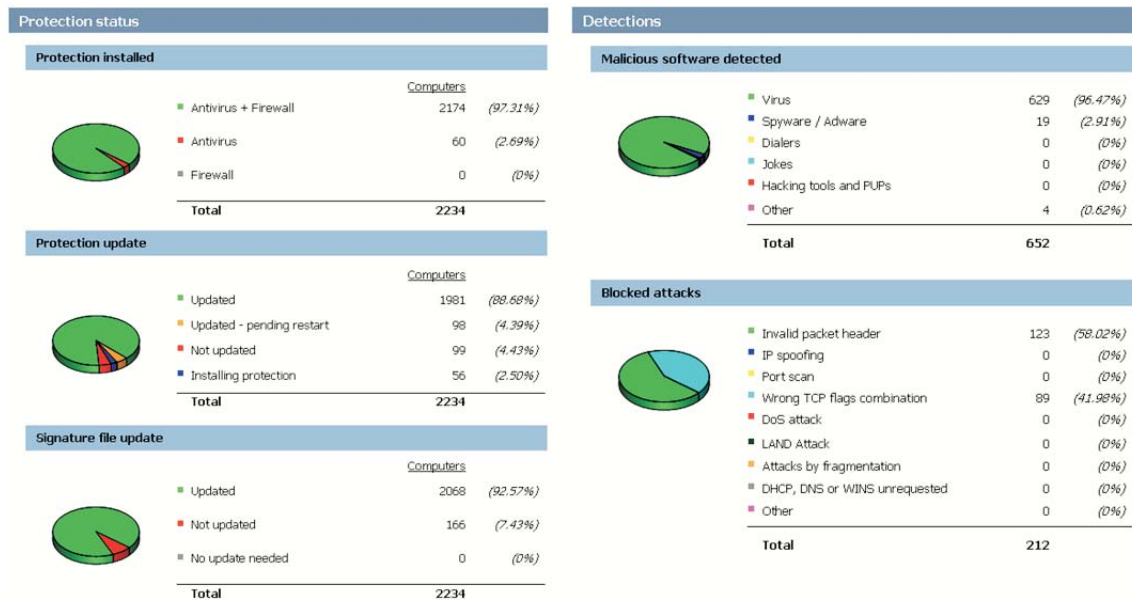


Figure 9: Panda Cloud Office Protection offers tools for automatically sending periodic reports to demonstrate the added value provided by the MSP.



4. The Panda Security Partners Community

As a Panda Security Partner you will be able to:

- Get more value out of your alliance with Panda, thanks to tech support and training.
- Build additional solutions through development assistance, technical validation, certification and contents.
- Offer recognized solutions to your market with the support of marketing actions.
- Sell more effectively, as you will have all the right tools, materials and support from Panda Security's salesforce.

Why join our partners community?

- **You can increase your revenue and your margins will increase incrementally.** By joining the Panda Partner Program your company will be able to increase revenues and your operating margins will also increase as our business relationship grows.
- **Our business model is simple and collaborative.** Our community of Partners is the fundamental pillar of Panda Security's strategy.

We are leaders in protection. The new security model developed by Panda Security, based on Collective Intelli-

gence and the SaaS model, is the simplest and most effective way of protecting your clients.

- **With its leading-edge technology.** Panda Security is in the vanguard of the fight against computer threats.
- **We offer solutions to meet all needs.** Panda Security covers the protection needs at all different layers of the corporate network, from workstations to the perimeter, offering a complete lineup of 'in-the cloud' services.
- **We are experts in security.** At Panda Security we specialize in security. PandaLabs, one of the best and most widely acclaimed laboratories in the industry, has a powerful datacenter infrastructure to cope with avalanches of malware.
- **We are a multinational with a global presence.** Panda Security is the fourth security company in the world. We are committed to offering global protection and we have offices in more than 50 countries.

To find out how to become a Panda Security Partner and take advantage of the great opportunity offered by Managed Services, along with Panda Cloud Office Protection, go to www.pandasecurity.com/partners.

PANDA SECURITY

EUROPE

Ronda de Poniente, 17
28760 Tres Cantos. Madrid. SPAIN

Phone: +34 91 806 37 00

USA

230 N. Maryland, Suite 303
P.O. Box 10578. Glendale, CA 91209 - USA

Phone: +1 (818) 5436 901

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