

Magic Quadrant for Mobile Data Protection, 2007

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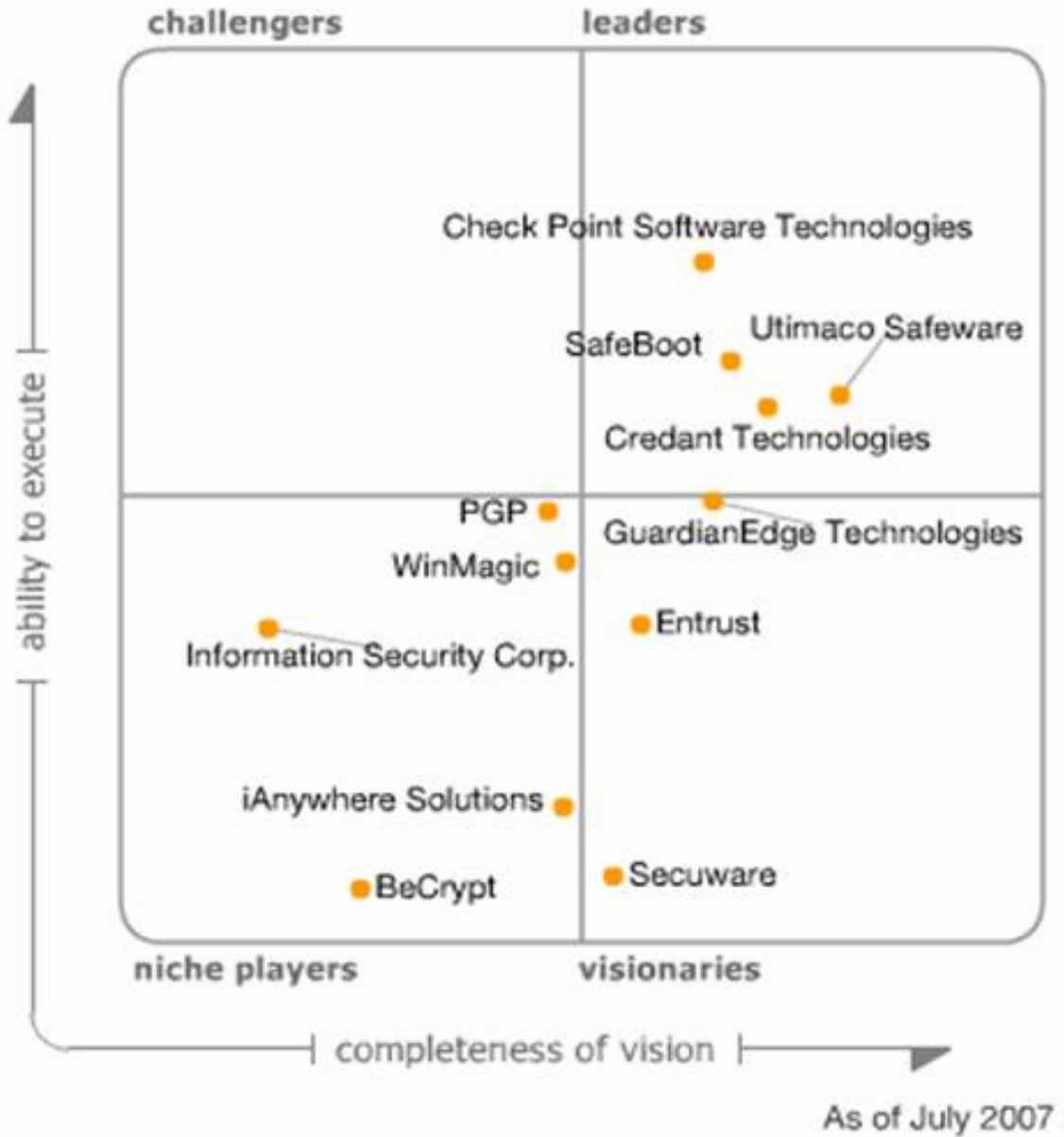
Mobile data protection products secure data on devices that are movable and can leave the office, including notebooks, tablet PCs, PDAs and smartphones. Buyers want products that work equivalently across multiple platforms, need minimal support, provide for common policies and use strong encryption.

WHAT YOU NEED TO KNOW

Mobile data protection systems and procedures are needed to protect user privacy and to comply with audit requirements, and every company must include mobile data protection in its IT operations plan. Small incumbent vendors continue to dominate. This Magic Quadrant is a snapshot of the overall market. Leadership denotes a vendor with a balance of strengths. However, vendors in any category, as well as those not ranked on the Magic Quadrant (see Figure 1), may suit your enterprise's needs.

MAGIC QUADRANT

Figure 1. Magic Quadrant for Mobile Data Protection, 2007



Source: Gartner (July 2007)

Market Overview

"Mobile" data protection for notebooks and small devices (PDAs and smartphones) is a rapidly growing market that began with basic data encryption and has expanded beyond hard drives and

local files to encompass external data device controls and rights management. The mobile data protection market is led by small independent software vendors (ISVs), some of which have been in the market for more than 16 years. Protection schemes embedded in hardware or the operating system (OS) are incomplete and leave plenty of room for ISVs to compete for years to come.

Interest in data protection is fueled by liability and privacy concerns. Legislation has become commonplace to require public disclosure in the event of real or suspected mishandling of personally identifiable information. If an asset is misplaced (not just stolen), mislabeled or otherwise unaccounted for, organizations are obligated to report the breach if the data was not adequately protected. Even if information is not misused, negative public exposure is expensive and embarrassing, and it damages buyer and investor confidence.

Demand for products in this market continues to grow. Seat sales for 2006 reported by 15 vendors totaled nearly 14 million, setting an average of about 919,000 and a median of about 793,000. Cumulative sales for the past three years grew close to 27 million, compared to about 14 million cumulative reported in 2005. 2006 global line of business (LOB) revenue reported by 13 vendors reached \$432 million, compared to \$287 million in 2005 (12 vendors reporting) and \$96 million in 2004 (10 vendors reporting). Allowing for omissions and estimates, there is no doubt that the mobile data protection market is on the rise. Over the period from 2002 to 2006, compounded annual growth on global LOB revenue reported to Gartner in this market was greater than 55% per year.

Gartner clients steadily call for assistance in choosing and implementing data protection, providing evidence that data protection is still inadequate across all industries. Stories of stolen devices containing exposed data continue to proliferate. Each year, hundreds of thousands of laptops and millions of smaller devices go missing through loss or theft or are upgraded or exchanged without first having their data removed. Others fall prey to network-borne attacks and data copying. Data loss and theft are also increasing through removable portable storage devices that impact authorized users, as well as those who lose their storage media (see "Implementation Advice for Mobile Data Protection").

Hot Client Concerns for 2007

Hardware subsystems such as trusted platform module (TPM) and Seagate's (see Note 1) DriveTrust play a role in strengthening data protection, but they are not universal solutions for all applications and all platforms. Buyers are often confused about how to integrate these systems into their plans. Vendors in the market should take advantage of all available security subsystems, but, at the same time, they must offer consistently strong protection without them (see "Windows Vista BitLocker: Good, but Not Great").

BitLocker is an important step forward from Encrypting File System (EFS), but Microsoft has much room for improvement. BitLocker represents a partial solution with little management capability on a platform (Vista) that needs years to grow a significant enterprise desktop market share. Buyers should invest now in ISV solutions that cover all of their platforms in use. Several ISVs had released management support for BitLocker as of 1H07 (for example, BeCrypt, Secuware and Utimaco Safeware).

Convergence with device configuration management helps buyers to manage overall endpoint security more effectively. Vendors that pursue partnerships for software distribution, backup/restore, inventory and other nonsecurity operations functions make it easier for enterprises to prove that user endpoint systems are secure and up to date and can reduce the total cost of ownership (TCO) of supporting multiple endpoint agents.

Virtualization is extremely important to Gartner clients, so vendors must be able to work within products like VMware and will increasingly be expected to support multiple users, individually encrypted in virtual machines.

Removable media protection is on clients' minds, and they want it included with their platform data encryption product. Users are asking for a lot more than simple drive blocking. Vendors are responding with policies based on user certificates, application type, document type and device type. Users also want more features access tracking and rights management; however, few are prepared to deal with the complexity of implementation (see "Market Overview: Portable Storage Device Control Products, Worldwide, 2006").

The availability of PC and handheld support from a single vendor has finally become a buying condition. In previous years, companies were ignoring small devices or were willing to buy separate products for small devices. In 2007, buyers are looking for vendors that can support platforms large and small, with a similar look and feel, as well as provide common access and audit policies (see the vendor Strengths sections below for lists of vendor-supported OSs and platforms).

Government security certifications are increasingly important to nongovernmental purchases. Enterprise buyers want to see that vendors are serious about delivering the best protection, and they recognize Federal Information Processing Standards (FIPS), Common Criteria (CC) and other designations as proof of vendor commitment (see the vendor Strengths sections below for lists of vendor certifications).

In June 2007, U.S. Federal Blanket Purchase Order Agreements (BPAs) were awarded in a joint effort by the Office of Management and Budget, U.S. Department of Defense and U.S. General Services Administration to several of the vendors tracked for the Magic Quadrant. These BPAs can also be used by civilian agencies, including state and local governments and will stimulate sales opportunities by virtue of expedience.

Market Definition/Description

Products in this market are software tools that use strong encryption algorithms to protect information on the primary storage system of mobile platforms, including notebooks, PDAs and phones. All the PC products can work on stationary desktops, but the market demand is for systems that move. Encryption may be invoked at the level of individual files, as is common on small mobile devices, or at the folder, partition or full disk for larger systems. Users must answer a login challenge to gain access to data. Competitive differences derive from different approaches to management, encryption strength, user authentication, policy management and value-added features, such as protection of information on removable media. Vendors must provide centrally managed access controls, lockouts and recovery methods. User demand for small mobile devices is growing in 2007, but the largest profits are still made on Windows laptop/desktop platforms. Products restricted to a single OS or hardware platform are not considered for the report, because mobile devices must include many hardware platforms with varying capabilities.

Inclusion and Exclusion Criteria

Inclusion Criteria

Twenty-nine data protection vendors with mobile capabilities were contacted. Seventeen responded to our annual survey. Twelve of those vendors that meet the market definition and passed the inclusion/exclusion criteria were included in the Magic Quadrant according to the evaluation of these attributes:

- The vendor must have had products that were generally available in 2006 and the first half of 2007 for a sufficient length of time to gather market attention, and the products must meet all aspects of the functional definition of products in the market. The vendor must offer products for use on PCs, because workstations represent the vast majority of revenue for the market. OEM products are allowed. A synchronization agent running on a workstation to support a product that only runs on a handheld device does not qualify for inclusion in 2007.
- End-user organizations must be able to purchase the vendor's products directly. Products available exclusively as services through carriers, for example, do not qualify for inclusion.
- The vendor must generate client interest and inquiry sufficient to be noticed by Gartner security analysts. Analysts must also receive feedback from clients indicating they are using the products.
- The vendor's product must not be limited to a single or proprietary platform by restriction of an OS or hardware component.
- Gartner analysts have a generally favorable opinion about the company's ability to compete in the market.
- The company regularly appears on Gartner clients' shortlists for final selection.
- The company demonstrates competitive presence and sales to Gartner analysts.
- Gartner analysts consider that aspects of the company's product execution and vision are important enough to merit inclusion.
- Seat sales in 2006 needed to be at least 100,000, and 2006 revenue in the market must be more than \$3 million. Exceptions may be granted if other inclusion factors merit consideration.
- The product must be commercially supported.

The market contains a number of mature vendors with consistent annual sales performance, and a threshold for annual sales was established at 100,000 seats, which is approximately one-tenth of the average for 2006. Seats sold by licensees, partners and so forth can only be counted once and are attributed only to the original vendor if the licensee is not already included in this market study. The revenue threshold is one-tenth of the 2006 average worldwide LOB revenue reported by the vendors.

New products, new features and estimated sales in the first half of 2007 are also considered in the final ranking. Unofficial road maps, pending contracts and future sales agreements do not significantly contribute to a vendor ranking or to inclusion in this research, but vendors that have official road maps and that make consistent progress are recognized.

Exclusion Criteria

Vendors will not be included in the Magic Quadrant if the following conditions are not met:

- Vendors must return an annual request for information (RFI) that is used to collect competitive and historical data, within requested deadlines.
- Vendors must report seat sales in a format requested by Gartner to allow comparison.

- Financial data is desirable to make execution comparisons; however, other factors will be considered, including client interest, overall industry "mind share" and competitive behavior.

Vendors Considered but Not Included in the 2006 Magic Quadrant

Aliroo, BeSeQure (now Corisecio), Eruces, infoLock Technologies (Infolocktech), Mobile Armor, SecurStar and Verdasys did not return the survey and do not generate significant Gartner client inquiry in this market to consider placement by indirect information.

BitArmor Systems released data control software in 2006 that secures, tracks and controls sensitive data by attaching tags to the data itself to facilitate policy management decisions. Its products were not on the market long enough to qualify for this report, but will be re-evaluated in 2008.

Microsoft released several products with security features during 2006 and 2007, but in our opinion its offerings do not meet the inclusion criteria. Windows Mobile and Windows Vista are managed separately and cannot operate from a single console. Windows Mobile 5's (WM5's) security was insufficient. Windows Mobile 6 (WM6) is better, but many users who implemented WM5 will find it complex and expensive to migrate. In addition to procedural and architectural differences between WM5 and WM6, there are also different management procedures for Exchange 2003 SP2 and Exchange 2007. Windows EFS has not changed, so concerns raised in last year's report continue, particularly on XP platforms. Vista's BitLocker is an incomplete solution and cannot begin to qualify as an enterprisewide approach until the majority of business workstations are running Vista and have licensed access to BitLocker. Common management and consistent protection across all Microsoft platforms is several years away. In the near term, Microsoft's products resemble multiple-point point solutions with multiple console variations. They are not competitive with ISVs, and they have had negligible effect in attracting users away from ISVs.

Mossec, a Spanish vendor, sells handheld security products to carriers. It does not sell products outside of carrier/service channels, and its numbers are too small to consider for this year's Magic Quadrant.

Motorola declined to provide information about the Good Technologies acquisition for the 2006 report. Prior to the acquisition, competitive sales data had not been provided by Good and its acquisition, JP Mobile, for two years. Independent of the acquisition, Motorola's Enterprise Mobility Software organization partners with Bluefire and has private-labeled Bluefire's full security portfolio as Motorola Security Platform.

Open-source projects such as **AxCrypt** (www.axantum.com) and **TrueCrypt** (www.truecrypt.org) offer free data encryption tools, but they are not commercially supported. Gartner monitors open-source projects and will consider future project distributions that provide commercial support.

Seagate Technology changed the competitive landscape for hard drives by introducing a hard drive with highly efficient and affordable embedded encryption. In the majority of situations, encrypted hard drives need to be managed as part of a larger data protection strategy rather than considered an end in themselves. Vendors in the mobile data protection market should take over management of encrypted drives whenever present, so that users can enjoy the drive's performance while still operating under a common policy framework.

Secude had not at the time of survey released its combined software- and hardware-based enterprise full disk encryption solution FinallySecure-Enterprise. A new product that supports Seagate hard disk drives was not on the market for a sufficient time to consider it for inclusion.

TechSec Solutions did not meet sales and revenue thresholds and does not generate client inquiry.

Trust Digital is a company that sells only handheld platform products; therefore, it does not meet the 2007 platform inclusion criteria. Trust Digital experienced good growth in product sales during 2006, but it still has total revenue below the inclusion threshold. Its products are licensed and sold by GuardianEdge, which is ranked on the Magic Quadrant.

Venafi characterizes its product as system management for encryption (managing EFS in this context) and is therefore not directly comparable or competitive to products in this market.

Added

BeCrypt returned to the Magic Quadrant after a year's absence. BeCrypt exceeded revenue requirements and has generated noticeable client inquiry. Core product seat sales are low, but the timely introduction of a portable encryption product is stimulating new sales.

Check Point Software Technologies acquired Pointsec. Pointsec is now evaluated under Check Point's name. Check Point's other product lines had no effect on the ranking in this market (see "Use Pointsec Acquisition to Gain Incentives From Check Point").

Secuware is breaking out of its original Spanish market, with new deals happening in Europe, the Middle East and Africa (EMEA), Asia/Pacific and North America. It has met the seat sales and revenue thresholds for inclusion, and its product is complete enough to be recommended in client inquiries.

Dropped

Bluefire is experiencing the best growth among vendors that exclusively support handheld devices and is enjoying high-profile OEM relationships with Motorola and Symantec. However, it is the only vendor that remained on the Magic Quadrant in 2006 that did not have a PC product. To pursue a more consistent market definition and to make a more valid comparison, Bluefire will be reviewed separately in handheld security vendor landscape research to be completed at a future date.

Pointsec was acquired by Check Point and is now evaluated under Check Point's name.

Reflex Magnetics was acquired by Pointsec and merged with Pointsec product lines.

Evaluation Criteria

Ability to Execute

This market is well-established, and global pressure for data protection means that almost anyone can sell enough seats to keep the doors open. Vendors that learn to sell their products on the merits of ease of use and convergence with device management processes win the largest sales across all markets. Other factors, such as the U.S. Government BPA award, help stimulate sales but are not a substitute for a good business strategy.

Product/Service compares the completeness and appropriateness of core data protection technology. This factor is critical to demonstrating that the vendor can generate market awareness.

Overall Viability considers company history and demonstrated commitment in the market, as well as the difference between a company's stated goals for the evaluation period and the company's

actual performance compared with the rest of the market. Growth of the customer base and revenue are considered.

Sales Execution/Pricing compares the strength of sales and distribution operations of the vendors, as well as discounted list pricing for investments in seats ranging from fewer than 100 to more than 10,000. Pricing was compared in terms of first-year cost-per-concurrent active license seats, including cost of all hardware and support. Buyers want demonstrable peace of mind more than they want bargains, and they respond more strongly to sales techniques led by case studies and return on investment (ROI) projections.

Market Responsiveness and Track Record as well as Marketing Execution rate competitive visibility as the key factor, including which vendors are most commonly considered top competitive threats by each other and which vendors respond most effectively during buyer RFPs.

Customer Experience is subjectively rated from client feedback to analysts; from opinions of Gartner analysts in security, network and platform research groups; and from vendor-supplied references, where needed.

Operations consider the ability of a vendor to pursue its goals in a manner that enhances and grows its influence in all execution categories.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	standard
Overall Viability (Business Unit, Financial, Strategy, Organization)	standard
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	standard
Marketing Execution	standard
Customer Experience	standard
Operations	standard

Source: Gartner

Completeness of Vision

Vision is subjectively ranked according to a vendor's ability to show a broad investment in technology developments that predict user wants and needs.

Companies that lead in vision typically own, license or partner products in other security and configuration management markets. They must also demonstrate management features that make their products easy to integrate with enterprise directories and to interoperate with other enterprise security and management systems.

Market Understanding and Marketing Strategy are ranked together as Marketing Strategy, assessed through direct observation of the degree to which a vendor's products, road maps and mission anticipate leading-edge thinking about buyers' wants and needs. Gartner makes this assessment subjectively by several means, including interaction with vendors in briefings and by reading planning documents, marketing and sales literature, and press releases. Incumbent vendor market performance is reviewed year by year against specific recommendations that have been made to each vendor and against future trends identified in Gartner research. Vendors

cannot merely state an aggressive future goal; they must put a plan in place, show that they are following their plan, and modify their plan as market directions change. Also considered are the vendor's partnerships with vendors in related endpoint security markets, including antivirus, anti-spyware, configuration management, authentication, device identification, virtual private network (VPN), data encryption, gateway firewalls and so on.

Sales Strategy examines the vendor's strategy for selling products, including sales messages, techniques, marketing, distribution and channels. This topic is considered in execution; it does not apply to product vision, which is ranked in terms of investment in functionality.

Offering (Product) Strategy is ranked through an examination of the breadth of functions, platform and OS support for the mobile data protection client. R&D investments are credited in this category. Supported platforms are listed in the vendor comments below. References to Windows refer to currently supported full versions of the Windows OS. Vendors cited with support for Windows Mobile may also have support for earlier versions of the mobile OS, including Pocket PC and Windows CE.

Business Model takes into account a vendor's underlying business objectives for its products and its ongoing ability to pursue R&D goals in a manner that enhances all vision categories.

Vertical/Industry Strategy considers a vendor's ability to communicate a vision that appeals to specific industries and verticals. This Magic Quadrant doesn't consider verticals as a distinctive ranking factor; therefore, this category is irrelevant.

Innovation takes into consideration the degree to which vendors invest in core requirements for successful use of their products.

Geographic Strategy takes into account a vendor's strategy to direct resources, skills, products and services globally. All vendors are ranked in this Magic Quadrant for their performance as a whole and in the frame of reference of Gartner clients; therefore, this category is not required.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	no rating
Marketing Strategy	standard
Sales Strategy	no rating
Offering (Product) Strategy	standard
Business Model	standard
Vertical/Industry Strategy	no rating
Innovation	standard
Geographic Strategy	no rating

Source: Gartner

Leaders

Leaders have products that work well for Gartner clients. They have long-term road maps that match Gartner's vision of the developing needs of buyers in the market. They make their competitors' sales staff nervous and force competitors' technical staffs to follow their lead. Their mobile data protection products are well-known to clients, and they encounter little resistance in selling their products.

Challengers

Challengers have competitive visibility, market share, and financial and channel strengths that are better-developed than similar niche vendors. They have greater success in sales and mind share than similar niche vendors. Challengers offer all the core features of mobile data protection, but typically their vision may not contain forward planning that will drive competitive sales in the overall market for mobile data protection. For example, multifactor authentication is the best security defense, but buyers in most industries show no signs of embracing the strongest levels of security. Challengers may also be limited in the effectiveness with which their vision and progress on vision is communicated to analysts and buyers.

Visionaries

Visionaries have made investments in broad functionality and platform support, but their competitive clout, visibility and market share don't reach those of the leaders. Visionaries tend to be effective in making forward planning choices that will meet future buyer demands.

Niche Players

Niche vendors offer products that suit many enterprise needs. A niche ranking is assigned when the product is not widely visible in competition, and it is judged to be relatively narrow or specialized in breadth of functions and platforms, or for other reasons its features are not meeting Gartner's prevailing view of competitive trends. However, because the mobile data protection market is a niche area in IT security, mobile data protection niche players include stable, reliable and long-term players. Some niche players work from close, long-term relationships with their buyers, in which customer feedback sets the primary agenda for new features and enhancements. This approach can generate a high degree of customer satisfaction but results in a narrower focus on R&D than would be expected of a visionary.

Vendor Strengths and Cautions

BeCrypt

Strengths

- BeCrypt is a respected and mature company in European markets, especially in the U.K.
- European certifications are numerous and indicative of a solid product.
- It is able to manage BitLocker.
- FIPS and CC Certifications: FIPS 140-2 in progress; CCTM (equivalent to CC EAL1).
- Platform support: Linux; Windows Mobile and previous; and Windows 2000 and XP. Windows Vista is in development.

Cautions

- Market share is small, and sales rates for new seats as well as the historical seat share are limited. Full-year seat sales for 2007 must increase with the market average to be considered for inclusion in 2008.

- It is one of three companies in the Magic Quadrant that had not achieved FIPS 140 certification as of the first half of 2007. Certification is expected in the second half of 2007 and will be needed for consideration for inclusion in the next Magic Quadrant.

Check Point Software Technologies

Strengths

- Seat sales (3.93 million) and revenue (\$72 million) in 2006 outperformed every other pure-play vendor and drove the annual and three-year sales averages quite high.
- It acquired Pointsec, a leading vendor in this market. Check Point opens 2,200 channel partners in 85 countries to Pointsec products.
- There is strategic interest to use the technologies acquired from Pointsec to grow Check Point's product lines into new areas of protection.
- Pointsec tied with Utimaco as the most commonly cited competitive threat named by other vendors in the market.
- FIPS and CC Certifications: FIPS 140-2; CC EAL4-4.
- Check Point supports Linux; Mac OS; Palm OS; Windows Mobile and previous; Research In Motion (RIM); Symbian; and Windows 2000, XP and Vista.

Cautions

- Check Point's acquisition provides no immediate or direct benefit to Pointsec customers.
- Check Point's record of managing acquisitions has caused concern — such as the 2004 purchase of Zone Labs, which saw its OEM personal firewall and on-demand security market clout decline due in part to Check Point's competitive position in related security markets. Check Point has so far worked diligently to make this acquisition successful.
- Check Point needs to expand support for using key management for multiple applications, including those of other vendors. This capability can be learned from their OEM partner Entrust.

Credant Technologies

Strengths

- Credant has proved beyond a doubt that file encryption is viable in competition with full-disk encryption.
- Early reliance on OEM sales didn't hurt revenue, which reached nearly \$17 million in 2006.
- It was included in the U.S. Government BPA award.
- It offers extensive controls for data movement onto removable media, including blacklists, white lists, document type and application creator.
- FIPS and CC Certifications: FIPS140-2 L1; CCEAL3 in progress.
- Credant supports Palm OS; Windows Mobile and previous; RIM; Symbian; and Windows 2000, XP and Vista. Mac OS is in development.

Cautions

- Credant needs to offer more choices for strong user authentication. It could use its periodic published user surveys to provide the opportunity to experiment with new methodologies.
- It must integrate with third-party key management systems such as Microsoft Certificate server.

Entrust

Strengths

- Entrust has a global reputation for public-key infrastructure (PKI) and certificate management.
- It offers the lowest-cost innovative tokens in the industry.
- Its security sales channels are mature and extensive.
- It supports Apple platforms.
- A good working relationship with Check Point strengthens the current agreement by which Entrust licenses Pointsec technology.
- FIPS and CC Certifications: FIPS140-2; CC EAL4.
- Entrust supports Linux; Mac OS; Palm OS; Windows Mobile and previous; Research In Motion (RIM); Symbian; and Windows 2000, XP and Vista.

Cautions

- Its performance in seat sales and revenue is below average and doesn't match the company's resources or the expected appeal to use its authentication solutions with its mobile data protection products.
- Entrust needs to develop alliances with configuration management vendors.

GuardianEdge Technologies

Strengths

- This company was "most improved" for 2006: Strong sales of 1.8 million seats in 2006 were second-highest (after Check Point) for that year and almost nine times greater than in 2005.
- Its OEM relationship with Trust Digital provides commonly managed products for handheld devices.
- Extensive port control policies include support data movement over wireless services.
- It offers extensive choices for user authentication.
- It was included in the U.S. Government BPA award.
- FIPS and CC Certifications: FIPS 140-2; CC EAL-1; CC-EAL-4 in evaluation.

- GuardianEdge supports Palm OS; Windows Mobile and previous; RIM; Symbian; and Windows 2000, XP and Vista.

Cautions

- GuardianEdge must keep up sales momentum to be considered a leader.
- It needs to expand its revenue base outside of the U.S.
- Its OEM relationship with Trust Digital is potentially vulnerable to cancellation or acquisition.

iAnywhere Solutions

Strengths

- iAnywhere offers the most complete set of configuration management and mobile data protection features owned by a single vendor.
- It also offers a mobile e-mail platform that is competitive with Exchange.
- Over-the-air device lock, wipe and full restore.
- FIPS and CC Certifications: FIPS 140-2 (small device platforms only).
- iAnywhere supports Palm OS; Windows Mobile and previous; RIM; Symbian; and Windows 2000 and XP. Windows Vista is in development.

Cautions

- It needs FIPS 140 certification for its Windows OS products (expected by year-end 2007). Its OEM, BeCrypt, is awaiting completion of the certification application.
- It has remarkably low sales given the investment power of parent company Sybase.
- The breadth of the platform is not driving sales, so vision is not competitively communicated.
- It is unable to separate comparative revenue for data protection products; the LOB combines other products.
- Security product sales are below market average for three years of history including 2006, but sufficient to continue placement in the Magic Quadrant as niche execution.
- The confusing naming and bundling of iAnywhere products discourages buyers. Gartner has recommended changes and simplification for a number of years.

Information Security Corp.

Strengths

- It was included in the U.S. Government BPA award.
- Its flat but adequate sales ensured inclusion, but at a niche ranking.
- It is the only vendor besides Credant that specializes in file encryption instead of full-drive encryption.

- It provides its own certificate authority.
- Support for Apple platforms includes legacy PowerPC processors.
- FIPS and CC Certifications: FIPS 140-2.
- ISC supports Linux; Mac OS; Windows Mobile and previous; Unix; and Windows 2000, XP and Vista.

Cautions

- ISC needs to develop port control features to protect movement of data onto removable drives.
- It should provide an offline viewer for data placed on removable drives.
- It lacks visibility in nongovernment markets.

PGP

Strengths

- Seat sales for 2006 were slightly above the average, but impressive.
- PGP shared key integration across multiple PGP products.
- It has an extensive list of supported encryption algorithms.
- It integrates protection for e-mail and instant messaging.
- IBM Global Services has completed an agreement to resell PGP products as part of IBM's security solution portfolio.
- FIPS and CC Certifications: FIPS 140-2.
- PGP supports Linux; Mac OS; RIM; Unix; and Windows 2000, XP and Vista.

Cautions

- The lack of a broad handheld data protection platform strategy reduced its vision ranking, compared with other companies in the Magic Quadrant that all have some level of support for mainstream small devices, particularly Windows Mobile.
- PGP must develop, acquire or license complete endpoint technology for mainstream handheld platforms beyond RIM to increase its vision ranking in the Magic Quadrant.
- It needs to develop alliances with configuration management vendors.

SafeBoot

Strengths

- SafeBoot is the company second-most-often mentioned as a competitive threat to other vendors, after Pointsec (Check Point) and Utimaco, which tied for first place.
- Seat sales for the first half of 2007 nearly reached all of SafeBoot's sales for 2006 and are the highest reported for first-half 2007.

- It supports BitLocker.
- It was included in the U.S. Government BPA award.
- Its OEM partnership with HP competes with Utimaco on Lenovo platforms.
- It offers extensive choices for user authentication.
- Revenue for 2006 was strong, with two-thirds earned outside the U.S.
- Audit reports are designed to prove that a device was protected when lost or stolen.
- FIPS and CC Certifications: FIPS 140-2; FIPS 140-1; CC EAL4.
- SafeBoot supports Linux; Palm OS; Windows Mobile and previous; RIM; Symbian; and Windows 2000, XP and Vista.

Cautions

- SafeBoot needs to develop momentum from its HP distribution deal on a par with the commitment between Utimaco and Lenovo.
- It needs to pursue alliances with configuration management vendors.

Secuware

Strengths

- Secuware has a unique position selling in Spanish and Latin markets.
- It has done visionary research on support for virtualization.
- It is sold to carriers via a partner offering managed services.
- Secuware supports Linux; Windows Mobile and previous; Unix; and Windows 2000, XP and Vista.

Cautions

- Secuware needs a multinational sales and marketing plan.
- It is one of three companies in the Magic Quadrant that has not achieved FIPS 140 certification. It must complete the certification before the next Magic Quadrant or it will not qualify for inclusion in 2008.

Utimaco Safeware

Strengths

- Utimaco has the second-highest worldwide LOB revenue after Check Point.
- It is tied with Check Point as the most common competitive threat mentioned by other vendors.
- It is the preferred solution provider for Lenovo platforms, recommended by Lenovo and IBM and fully integrated with Lenovo Rescue and Recovery.

- The easy-to-understand product bundle provides all features normally requested by buyers.
- It offers extensive choices for user authentication, including integrated signature biometric for stylus-enabled devices.
- It is highly interoperable with other key management systems and will generate its own key structure if no certificate authority is present. It manages keys for BitLocker and Seagate.
- FIPS and CC Certifications: FIPS 140-2 Levels 1 to 4 (different parts of product family); CC EAL3 (four in progress).
- Utimaco Safeware supports Palm OS; Windows Mobile and previous; RIM; Symbian; and Windows 2000, XP and Vista.

Cautions

- Sales for 2006 were above average for the market as a whole, but about one-third those of its oldest competitor, Check Point (Pointsec). Seat sales for 2006 were comparable to other companies ranked as leaders. Higher results could have been expected considering the strong endorsements Utimaco receives from Lenovo and Utimaco's flexibility in working with other security and management systems. Sales for the first half of 2007 were twice the average and may be a good indicator for the rest of 2007.
- Gartner client recognition of Utimaco on shortlists is not on a par with its strengths.

WinMagic

Strengths

- WinMagic sold fewer total seats in 2006 than it sold in 2005, and sales in 2006 were below the market average though still impressive, resulting in a lower execution than last year.
- Clever new features include sector encryption on removable media and a superior method for cataloging encryption keys to aid archival recovery.
- It was included in the U.S. Government BPA award, which we expect will accelerate sales for 2007 and 2008.
- It demonstrated positive revenue growth and sales, expanding outside the U.S.
- FIPS and CC Certifications: FIPS 140-1 Level 2; FIPS 140-2 Level 1 and 2; CC EAL4.
- WinMagic supports Linux; Windows Mobile and previous; and Windows 2000, XP and Vista.

Cautions

- Sales and emphasis continue to lean toward the high-security specialty markets, earning a niche ranking. WinMagic needs to adopt a broader mind-set toward the issues faced by less security-savvy buyers, and it must position the product to appeal to the majority of users who resist strong security products, in order to increase its vision ranking.
- It needs to develop alliances with configuration management vendors outside of security industries.

RECOMMENDED READING

"Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market"

"Windows Vista BitLocker: Good, but Not Great"

"Implementation Advice for Mobile Data Protection"

"Market Overview: Portable Storage Device Control Products, Worldwide, 2006"

"Use Pointsec Acquisition to Gain Incentives From Check Point"

Note 1

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Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets, skills, etc., whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs

evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements, etc.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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