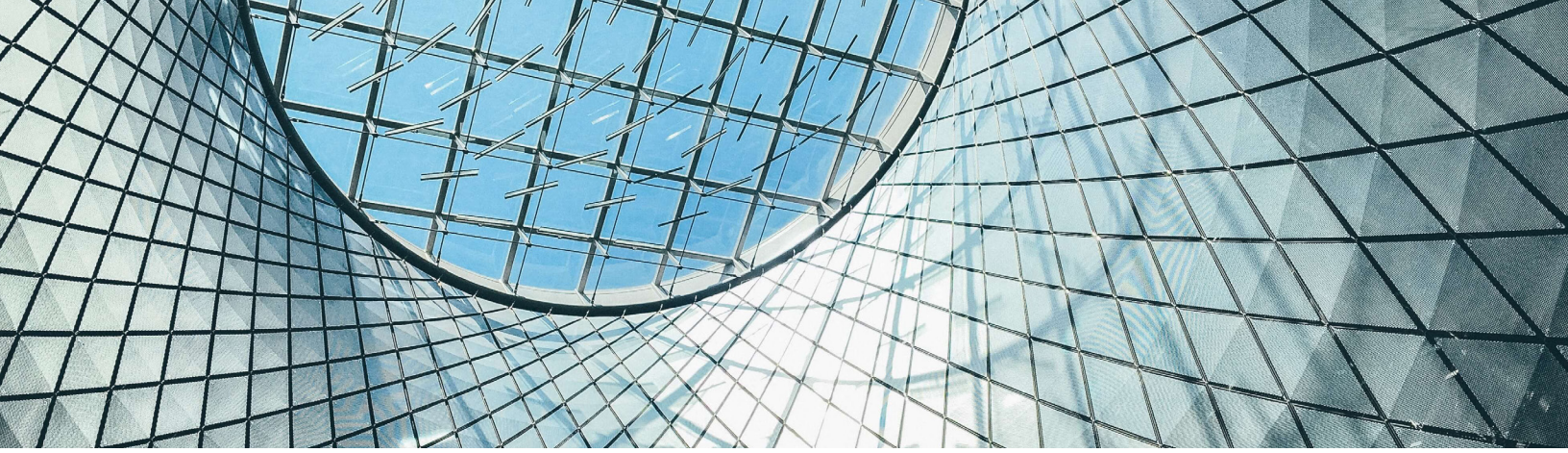

Market Insight Report Reprint

Coverage Initiation: Pondurance takes a risk-based approach to managed detection and response

September 13 2021

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451 Research

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Introduction

Ongoing cyberattacks are raising the stakes for organizations to quickly detect and respond to threats across their entire IT ecosystem, identify and remediate risks, and close gaps in security. Pondurance, a managed detection and response (MDR) provider, aims to ensure that organizations can detect and respond to threats, regardless of the organization's size, industry or in-house capabilities. Powered by its cloud-native MDR platform, the company says it delivers continuous cyber risk reduction through a combination of expertise, technology and intelligence that enable the rapid detection, response and containment of cybersecurity threats.

THE 451 TAKE

According to data from 451 Research's recent Voice of the Enterprise: Information Security: Budgets and Outlook survey, implementing or improving security monitoring, improving risk/vulnerability assessments and improving incident response are among the top strategic security objectives for organizations. MDR services, such as those offered by Pondurance, are positioned to fill critical security gaps for enterprises and help them achieve their strategic security goals across an increasingly diverse infrastructure and threat landscape. The company's integration of MyCyberScorecard should enhance the platform's risk-decision capabilities and give organizations broader visibility and insights into their current cybersecurity posture.

Context

Founded by CCO Ron Pelletier, CTO Landon Lewis and VP Services & CISO Dustin Hutchison as a security consulting and advisory services firm, Pondurance expanded its service portfolio in 2011 to include incident response and forensic services. In 2017, the company's proprietary MDR platform became the centerpiece of its portfolio of services. The Indianapolis-based company says that it provides services to hundreds of clients supported by 100+ employees in offices located in Indiana, Florida, Washington DC and Texas. The company says it has a strong presence in several verticals, including healthcare, financial services and manufacturing.

In late 2020, the privately held company received an undisclosed investment from private investment firm Newlight Partners, funding market growth, R&D and expansion of its leadership team. Coinciding with the investment, Pondurance appointed Doug Howard as CEO. Howard was previously with RSA Security, where he served as vice president of global services and IT innovation.

Primarily targeting midmarket organizations with $50m-2.5bn in revenue or 500-2,500 employees, the company delivers MDR, incident response and vulnerability management services. With an integrated offering designed to help customers speed detection and response, contain threats and decrease risk, Pondurance says its purpose-built platform provides organizations with 360-degree visibility, proactive threat hunting, managed investigations and strategic insights.

Managed detection and response

Pondurance's MDR services focus on its ability to detect threats with broad visibility across cloud, network, users, applications, endpoints and traditional log data. Delivering a combination of expertise, intelligence, automation, machine learning and analytics, the company says its MDR approach is designed to help organizations secure their digital assets and operations from evolving cyberthreats. At the same time, the platform enables organizations to maximize internal resources and security investments and accelerate the maturity of their security program.

Taking a technology-agnostic approach, the platform is designed to integrate with an organization's existing infrastructure and security controls organizations. This approach is in contrast to the many MDR providers that primarily focus on services centered around their own proprietary security tools and controls, requiring organizations to make significant changes to their security stacks to take full advantage of the platform's capabilities. While there are limits to technologies Pondurance's platform can support, the platform is flexible, natively integrating with a wide range of technologies for each type of telemetry supported.

The platform's native SIEM (security information and event management) capabilities enable the ingestion of data from a wide variety of disparate sources at scale while also eliminating the costs and overhead for organizations to manage and maintain separate SIEM systems. Pondurance says its proprietary SIEM is built for the platform, providing the capabilities required to rapidly detect threats at scale.

In addition to its broad visibility across a diverse set of telemetry and its flexible technology approach, the company believes its closed-loop incident response and forensics capabilities are differentiators in the MDR market. Unlike MDR providers that detect incidents and provide alerts with recommended remediation actions, Pondurance says its platform and analysts contain the incident, eliminate the source and help organizations return to normal operations.

Pondurance also emphasizes its US-based security operations centers and US-based data sovereignty designed to address privacy concerns and regulatory and compliance demands. In addition, the company has a network of cyber insurance underwriter and broker partners along with a growing MSP partner base.

MyCyberScorecard

In June, Pondurance acquired Texas-based advisory and assessment services provider Bearing Cybersecurity. Bearing Cybersecurity's flagship cloud-based platform, MyCyberScorecard, analyzes and visualizes an organization's cybersecurity exposure to identify and prioritize risks and provide recommendations to remediate and close gaps. Pondurance is incorporating MyCyberScorecard into its MDR platform, helping organizations connect cyber risk and cyber operations, increase cyber resilience, gain insights into the organization's current security posture, help ensure that third-party and supply chain vendors are conforming to security standards and provide intelligence to support operational risk decisions.

Competition

Competition in the MDR space is broad and diverse, ranging from pure-play MDR providers to systems integrators as firms look to grab a share of a projected $16.5bn security services market that is expected to exceed $24.3bn by 2025 (451 Research Managed Security Services Market Monitor: Market Forecast). MDR providers such as eSentire, Expel, Arctic Wolf, AlertLogic, Critical Start and Blue Voyant target the same markets as Pondurance. The company also faces competition from other cybersecurity firms offering MDR services, including technology firms such as Sophos, Rapid7, Cisco and TrendMicro, as well as MSSPs, SIs and VARs, including Verizon, SecureWorks, AT&T, Booz Allen Hamilton, Accenture, Atos, Trustwave, Proficio and others.

SWOT Analysis

STRENGTHS

Spanning a broad range of threat vectors, including cloud, network, endpoint and users, Pondurance's MDR service offers a combination of technology and human expertise to midmarket organizations that are seeking help to combat an endless array of threats targeting an ever-evolving and disparate digital landscape.

WEAKNESSES

While the company's focus on US-based security operations centers and data sovereignty to address privacy concerns and regulatory demands could be attractive to US-based companies, it may limit opportunities for growth in the larger global market space.

OPPORTUNITIES

Building on the company's partnership program with MSPs and its presence in the healthcare domain could prove to be a unique differentiator in the increasingly crowded and competitive MDR space.

THREATS

As the number of firms adding MDR services and capabilities to their portfolios continues to grow and new approaches like XDR permeate the market with blurred messaging, Pondurance may find it difficult to distinguish itself in a crowded and confusing market.

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