



Market Insight Report Reprint

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

September 13 2021

Aaron Sherrill

The managed detection and response provider aims to ensure that organizations can detect and respond to threats regardless of an organization's size, industry or in-house capabilities. Pondurance says it delivers continuous cyber risk reduction through expertise, technology and intelligence.

451 Research

S&P Global

Market Intelligence

This report, licensed to Pondurance, developed and as provided by S&P Global Market Intelligence (S&P), was published as part of S&P's syndicated market insight subscription service. It shall be owned in its entirety by S&P. This report is solely intended for use by the recipient and may not be reproduced or re-posted, in whole or in part, by the recipient without express permission from S&P.

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

<p>STRENGTHS</p> <p>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.</p>	<p>WEAKNESSES</p> <p>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.</p>
<p>OPPORTUNITIES</p> <p>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.</p>	<p>THREATS</p> <p>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.</p>

CONTACTS

The Americas

+1 877 863 1306

market.intelligence@spglobal.com

Europe, Middle East & Africa

+44 20 7176 1234

market.intelligence@spglobal.com

Asia-Pacific

+852 2533 3565

market.intelligence@spglobal.com

www.spglobal.com/marketintelligence

Copyright © 2021 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not endorse companies, technologies, products, services, or solutions.

S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its websites, www.standardandpoors.com (free of charge) and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.