Tata Communications Recognized as the

2021

Company of the Year

Indian Managed Security Services Industry

Excellence in Best Practices

FROST *&* SULLIVAN

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Tata Communications excels in many of the criteria in the managed security services space.

AWARD CRITERIA

Visionary Innovation & Performance	Customer Impact
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Identifying the Challenges for Enterprise Managed Security Services

Frost & Sullivan's research finds that the effects of the COVID-19 pandemic impacted not only the economy but cybersecurity by causing a sudden shift in business operations from on-premise to operating in the cloud. The transition from on-premise resulted in a dramatic change for enterprise business operations and stimulated a digital transformation that drove greater investments in cybersecurity.[1] Moreover, factors such as the evolving threat landscape, increasing business environment complexity, and the need for enhanced security across the information technology (IT), Internet of Things, operational technology (OT), and cloud infrastructure continued to drive the growth of the managed security services (MSS) market.[2] In India, the MSS market witnessed an increase in MSS adoption due to the widespread digitization trend and increasingly pervasive cyber threats.[3]

> *"Frost & Sullivan recognizes the dedication and commitment to innovation that the company shows with its robust portfolio as well as its growth during the COVID-19 pandemic."*
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> *- Steven Lopez, Best Practices Research Analyst*

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[1] *Asia-Pacific Managed Security Services Growth Opportunities* (Frost & Sullivan August 2021)

[2] Ibid.

[3] *Indian Managed Security Services Market, Forecast to 2023* (Frost & Sullivan April 2020)

In 2021, managed security service providers continue to offer enterprises with MSS that empower their management and monitoring security teams to strengthen their IT infrastructure. The shortage of in-house security teams and limited cybersecurity tools to detect and respond to advanced cyber threats remains problematic. Moreover, as cloud environments continue evolving, the ability to secure remote locations effectively becomes challenging for enterprises.[4] Unfortunately, enterprise employees that work remotely inadvertently increase attack occurrences. Enterprise IT teams struggle to maintain their cybersecurity operations as sophisticated threats continue to intensify. Thus, maintaining robust cybersecurity expertise is critical; however, given the growing shortage of cybersecurity professionals, 24/7 in-house threat monitoring becomes costly and inefficient to maintain effective threat detection and response best practices.

The impact of the COVID-19 pandemic causes enterprises to rethink their cybersecurity infrastructures and increase digital transformation projects to improve engagement with customers. For example, financial institutions that once steered away from cloud services are adopting cloud at a rapid pace and are also seeing the growing trend and benefits MSS have in cybersecurity. The surge in unknown attacks results in customers needing enhanced security-based analytics that can provide protection while employees work remotely. MSS that can fill these security gaps help enterprises manage unforeseeable attacks and those already detected. In the end, building a zero-trust security model will help organizations by allowing employees to work remotely consistently, as well as enable enhanced device security, tighter user authentication, and credential-based checks.

Leading Managed Security Offerings in India

Founded in 1986, Tata Communications is a leading MSS provider in India. The company notes itself as having the most comprehensive MSS portfolio among telecommunications and datacenter providers. The company's portfolio allows enterprises to minimize business risks by focusing on key domains that include: network and infrastructure security, the cloud, content/identity security, governance, risk and compliance management, and threat management. Tata Communications expanded its portfolio capabilities with security offerings to improve deep analysis threat detection and response capabilities using artificial intelligence (AI) and machine learning (ML). These enhancements help enterprises understand network workflows quicker using rule-based models without overburdening short-staffed security teams. Tata Communications continues to show a high growth rate within the MSS sector with two security operations centers (SOCs) in India. Frost & Sullivan recognizes the dedication and commitment to innovation that the company shows with its robust portfolio as well as its growth during the COVID-19 pandemic.

> *"Additionally, by using customer feedback, Tata Communications works to ensure that automation initiatives to the user experience remain a top priority to make any enterprise's cybersecurity environment less noisy and fix security gaps."*
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> *- Steven Lopez, Best Practices Research Analyst*

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[4] *Asia-Pacific Managed Security Services Growth Opportunities* (Frost & Sullivan August 2021)

Helping Enterprises Manage Cyber-threats

Tata Communications' robust portfolio offers services that guide enterprises during their digital transformation journey and is one of the few companies that runs a Center of Excellence for cybersecurity committed to enhancing the customer experience and understanding their security needs. The company not only focuses on traditional MSS, but also into emerging areas such as threat intelligence, governance, risk and compliance, security consulting, and technical services. Tata Communications' services, that include secure access service edge (SASE), AI/ML-based real-time network analytics, and cloud-security solutions, aid in introducing zero-trust practices amongst security teams, enabling them to meet regulatory and compliance needs as well as empowering employees to work remotely seamlessly. The company enables organizations to move into next-generation SOC services and enhanced detection and response delivered from the cloud. This robust product-offering model provides customers with an even wider range of coverage across multi-cloud and hybrid environments. Tata Communications notes its expansion into the multi-cloud and application security capabilities, including protecting networks and assets as key benefits that allow the company to be a leading MSS provider.

Reaching for Strong Financial Performance and Future Growth

Tata Communications maintains a balanced approach to meeting and staying on top of customer needs. The company does so by building up a skilled team of security professionals with knowledge of technology stack layers. It focuses on offering customers a premier service experience by working with each customer before and after any purchase. With a strong sales model covering digital and physical channels for large and medium-size organizations, Tata Communications offers account-based support for premium customers to help drive performance improvements and increase available support to its clients.

The company's deep understanding of customer needs enables it to maintain a NPS score of 80 and high customer retention rates of approximately 95%.[5] Additionally, by using customer feedback, Tata Communications works to ensure that automation initiatives to the user experience remain a top priority to make any enterprise's cybersecurity environment less noisy and fix security gaps. The company's customer success management unit prioritizes its customer business outcome approach by enabling customers to meet their in-house objectives using internal customer success metrics (key performance indicators) and 24/7 support service. Recognizing the company's growth even further, in 2020, the company enhanced its MSS coverage with strategic security technology partnerships across network, endpoint, and application security systems, managed cloud security, database activity monitoring, SASE, email security, and cloud security posture management.[6]

The majority of its revenue stemmed from banking, financial services, insurance, government, and service provider verticals.[7] Frost & Sullivan's 2020 research gathered that the company registered a strong growth of 23.1% in 2020 for MSS in APAC with India contributing 60% of the business growth,

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[5] https://gamma.tatacommunications.com/assets/wp-content/uploads/2021/06/AR_2020-21.pdf

[6] *Asia-Pacific Managed Security Services Growth Opportunities* (Frost & Sullivan August 2021)

[7] *Increasingly Sophisticated Threat Landscape Drives the Uptake of Managed Security Services in APAC* (Frost & Sullivan February 2021)

despite the impact of the pandemic.[8] In India, Tata Communication's Managed Security Sector grew by 65% in fiscal year 2021 compared to fiscal year 2020. In the company's 2021 quarter one results, the company reported consolidated revenue of ₹4,103 Crore, an increase in growth by 0.7%, and ₹3,104 Crore in data business revenue, a 0.6% increase quarter-on-quarter.[9] The company expects its revenue growth in 2022 to reflect the increases reported in the previous year. Looking towards the future, the company continues to focus on profitability, investing in developing innovative digital ecosystem solutions and delivering robust performance to its customers. Frost & Sullivan applauds Tata Communications for its strong focus on the future and growth initiatives.

Conclusion

Tata Communications continues to make strides towards the growth of its comprehensive managed security services (MSS) portfolio offerings. The company is one of the strongest MSS providers among telecommunications and datacenters, showing high growth rates and maintaining a noticeable market presence since the beginning of the COVID-19 pandemic (despite its overall negative impact on organizations across industries). Tata Communications simplify enterprises' cybersecurity complexities with easy to deploy and consume security services delivered from cloud with a unified security architecture that provides consistent security enforcement across digital estate. The company houses two security operation centers across India and plays a big part in contributions to the APAC region. Tata Communications' scalable, agile, cloud-based, & predictive Managed Security services are delivered by emphasizing on key areas including the protection of sensitive data, following 'Zero-Trust' practices to build & manage the 'Trust Zone' and meeting regulatory/compliance needs, content security, converged security model, and cloud based next gen SOC-as-a-service. The company manages enterprises' security postures across multi-cloud environments by identifying high-exposure areas, providing continuous risk assessments to reduce attack surfaces that prevent breaches from cloud-to-edge. Frost & Sullivan recognizes Tata Communications' ongoing innovation and its focus on improving the customer experience and capabilities of its MSS portfolio. With its strong overall performance and market-leading performance, Tata Communications earns Frost & Sullivan's 2021 India Company of the Year Award in the MSS industry.

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[8] *Asia-Pacific Managed Security Services Growth Opportunities* (Frost & Sullivan August 2021)

[9] https://www.tatacommunications.com/press-release/tata-communications-delivers-14-9-yoy-pat/ (accessed November 2021)

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends: Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.
Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)