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Kaspersky,
InfoWatch

CASTING THE NET WIDER

InfoWatch takes aim at the MENA channel with bold plans to grow its DLP business

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Casting the net wider

DLP solutions major InfoWatch aims to replicate the success that its sister company Kaspersky Lab has enjoyed in the Middle East and North Africa (MENA) region. The emerging security software vendor is looking to build a sustainable channel business in the region. *Reseller Middle East* listens to Natalya Kaspersky, CEO at InfoWatch on the company's MENA plans and channel strategy.

System Integrators (SIs) in the MENA region are hoping that the move by DLP solutions specialist InfoWatch to build a credible channel business model in the region, heralds a period of sustainable growth for their IT security business. Key for most SIs will be to see whether InfoWatch will remain true to its channel partners in the MENA region in the same way as it has done in Russia where it has 70% of market share in the DLP segment.

Natalya Kaspersky, CEO at InfoWatch, says following the appointment of Comguard as its regional distributor, the company is looking at getting much more involved in the MENA region by setting up a two-tier channel model that will see it work with its sole distributor and SIs.

Although the Russian headquartered vendor has no immediate plans to open a regional office in the MENA geography, Kaspersky says in the initial phase, InfoWatch will be very much involved with the end-user customer purely because DLP solutions are quite complex and require a comprehensive understanding of a client's environment before implementing them. "It's vital for SIs in the region to understand that DLP solutions cannot just be installed in an enterprise

environment. We need to work jointly with the customer and categorise which information in their organisation needs to be protected," she says. "This is why there will be a need for us to get involved at end-user level in the initial stages."

Kaspersky says after channel partners understand the business environment and the DLP solutions they need to provide their clients, they will be in a better position to design, scope and do the implementation.

Kaspersky adds that although InfoWatch was founded in December 2003 by Kaspersky Lab to provide security technology which filters information leaving an organisation, DLP was also identified as a focus so early ahead of the market then. Today, says Kaspersky, the company has 110 employees who are selling DLP solutions in the enterprise sector. In addition, she adds that InfoWatch is dominating the Russian DLP.

Given this dominance in Russia, the company is trying to break into other markets in Europe namely Germany, UK, Spain and now in the MENA region. Kaspersky says that although InfoWatch is six years old, it has delayed to expand its business operations because it wanted to develop the

"right" business model in the Russian market before expanding to other countries.

So what does the DLP solutions vendor have up its sleeves for the MENA market? Is the company going to associate its self with the success that the sister company Kaspersky Lab has curved in the retail and SMB sector in MENA?

Kaspersky says when the company was first established, the strategy was to associate InfoWatch with Kaspersky Lab. "This plan didn't work well because Kaspersky Lab operates in different segments to InfoWatch and its primary markets are the SMB and retail sectors," she says. "It didn't help our cause at all given that our DLP solutions are targeted at the enterprise market."

Kaspersky explains that the company had to rethink this association strategy with Kasperky Lab and came up with a plan to work directly with SIs who do not only resell the DLP offerings but also help InfoWatch in providing holistic solutions through their integration capabilities to enterprise clients. "Because the type of channel partners that Kaspersky Lab works with are mainly box movers, InfoWatch decided to keep its operations separate from its sister company," she says. "Of course we use and share some of Kaspersky Lab's facilities for research and development (R&D) and, other technology and product testing."

MENA ENTRY

With the public and government sector leading IT infrastructure investments in the MENA region, InfoWatch is eyeing business opportunities in this vital vertical. Kaspersky adds that the two segments are important for InfoWatch but are not the focal or entry point for the company in the MENA region. "We need to establish ourselves better in the region before we can go and address the demands of the public and government sector. Kaspersky emphasises that although the public and government sector are important verticals, InfoWatch would like to grow its business in the oil and gas, telecoms, banking and financial services. "InfoWatch is very strong in the oil and gas industry in Russia and we have 90% of market share in this vertical there," she enthuses. "We know the problems and issues organisations in the oil and gas sector face. They could be similar situations even here in the MENA region.



Natalya Kaspersky, CEO at InfoWatch

For instance says Kaspersky, in the Russian oil and gas sector, most organisations worry about employees leaving them and this is a huge concern because some of these skilled staff are expensive to develop or mentor. "So, if an employee sends a CV out it could mean they are looking for a better job or improved package and our technology helps in identifying such happenings early," she explains.

Kaspersky adds that the other issue that is important to the oil and gas companies is the corporate secrets and information relating to future oil explorations. "Most organisations don't want such information to be leaked to competitors because of the sensitivity of the information," she adds. Here in the Middle East, the oil and gas, banking and financial services, telecoms and health care will be a focus for InfoWatch, says Kaspersky.

She points out that although the MENA region is in the emerging markets, the IT infrastructure projects being rolled out are on par with those being implemented in more mature European markets. Kaspersky explains that InfoWatch has encountered resistance to DLP solutions in

some organisations in Europe. "Because there is a strong presence of the trade union movement which perceives DLP solutions as a violation of employees' rights in the workplace, there is opposition to DLP technology. "This opposition by the trade union movements is unfounded because DLP systems in a workplace don't prevent employees to enjoy their privacy," she reaffirms.

Kaspersky points out that in fact, DLP systems help protect employees better as no IT system administrator can have access to their email without being checked or monitored. "From this perspective, DLP implementation is good and it's not intended to infringe or curtail employees' work rights," she says.

CIO'S MINDSETS

Kaspersky says it's important that CIOs and IT decision makers in the region don't look at DLP in a narrow way of dealing with problems related to data leakages in an organisation. "To really prevent leakages, CIOs need to have many and expensive tools," she notes. "That is why we have chosen a different way of DLP implementations

given that the amount of data is growing by 30% in enterprise organisations each year."

Kaspersky says most of the information in enterprise organisations is unstructured and uncategorised. "Our DLP solutions for instance can notify top management in terms of what is going on with emails going out and the type of messages etc," she says. "In addition, we are able to present a tool on a regular basis to the IT management team on how the information is flowing in the company from the various IT users and where the information goes, what kind of information was sent and what was sent."

She says all this type of statistics helps organisation make fact based decisions. For instance, if the IT management team sees that 30% of emails being sent by employees are associated with non-business issues, then there has to be something wrong within that organisation, she adds. Kaspersky says that this is an indicator that something is wrong and could help management to change something or put measures to address this immediately. "In future, I do believe it will be more about data management than DLP per se," she says. "That's the reason InfoWatch has put so much time in the development stage of its DLP solutions to also address the storage aspects."

CHANNEL PROGRAMME

As the channel will be its main route to market, InfoWatch through the umbrella InfoWatch Reseller Partner Programme will offer two levels of channel training to its partners in the MENA region. Kaspersky says the company offers high level channel training which is generic and focuses on pre-sales and sales teams within a partner environment. She adds that the second part of the training is technical training for technical staff and it's in-depth. "All SIs and solution provider partners that come on board will be required to certify two technical people before they can start reselling and implementing our products and solutions," she says.

Kaspersky says that in many countries where InfoWatch operates in, the company has a one tier approach of channel engagement. However, she points out that in the Middle East it's different as InfoWatch has opted to go with a two-tier approach that involves a distributor hence the company

appointed Comguard as its sole distributor in the MENA geography. "In Russia for example we don't work with distributors at all," she says. "We're only working with SIs through our InfoWatch Reseller Partner Programme.

TECHNOLOGY

Kaspersky says InfoWatch's DLP solutions are not the easiest to implement at end-user level because from the onset, the company targeted large enterprise environments which normally have complex IT Systems. "Large enterprises usually have technical staff but the installation process is a painful process. However, easiness can only be attained if the implementation allows flexibility in a customer's environment," she remarks.

Kaspersky points out that partners that will be selling InfoWatch's DLP solutions are those that have IT security expertise and experience. She says that's why the company hasn't gone all out for the SMB market even though it does address this segment sporadically. "There are some architectural issues that we have to address with the current DLP offering before we can go after the SMB market," she says. "The current architecture on our product is very much enterprise focused and we are remodelling it to cover the DLP needs of SMBs."

Kaspersky adds that when InfoWatch started, it didn't notice any demand of its DLP solution from the SMB segment. However, this has changed as more SMBs are inquiring about the company's solutions, she says.

Kaspersky says, InfoWatch is currently remodelling its DLP product to accommodate the requirement of SMBs. "We have a clear roadmap for one year and our focus for the next 12 months will revolve around the strategy on re-modelling our architecture as the company aims at the large

enterprise and mid-market space," she says. According to Kaspersky, the architecture of the product is being remodelled so that it's more modular than it used to be in the past. With these modules, says Kaspersky, InfoWatch will be able to integrate its DLP offering with as many vendor applications and solutions as possible. "This will allow us to deliver flexible but comprehensive solutions because the company will be working with a large pool of application and security software vendors," she comments.

Kaspersky says in addition to modularising the current offering, InfoWatch is also simplifying its DLP architecture to make it easier for the solution to operate in virtual systems and cloud computing environments.

Aside from the cloud and virtualisation focus, Kaspersky says that InfoWatch would like to get the business off the ground fast. "I am encouraged and happy with the type of clients that we have interacted with so far in the region," she says. "The MENA region as a whole remains at the forefront of having enterprise organisations that are early technology adopters."

CHALLENGES

Kaspersky believes there are a few challenges that InfoWatch will have to overcome as it takes aim at the MENA channel. To start with, says Kaspersky, InfoWatch needs to establish sustainable business growth in this region and that is the long term vision and strategy for the company. "When a company enters a new market, it's like hitting in a brick wall with no ladder to help you climb over it but somehow you need to find an opening," she says. "I believe this is the most difficult step for us here in the MENA region but it's a challenge that isn't impossible to overcome."

According to Kaspersky, the second challenge will be to segment and focus on the business

growth, sector by sector. "Our strategy initially was to focus on the mid to high-end market but now we have moved beyond this to target verticals," she says. She adds that the final piece will be delivery and from past experiences, enterprise organisations have huge demands and they would like the product or solution to suit their business needs. Kaspersky says meeting these expectations and needs at times implies that the client must be prepared to pay for all the customisation but many clients are reluctant to do so and that's a challenge. "For the Middle East we are yet to investigate what challenges we will encounter," she says. "We have been operating and touching base in the region for a little less than a year and we are beginning to get the business going."

Kaspersky says although InfoWatch has no immediate plans to set up a regional office in the MENA market, it will utilise Kaspersky Lab's infrastructure to provide support to its channel partners here. "We don't have immediate plans of opening up a regional office yet," she says. "We would like to first grow the business and have customers before thinking of long-term plans of having a regional subsidiary. At the moment we have Comguard as our distributor for MENA. We will work together to raise the brand as we expand our footprint."

Looking ahead, Kaspersky says the SMB sector will receive a lot of focus and effort from InfoWatch going forward. She adds that another segment that the company is looking at is the mobile provider space. "We do not cover this channel at the moment and I do believe this is a market we need to look at," she says. "However, we have been debating whether we should focus on systems integrators or work with the software developer community."

Kaspersky explains that in addition to working with partners, encryption technology will become a huge focus for InfoWatch as it transitions from pure DLP play to becoming a full-fledged information management company. "In the coming year, we will be ramping up our channel activities with a remodelled product offering that will give SIs more opportunities to earn high margins. This cannot be achieved unless our SI partners in the MENA channel move and grow with us," she concludes.

"When a company enters a new market, it's like hitting in a brick wall with no ladder to help you climb over it but somehow you need to find an opening." – Natalya Kaspersky, InfoWatch.