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DELLEMC

Accelerate your cyber security business in a competitive climate

CASE STUDIES:
Fluency Security's Compliance and Correlation Solution
Nehemiah Security's AtomicEye Endpoint Detection Platform
ReSec Technologies' ReSecure Platform

Brought to market by Patriot Technologies, a Dell EMC OEM Partner

PAGE 2

CASE STUDIES:
Accelerate your cyber security business
in a competitive climate

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INTRODUCTION:

To say cyber security is a competitive market would be an under-statement. The industry is growing at incredible rates, yet it's volatile, crowded and disruptive.

Opportunity is great but so is the risk. Partner with Patriot and Dell to achieve your goals. These case studies provide real world examples of why Patriot and Dell were chosen by other cyber security companies.

The need for cyber security has snowballed

Latest predictions say[1] cyber security spending will reach $1 trillion globally by 2021. That's because cybercrime is on the rise and enterprises are scrambling to protect themselves.

"We expect businesses of all sizes and types, and governments globally, to double down on cyber protection," says Steve Morgan, founder and Editor-In-Chief at Cybersecurity Ventures. That includes business of all sorts, but government spend may be leading the charge.

The U.S. government has recently increased its annual cyber security spend by 35%, budgeting $14 billion in 2016 and $19 billion in 2017[2]. Recent events may leave even that figure falling short as the world experiences a rise in nation-state hacking[3] and criminal cyber activity of all types.

And, while everyone is jumping on the bandwagon, the financial market may be a close second to government. Big banks are spending large amounts on cyber security[4]—$1.5 billion spent by J.P. Morgan, Bank of America, Citibank and Wells Fargo collectively in 2016.

The Internet of Things (IoT) movement has also impacted security concerns and opened a range of possible sub-markets within consumer products and commercial endeavors, all of which could drive cyber security spending up even higher.

PAGE 3

CASE STUDIES:
Accelerate your cyber security business
in a competitive climate

With growth comes opportunity and risk

So, what is the marketing outlook for cyber security products? No doubt opportunity is there, but so is the risk of failure. As a cyber security vendor, how can you hope to survive this competitive climate?

TECH TAKEOVER
Technology companies are popular takeover targets, despite the fast-changing landscape

* Tech sector percentage of total value as a share of all U.S. leveraged buyouts. Source Wall Street Journal, Dealogic
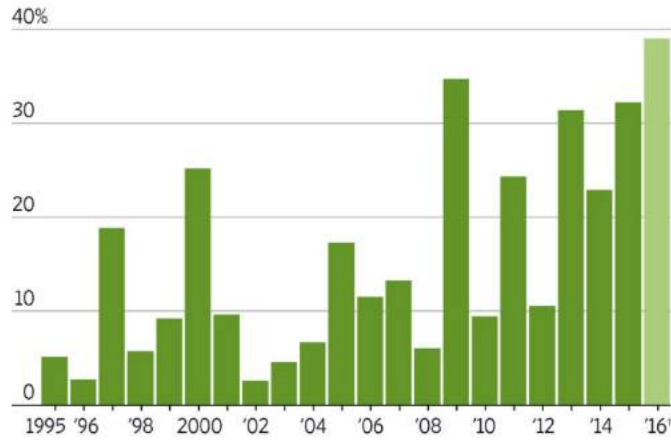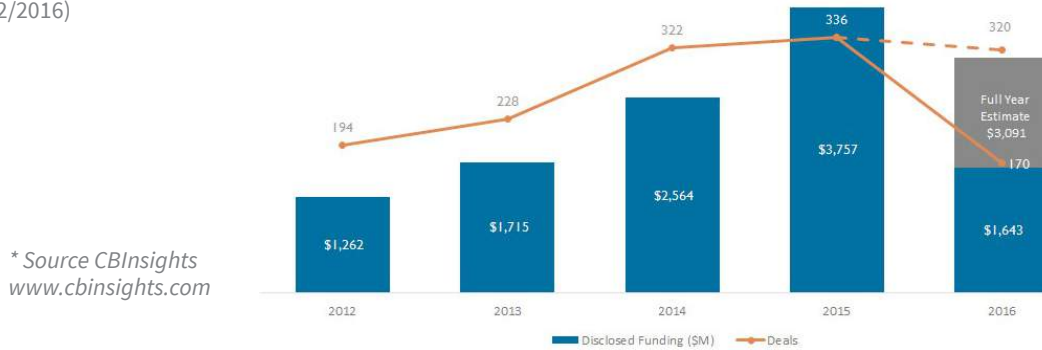

<u>Big players are making huge investments</u>[5] into new products and increased advertising. IBM has invested $2 billion into the cyber security market and Cisco has spent over $1.75 billion. Both companies are growing their investments. Plus, venture capital funding for start-ups saw incredible activity in 2015-2016. Analysts suggest that some of the cyber vendors entering the market may not fully anticipate the competition or the threat of <u>over-funding</u>[6].

At the <u>CB Insights Fintech Conference</u>[7] in June 2016, panel speaker Ravi Viswanathan of VC firm New Enterprise Associates stated about the market "It's definitely overfunded, massively so. We need a few years for it to settle out but we're probably going to see a lot of deaths in that space." However, opportunity is still possible, says Ravi.

Lauren Kolodny of Aspect Ventures concurred, "B2B SaaS companies are the ones that are going to be stable, the ones that will see bigger valuations."

The following chart shows the <u>global funding trend</u>[8] to cybersecurity companies through 2016, showing the drop from 2015 levels, yet still a lucrative prospect ahead.

PAGE 4

CASE STUDIES:
Accelerate your cyber security business
in a competitive climate

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CYBER SECURITY FUNDING
Global cyber security yearly financing history
2012-2016 YTD (7/12/2016)

Source CBInsights
www.cbinsights.com

While some analysts predict a leveling-off[9] in funding, others say we should "rethink" the slowdown narrative[10]. CB Insights says startups must think beyond traditional security frameworks and rebuild solutions from the ground up.

The driving opportunities appear to be:

- Growing security budgets
- Layered and integrated approaches
- Accelerated cloud adoption and security
- Securing IoT

When opportunity knocks, how will you answer?

OK, so you know where the opportunities lie. This is your market and you've developed a niche solution that you need to bring to market—fast! You've made the commitment and you're all in.

Since the stakes are so high:

- *How can you see an accelerated success in this volatile, hyper-competitive market?*
- *What can you do in planning and launching your solution to break through the marketing noise?*

PAGE 5

CASE STUDIES:
Accelerate your cyber security business
in a competitive climate

Choose the right partner

No one goes it alone. You know the software, the ins and outs of your solution. However, are you prepared to handle engineering, manufacturing, fulfillment, distribution, licensing, and all the other possible issues that arise when bringing a product to market?

You need to accept a few realities about bringing a solution to market.

1. The market demands platform solutions, not just software
2. Know your strengths and choose partners with expertise
3. Know your niche and be true to security concerns
4. Think long-term growth and distribution
5. Manage your fixed costs and investment capital

Learn from the success of others

The following case studies reflect the experience of three cyber security vendors with the challenge of bringing a new product to market. They each needed a partner to help them manufacture and distribute their solution from concept to completion with accelerated efficiency and agility. Their stories may inspire your solutions.

PAGE 6

CASE STUDIES:
Accelerate your cyber security business
in a competitive climate

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CASE STUDY #1:

Fluency

Christopher Jordan
CEO

Fluency
fluencysecurity.com

FLUENCY SEEKS SOLID DELL OEM VENDOR FOR NEW PRODUCT

THE PROBLEM: This small cyber security software vendor knew they needed an appliance manufacturer. "We knew that once we pushed out the product, we wouldn't be able to access that box again easily. It had to be fully integrated, self-contained and dependable." They had worked with Dell hardware before and knew they could trust it. The product line was stable, sound and consistent. They also needed an appliance that supported the software consistently. They wanted the deliverability of a platform, not just software on a server.

THE SOLUTION: "The logical solution for us was Patriot Technologies, a Dell EMC OEM turnkey manufacturer." (Patriot Technologies is an approved Dell EMC OEM Partner.) "We were experts in the software, but not the appliance hardware, specifications, integration issues, certification requirements, distribution challenges and more. Patriot had a good track record, not only in Dell but in providing cyber security products for the commercial market and the US government." For many software vendors, it's important to have a US trusted integrator that works within foreign logistical chains while addressing the security concerns of that final product. "Dell is a player in the security world as is Patriot Technologies. So, the confidence is there from a security posture perspective."

CHALLENGES:

Ego: "We didn't know what we didn't know. But Patriot offered several advantages that overcame the challenges we faced. Most vendors focus on the outside of the box--i.e. cheapest production, nice outside plate, but not-so-much the in-depth issues. Patriot digs deep into logistics, delivery, tracking, end-user customer communication, handling the distributors, accounts receivable, and more. They don't push that part of the business on your shoulders."

Communication: "We chose them because they are local, which meant for easier two-way communication. The communication between Patriot and Dell was seamless, so we didn't have to manage both relationships. Instead, dealing with Patriot, we knew Dell was automatically kept in the loop. And Patriot always kept us well informed."

Expertise: "Although international support was not our focus it eventually came up. We're not second guessing if we're doing it right because this is something Patriot does every day. Having a partner who has already done it (and on a monthly basis) gives you the confidence of not having to reinvent the wheel yourself. We know we can do it and move on."

Scalability: "You do everything by the numbers. Every time I build a box with Patriot I know I'm not losing money on that box. We started out with just one platform but scaled up and now we have three. I knew Patriot could scale and work with us as we grew. They were like an extra engineer on my staff, and who doesn't want free resources? So, the more we work with them, the more we use them. We realized the benefits early on of leveraging this relationship, because to them, it's more than putting software in a box."

Ownership: "We use other services in our company but in most of those relationships the onus on us. With Patriot, the relationship is the other way around--putting the onus on themselves to integrate and communicate with us. They drive the communication and that's a big help."

PAGE 7

CASE STUDIES:
Accelerate your cyber security business
in a competitive climate

CASE STUDY #2:

NEHEMIAH SECURITY

John Youngblood
Sr. VP of Sales

Nehemiah Security
nehemiahsecurity.com

NEHEMIAH SECURITY'S NEWLY ACQUIRED CYBER SECURITY PRODUCT TO RUN ON A DELL APPLIANCE

THE PROBLEM: With a new product acquisition and surging market demand, this cyber security company's core software needed a powerful plug-and-play appliance solution. The Dell appliance was determined to be the best fit.

THE SOLUTION: The capabilities and experience of Patriot Technologies with Dell EMC OEM products provided the name recognition, market presence and ability to pull engineering and sales together so this company could scale to market quickly. "Due to the sophisticated nature of our AtomicEye solution, we want to guarantee a successful install through a plug-and-play solution on an appliance that will not affect the performance of their existing network."

CHALLENGES:

Performance: "The software requires tightly constrained specifications to deploy successfully and function properly. The appliance strategy guarantees the success of our clients and our installation by ensuring the AtomicEye solution can operate at the speed and scale of their environment. The installation is successful, which drives a high level of adoption and great user approval ratings."

Integration: "Patriot has a long history of success in the IT business. Their talent and desire to develop solutions for the market has proven invaluable. They recognize and can assist with solutions, offering creativity and experience. They have fantastic facilities to pull this together as a customized software/appliance solution."

International Support: "The importance of international support to our growth strategy is extremely high. We have very aggressive acquisition and organic growth projections both domestically and internationally, and the expertise of the Patriot Technologies and Dell solution fit well into our strategy. We think this combo is a win/win as it relates to managing our appliance business for us."

PAGE 8

CASE STUDIES:
Accelerate your cyber security business
in a competitive climate

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CASE STUDY #3:

RESEC

Dotan Bar Noy
CEO, co-founder
and
Yuri Shoshan
Chief Operating
Officer

ReSec Technologies
resec.co

RESEC BRINGS CONTENT DISARM AND RECONSTRUCTION (CDR) TECHNOLOGY PLATFORM TO THE ENTERPRISE

THE PROBLEM: Unlike other cyber security solutions that focus on prevention through detection of malware, ReSec Technologies applies CDR to eliminate the threat before it ever crosses into the network. Since most cyber-attacks are initiated via content based malware, ReSec intercepts original files from multiple vectors and reconstructs them in real time without any possible malicious content. CDR eliminates the threat, ensuring the content is delivered free from both known and unknown malware. ReSec needed to take this solution to the enterprise as an easy-to-deploy hardware platform.

"As a small company," explained CEO Dotan Bar Noy, "we cannot afford any risk that the hardware will not perform as expected. We needed a partner that could make our solution a plug-and-play appliance to deliver the CDR process as a sound and stable product. We were looking for experts in hardware, just as we are experts in our field. We wanted a company that could take care of the headaches in all aspects—a turnkey provider."

THE SOLUTION: Dotan explains, "Our partnership with Patriot, a Dell EMC OEM Partner, allows that to happen. Working with Patriot and Dell is a great opportunity for us."

CHALLENGES:

Expertise: "When someone is already providing security products for multiple vendors they understand the language, solutions, channels, and how to best position your solution. That's something security vendors like us can relate to," offers Dotan.

Patriot also offered a local U.S. base with knowledge and familiarity with local distribution channels, support and the requirements necessary. "Knowing that these issues could all be dealt with under one roof was very important. We want to be able to focus on what we're good at, so it made total sense to choose a vendor with the same expertise and track record in the delivery of reliable hardware."

Confidence: "We also had a warm recommendation to Patriot" which created a trusted relationship and confidence in the partnership.

COO Yuri Shoshan explains, "Delivering security is always a layered approach—there is no silver bullet. We understand, as does Patriot, that our solution is just one of a number solutions within an enterprise. To understand this strategy and the integration necessary is important and Patriot has that perspective, bringing a family of security solutions to the enterprise. There is value in having someone who really understands what needs to be done within the enterprise ecosystem and that comes only from actual experience. As a young company, this saves us time and money and that confidence level is very important to us."

Growth: The capability to grow over time was also important to ReSec. "We felt very comfortable with the international expertise Dell and Patriot offered, knowing that down the line international sales distribution and support can be provided as well," added Yuri. This proficiency goes hand-in-hand with confidence, "having the reassurance that we can offer international support and delivery without an issue. As a global company, we knew we wanted to have that expertise available for when we're ready."

PAGE 9

CASE STUDIES:
Accelerate your cyber security business
in a competitive climate

CONCLUSION:

Choose a business acceleration service

Cyber security is your market. You already understand that the demand for cyber security is increasing at incredible rates as the world experiences increased incidents of cybercrime and espionage. The opportunity for new solutions within this market is being driven by increased budgets, innovation in layered and integrated solutions, and in the offering of more security for cloud applications and the IoT.

To be competitive you must make smart decisions that bring your products to market faster. Partnering for long-term growth means choosing an OEM manufacturer that provides a reliable and proven cyber security reputation along with extensive resources in engineering, fulfillment, channel distribution and end-users. This allows you to leverage their expertise while focusing on your own mission of what you do best.

The right partner can make or break your success… allowing you to catapult your solutions from concept to supersonic for the accelerated growth of your business.

PAGE 10

CASE STUDIES:
Accelerate your cyber security business
in a competitive climate

About Patriot Technologies

Patriot Technologies has a 20-year track record of bringing customer's products to market and selling cyber security solutions. Combining our product development and engineering expertise, comprehensive order fulfillment services, and extensive channel management capabilities uniquely positions Patriot to be the ideal business acceleration partner for cyber security companies. Patriot will bring your product to market faster and help you grow your business.

Innovate
Engineering Services

- Product engineering & design
- Cyber security management
- Product customization
- Product qualification & certification
- Compliance management
- Life cycle management
- Professional services
- DFX design review
- Supply chain management

Integrate
Fulfillment Services

- Assembly, integration, rack integration
- Custom image load, BIOS, & testing
- Product branding
- Supply chain management
- BOM control & change management
- Build Schedule
- Inventory
- Exporting VAT management
- Worldwide logistics
- Demo pool management
- Return merchandise authorization
- Multi-geography

Accelerate
Channel Services

- Order processing
- Renewal processing
- Channel development
- Contract vehicles & teaming
- Customer database development
- Marketing campaigns
- Marketing & training material
- Reseller product training
- Sales engineer support
- Registration programs
- Sales SPIFF programs
- Information system integration
- Credit/cash flow management
- Company valuation

SOAR!

Accelerate

Integrate

Innovate

Concept to Completion

PAGE 11

CASE STUDIES:
Accelerate your cyber security business
in a competitive climate

FOOTNOTES:

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