

2018 GLOBAL CHANNEL PARTNER SURVEY

THYCOTIC CHANNEL PARTNER SURVEY REPORT

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Channel Partner survey highlights client cybersecurity concerns and opportunities for Solution Providers

THYCOTIC SURVEY OF SOLUTION PROVIDERS SHOWS MOST OF THEIR CLIENTS HAVE BEEN BREACHED IN PAST YEAR, YET MANY FAIL TO PREPARE UNTIL DISASTER STRIKES.

Thycotic recently conducted a survey of Channel Partners including value added resellers (VARs), managed service providers (MSPs), value added distributors (VADs), direct market resellers (DMR), and system integrators (SI) collectively called “Solution Providers”. Survey respondents, like many IT Solution Providers, provide an agnostic, consultative objectivity that earns them the trust of their clients based on a “street savvy” sense of the trends, behaviors and the current state of cybersecurity practices.

The survey findings highlighted in this report show while most Solution Provider clients had experienced a breach in the past year, more than half (55%) did not take action to fully remediate the vulnerabilities leading to the breach. And a disturbing 18 percent did not take any action at all to help prevent a breach recurrence.

Survey results suggest an urgent need for Solution Providers to not only educate their clients about cybersecurity risks, but to directly assist clients in taking action by supplying software tools and services that will minimize and mitigate threats. With more than 90% of survey respondents indicating they perform cybersecurity services for their clients, the addition of new cybersecurity offerings such as least privilege application control and Privileged Access Management (PAM) could generate additional revenue opportunities along with enhancing each client’s security posture.



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MOST CLIENTS EXPERIENCED CYBERSECURITY BREACHES THIS PAST YEAR

Solution Providers indicated that more than 74 percent of their customers had suffered a breach in the past 12 months. This appears higher than even global statistics that suggest anywhere from half to two-thirds of all enterprises have experienced a breach in the past year. See Figure 1.

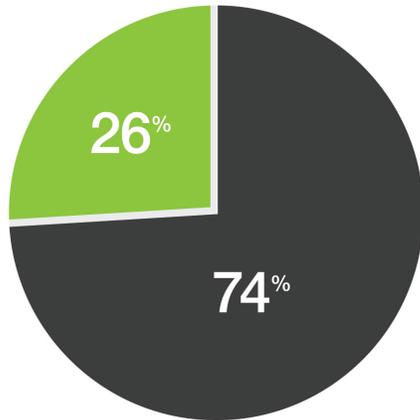


Figure 1

The percentage of clients that were breached

- Reported a breach
- No report of a breach

Yet, among Solution Providers with clients suffering a breach, more than half, or 55%, of these clients did not act to fully remediate the cause of the breach, and nearly one in five clients (18%) did not seek any remediation to prevent a breach from recurring. See Figure 2.

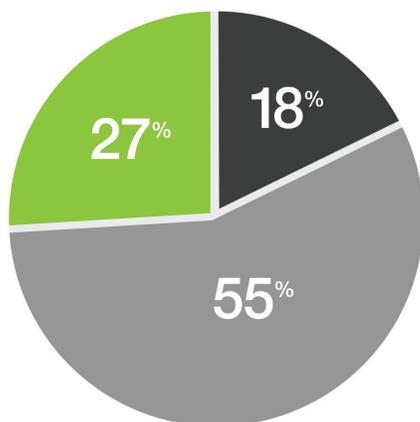


Figure 2

Remediation Taken Post Breach

- No Remediation
- Partial Remediation
- Full Remediation

RANSOMWARE AND PHISHING LISTED AS TOP SECURITY THREATS

Perhaps not surprisingly, ransomware and phishing threats are listed as the most significant risks among their clients by Solution Providers. Recent high-profile breaches involving ransomware and phishing attacks reinforce this perception with 44 percent of clients naming Ransomware as their most common breach, followed by 31 percent naming Phishing attacks.

- 44% named Ransomware their clients' top security risk
- 31% said Phishing was their number one security risk

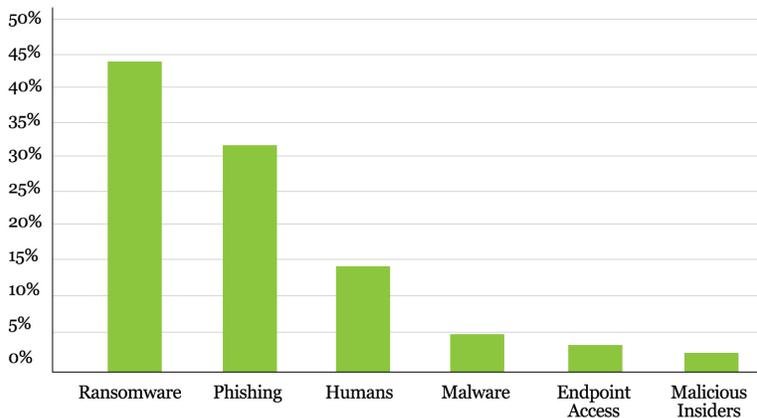


Figure 3

Most common breaches reported by IT Solution Provider clients

PRIVILEGED ACCOUNTS A FAVORITE TARGET OF CYBERCRIMINALS AND HACKERS

The Channel Partner survey reinforces the findings of major cybersecurity reports such as those from analyst firm Forrester, and the 2017 Verizon Data Breach Investigations Report that indicate up to 80 percent of breaches today are associated with compromised credentials of business users and privileged accounts.

In this survey, more than half of channel partners said that cyberattacks on their clients were specifically targeting privileged accounts, seeking access to their “keys to the kingdom”.

- 62% of Solution Providers said cyberattacks specifically target their client’s privileged account passwords

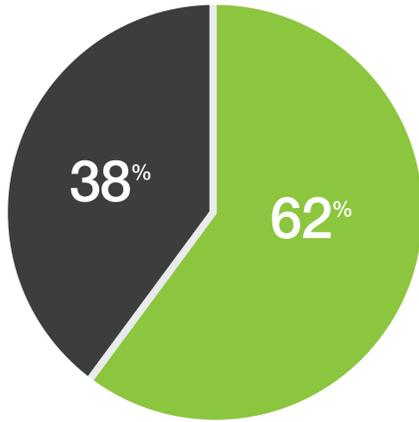
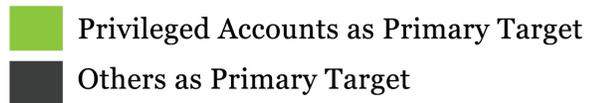


Figure 4

Attacks on Privileged Accounts



“Forrester estimates that 80% of security breaches involve privileged credentials.”

– The Forrester Wave: Privileged Identity Management

PROTECTING PRIVILEGED CREDENTIALS / PASSWORDS FAST BECOMING AN URGENT PRIORITY

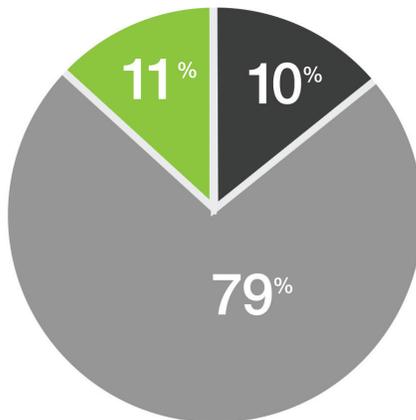
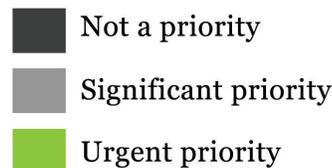


Figure 5

Prioritization of PAM



- 79% of Solution Provider’s clients ranked Privileged Access Management (PAM) as a significant priority --- 10% said it was their urgent priority!

BUT MANY CLIENTS ARE **WOEFULLY LACKING IN PAM SECURITY SOLUTIONS**

While Privileged Access Management is a growing issue with their clients, more than 90 percent said only half their clients have a PAM solution---and half of these respondents said that only one in ten of their clients have a PAM solution in place. This suggests a significant opportunity for Solution Providers to provide PAM solutions that address urgent client concerns in safeguarding privileged account passwords. In addition to securing access to privileged accounts, a comprehensive Privileged Access Management program should include a “least privilege” strategy to combat ransomware and phishing attacks by limiting access on endpoints through application controls.

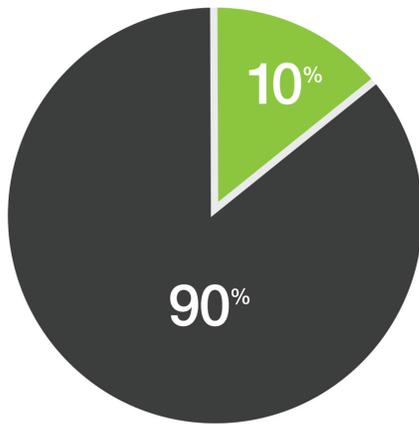


Figure 6

Solution Provider Clients without PAM Solutions

- Solution Providers with half or less of clients with a PAM solution
- Solution Providers with only 10% of clients with a PAM solution

- 90%+ Solution Providers said only half their clients have a PAM solution in place
- 45% say only 1 in 10 clients has a PAM solution!

SURVEY RESULTS SUGGEST A GROWING MARKET OPPORTUNITY FOR SOLUTION PROVIDERS OF PAM SOLUTIONS

Given the urgency in protecting privileged account access, and the growing threat experienced by clients, the survey results suggest Solution Providers should consider expanding their PAM security offerings to take advantage of this large and growing market opportunity.

- A 2017 analyst report on the global market for PAM solutions expected continued strong growth with revenues reaching \$2.274 billion by 2020, a compound annual growth rate (CAGR) of 27%.
- By 2020, approximately 75% of large enterprises will utilize PAM products, up from less than 40% today.

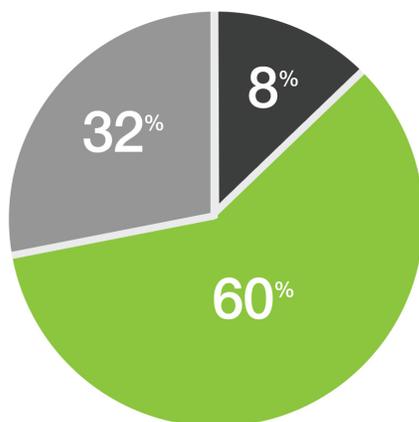
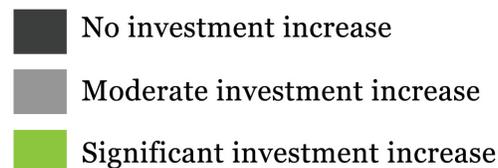


Figure 7

Channel investment in PAM for 2018



- The Thycotic survey shows 60% of partner Solution Providers are going to be significantly increasing their training and investment in PAM solutions for 2018.

FREE TOOLS AND SOFTWARE TO HELP CLIENTS UNDERSTAND AND MITIGATE PAM RISKS

Along with a significant opportunity for providing PAM cybersecurity solutions, Solution Providers acknowledge the challenges associated with convincing their clients of the value and benefits of securing access to privileged accounts with password protection and least privilege strategies. Most of survey respondents, for example, felt the adoption of PAM solutions by their clients to be “relatively challenging” due to indecision on which type vulnerabilities should be prioritized, with Ransomware and Phishing at the top of their concerns. Hackers will continue to innovate and expose new vulnerabilities while the capabilities and knowledge required to determine the most resilient defense against attacks requires a deeper functional knowledge and resources than most client’s possess.

To assist Solution Providers in exploring the benefits of PAM for their clients, Thycotic offers a wide selection of free tools and software solutions. These tools help Solution Providers to educate clients and provide proven, affordable Privileged Access Management solutions ranging from privileged access training and account discovery, to incident response and least privilege access control.

To learn more, visit these Thycotic online resources:

- Get Free PAM security tools at thycotic.com/free-tools
- Find Free Privileged Account Password protection trial software at thycotic.com/secretserver
- Get Free Least Privilege Management trial software at thycotic.com/privilege-manager/
- Learn more about PAM compliance solutions at thycotic.com

ABOUT THYCOTIC

Thycotic, a global leader in IT security, is the fastest growing provider of Privilege Management solutions that protect an organization’s most valuable assets from cyber-attacks and insider threats. Thycotic secures privileged account access for more than 7,500 organizations worldwide, including Fortune 500 enterprises. Thycotic’s award winning Privilege Management Security solutions minimize privileged credential risk, limits user privileges and controls applications on endpoints and servers. Thycotic was founded in 1996 with corporate headquarters in Washington, D.C. and global offices in the U.K. and Australia. For more information, please visit thycotic.com