New Product Innovation of the Year Award, Enterprise and Service Provider Infrastructure/Cloud Monitoring, Global, 2011

Frost & Sullivan's Global Research Platform

Frost & Sullivan is entering its 50th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The Company's research philosophy originates with the CEO's 360 Degree Perspective,* which in turn serves as the foundation of its TEAM Research** methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2010 Global New Product Innovation of the Year Award in Enterprise and Service Provider Infrastructure/Cloud Monitoring to AccelOps, Inc.

Significance of the New Product Innovation Award

Key Industry Challenges Addressed by New Product Innovation

Enterprises depend on IT personnel and their service providers to provide mission critical services to their customers. It is challenging for IT organizations to manage complex data center operations, and more so, the extended data center supporting virtualization and n-tier application technologies across multiple customers or divisions, on-premise and off-premise environments, and now cloud computing implementations. Such operational complexity places greater demands on the IT organizations to maintain service reliability and quality, while at the same time optimizing resources and reducing costs.

Service providers and enterprises employ different IT management products across departments for provisioning and elemental monitoring functions. However, attempting to employ an elemental approach to monitor extended data centers and dynamic cloud environments does not provide the end-to-end operational visibility that IT organizations require. The approach lacks the means to link applications and infrastructure dependencies and performance relevance to business services. As a result, many IT organizations have limited means to correlate and make use of their operational event data efficiently in aggregate, by division or client, or by business service. Nor do they have the level of automation necessary to associate, continuously monitor and meter shared resources.

Lastly, in dynamic hosting and cloud computing environments, new VM-related resources and applications can be dynamically introduced or modified which makes it difficult to anticipate monitoring capacity and assure service and security compliance commitments. This unpredictable and intermittent high performance loads can impact conventional monitoring systems, which results in business and operational risk.

Given operational challenge for enterprises, hosting service providers and managed service providers to manage complex, dynamic and multiple computing environments, it is

more difficult and costly to prevent issues, quickly identify the true root causes of problems, coordinate response and automate operational reporting in order to meet SLA commitments, manage service outage risks, and reduce mean time to repair (MTTR).

For many organizations, current legacy system management vendor tools are not a cost-effective option: they are relatively expensive, labor and resource intensive, are not designed to efficiently support elastic computing environments, and lack the level of integration required to address the above industry challenges. They are typically heavy to implement, customize and manage across division or client sites. Open sources tools, while less costly, do not have the requisite features, automation, integration or timely support that many enterprises and services providers require.

Datacenter complexity, dynamic virtual resources, and the demand for IT service delivery assurance for enterprises and service providers requires a new way to manage the data center and extended the data center from an end-to-end, integrated and service-oriented approach.

In order to advance the delivery of services and cloud computing initiatives, enterprises and service providers need not only a top down approach (such as service catalogues and more automated provisioning capabilities), but they also require a highly scalable and flexible means for operational oversight across all aspects of performance, availability, security, change, metering and service management related to that particular service.

Key Benchmarking Criteria for New Product Innovation Award

The Frost & Sullivan Award for Global New Product Innovation is presented to the company that has demonstrated technological superiority, functional innovation and differentiation within their industry that results in increased customer value and market potential.

AccelOps was chosen from a category comprised of 8 companies that were reviewed for consideration of this award. Top companies were researched according to Frost & Sullivan's best practice methodology comprised of industry and category analysis, strategic vendor assessment, product appraisal and customer interviews.

AccelOps provides an integrated data center and cloud monitoring solution offered as a software virtual appliance, Software-as-a-Service (SaaS) or Managed Service Provider (MSP) software platform. The solution, which is highly scalable, cross-correlates and manages diverse operational data on-premise, off-premise and in cloud environments to provide proactive performance, availability, security, change and business service management. The result of which enables enterprises and service providers greater service delivery assurance, operational oversight and efficiency, as well as reduced MTTR.

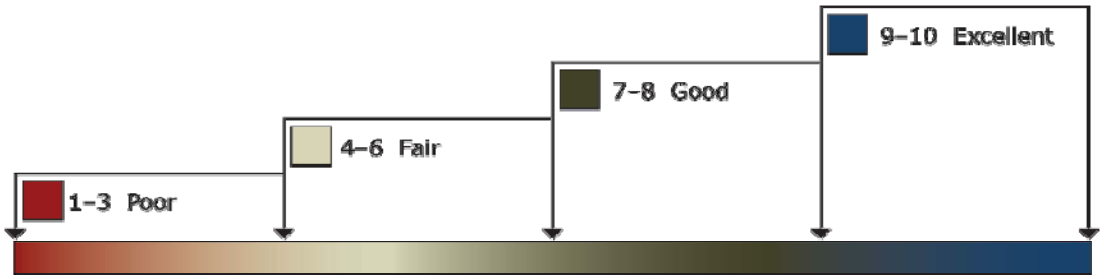
For the New Product Innovation Award, the following criteria were used to benchmark AccelOps' performance against key competitors:

- Innovative Element of the Product
- Leverage Leading Edge Technologies in Product
- Value Added Features/Benefits
- Increased Customer ROI (small change)
- Customer Acquisition/Penetration Potential

Decision Support Matrix and Measurement Criteria

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Matrix (DSM). The DSM is an analytical tool that compares companies' performance relative to each other with an integration of quantitative and qualitative metrics. The DSM features criteria unique to each award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. Fundamentally, each DSM is distinct for each market and award category. The DSM allows our research and consulting teams to objectively analyze each company's performance on each criterion relative to its top competitors and assign performance ratings on that basis. The DSM follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are shown in Figure 2.

Figure 2: Performance-based Ratings for Decision Support Matrix



This exercise encompasses all criteria, leading to a weighted average ranking of each company. Researchers can then easily identify the company with the highest ranking. As a final step, the research team confirms the veracity of the model by ensuring that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

Chart 3: Frost & Sullivan's 10 Step Process for Identifying Award-Recipients

Best Practice Award Analysis for AccelOps, Inc.

The Decision Support Matrix, shown in Chart 4, illustrates the relative importance of each criterion for the New Product Innovation Award and the ratings for each company under evaluation. To remain unbiased while also protecting the interests of the other organizations reviewed, we have chosen to refer to the other key players as Competitor 1 and Competitor 2.

Chart 4: Decision Support Matrix for New Product Innovation Award

Measurement of 1–10 (1 = lowest; 10 = highest)	**Award Criteria**					
	Innovative Element of the Product	Leverage Leading Edge Technologies in Product	Value Added Features/Benefits	Increased Customer ROI	Customer Acquisition/Penetration Potential	**Weighted Rating**
Relative Weight (%)	**20%**	**20%**	**20%**	**20%**	**20%**	**100%**
AccelOps	9.5	9.5	9.7	9.7	9.5	9.6
Competitor 1	9.0	8.5	8.5	9.0	9.0	8.8
Competitor 2	8.0	8.0	8.2	8.0	8.0	8.0

Criterion 1: Innovative Element of the Product

AccelOps provides an innovative data center infrastructure and cloud monitoring platform with automated discovery and operational data collection, advanced cross-correlation, operational analytics and service management functionality. The solution offers an integrated and efficient approach for monitoring on-premise and off-premise data center infrastructures, as well as private/hybrid and public cloud environments.

Delivered through an intuitive web interface, AccelOp's analytics provide real-time cross-correlation and historic analysis of diverse performance metrics, configuration states, events and log data across performance, availability, security, change, compliance and business service management disciplines.

The platform ships with an extensible knowledgebase (dashboards, rules and reports) to enable monitoring, alerting, incident response, search and reporting. This accelerates enterprise and service provider customer's time-to-value in terms of immediate use and extensibility for proactive management, efficient root-cause analysis, SLA tracking, and operational and compliance reporting processes.

AccelOps' integrated monitoring suite has significant depth and breadth: infrastructure discovery, monitoring and topology mapping, network inventory and change management with dynamic CMDB (Configuration Management Database), event / log consolidation, correlation and data management, network behavior analysis, performance and availability management, application performance management, virtualization management, business service management, security information management, identity and location management, and enterprise search. All functionality is presented through a dynamic, intuitive web 2.0 interface leveraging Adobe FLEX.

AccelOps employs highly automated discovery and continuous monitoring of the infrastructure without the requirement or use of agents by leveraging common and vendor-specific protocols such as SNMP, WMI, network flow, syslog, RPC, JDBC, JMX, VI-SDK, SOAP, HTTP, TELNET, SSH and others. New device sources can be supported without requiring the entire platform to be upgraded.

The system has a variety of innovative elements; only some are mentioned in this analysis.

For example, application performance monitoring cross-correlates network and system status, resource availability, processes and resource utilization, as well as application response via analyzing synthetic transactions.

The solution also binds network node, such as IP and MAC addresses, to user identities such as domain, server and VPN accounts, in order to maintain identity and location records to facilitate incident management, change validation and investigations.

Another innovative feature is the business service mapping function which automates the process of logically grouping infrastructure and applications as business services - with maintained relationships, dependencies, monitored attributes and service levels. Monitored controls of each individual component are inherited by the service, where by additional service level rules can be applied. This allows users to gain service insight, prioritization and efficient problem resolution.

Multi-tenancy features within the company's solution streamline multi-site, multi-organization monitoring. The solution presents interactive views across all sites, on-premise and off-premise, or by customer or division. A single consolidated console provides the means to manage the system, view dashboards, manage incidents or produce reports. Both central IT, as well as division/customer administrators can utilize all the monitoring functions according to their organizational domain.

Criterion 2: Leverage Leading Edge Technologies in Product

AccelOps enhances its innovative elements with other the cutting-edge technologies in order to provide a state-of-the-art solution to its customers. A few of these technologies are described below.

AccelOps' solution, being a virtual appliance, allows its customers to readily deploy and maintain their product and leverage their investment in VMware. The company's virtual appliance architecture supports dynamic clustering in which instances of AccelOps can be readily combined and subsequently added to a cluster to increase performance and maintain unlimited online data analysis. One AccelOps' cluster can centrally monitor many organizations in both on-premise and off-premise sites. This includes multi-site configuration, automated discovery, and monitoring without requiring agents which supports managing dynamic infrastructures and cloud environments.

This virtual appliance architecture offers elasticity to accommodate operational data bursts without forcing service providers and enterprises to upgrade their licenses or monitoring components as new and virtual resources change. It also enables these companies to only pay for the performance capacity they require – avoiding both administrative overhead and paying for excess capacity.

AccelOps developed an advanced analytics engine that equates to built-in and customizable rules and reports to facilitate alerting, investigation and reporting across technologies, IT functional domains, business services and customers/divisions. A high-speed analytics engine parses diverse operational data and assesses it in real-time, historically using an XML language. The query language supports simple-to-complex conditions supporting complete Boolean and operations logic, and statistical profiling across 400 attributes of network, system, virtualization and user activity. This allows flexibility to create or extend any rule, report or dashboard element to describe almost any operating condition of

interest. An XML-based parsing engine also provides the means to support new devices and custom applications without waiting for platform updates.

The solution incorporates a hybrid flat file database for unstructured event data and embedded commercial relational databases for structured CMDB, report and system data. This provides high-speed data aggregation, more efficient storage and removes data base tuning and administration requirements. The system can reference local or network-based storage. As a result, all captured data is retained online for long-term analysis with the ability to scale search and reporting performance.

Lastly, AccelOps smart incident monitoring functionality reduces notification noise and sharpen administrative focus on a select set of active incidents by combining advanced alert consolidation, auto-suppression rules, instant filtering, service impact analysis and state management techniques.

As with the Innovative Elements of the Product, Frost & Sullivan's research has confirmed that AccelOps' competitors do not leverage these and other leading edge technologies in the same way as the award recipient. It is crucial to do so in order to strengthen one's competitive position for sustainable growth. This is reflected in their highest ratings for this criterion relative to AccelOps.

Criterion 3: Value Added Features/Benefits

When assessed against the company's competitors, AccelOps' solutions offered quicker time-to-value ratio and more convenient administration, maintenance and scale. This is due to AccelOps' operating architecture, automated discovery and monitoring depth, feature integration and product delivery options.

Seamless integration of features is delivered through AccelOps' web GUI offering anywhere, anytime access. The product offers a truly engaging, dynamic web interface for interactive dashboards, monitoring, search and reports. The GUI enables drill-through incidents, performance status and configuration states, layer 2 and 3 topology mapping, business service relationships, text-based and structured queries, case management (trouble ticketing) and more. As mentioned in earlier, all of AccelOps' functionality is presented through a consolidated console as opposed to using and administering various interfaces and portals to attain similar capabilities from that of competitors.

AccelOps automates the CMDB population and facilitates the definition of business service using a bottom-up approach. AccelOps' multi-faceted CMDB approach provides a faster method to automatically capture and categorize infrastructure asset configuration details and performance states within the data center and in hosted facilities. The means to continuously associate unique and shared resources to particular divisions or customers supports large organizations and service providers' advancements toward cloud computing with regards to virtualization management and dynamic metering. By automating the

means to monitor resources as a business service group, enterprises and service providers can better track SLAs, understand service dependencies, and better prioritize response to incidents based on business impact.

AccelOps' solution offers multi-layer virtualization monitoring correlating hardware, virtual server, virtual switch, virtual machine, guest OS and application layers. This allows users to pinpoint application performance issues regarding hardware fault and server problems, virtual network and VM resource contention and availability issues, as well as excessive VM movement. This functionality also fortifies operating controls for private, hybrid and public clouds.

AccelOps provides the only solution in the respective category that integrates a full Security Information Event Management System (SIEM) - advanced event log management, real-time correlation and compliance reporting. Organizations have the flexibility to purchase the SIEM functionality separately or have it included as part of an "all-in-one" monitoring platform. This uniquely positions AccelOps as offering among the broadest IT monitoring solutions and well suited for SOC/NOC (security and network operating center) convergence trends.

AccelOps offers a choice between virtual appliance, Software-as-a-Service (SAAS) or a Managed Service Provider (MSP) platform based on desired deployment, performance, scale, multi-tenancy and online data retention requirements of enterprise and service provider customers. In addition, external IT management systems can efficiently obtain AccelOps' CMDB, search, incident and ticketing information through a set of AccelOps' APIs. The overall result allows for flexible implementation, pay-for-use and cost optimization that is valued not only by IT organizations, but especially important within the operating margin intensive service provider market.

AccelOps' solution offers a number of advantages in terms of price, features, deployment flexibility and time-to-value over large systems vendors, as well as other new system management players.

Criterion 4: Increased Customer ROI

As an integrated monitoring platform, the solution brings demonstrable ROI benefits to its users in terms of service reliability, tracking SLA commitments, pre-empting threats and responding to problems, conducting root-cause analysis and investigations, and facilitating operational reporting and audit requirements.

In particular, the monitoring platform reduces resource costs and provides operating efficiency for the following processes:

- CMBD inventory, change validation and change impact
- Business Service Management, SLA monitoring and reporting
- Incident management (network, systems, virtualization and application issues)

- Security management (security operations, policy and fraud monitoring)
- Compliance (documentation, monitoring and auditing)
- Operational reporting

Frost & Sullivan's has verified, through an assortment of customer interviews and available case studies, the following examples of AccelOps' ROI benefits.

- Reduction of man-hours dedicated for monthly operational reporting by as much as 80%.
- Root-cause analysis improvement of complex application issues by as much as 70%.
- Network problem identification, classification and diagnosis improvement of 50+%.
- End-to-end investigation of an end user security incident in a couple of hours versus days.
- More efficient use of staff resources and the equivalent of 1-2 headcount in resource savings.
- Reduction in alert noise by 50% with 40+% improvement in root-cause analysis.
- Ability to optimize use of subject matter experts for more difficult problems.
- Means to quickly compile necessary compliance documentation, demonstrate management of logs, configurations and security incidents, and support on-site audit inquiries. All achieved within 2 months prior to an ISO27001 audit.
- Greater than 15% improvement in overall MTTR.

Business service intelligence for one of the company's mid-tier customers was expressed as significant versus little to modest capability prior to using AccelOps.

One customer determined that AccelOps was 20% the total cost of ownership compared to that of traditional large systems vendors for equivalent required functionality.

AccelOps overall value packaging and benefits well serves mid-tier market, large enterprises and service providers.

Criterion 5: Customer Acquisition/Penetration Potential

AccelOps primary target market consists of mid-to-large enterprises, as well as service providers. AccelOps has rather wide adoption across different industries such as financial services, healthcare, government, business services, telecommunications, service providers, manufacturing, retail, legal, entertainment and education markets. These are companies typically with annual revenues starting from $50 million to greater than $1.5 billion in revenues and between 500 to 5000 employees. The company also envisions channel partners and service providers using their platform to service smaller enterprises.

The company's market expansion has been preeminently in the Unites States. AccelOps is moving steadily toward Europe and Asia Pacific markets. AccelOps has made a number of sales into these regions and intends to expand its presence more aggressively via global

channel partner program that was announced in July of 2010 and with local support from its regional offices in London and Shanghai.

Given the fact that virtualization, cloud computing and business service management are among the fastest growing segments in the IT Systems Management market, and with the continued growth in SaaS and Managed Services markets, AccelOps is well poised to take advantage of the overall market opportunity. AccelOps is working on raising visibility among service providers and channel partners that provide hosting and managed services.

In addition, AccelOps continues to enjoy the market awareness of their prior SIEM heritage – in that the founders' prior company, Protego, created an industry leading SIEM that was acquired and subsequently marketed by Cisco as CS-MARS. AccelOps' SIEM capability supports the SOC/NOC converge observed in the industry. The company has been able to win customers from Cisco and other SIEM competition. Since the platform does offer virtual appliance delivery, scalability and multi-tenancy features, it provides a strong SIEM platform for Managed Security Service Providers (MSSP).

AccelOps current success and on-going market potential is reflected in AccelOps' rating for this criterion.

Critical Importance of Frost & Sullivan's TEAM Research

Frost & Sullivan's TEAM Research methodology represents the analytical rigor of our research process: it offers a 360 degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Frost & Sullivan contends that the successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

About AccelOps

AccelOps integrated data center and cloud monitoring solutions bring unparalleled operational intelligence, service reliability, efficiency and security to enterprises and service providers. Delivered as a scalable virtual appliance or SaaS, the AccelOps platform unifies performance, availability, security, change, metering and business service management across on-premise, off-premise and cloud environments. AccelOps' knowledgebase, cross-correlation and elastic monitoring capabilities yield end-to-end visibility, efficient root-cause analysis, reduced MTTR and compliance automation results. The company, with offices in Silicon Valley, London and Shanghai, markets their solution direct and through a network of authorized partners. For more information, please visit www.accelops.net.

About Frost & Sullivan

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