Qualys celebrates 20 years by doing what it has always done: adapt

MARCH 13 2019

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After two decades in business, Qualys shows no signs of slowing its efforts to update its product portfolio with a slew of new products and acquisitions announced over the last year.

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Summary

Over the last year, Qualys announced several new applications for its cloud-based platform that will help the company support changing dynamics in enterprise IT and made three strategic acquisitions to strengthen its existing capabilities. While the company's core offerings are well established in the market, recent additions such as the Qualys Global IT Asset Inventory demonstrate an ongoing need for organizations to get a handle on security basics, which suggests the upside that continues to drive Qualys' value proposition to consolidate all of an organization's vulnerability and compliance information into a single dashboard. As enterprise IT environments continue to become increasingly complex, this value proposition could become even more compelling.

451 TAKE

Qualys' product announcements over the last year reinforce the company's commitment to solving an enterprise's most tangible pain points in vulnerability and risk management. What still remains to be seen is how much traction each of its latest offerings will gain in a progressively crowded marketplace, especially as cloud providers take on a growing share of vulnerability management functionality for their own environments. Qualys' value proposition is still strong, however, in its ability to provide a single view into an enterprise's environment across multiple cloud providers and on-premises. The company faces challenges from entrants that seek to capitalize on ways to help organizations better prioritize and remediate vulnerabilities, a long-standing challenge to basic security assurance. Qualys' introduction of a global asset inventory and a patch management application could further strengthen its position, however, by helping organizations to better close the loop on vulnerability management processes, allowing customers to discover, assess and remediate all of their vulnerabilities and ensure regulatory compliance from a single dashboard.

Context

Qualys' goal has long been for its platform to be a one-stop shop for all enterprises' vulnerability and risk management needs. However, the nature of those vulnerabilities continues to change in tandem with the evolution of enterprise IT. These include new software paradigms, namely the increased adoption of non-Windows operating systems and open source software components in the enterprise; new network architectures, specifically the influence of cloud infrastructure and hybrid environments; new application delivery models like SaaS and containers; and the proliferation of unmanaged BYOD and IoT devices.

Fortunately, Qualys has a history that helps it keep up with the rapid pace of IT innovation. The company pioneered security functionality delivered 'as a service' at a time when many in the industry questioned whether enterprises would trust their sensitive vulnerabilities to a third-party provider – a move that has since proved prescient. Qualys built its SaaS platform to be highly modular, enabling it to easily add new applications to consolidate security management functionality. These decisions gave the company a head start on the vulnerability management market and continue to support its ability to expand its portfolio at a rapid pace through both organic and inorganic means. Over the last year, Qualys has made a slew of announcements that demonstrate its commitment to innovating alongside the evolving IT landscape, including:

- Three acquisitions since the start of 2018
- A global IT asset Inventory application
- A container security application
- A patch management application
- Consolidated management of cloud asset vulnerabilities (CloudView)

Products

The Qualys Cloud Platform provides enterprise security and IT teams with a consolidated view of vulnerabilities across the IT environment. The company's most recent product announcements, including the launch of Qualys Global IT Asset Inventory, CloudView, container security (CS) and patch management (PM), expand upon these capabilities by adding support for new technologies and simplifying the management of vulnerabilities and risk across complex, hybrid environments.

Qualys Global IT Asset Inventory discovers and inventories an enterprise's IT assets through a combination of Qualys agents, network scanners and passive network sensors, enabling the company to capture data from managed and unmanaged devices alike. The use of passive network sensors is critical to discovering unmanaged BYOD and IoT devices that connect to the corporate network but historically have been invisible to IT teams. Asset information collected includes all of the active devices, servers and virtualized operating systems, whether on-premise, in the cloud or from mobile workforce. It maintains a software inventory across these environments, which enables enterprises to manage the full lifecycle, including the end-of-life process that determines when software needs to either be upgraded or replaced.

Qualys CloudView consolidates inventory and security information from disparate cloud resources into a single dashboard, simplifying the process for IT teams and security practitioners to maintain their security and compliance postures across multi-cloud environments. There are two separate components to CloudView: cloud inventory and cloud security assessment. Cloud inventory identifies cloud resources in use and provides a view of how individual resources interact with one another. Cloud security assessment continuously monitors cloud assets to ensure compliance with regulations and industry standards, provides remediation instructions, prioritizes risks to expedite remediation and integrates with an enterprise's existing DevOps pipeline to funnel security assessments to an organization's teams.

Qualys CS launched at DockerCon 2018 to help enterprises discover and inventory container assets, providing visibility into all an enterprise's container images, hosts, instances and security posture across hybrid and multi-cloud environments. With the acquisition of Layered Insight in November 2018, it added application runtime visibility and protection to Qualys CS across the entire container lifecycle. Information gathered and presented to users includes images, image registries, containers running and container hosts, as well as associated metadata for every image and container. Qualys CS identifies 'rogue containers,' container instances that have drifted from the original image and are exhibiting anomalous characteristics. All application-level activities are gathered from within each container and automatically converted into a behavior profile, which is then enforced as normal behavior on each running container. It also identifies vulnerable containers and images, pushing vulnerability data to development teams for remediation. The company announced at AWS re:Invent in November that it would be adding Qualys CS to the AWS Marketplace for containers, allowing Qualys customers to use the application directly within Amazon Elastic Compute service.

Qualys' most recent product release was the launch of Qualys PM, which brought remediation capabilities directly to the Qualys Cloud Platform for the first time in the company's history. If a patch is available for vulnerabilities discovered during the scanning process, Qualys PM can map the vulnerability to all related patches and deploy them instantly across all affected assets.

In addition, Qualys announced at its most recent user conference that it would be creating a data lake composed of information gathered across customer deployments. The company says that the data lake will act as the basis for an event management platform.

Acquisitions

Qualys has been very acquisitive lately, purchasing three companies since the start of 2018. The most recent buy was the February pickup of Adya, a cloud application management vendor that should provide customers with further visibility into the security and compliance status of their cloud applications. Qualys purchased Layered Insight in November 2018 and folded it into Qualys CS. It acquired mobile device management vendor 1Mobility in April 2018 to improve customers' visibility into BYOD and IoT devices. Qualys also bought a minority stake in API security vendor 42Crunch within the last year, the company's first venture investment, which gives it a hand in mitigating API-related security exposures, as well as latitude for further development in this direction.

Competition

In the broad vulnerability management sphere, Qualys competes primarily with Rapid7, Tenable, Tripwire and (primarily through managed services) Trustwave. It also competes with the penetration testing and network security services of the recently rebranded SecureAuth. All of these vendors feature vulnerability scanning, prioritization and remediation as part of their product portfolios and, like Qualys, have recently begun supporting container environments.

In addition to these incumbents, a more recent class of vendor has emerged that focuses on improving upon the existing vulnerability management process with greater automation and orchestration of prioritization and remediation. Companies such as Kenna Security, NopSec, RiskSense and Vulcan Cyber fall into this category. However, while these vendors may compete with Qualys on the prioritization and remediation side, they aren't necessarily direct competitors. Many of these vendors consume the vulnerability data produced by vulnerability assessment tools, including Qualys', making them at least partly complementary offerings.

A market has emerged for container-specific vulnerability management, and companies such as Aqua Security and Twistlock have formed to take advantage of the opportunity. These vendors are directly competitive with Qualys CS and have a head start on marketing and product development since they were all founded before Qualys launched CS earlier this year. An additional category of vendor is also beginning to emerge among those that offer container vulnerability management for developers such as Snyk, which competes more directly in the software composition analysis market. However, Qualys' existing penetration and breadth gives the growing scope of its offerings a leg up against some of these more recent challengers.

SWOT Analysis

STRENGTHS

Qualys' announcements over the last year reinforce the company's ability to support changing enterprise IT environments even as they grow in complexity.

WEAKNESSES

Soft revenue guidance on the company's latest earnings call has left investors questioning how much market traction Qualys' newest offerings have gained thus far, but the overall outlook is still bright given the company's large product portfolio and ability to consolidate products that would typically require multiple vendors.

OPPORTUNITIES

Qualys' as-a-service platform enables it to integrate new applications with hyperscalers and get them to market quickly, expanding areas of its business that would be either difficult for cloud providers to replicate, or in areas where those providers would opt to partner.

THREATS

Cloud-native security offerings are a prominent value-add for cloud providers. Their expansion into the various markets in which Qualys has a strong presence could threaten aspects of the company's business.