

F R O S T & S U L L I V A N

2024 CUSTOMER VALUE LEADER

*IN THE GLOBAL
MANAGED SASE SERVICE
INDUSTRY*

F R O S T & S U L L I V A N

BEST
2024 PRACTICES
AWARD

LUMEN®

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Lumen excels in many of the criteria in the global managed SASE service space.

| AWARD CRITERIA | |
|------------------------|-------------------------------|
| <i>Business Impact</i> | <i>Customer Impact</i> |
| Financial Performance | Price/Performance Value |
| Customer Acquisition | Customer Purchase Experience |
| Operational Efficiency | Customer Ownership Experience |
| Growth Potential | Customer Service Experience |
| Human Capital | Brand Equity |

Organizations Face Challenges in SASE Implementation

Frost & Sullivan’s 2023 ICT network services survey finds that post-pandemic, most organizations continue

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Senior Industry Analyst

to implement flexible work arrangements, with 83.2% of them embracing a flexible work model in which employees work from home offices at least once a week. In 2024 and beyond, most employees will continue to work at least part of the time from different locations, between corporate offices, home offices, branch offices, and on-the-road setups. The shift to a hybrid work environment has transformed today’s technology consumption as organizations must enable people to work from anywhere.

In addition, organizations have accelerated their cloud adoption journey to leverage public and private software as a service (SaaS)

solutions and other cloud services for their applications or collaboration services. As more businesses move their workloads to the cloud, including private, public, or multi-cloud, their physical data center is no longer the focal point of access for remote users and applications.

To facilitate the acceleration of digital initiatives, organizations are looking to transform their networking and security architecture to better support work-from-home requirements and secure the highly distributed environment. This trend drives a strong demand to shift from traditional wide-area network (WAN) connectivity, such as multiprotocol label switching (MPLS), to a secure software-defined WAN (SD-WAN) or secure access service edge (SASE) architecture.

However, many organizations face challenges in moving to a new SASE architecture. SASE solutions can be complex to deploy, especially among larger organizations with legacy infrastructure and disjointed networking and security functions. Organizations' internal IT or security teams may not have enough knowledge to create the strategy and roadmap needed for SASE implementation that will adequately address their business needs.

As a result, organizations increasingly turn to service providers for managed SASE or professional services. They look for third-party experts to support their SASE project in terms of planning, architecture design, vendor selection, road mapping, implementation, fine-tuning, and ongoing management and monitoring services.

Excellent Go-to-Market Strategies Reinforce Customer Loyalty and Lead to Business Growth

Founded in 1930, Lumen is an established global telecommunications company that offers solutions including networking, security, collaboration, edge, cloud, and managed and professional services. As a leading telecommunications company, Lumen's long-standing experience in designing, consulting, implementing, and managing network transformation strategies gives it a competitive advantage over other competitors, putting the company in a unique position to provide integrated networking and security services. By leveraging the advantages of its network strength, Lumen delivers managed SASE services through partnerships with technology firms including Fortinet, VMware, and Versa. The company's effort to continuously expand its ecosystem of technology partners supports its aim to offer flexible options for customers to choose SASE solutions that best fit their needs.

Lumen designed its managed SASE service to provide comprehensive cybersecurity protection for all users, devices, and applications across all network edges. The company focuses on the convergence of networking and security solutions, including SD-WAN, next-generation firewall (NGFW), zero-trust network access (ZTNA), secure web gateways (SWG), cloud access security brokers (CASB), and data loss prevention (DLP) to deliver a scalable, flexibly managed, and optimized SASE service for customers.

Lumen's comprehensive offering introduces cross-sell opportunities by integrating its SASE service with its network, edge, and cloud solutions, allowing customers to experience greater operational efficiency in less time needed to add new services through a digital workflow as it offers all solutions under a single Lumen Platform. The end-to-end approach allows the company to establish a strong presence across verticals and differentiate itself from competitors that only deliver standalone managed services, which might limit them from addressing customers' changing needs in a fast-paced business environment.

The advantages of adopting a SASE solution along with its technology offerings enables Lumen to build up its already strong track record in supporting retail, manufacturing, financial, healthcare, and public sector customers. Tapping into its comprehensive portfolio, Lumen often layers its SASE service with networking services and managed services to offer solutions that can better address customer needs. As a result of

the excellent go-to-market strategies, the company has successfully expanded its market reach across North America; Europe, the Middle East, and Africa (EMEA); Asia-Pacific (APAC); and Latin American (LATAM), with North America holding the largest market share. The ongoing effort to grow its customer base globally has helped the company achieve tremendous triple-digit year-on-year growth in the global managed SASE services market in 2023, based on Frost & Sullivan's estimates.

Building Strong Relationships through a Customer-oriented Approach

Lumen's customer-oriented approach to addressing industry needs hinges on building strong customer relationships. To better serve target customers in the public sector, Lumen has formed a dedicated and specialized team of public sector security experts. The team has earned accreditations and the expertise required to help government agencies meet the zero trust mandate that was introduced by the US government requiring agencies adopt a zero trust architecture on the principle of least privilege. Lumen's large network infrastructure and extensive experience in providing managed security services (MSS) and professional security services (PSS) position it as a trusted partner for government customers when it comes to SASE implementation, setting it apart from other competitors that do not have much experience or the required expertise in serving highly regulated industries such as the government sector.

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The company also provides customers with flexible options when adopting SASE, enabling them to choose the self-managed option or allowing Lumen to deploy, implement, monitor, and manage the SASE solution. The flexibility of its managed service options ensures customers get their various needs met, whether they prefer to have a high level of control over the solution to meet specific needs (self-managed) or to outsource certain elements while their in-house IT team focuses on business-centric

tasks (pro-managed). To enable customers a smooth transition to SASE, Lumen provides professional security services (whether self-managed or pro-managed), including design consultation, implementation, service configuration, installation, on-site maintenance, patch management, backup, and log streaming. Frost & Sullivan applauds Lumen for its successful customer-focused flexible managed services approach that allows it to better align with customers' business strategies and address specific requirements, challenges, and pain points.

Ongoing Efforts to Foster Positive Customer Purchase and Ownership Experiences

Lumen focuses on differentiating itself from its closest competitors by providing a digital experience to simplify customers' entire learn, buy, get, use, pay, renew (LBGUPR) life cycle. The company provides its managed SASE service through Lumen Marketplace to enable a seamless digital experience for the purchase, configuration, and management of SASE. Lumen Marketplace offers transparent pricing for customers, and the pricing model is relatively simple, as it is offered through five options (XS, S, M, L, and XL) based on the number of sites required. Lumen understands that different customers have different preferences, so it allows them to choose between working with a consultant for a traditional sales

experience or opting for a digital purchase experience to design and configure a SASE solution that aligns with their specific needs.

Regardless of whether customers choose a sales-led journey or the digital purchase option on Lumen Marketplace, customers can leverage Lumen SASE Manager for online self-service configuration. Lumen SASE Manager enables customers to configure their SASE service by location and user, easily add new sites and services, receive alerts, manage tickets, and purchase or add-on individual cybersecurity services as part of the grow-as-you-go SASE approach. Lumen's unique digital buying and self-service configuration/use experiences stand out from competitors who still rely on a traditional sales approach.

Commitment to Improve Cybersecurity Fortifies Brand Loyalty

Lumen complements its managed SASE service with deep cybersecurity threat insights and strong threat detection and response capabilities from its Black Lotus Labs threat intelligence arm. Black Lotus Labs focuses on analyzing and remediating existing and emerging threats through the combination of 24/7 analysis of Lumen global IP backbone traffic flows and threat intelligence feeds from third parties and the government. Supported by Black Lotus Labs' proprietary analysis of more than 200 billion network flow sessions and more than 1 billion domain name system (DNS) queries each day, Lumen's Rapid Threat Response proactively defends against unique and emerging threats and automatically prevents customers from interacting with cyberthreats.

Integrating Lumen's Rapid Threat Response with SASE service creates a seamless experience as customers gain threat intelligence feeds and automated threat remediation with updates through Lumen SASE Manager. It is included as part of Lumen's Fortinet SASE offering at no additional cost, and in 2024, it will be integrated with the SASE solutions of other technology partners. The threat research and intelligence capabilities of Lumen's Rapid Threat Defense, fueled by Black Lotus Labs, are infused into the company's managed SASE service, positioning it ahead of its close competitors for delivering enhanced cybersecurity protection.

Conclusion

Lumen has gained popularity and preference among global customers on the merit of its comprehensive offering, extensive experience in delivering managed services, simple and flexible sales approach, and commitment to enhancing cybersecurity protection through automated threat detection and response. This strategic combination gives the company a competitive edge over competitors with its customer-oriented strategy founded on delivering a simple and seamless experience that frees clients to focus on growing their business. With its strong overall performance, Lumen earns Frost & Sullivan's 2024 Global Customer Value Leadership Award in the managed SASE services industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

