

## VENDOR PROFILE

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### Quest Software Forges One Identity

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Sally Hudson

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### IDC OPINION

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The identity and access management (IAM) market accounted for \$3.15 billion in license and maintenance revenue for 2007. Based on the market needs and demands listed hereafter, IDC has forecast the IAM market to reach more than \$5 billion by 2012. Growth in this market is driven by:

- The need to meet regulatory compliance, such as SOX, HIPAA, PCI, GLBA, and others emerging on a worldwide basis
  - The need to increase security
  - The need to prevent ID theft and fraud
  - The need to efficiently manage and audit an identity management environment within the customer ecosystem
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### IN THIS VENDOR PROFILE

This IDC Vendor Profile looks at Quest Software Inc.'s evolving presence in the identity access and management market and its strategy around the Quest One Identity Solution product portfolio for IAM, security, and integration. Quest Software, based in Aliso Viejo, California, provides application, database, and Windows management solutions across a wide variety of industries and organizations.

### SITUATION OVERVIEW

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#### Introduction / Background

IDC defines IAM as a comprehensive set of solutions used to identify users in a system (e.g., employees, customers, contractors) and control their access to resources within that system by associating user rights and restrictions with the established identity. This is accomplished via implementation of some or a combination of the following technologies within an organization: Web SSO, host (or enterprise) SSO, user provisioning, advanced authentication, legacy authorization, and directory services.

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## **Company Overview**

Quest Software, based in Aliso Viejo, California, is a leading provider of application, database, and Windows management solutions. As a company, Quest has a history of both organic growth and growth by acquisition. Over the past several years, it has acquired Wingra Technologies, a Microsoft Exchange migration software vendor, and SQL Server database management tools vendor Imceda Software. Prior to that, the company had acquired Windows management and migration software companies such as FastLane Technologies and Aelita Software. To date, the company has a solid reputation for providing continuity of acquired products while simultaneously integrating them with its existing product line.

Quest provides customers with client management as well as server and desktop virtualization solutions through its subsidiaries — ScriptLogic, Vizioncore, and Provision Networks.

### ***Financial Performance***

For the fiscal year ending December 31, 2007, Quest Software reported that total revenue increased by approximately 12% to \$631.0 million in fiscal 2007, compared with total revenue of \$561.6 million in fiscal 2006.

### ***Customers and Contracts***

The company has approximately 90,000 enterprise IT customers worldwide. Quest One Identity Solution customers include the Internal Revenue Service (IRS) and Lockheed Martin.

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## **Company Strategy**

Quest officially began its identity odyssey in 2005 with the acquisition of Vintela Inc., a privately held software company. The Vintela acquisition brought cross-platform user provisioning, password management, and end-user self-management software products to the Quest portfolio. At the time of the acquisition, Vintela claimed approximately 100 enterprise customers, which translated into a total Vintela installed base of 500,000+ seats on a worldwide basis.

In 1H08, Quest Software officially acquired PassGo Technologies, a privately held software company specializing in IAM solutions. The acquisition of PassGo's IAM and compliance products augments Quest's existing user authorization and authentication product set. According to company executives, the addition of PassGo is the next step in this effort to meet customer needs in areas like security, compliance, and operational efficiency. The PassGo product portfolio included Defender (two-factor authentication), Webthority (Web SSO), InSync (password synchronization), and Unix Privilege Manager (privileged account management).

As a company, Quest specializes in providing access control and management for customers in multiplatform environments. Quest is especially focused on providing Microsoft's Active Directory users with cross-platform provisioning and secure access

to Unix, Linux, and other platforms, including IBM's zSeries and iSeries (S/390 and AS/400) systems.

### ***Quest One Identity Solution***

Over the past 18 months, Quest has emerged as a significant contender in the IAM market space. While the company is primarily noted for Microsoft Active Directory (AD) access control integration with Unix/Linux environments, we believe the vendor will continue to round out its IAM offerings by both acquisition and internal development efforts.

### ***Product Strategy — Quest One***

Quest's mission in the identity space is to "improve security, increase efficiency, and achieve compliance." Its software products are aimed at extending the security of AD to non-Windows systems and applications and enforcing uniform security policies across the enterprise. This includes control and delegation mechanisms for elevated and least privileged accounts and provides a strong password policy and strong authentication.

Products have been regrouped under the Quest One banner for authentication, authorization, administration, and compliance. The strategy is "get to one" by demonstrating value to customers by automating identity administration and consolidating directories and identities into Microsoft AD. This will allow companies to build on existing investments while achieving greater efficiencies through SSO and automation of account management. Quest One Identity Solution software provides audit, reporting, and alerting tools to assist in the compliance initiatives that leverage the compliance of AD for non-Windows systems and applications. This allows IT professionals to assess identity and access management policies across the organization's heterogeneous environments.

### **Product/Service Offerings**

Quest has amassed a portfolio of products that can be used alone or in combination to achieve identity management and compliance initiatives:

- For single sign-on:** Quest Authentication Services, Quest SSO for Java, Quest Enterprise SSO, Quest Webthority, Quest Password Manager
- For directory consolidation:** Quest Authentication Services, Quest SSO for Java
- For audit and compliance:** Quest InTrust, Quest Reporter, Quest Privilege Manager for Unix, Quest Enterprise SSO, Quest SafeKeeping, Quest Webthority, Quest Defender
- For strong authentication:** Quest Defender, Quest Enterprise SSO, Quest Authentication Services, Quest SSO for Java
- For password management:** Quest Password Manager, Quest Enterprise SSO, Quest SafeKeeping, Quest Authentication Services, Quest Defender, Quest Privilege Manager for Unix

☒ **For provisioning:** Quest ActiveRoles Server, Quest Enterprise SSO, Quest Defender

☒ **For role management:** Quest ActiveRoles Server, Quest Privilege Manager for Unix, Quest SafeKeeping

### **Platforms**

Quest products for identity are primarily centered on the Microsoft Active Directory platform and focus on strategies for integrating Microsoft technology into the IT enterprise identity framework for administration, authentication, authorization, and auditing.

### **Standards**

Quest adheres to a standards-based approach to multiplatform integration designed to extend the Microsoft offerings, in particular Active Directory, to Unix, Linux, Mac, and Java systems environments.

### **Mergers and Acquisitions**

Most recently, Quest announced the acquisition of NetPro. NetPro Computing brings AD-centric auditing, reporting, and security policy tools as well as MissionControl for management of Microsoft's Identity Lifecycle Manager.

### ***Business Strategy***

#### **Go to Market**

Over the next 6–12 months, the company will focus on Quest One marketing campaigns, producing collateral, and revamping its Web site to reflect the new branding strategies.

#### **Sales**

Quest is transitioning its sales force to become a solutions sales force capable of providing end-to-end IAM solutions, with the message focused on speeding deployment and lowering the cost of large IAM framework deployments.

#### **Partnerships**

Quest is a launch partner with Microsoft for its release of Identity Lifecycle Manager 2. Quest continues to invest in and develop new integration and interoperable points with Microsoft platforms and, specifically, Identity Lifecycle Manager, to ensure enterprise customers have unified solutions that optimize their IT infrastructure.

Quest and professional services provider Avaleris recently announced that they will provide two-factor authentication that is fully integrated with Microsoft's Active Directory and Identity Lifecycle Manager platform. Avaleris has created an extension for the Quest Defender two-factor authentication solution, which enables seamless integration with Identity Lifecycle Manager's Certificate Management capabilities. This enables organizations to manage a range of authentication technologies (i.e., smart cards, one-time password devices, and certificate-based credentials) across the enterprise as an extension of their existing AD platforms.

## FUTURE OUTLOOK

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### Challenges and Opportunities

#### ***Challenges***

The major challenge at this time is to achieve market recognition as a viable IAM provider and not as a provider of a point solution-integration product. Current direct point-solution competitors include Centrify and Symark as well as Passlogix and Cyber-Ark.

#### ***Opportunities***

As Quest continues to flesh out its IAM offerings, IDC expects it to both compete with and complement more directly larger vendors such as IBM, Oracle, Novell, and CA for IAM market share. The company's product set is especially appealing to Microsoft AD shops working within a mixed-platform environment, or to those with projects under way looking to accelerate deployment and lower costs, of which there are many. Quest Software should also be appealing to the small and medium-sized business (SMB) market.

#### ***Market Inhibitors***

The worldwide economic slowdown has affected all software vendors to some degree. However, regulatory compliance initiatives such as SOX, PCI, GBLA, HIPAA, and JPIPA are increasing on a worldwide basis, and to meet many of these criteria, companies must implement an IAM architecture. The need for regulatory compliance offers IAM some protection from the economic downturn.

#### ***Market Accelerators/Drivers***

The total IAM market realized \$3.15 billion in license and maintenance revenue for 2007. Approximately 75% of this market was driven by compliance and regulatory demands, especially in North America.

#### ***Assessment of Market Opportunities***

Quest could easily emerge as an IAM market leader over the next several years — the company has strong executive leadership in the IAM space and a strong relationship with Microsoft, and it seems to be making all the necessary moves to position itself for a leadership role in the mid- to large-scale enterprise. IDC also anticipates that the company will make more acquisitions in the next 12–24 months to bolster its position in this market.

## ESSENTIAL GUIDANCE

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### Advice for Quest

Quest should stay the course of carefully targeted acquisitions in this market. The ability to provide proven, integrated, and scalable products in heterogeneous environments is in demand for IAM initiatives. Many customers have struggled during the earlier stages of IAM adoption with loosely (or poorly) integrated products and are open to product sets that will ease this pain.

In addition to acquisitions, we expect that Quest will broaden its partnership strategies with leading firms in the United States and worldwide over the next several months. An example of such an alliance can be seen in Quest's existing partnership with IBM.

## LEARN MORE

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### Related Research

- ☒ *Worldwide Identity and Access Management 2008–2012 Forecast and 2007 Vendor Shares* (IDC #213650, August 2008)
- ☒ *Worldwide and Americas Security Products 2008–2012 Forecast Update by Vertical Market and Company Size Segment* (IDC #213128, July 2008)
- ☒ *Worldwide Federated Identity and Access Management Software 2008–2012 Forecast* (IDC #211232, March 2008)
- ☒ *IDC's Software Taxonomy, 2008* (IDC #210828, February 2008)
- ☒ *Worldwide Identity and Access Management 2007–2011 Forecast with Submarket Segments* (IDC #208060, August 2007)

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