

Cryptzone SaaS

Security as a Service within hosted environments

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v. 1.0

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Introduction

In this paper, Cryptzone has set out to illustrate why there is a growing interest in Security as a Service within hosted environments among SaaS distributors, resellers and customers, how the value chain of SaaS actors benefit from Cryptzone's solutions for Data Leak Prevention and information security and how the business model works.

This paper assumes that you are a board-level decision maker, market analyst, SaaS Distributor or SaaS reseller representative. It shows how you can derive benefits from deploying Cryptzone's SaaS offering in your own organization. It examines Cryptzone's overall technical solutions and the business model in the value chain of Cryptzone, SaaS Distributors & Resellers.

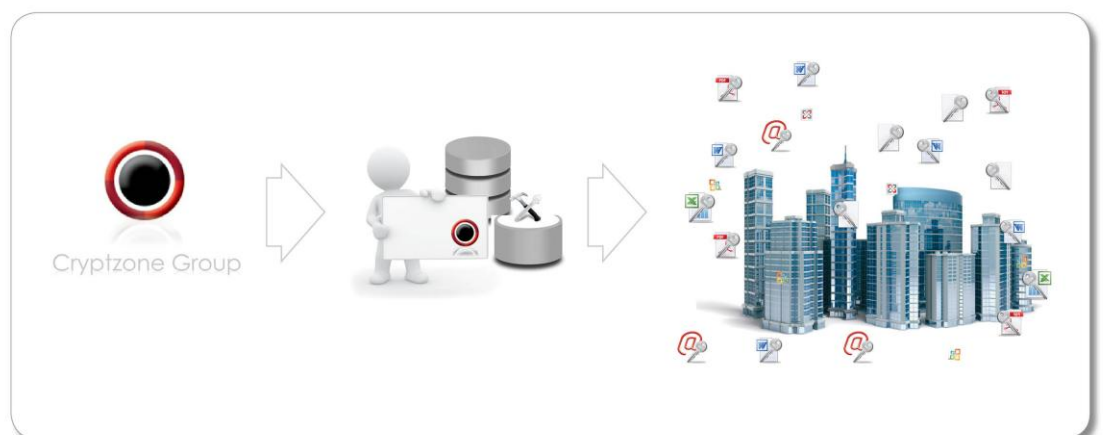
What is Software as a Service?

SaaS is a proven and increasingly popular way of delivering software capabilities to organizations of all kinds. The SaaS provider remotely hosts and manages software and associated data on behalf of an organization, thus removing the need for it to install and maintain business applications such as email, word processing and applications for information security. Because each organization accesses its own instance of a single, centralized application, updates are instantly applicable to all and vendor support services are greatly simplified.

Customers pay a fee either by periodic subscription or monthly basis. This eliminates the up-front license fee associated with the traditional volume licensing model. The investment changes from capital expenditure for software and hardware to an operational expense and only those who benefit from the software and ongoing support are obliged to pay for it.

The software and data are hosted on dedicated facilities managed by the SaaS vendor or by SaaS distributors. These facilities are typically housed in commercial grade data centre facilities, with all of the associated benefits that this brings in terms of security, environmental control and protection against interruption.

Customers pay a fee either by periodic subscription or on a monthly basis. This eliminates the up-front license fee associated with the traditional volume licensing model.



What is Cryptzone's offering?

Cryptzone offers a SaaS/Cloud distributor or reseller a possibility to add to your current portfolio of hosted services, whatever it may consist of, a set of application based Data Leak Prevention solutions as a pay per click subscription in your hosted environment.

Cryptzone markets this suite of solutions as Cryptzone's Security as a Service Platform

SaaS/Cloud Distributor - provides SaaS Resellers with hosted infrastructure, support & maintenance and pre-defined application packages. For example: For example Microsoft Exchange, Microsoft SharePoint and Office, CRM, Anti Virus & Spam filtering and Security as a Service. Microsoft Exchange, SharePoint and Office, CRM, Anti-Virus & Spam filtering and Security as a Service



SaaS Reseller - offers customers cloud-based application solutions as pay-per-click subscriptions in a multi-tenant environment. Resellers control marketing, first line support and even offer automatic provisioning.

This platform is designed to be compliant with hosted multi-tenant environments that are becoming the common way of application access throughout the SaaS and hosting industry.

Cryptzone has developed a complete suite of SaaS compliant encryption solutions for USB protection, encryption of Microsoft SharePoint documents & folders, secure email communication and file & folder encryption. Our solutions are built upon the Cryptzone SaaS Hosting Platform, a management platform that is scalable and used to administer policies, licenses, groups and users of our products. This platform is designed to be compliant with hosted multi-tenant environments that are becoming the common way of application access throughout the SaaS and hosting industry.

Cryptzone provides remote or on-site installation, sales and help-desk training, second line or third line support, depending on whether the partnership is between Cryptzone and a reseller or a distributor of cloud services.

Cryptzone's solutions and SaaS hosting platform are scalable from a license point of view. That means that licenses are paid for only when they are activated for a specific end user.

Cryptzone provides distributors and resellers with the number of licenses required and will supply additional licenses when the user base is expanded.

Cryptzone SaaS Solutions

Cryptzone SaaS Hosting Platform

Cryptzone's hosting platform is a centrally deployed management platform that is module-based and expandable. Completely software-based it integrates seamlessly into any existing SaaS infrastructure. The Management Console and SEP server communicate with standard SQL or SQL Express databases in order to synchronize Active Directories, store client software licenses and edit/store security policies.

The management console makes it possible to create secure groups and deploy new security policies by the push of a button. Cryptzone provide templates with the most common security policies to get you started easily.

A part of the functionality with the The SaaS Hosting Platform is that every user is connected as an individual to the platform. That means that parts of our client suite solutions can be unlocked or locked by managing licenses in the management console. For example, a user has Secured eUSB and Secured eMail installed on the client side but company security policy states that he also needs the Secured eFile solution. The administrator can activate a license for that specific functionality immediately. Users will experience that they have a new functionality next time they login to their client machine. A license can also be deactivated and the total number in the license pool will increase making it ready to be re-assigned to another user. That means you never lose any license for a product as they are dynamic.

For distributors it is possible to nest resellers Active Directories. For example, a reseller that is connected to a SaaS distributor will only be able to see the customers, along with groups and users, that are specifically connected to that resellers SaaS program. This makes reporting and invoicing so much easier and always guarantees that every party extracts and receives the correct data.

The Simple Encryption Platform is based on the notion that no company wishes to be locked in on deploying the "full suite" of products at any given time. With the SEP Platform, you choose when and if you deploy a module, such as File encryption, Email encryption, Encryption for Microsoft SharePoint, or USB encryption.

Cryptzone also provides a SaaS SDK kit for resellers and distributors that wish to integrate existing control panels and consoles with Cryptzone's SaaS Hosting Platform. This unlocks and extends the possibilities even further. For example, when SaaS distributors with a network of resellers wish to integrate license management and reporting functionality into existing consoles. The result is an integrated solution that simplifies management on both sides; reseller and distributor.

With the SEP Platform, you choose when and if you deploy a module, such as File encryption, Email encryption, Encryption for Microsoft SharePoint, or USB encryption.

Secured eUSB - Centrally managed USB encryption deployment tool

Secured eUSB makes it possible to convert a regular USB flash drive into a secured USB flash drive with strong security that your users can safely travel with, without worrying about leaking information.

Secured eCollaboration - Microsoft SharePoint File security & encryption

Secured eCollaboration is a file encryption & security add-on to your existing Microsoft SharePoint® deployment. It adds functionality which allows users to encrypt documents and folders right from within SharePoint.

Secured efile - Centrally controlled file security and encryption

Centrally rolled out, Secured eFile is a convenient and undistruptive way to use granular file security throughout the organization.

Secured eMail - Policy-controlled email encryption

Secured eMail is an email encryption solution designed to bring you ease-of-use while maintaining a high level of security in communications. Building upon the concept of Global Communication that enables the receiver to unlock a secured email on any device and on any platform. Global Communication is customized and built to fit into today's as well as tomorrow's Cloud and SaaS services where download and installation of software is not needed.

What are the business benefits of Cryptzone's Security as a Service Program?

Business cases show that distributors and their resellers can create recurring revenues and margins of over 40% each. Adding that no upfront investment in licenses has to be made, the model spawns a situation where distributors and resellers have a convenient financial win-win model.

Businesses of all sizes today face an ever increasing dependence on their IT systems to run their operations and, as a result, they have become more sensitive to vulnerabilities and other IT security concerns. Add to that, the increasing mobility of the workforce and the inherent difficulties in managing roaming devices, and what Cryptzone have is an scenario in which the management of security operations becomes ever more complex, costly and sophisticated. In fact, many IT system failures and downtimes are caused by human errors due to the manual nature of managing traditional, on-premises IT management solutions. To make matters worse, compromised endpoint and outbound integrity have become threats that make organizations more vulnerable than ever. Information on a USB stick is lost, stolen or transferred into the wrong hands by mistake. Email communication is tapped or mails are being sent by mistake to the wrong recipient. Files and folders are being uploaded and downloaded from ever growing Microsoft SharePoint sites, without any policy or access control.

A primary benefit of Cryptzone's SaaS solution is that it enables the channel to provide value added services to end users, something many of them are actively searching for, trying to regain the profitability they lost due to shrinking margins in hardware suffered during the past few years. Channel partners can leverage a purpose-built "Partner Console" which integrates their current control panel with Cryptzone's Management Console, which allows them to efficiently manage the security solution across multiple customers, from one single Cryptzone console, remotely, and without requiring any hardware or software investment either. Thus, SMBs now have the opportunity to outsource the management functions to the channel partner.

A second benefit consists in the natural fit of the Cryptzone SaaS approach to deal with the increasingly mobile workforce. Today, controlling and managing traveling employees with laptops is a source of concern for administrators. With the Cryptzone solution, an administrator can remotely monitor and configure the client side protections in laptops, regardless of their location. Cryptzone's SaaS solutions provide many reporting features that encompass all areas of the solutions provided in one place. Often times when designing security services in-house, reporting in each area comes from different devices and different applications. This can be an administrative nightmare when keeping track of it all. With security as a service, reporting of each application is usually provided through a single and easy to manage reporting Cryptzone interface.

SaaS resellers and distributors are receiving demands from customers that wish to have a one-stop SaaS solution for the IT on a pay-per-click model. Not only for general SaaS compatible applications but also for security solutions like the ones Cryptzone provides.

The SaaS value chain of distributors and resellers can benefit from this demand in several ways:

- ✓ Highly complementary to other distributed SaaS services and functions as a value added service
- ✓ Easy to understand, use and sell
- ✓ Customers ask for a one stop shop
- ✓ Requires no additional hardware or downtime in current hosting environments
- ✓ Online distribution platform for reseller or distributor that can choose an API integration with existing control panels and system management
- ✓ No upfront investment in licenses.
- ✓ Experienced at distribution platform integration
- ✓ Distribution, marketing and sales support
- ✓ Proven, robust and scalable technology and infrastructure platform

What is the nature of the business model?

Cryptzone's business models for Distributors and Resellers differ from each other although the technology is still the same.

A primary benefit of Cryptzone's SaaS solution is that it enables the channel to provide value added services to end-users.

Business Model and Revenue Model for Cryptzone - Reseller – Customer

Cryptzone

- Invoicing based on SaaS Resellers reports on number of currently active users of Cryptzone services in the Management Console. This report is automatically generated by the end of each month and represents actual number of active licenses per user and product.
- Cryptzone sends an invoice to the Reseller based on a system generated report.
- Cryptzone offers additional services upon request: API Integration, hosting, R&D.s



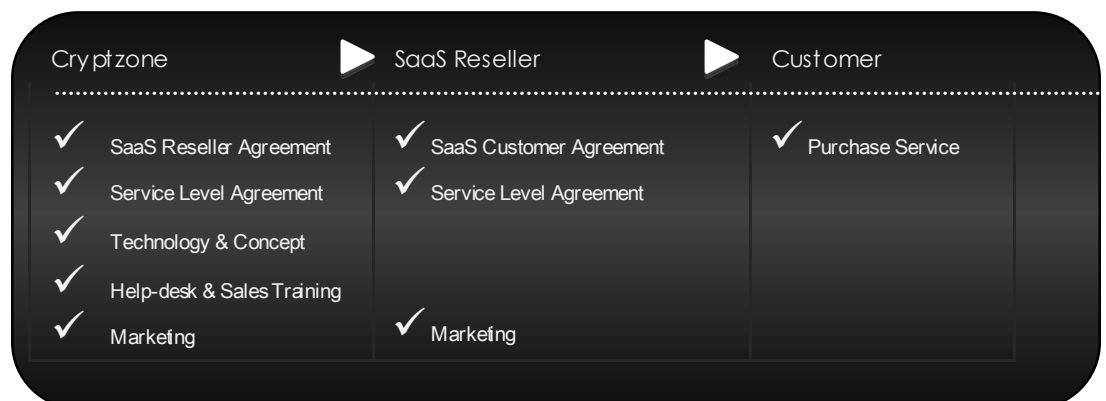
SAAS Reseller

- Reports are extracted from the Management Console each month that state number of active users for each of Cryptzone's products
- Reseller sends invoice to customer
- First line support
- **Increased Recurring Revenue each month generated by Cryptzone's solutions**



Customer

- Customer - user of Resellers services that include Cryptzone's solutions
- Pays invoice each month, dials up or down number of user depending on demand
- Pays Reseller for SLA



Business Model and Revenue Model for Cryptzone - Distributor - Reseller – Customer

Cryptzone offers additional services upon request: API Integration, hosting, R&D

Cryptzone

- Invoicing based on SaaS Distributors reports of number of currently active users of Cryptzone services in the Management Console. This report is automatically generated by the end of each month and represents actual number of active licenses per reseller and product.
- Cryptzone sends an invoice to the Distributor based on a system generated report
- Thirdline support
- Cryptzone offers additional services upon request: API Integration, hosting, R&D

SaaS Distributor

- Cryptzone's SaaS hosting Platform generates a report from the system that states the number of active users of Cryptzone's services per reseller and product. This report is extracted by the distributor each month and sent to Cryptzone.
- Distributor sends invoice to reseller
- Second line support
- **Increased Recurring Revenue each month generated by Cryptzone's solutions**

SaaS Reseller

- A Reseller is part of the Distributors channel and infrastructure. Reports are generated by the Distributors system each month and state the number of active users for each service, including Cryptzone's offerings.
- Reseller sends invoice to customer
- First line support
- **Increased Recurring Revenue each month generated by Cryptzone's solutions**

Customer

- Customer - user of Resellers services that include Cryptzone's solutions
- Pays invoice each month, dials up or down number of user depending on demand
- Pays Reseller for SLA

The Cryptzone SaaS Business model will increase monthly recurring revenue for SaaS Distributor and SaaS Reseller.



Implementation Process

One of the factors that provides better total cost of ownership for SaaS solutions compared to traditional installed solutions is the cost and time of implementation. Cryptzone's SaaS solutions are characterized by their ease of implementation and quicker time to market or to value with deployments generally available instantly compared to a month or more with traditional solutions for information security. Distributors and resellers don't have to spend time and money installing or maintaining additional servers, networking equipment, security products, or other hardware.

An advantage of Cryptzone's SaaS products is that a free of charge evaluation period is available. This allows you to test the software using a small volume of data. For small businesses, this allows a solution to be tested on an almost instant basis. For larger businesses, an evaluation is planned with Cryptzone's engineers and, where necessary, configured for the end users business.

Cryptzone offers a free trial period but, in any case, the 'pay-as-you-go' pricing lends itself to a small pilot with a few end users (or internally for testing purposes) that can start almost immediately to prove the system. Once proven, the focus of the rollout is on help-desk & sales training and further acceptance. The implementation consultancy for Cryptzone's SaaS solution can be a fraction of that needed for traditional software.

The efficiency in implementation and installation is derived from several factors:

- 100% software based solution all the way from administrator side to client side.
- The Cryptzone SaaS Hosting Platform is 100% compliant with hosted multi-tenant environments.
- Cryptzone's SaaS Management Platform is installed on existing servers and communicates with an existing database that holds Active Directories at reseller or distributors site.
- Remote install by Cryptzone technical experts
- Proof of Concept

An often underestimated aspect of any system implementation is training. A good SaaS vendor will provide adequate training; the key difference is that most SaaS products are intuitive and training can generally be provided as the user unlocks the different parts of the application. Fitting with their need for a scalable business, Cryptzone offers a mix of self service tools, online help and training that can be done at the user's desk.

How is Cryptzone's Security as a Service Program different?

- No upfront costs; the investment is opex not capex for end users. Rapid speed to implementation improves business agility and flexibility in the complete value chain from distributor to reseller to customer.
- Pay-as-you-go, which increases or decreases as per request. Distributors and Resellers receive any number of licenses and receive more as the number of subscribers increase.
- Licenses do not expire. A single user license can be deactivated and re-assigned to another user.
- Apart from a small client software, there is no infrastructure requirement as the vendor hosts the data externally.
- The customer does not need to worry about internal IT support as with other traditional information security solutions.
- Quick implementation, both on distributor, reseller and customer site, typified by a simple 'subscribe and use' approach.

Quick implementation, both on distributor, reseller and customer site, typified by a simple 'subscribe and use' approach.

The Cryptzone Group supplies systems for Data Loss Prevention in three categories: role-based access control, encryption of sensitive information, as well as Java-based point-to-point communications. The Cryptzone Group's goal is to offer user-friendly security solutions in order to increase the overall information security, thereby minimizing the risk of information leakage, while IT administrators have complete control over user rights. The company has offices in Sweden, UK, USA and Poland. More information about the company and its solutions can be found on www.cryptzone.com, www.appgate.se, www.mindterm.com.

Cryptzone's share is listed on First North in Stockholm, Sweden. First North is an alternative market, operated by the different exchanges within NASDAQ OMX. Certified Adviser is Thenberg & Kinde Fondkommission AB, 031-745 50 00.

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