

WatchGuard Strengthens Protections With BorderWare Acquisition

Adam Hils

New e-mail and other protections may make WatchGuard Technologies' offerings more attractive to enterprise customers. But WatchGuard must diversify its sales and marketing to maximize this acquisition's potential.

NEWS ANALYSIS

Event

On 4 August 2009, WatchGuard Technologies, a provider of multifunction firewall solutions headquartered in Seattle, announced that it has acquired BorderWare Technologies, a Toronto-based provider of e-mail, Web security, content and threat management solutions.

Analysis

Gartner believes this acquisition represents a positive development that will strengthen WatchGuard's competitive position with its traditional market, small and midsize businesses (SMBs), and possibly also with enterprises. WatchGuard has addressed the multifunction firewall market — sometimes identified as the unified threat management (UTM) market — with its UTM and XTM product lines, as well as with a stand-alone Secure Sockets Layer (SSL) virtual private network (VPN) appliance, relying on partners for antispam, e-mail/Web anti-malware and Web filtering tools. The BorderWare acquisition brings all these capabilities into the WatchGuard line, along with a new set of customers.

BorderWare was facing challenges in the market and its installed customer base is small, but most of its customers are larger than WatchGuard's, affording WatchGuard the opportunity to cross-sell products into both sets. WatchGuard will, however, face challenges in ensuring that its offerings are robust enough for specific larger-customer use cases, and that the BorderWare solutions are priced and packaged attractively for smaller customers. Gartner believes that WatchGuard will focus on selling the BorderWare line as separate appliances through 1Q10, to add incremental revenue and position itself for success in the enterprise market. (Despite some areas of potential overlap, WatchGuard will likely maintain a separate BorderWare product line.) During that period, WatchGuard will likely begin to leverage BorderWare's in-the-cloud ReputationAuthority e-mail security services in its own products, keeping spam and bad traffic from impacting WatchGuard performance. This will help WatchGuard keep pace with competitors that plan similar hybrid cloud/box deployment models. Gartner expects some BorderWare technologies to be integrated into the WatchGuard platform by the end of 2010 — e-mail security and data loss protection are prime candidates — adding new protections and supplanting partners.

RECOMMENDATIONS

WatchGuard customers:

- Monitor WatchGuard performance closely to ensure that contractual obligations and service-level agreements are clearly communicated and adhered to.
- Demand details of how and when BorderWare technologies will be integrated into the WatchGuard platform, and particularly when your installed hardware must be replaced.
- When evaluating e-mail/Web security solutions, evaluate the BorderWare lines and — if they are appropriate for your needs — leverage your position as a WatchGuard customer to demand favorable terms and conditions.

BorderWare customers:

- Watch closely for disruptions, even though Gartner expects BorderWare's development and support streams to remain largely unchanged.

- During firewall refresh cycles, consider WatchGuard as a replacement, but only if its offerings meets your network's performance needs as firewall/VPN or firewall/VPN/intrusion prevention system solutions.

RECOMMENDED READING

- "Magic Quadrant for SMB Multifunction Firewalls" — SMBs have very different network security requirements from large enterprises, and don't usually require several best-of-breed network security appliances. **By Adam Hils and Greg Young**
- "Magic Quadrant for E-Mail Security Boundaries" — The e-mail security market is maturing, but speed and breadth of spam detection and management and reporting capabilities continue to differentiate vendors. **By Arabella Hallawell and Peter Firstbrook**

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