Forrester Report Prepared For Ben Chant With Cyberproof Inc

Forrester Infographic: The Managed Detection And Response (MDR) Market In 2021

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Summary

Managed detection and response (MDR) services emerged as an innovative entry in the security services landscape less than a decade ago. In 2021, the MDR market includes startups, endpoint vendors, managed security services providers (MSSPs), IT managed service providers (MSPs), consulting firms, outsourcers, and more. In the past year, we published “Now Tech: Managed Detection And Response Services Providers, Q4 2020,” followed by “The Forrester Wave™: Managed Detection And Response, Q1 2021.” This report synthesizes the data we collected from participating vendors and their customer references about their respective MDR service providers.

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Figure 1

Forrester Infographic: A Snapshot Of The MDR Market, Its Service Providers, And Their Customers

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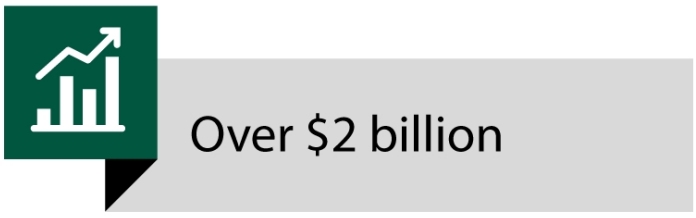
The MDR market

Managed detection and response (MDR) services emerged as an innovative entry in the security services landscape less than a decade ago. In 2021, vendors in the race to offer MDR now includes startups, endpoint vendors, managed security services providers (MSSPs), IT managed services providers (MSPs), consulting firms, outsourcers, and more. In December 2020, we published the "Now Tech: Managed Detection And Response Services Providers, Q4 2020" report. In March 2021, we followed up with "The Forrester Wave™: Managed Detection And Response, Q1 2021" report. This research synthesizes the data we collected from participating vendors and their customer references about their

The MDR market validated itself quickly

Forrester's estimate of the MDR market in 2021[1]



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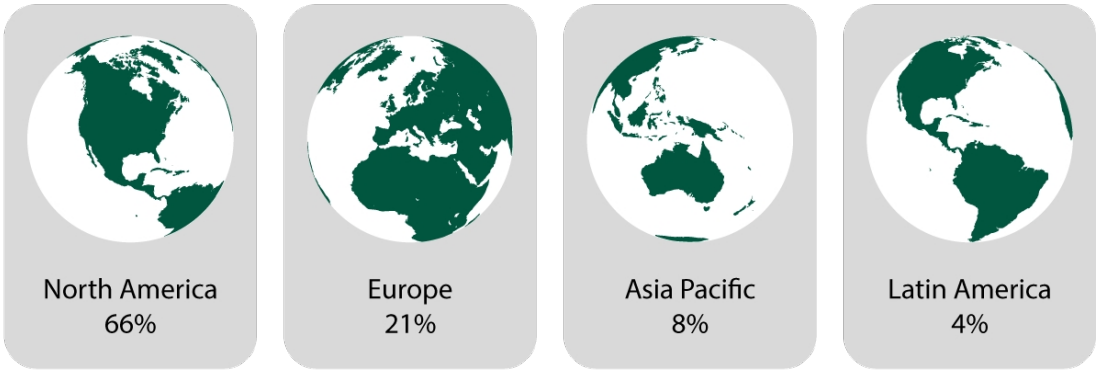
MDR revenue around the world

"Please break down your firm's MDR service revenue by geography."[2]



» MDR first emerged in the North American market, but client demand forced rapid international expansion. While this is an opportunity for growth, it also creates challenges in the form of international delivery requirements for clients in Europe, Asia Pacific, and Latin America.

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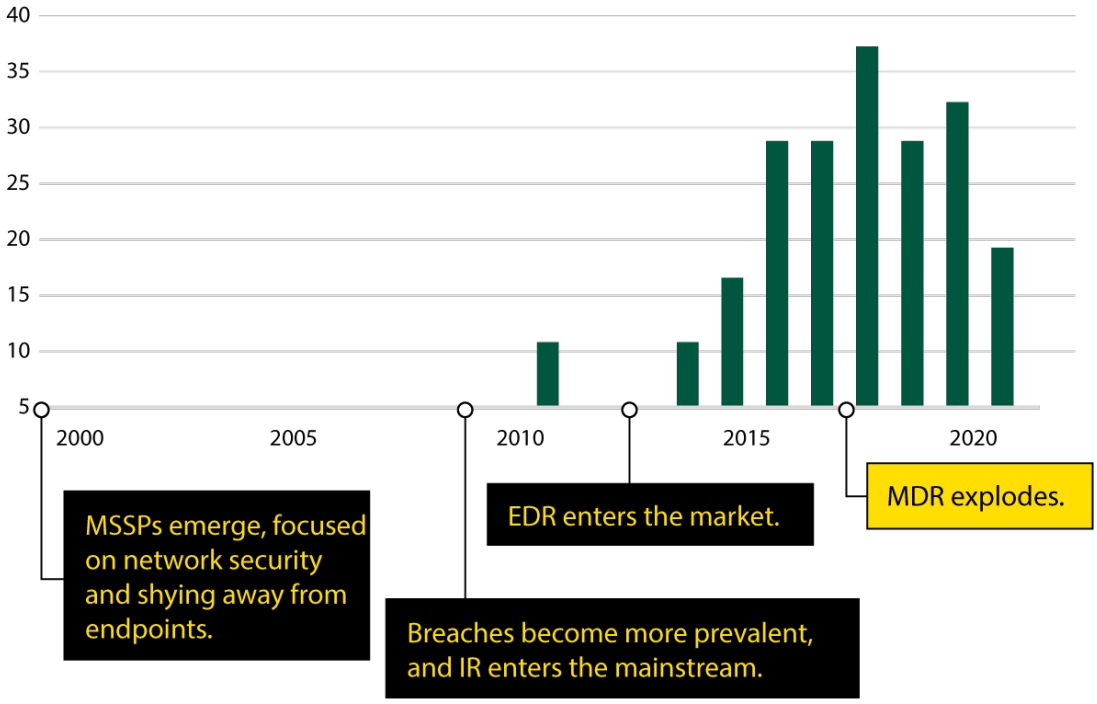
Evolution of MSSPs to MDR

Born in the late 1990s, MSSPs originally focused on managed firewall use cases. Capabilities expanded to include log monitoring and management and network security shortly thereafter. EDR arrived with rapid adoption by end users. The opportunity to use an EDR agent did not pass by services providers unnoticed, as MDR services exploded between 2015 and 2020. Vendors in the 2021 MDR Forrester Wave™ experienced massive growth, high Net Promoter Score (NPS), and extremely high client retention rates.

Timeline of MDR service launches[3]

Y-axis denotes number of MDR services launched per year.



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EDR product support across vendors

"Based on the EDR products your MDR service supports, please provide a percentage breakdown of the install base of your clients."[4]

»Carbon Black entered the EDR market first, but CrowdStrike quickly caught up. In 2021, CrowdStrike's Falcon is the most supported EDR tool, but as Microsoft Defender support continues to grow, we expect it to be the most widely supported EDR tool by MDR vendors by 2022.

41%
of MDR providers have a native EDR product.[5]

2.4
On average, MDR providers support 2.4 EDR products/modules.[6]

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Most customers own response actions[7]

Highest % of activity ownership
Lowest % of activity ownership

	We perform the activity	MDR vendor performs with permission	MDR vendor performs automatically
Contain/isolate hosts	42%	28%	30%
Delete file	56%	21%	23%
Stop process	40%	29%	31%
Conduct live response	37%	33%	30%
Retrieve artifacts	28%	28%	44%
Force reauthentication via MFA	88%	10%	2%
Force relog-on/log-off	88%	10%	2%
Force VPN connection	93%	8%	0%

»MDR vendors more closely resemble MSSPs that perform managed alerting if they don't provide managed response. Most end users, however, don't want their MDR vendor to perform the response activity, and instead want it to provide expertise, guidance, and

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MDR helps clients find time and attacks

Customer estimates of amount of time their vendor saves them per activity (in hours)[8]

»End users experience substantial time savings when working with an MDR vendor. On average, most clients felt MDR vendors saved them between 3 and 5 hours during the detection, investigation, and response phases and between 1 and 3 hours assessing potential impact to the organization and communicating with internal stakeholders.

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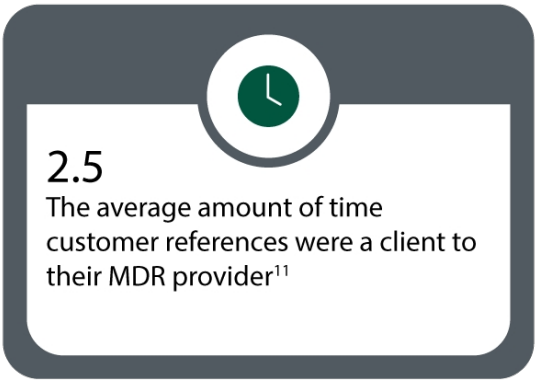
Customer reference overview

80%

of customer references were a part of the decision-making process when purchasing their MDR provider.[9]

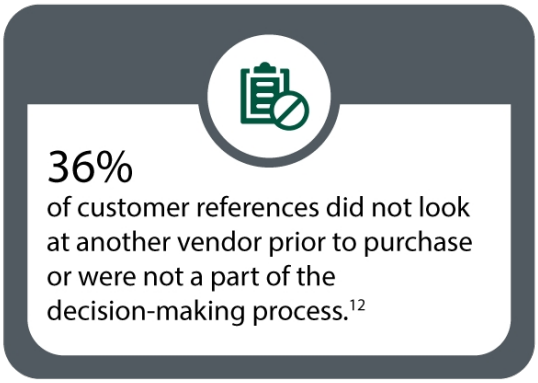
89%

of customer references plan to renew their contract with their MDR provider.[10]



2.5

The average amount of time customer references were a client to their MDR provider[11]



36%

of customer references did not look at another vendor prior to purchase or were not a part of the decision-making process.[12]

»Customer references included many early adopters of MDR services. This also limited the number of vendors considered by early adopters, with over one-third not evaluating another vendor or not being part of the decision-making process.

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Efficacy of MDR performance

"In order of importance, rank each outcome this vendor produces for your organization."[13]

»MDR clients favor detection-based outcomes over real-time response support, indicating that clients lend trust to their providers in detection but don't extend the same to response.

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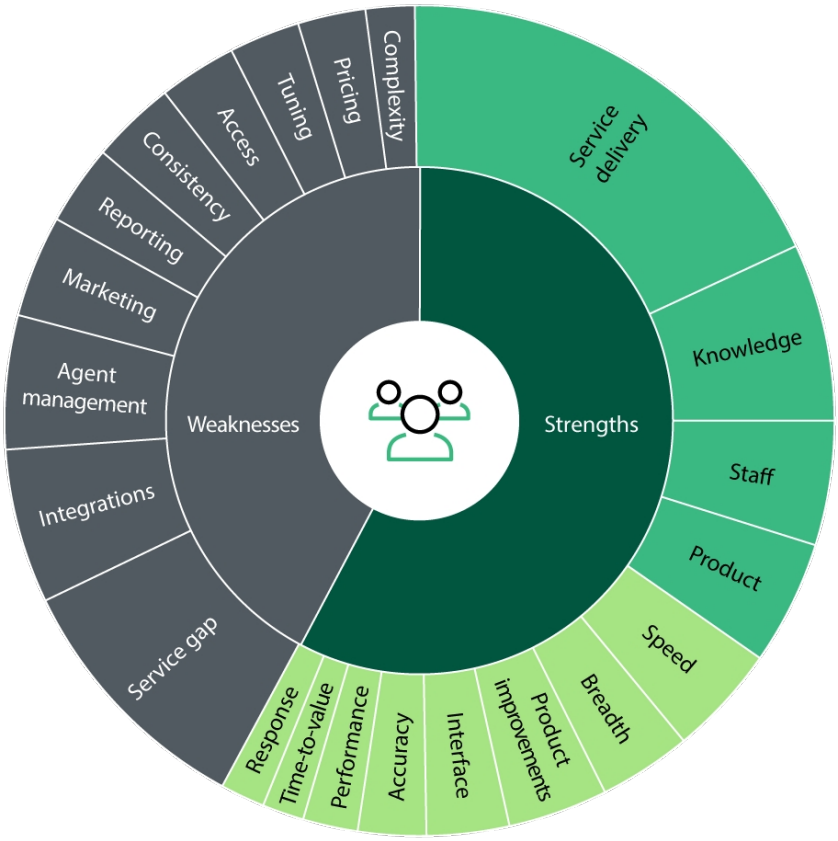
MDR vendor strengths and weaknesses



»Competent teams, empathy during service delivery, and speed of detection were three strengths customer references mentioned about their MDR providers. While the strengths drastically outweighed weaknesses, customer references identified price, access to data,

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Notes and sources

1. Note: Estimate is based on all vendors who responded to the Now Tech questionnaire. Base: 42 global MDR vendors who self-reported their install base; Source: Forrester's Q3 2020 Managed Detection And Response (MDR) Now Tech questionnaire
2. Note: Breakouts are in accordance with Forrester's definitions of regions. Base: 58 global MDR vendors who self-reported their install base; Source: Forrester's Q3 2020 Managed Detection And Response (MDR) Now Tech Questionnaire
3. Base: 58 global MDR vendors who self-reported their install base; Source: Forrester's Q3 2020 Managed Detection And Response (MDR) Now Tech Questionnaire
4. Base: 44 global MDR vendors who self-reported EDR products they support; Source: Forrester's Q3 2020 Managed Detection And Response (MDR) Now Tech Questionnaire
5. Base: 52 global MDR vendors who self-reported their install base; Source: Forrester's Q3 2020 Managed Detection And Response (MDR) Now Tech Questionnaire
6. Base: 44 global MDR vendors who self-reported EDR products they support; Source: Forrester's Q3 2020 Managed Detection And Response (MDR) Now Tech Questionnaire
7. Base: 45 global MDR customers; Source: Forrester's Q1 2021 Managed Detection And Response (MDR) Forrester Wave™ Customer Reference Survey
8. Base: 36 global MDR customers; Source: Forrester's Q1 2021 Managed Detection And Response (MDR) Forrester Wave™ Customer Reference Survey
9. Base: 45 global MDR customers; Source: Forrester's Q1 2021 Managed Detection And Response (MDR) Forrester Wave™ Customer Reference Survey
10. Base: 45 global MDR customers; Source: Forrester's Q1 2021 Managed Detection And Response (MDR) Forrester Wave™ Customer Reference Survey
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13. Base: 45 global MDR customers; Source: Forrester's Q1 2021 Managed Detection And Response (MDR) Forrester Wave™ Customer Reference Survey
14. Base: 45 global MDR customers; Source: Forrester's Q1 2021 Managed Detection And Response (MDR) Forrester Wave™ Customer Reference Survey

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Supplemental Material

Research Methodologies

Forrester's Q1 2021 Managed Detection And Response (MDR) Forrester Wave™ Customer Reference Survey was fielded to 45 customer references from November 10 to December 17, 2020. For quality assurance, respondents were required to provide contact information and answer questions regarding their ability to provide information on their managed detection and response providers. Respondent

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incentives included a courtesy copy of a published Forrester report. Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

Forrester's Q3 2020 Managed Detection And Response (MDR) Now Tech Questionnaire was fielded to 97 MDR providers from August 13 to September 8, 2020. For quality assurance, respondents were required to provide contact information and answer questions regarding their ability to provide information on their managed detection and response providers. Respondent incentives included a courtesy copy of a published Forrester report. Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

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