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Unisys Has Credible Security Offerings

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A client inquiry

Question

What are the prospects for Unisys' security offerings?

Answer

Unisys has identified its security business as one of five strategic priorities for 2002. Given the dramatic surge of interest in security recently, this emphasis is not surprising. Many vendors are moving into the security space with a range of products and services, hoping to capitalize on the uptick in spending. But Unisys is already an established player with significant advantages, including its global reach and its vertical focus. As long the company is careful not to overstretch its resources, it should do well in this market.

Unisys' security revenues are currently divided approximately evenly between systems integration/consulting and managed security services. While the company won't divulge revenues, it does claim more than 100 customers in each area, many of which are larger enterprises with more than 2,000 employees. The company was an early leader in remote perimeter management, where Giga has identified its offering as one of the best of its kind (see Planning Assumption, [Market Overview: Managed Security Services](#), Steve Hunt). But Unisys' offerings range across other service categories as well: on-site consulting, managed security monitoring, penetration and vulnerability testing. The breadth of its offerings will be a challenge for Unisys, because the company will have to compete with a large number of vendors, many of them specializing in specific types of services. The security services space is already quite crowded, and it is clear that not every vendor will thrive. Moreover, strength in one area does not necessarily translate into strength in other areas.

But Unisys will have advantages that many other vendors cannot claim. Although its offerings are broad in terms of the services provided, the company is maintaining its focus on the five verticals that it has always emphasized. Expertise in the relevant business processes will be critical for implementing, supporting and/or managing security functions that aim to enable these processes. Security is an integration challenge and one strength of Unisys is integration of technology-based solutions. The company's customer base for other types of offerings represent an excellent opportunity for security-related sales. Also, the fact that the company is global in reach will be attractive to multinational customers that want field support wherever operations require it. In general, the fact that the company is mature and established will be important in a market where customers want stability. As long as it does not expand so quickly that it has problems delivering, it is a very credible player in this space.