

COMPETITIVE ANALYSIS OF MCAFEE



COMPARED TO MCAFEE, F-SECURE PROVIDES:

- ❑ Better security with faster and more frequent virus definition updates
- ❑ Reliability and consistency in its operations
- ❑ Better service to all customers independent of the size
- ❑ Better technical support
- ❑ More value for money with lower pricing and better terms



FACTS

- ❑ Founded in 1989
- ❑ Changed name from Network Associates to McAfee
- ❑ Fiscal year 2004 revenues US\$911 million
- ❑ 2,950 employees
- ❑ Market share 18% in the antivirus segment (2004)
- ❑ 40% of the sales to consumers

MCAFEE MISSION STATEMENT

“Securing consumers and businesses from the desktop to the core of the network by delivering best-of-breed products and services that protect our global customer’s information technology systems and infrastructure.”

MCAFEE PROFILE

“McAfee, the global leader in Intrusion Prevention and Security Risk Management, delivers proactive and proven solutions and services that secure systems and networks around the world. With its unmatched security expertise and commitment to innovation, McAfee empowers home users, businesses, the public sector, and service providers with the ability to block attacks, prevent disruptions, and continuously track and improve their security.”

PRODUCT LINES

McAfee divides its business under the McAfee Protection-in-Depth Strategy in two solution portfolios: **McAfee System Protection Solutions** protecting desktops and servers with products like McAfee VirusScan, McAfee Enterccept, McAfee SpamKiller, and McAfee Desktop Firewall; and **McAfee Network Protection Solutions** aiming to assure the availability of the network infrastructure from remote and branch offices across the wide area network and into the network core or data center with products such as McAfee Foundstone risk assesment solutions and McAfee Intrushield network intrusion prevention solutions.

GLOBAL PRESENCE

The company has offices in Australia, Austria, Belgium, Brazil, Canada, China, Chile, Costa Rica, El Salvador, Finland, France, Germany, Guatemala, Hong Kong, India, Ireland, Israel, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Panama, Philippines, Poland, Portugal, Singapore, South Africa, Spain, Sweden, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, and the United States.

SWOT ANALYSIS

STRENGTHS

- ❑ Well-known brand
- ❑ Technology and market leader in intrusion prevention
- ❑ Comprehensive product and service portfolio
- ❑ Best-of-breed centralized management system and scalability: ePolicy Orchestrator scales to 250,000 nodes

OPPORTUNITIES FOR MCAFEE

- ❑ McAfee has made several strategic decisions that may create growth opportunities for the company:
 - McAfee has become a pure-play security provider after strategic divestments
 - McAfee has shifted from a direct sales model to two-tier distribution.
 - McAfee has made several acquisitions and has been successful in integrating the acquired technologies and services into its portfolio.
 - McAfee has invested in wireless (Wi-Fi) and mobile security

WEAKNESSES

- ❑ Internal turmoil because of numerous acquisitions, divestments, new management and strategic movements
- ❑ International expansion: Position in North America strong, but losing market share in Europe and Asia
- ❑ Despite the increased partner focus, difficulties in the channel
- ❑ Lack of customer trust due to impaired customer care, several changes in the operations, inflexibility, accounting problems, etc.
- ❑ Support services

THREATS FOR MCAFEE

- ❑ Microsoft entering the antivirus market
- ❑ Competitors taking over McAfee’s customers in Europe

TOP 5 REASONS TO CHOOSE F-SECURE OVER MCAFEE

1. SPEED OF RESPONSE

In antivirus, where speed is of utmost importance, F-Secure maintains record response times. For the 12 major malware epidemics in the first half of 2005, F-Secure updated its customers on average almost 7 hours faster than McAfee. In January 2005, F-Secure sent out 48 updates, which is 6 times more than McAfee. (Source: <http://www.av-test.org>) Thus, F-Secure customers are better and faster protected than McAfee's.

2. RELIABILITY AND TRUSTWORTHINESS

McAfee's customers and channel partners are suffering from continuous changes in McAfee's operations and its inability to take care of its customers. This has led to a lack of confidence in McAfee and a decreased market share. Furthermore, since 2001, McAfee has had problems in declaring its financials and it was not able to publish annual reports for several years.

On the contrary, F-Secure is a trusted brand and it has a good reputation as a channel and customer-friendly partner. F-Secure has gained its reputation for reliability through fifteen years of high-quality protection. Customers can rely on F-Secure to try harder and to be faster and friendlier than the competitors.

3. CUSTOMER CARE

McAfee has a long tradition in serving large enterprises and despite the efforts to address small and medium-sized businesses, McAfee has not been successful in providing the kind of services that SMBs are looking for. F-Secure has years of experience from the SMB segment and it works closer to the channel than McAfee, which helps the reseller in serving the customer in the best possible way.

Contrary to McAfee, F-Secure does not forget the customer as soon as the deal is closed but continues to serve the customer and react to its evolving needs. F-Secure people are both easily approachable and available unlike McAfee staff that is often said to care about large accounts only.

4. TECHNICAL SUPPORT

In delivering support and services, being a small sized company can be an advantage. As a small vendor, F-Secure is more effective in its operations and provides better and more individual service than McAfee. In brief, F-Secure is small enough to support its customers and big enough to serve each of them.

McAfee's customers have been unhappy with the quality of the company's support services. On the contrary, the high satisfaction ratings for F-Secure technical support in general, and for the competence of the support staff in particular prove the high quality of F-Secure services. High quality is ensured by well-defined service-level agreements for each customer segment. For large enterprises, F-Secure offers Premium and Premium Gold services with the highest priority 24/7/365 telephone support and personalized and proactive support services. A network of support partners in several countries guarantees high availability of the services.

5. MORE VALUE FOR MONEY

F-Secure is more flexible and generous in its pricing and licensing than McAfee. For example, McAfee's antispymware module is not bundled in McAfee's products, rather it needs to be purchased separately. F-Secure includes the antispymware component in all product suites by seamlessly integrating it to the F-Secure Anti-Virus Client Security product. In addition, all McAfee SMB suites do not include McAfee ePolicy Orchestrator, but a lighter management system. If the customer needs the full management system, it needs to purchase a license separately for a price starting from €23,39 per user. McAfee also charges a price as twice as high as F-Secure for its enterprise suite product in deals with over 500 users in Europe. For smaller deals, the difference is 20-75%.