

## All.Net Analyst Report and Newsletter

### Welcome to our Analyst Report and Newsletter

#### Analysis or Advertising?

I just watched an outstanding looking presentation by an “analyst” firm on “Cyber Defenders”. It was a great presentation in that it covered about 25 companies across 8 areas of emerging technology in under an hour. The presenter appeared very knowledgeable about the technology in general and the companies in particular. There were simple and understandable explanations of technologies and companies. There were useful facts. The only problem is...

#### It was advertising

A wolf in sheep’s clothing. Everything stated was positive and definitive. Not a word of critique or questioning of the premise or assertions was given. Each one sounded like a great cyber-security investment and a company you would want to buy technology from. They all had money invested, progress, and a position in the market. The market areas were presented in a very favorable light. And it sounded like the “analyst” read and believed the literature of every company without questioning any of it. In other words, it was advertising.

Who are their customers? Comcast ventures, Salesforce, Sequoia, Catrol innoVentures, Telephonica, NEA, and others. In other words, they sell their “analysis” to venture capital which backs these companies to the tune of tens or more of millions of dollars.

#### Analysis

What they didn’t do, actual analysis, I won’t do for them here. But I want to point out that this is not just a matter of the cybersecurity investment industry. It’s a social trend of not criticizing. It’s the problem the Chinese have, and we are letting it creep into our (US) society to potentially serious negative ends. We seem to have two sorts of activities that dominate; (1) the too friendly (don’t even use the term “negative”) approach (call them “challenges”); and (2) the throw garbage that has nothing to do with reality approach. The approach that I think we need is the “call it like you see it” approach, backed up with facts and expertise (knowledge, skills, training, education, and experience as the US courts define it).

#### So what? It’s not about the technology!

What comes out clear and bright is that selling cyber-security as an investment portfolio has little to do with understanding the value of the product, service, or company from a security perspective. It has everything to do with the value of that company to those wishing to sell or buy it. The money is on making money, not on improving protection. That means we will keep getting poor quality protection but lots of investments and high valued exits in cyber security. Ongoing unsolved problems, perceived high value for solving them, no real solutions, things that look new and have some promise; leading to more money invested and made.

#### Conclusion

“Analysis” should not be a summary of the space with claims for select companies, in the market context. This is less than useless for evaluating the utility of these systems. It’s more along the lines of advertising for acquisitions. Insecurity is the moneymaker. Not security.