



Field Effect: cyber security



Joseph Bertran and Joseph Attwood

Field Effect: strategy overview

Field Effect's primary offering is Covalence, a hybrid managed detection and response (MDR) service covering endpoints, networks and clouds. Covalence is targeted at small and medium-sized businesses (SMBs).

SMBs often lack the internal expertise and resources needed to effectively use security solutions developed for large businesses. Field Effect meets the requirements of SMBs by offering pricing suitable for even the smallest businesses, reducing 'noisy' alerts to a small number of actionable insights, and by offering a single holistic managed security solution in place of disparate point solutions.

Field Effect's flagship "hybrid MDR" solution is a managed extended detection and response solution service that is offered alongside professional services. Covalence includes access to a globally distributed security operations centre (SOC) which can combine human and machine intelligence to investigate and remediate threats and advise SMBs' in-house security teams. In addition, Field Effect supports organisations attempting to develop security strategies through incident response planning and virtual CISO services.

Field Effect sells directly to SMBs as well as offering a partnership programme for managed service providers (MSPs) which includes sales and marketing support and the ability to view and influence Field Effect's product roadmap.

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Figure 1: Key data

Company details	<ul style="list-style-type: none"> ▪ Founded 2016 ▪ Offices in Ottawa, Canada (HQ) and London, UK
Funding	<ul style="list-style-type: none"> ▪ In December 2022, Field Effect announced that it had raised USD34.5 million in funding led by Edison Partners who were joined by Round13 Growth Fund and Calian.
Financial performance	<ul style="list-style-type: none"> ▪ Financial results are not made public. ▪ Achieved 438% revenue growth over the 3 fiscal years from 2017 to 2020
Product/service details	<ul style="list-style-type: none"> ▪ Covalence – a hybrid MDR solution that offers automated and real-time protection of endpoints, networks and cloud workloads. Threats can be resolved by sending alerts to in-house teams with accompanying recommendations or through Field Effect's managed services, including its SOC. ▪ Cyber Range – a cyber security training platform that creates replicas of IT and security environments for assessing and training cyber professionals and security teams ▪ Incident response service ▪ Incident response plan consultations ▪ Virtual CISO services ▪ Phishing simulations

Source: Analysys Mason

Field Effect: analysis

Field Effect's recently acquired funding should help it continue its rapid growth trajectory. However, Field Effect faces tough competition in the cyber security market.

Field Effect's focus on a single, holistic MDR offering may work in its favour when attempting to sell to SMBs that are overwhelmed by choice when looking for a single solution that can meet their cyber security requirements. Another key selling point is that Field Effect offers cyber security professional services alongside its MDR solution, something that is attractive to SMBs that wish to outsource as much of their cyber security as possible.

Field Effect's recently completed funding round should mean it has the capital needed to be able to expand its product range and commercial operations in the near future. Field Effect's investors should be able to help Field Effect grow as investors Edison Partners and Round13 Growth Fund both have considerable experience with growth equity in the technology sector. Furthermore, Calian, another of its investors, will be able to support Field Effect as it is an established company that, among other things, offers IT services including cyber security.

Field Effect's partnership programme supports managed service providers (MSPs), allowing Covalence to be integrated with other security solutions and sold to a wider customer base. However, MSPs' customers may struggle to benefit from Field Effect's professional services to the same extent as direct customers.

Figure 2: Key strengths and weaknesses

Strength	Description
Targeted at SMBs	Field Effect's solutions are priced towards SMBs (which often have very limited security budgets) and provide cyber security that requires minimal expertise and intervention.
Security expertise	Field Effect allows customers to take advantage of its extensive security expertise.
Partner programme	Field Effect's Partner Momentum Program helps MSPs that are providing Field Effect products to their customers by offering appropriate prices and placing a strong emphasis on partnership.
Recent investment	The completion of its funding round will give Field Effect the capital and support it needs to scale its business.
Weakness	Description
Narrow product range	Other cyber security vendors can offer a broader range of solutions including basic protection for small businesses. Companies that want the option to choose from a variety of solutions may wish to work with a single vendor that can provide products for all their requirements.
Tough competition	Many other vendors are offering MDR including vendors that are much larger and more established than Field Effect and those with offerings also targeted at SMBs.

Source: Analysys Mason

About the authors



Joseph Bertran (Senior Analyst) is the lead analyst covering managed services, UC&C and IT channels for the SMB practice at Analysys Mason. He leads a team of analysts and consultants in refining market research methodologies to develop market opportunity sizing and forecasts by region, business segment and channel. He specialises in analysing primary data, along with go-to-market insights across various IT solutions and their impact on digital transformation. Joseph holds an MBA from the NYU Stern School of Business and a B.A. in economics from St. Joseph's University.



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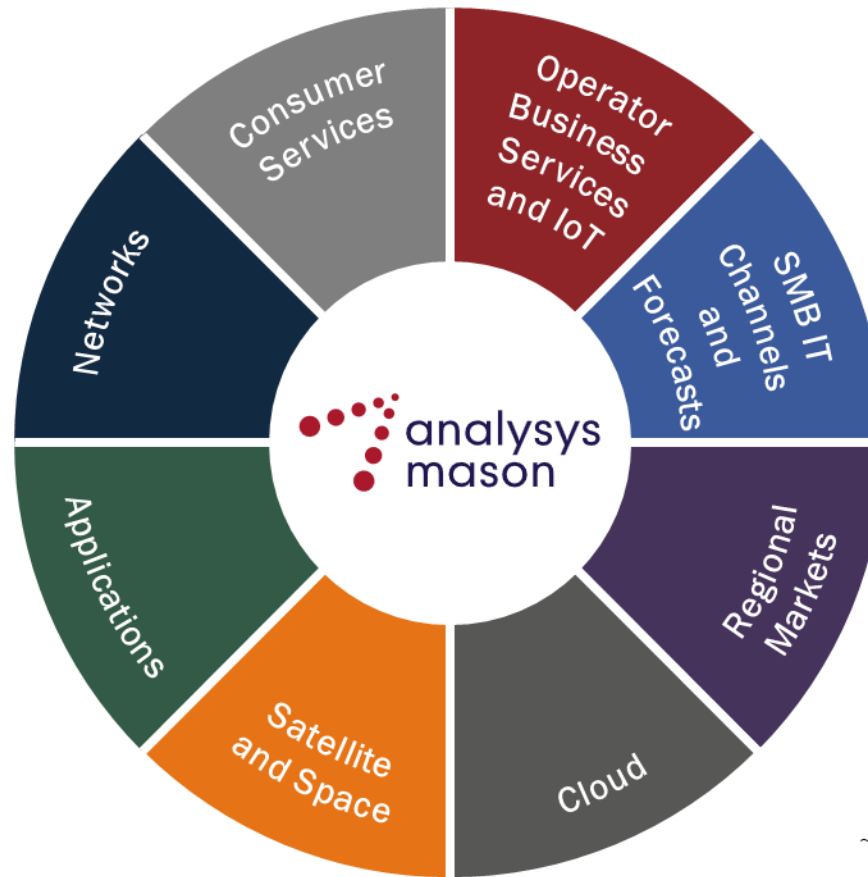
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Consumer Services
 Fixed Broadband Services
 Mobile Services
 Fixed-Mobile Convergence
 Smart Devices
 Future Comms
 Video, Gaming and Entertainment
- 

Networks
 Next-Generation Wireless Networks
 Wireless Infrastructure Strategies
 Fibre Infrastructure Strategies
 Operator Investment Strategies
 Telecoms Strategy and Forecast
 Transport Network Strategies
- 

Applications
 Network Automation and Orchestration
 Customer Engagement
 Monetisation Platforms
 Digital Experience
 Automated Assurance
 Service Design and Orchestration
 Telecoms Software Market Shares
- 

Satellite and Space
 Satellite Communications
 Space Applications and Infrastructure



Operator Business Services and IoT

- Enterprise Services
- SME Services
- IoT Services
- Private Networks



SMB IT Channels and Forecasts

- Cyber Security
- SMB Technology Forecaster



Regional Markets

- Global Telecoms Data and Financial KPIs
- Americas
- Asia-Pacific
- Middle East and Africa
- European Core Forecasts
- European Telecoms Market Matrix
- European Country Reports



Cloud

- Cloud Infrastructure Strategies
- Data, AI and Development Platforms
- Edge and Media Platforms
- Multi-Cloud Networking



DataHub

- ~2800 forecast and 280+ historical metrics
- Regional results and worldwide totals
- Operator historical data



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Our areas of expertise



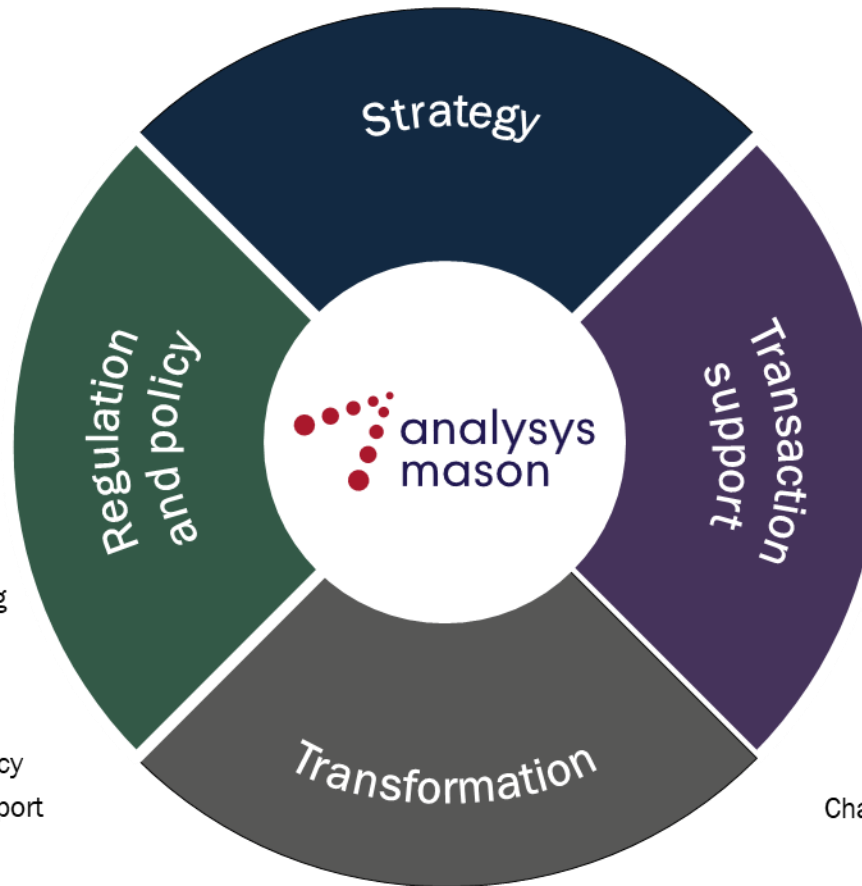
Strategy

- Corporate growth strategy
- Business unit strategy
- Infrastructure strategy



Regulation and policy

- Network and platform
- Public sector broadband intervention
- Accelerating digital transformation of society
- Price controls and cost modelling
- Regulatory accounting
- Regulatory benchmarking and analysis
- Spectrum management and policy
- Expert witness and litigation support
- Postal regulation and policy



Transaction support

- Commercial due diligence and market review
- Technical due diligence
- Post-merger integration
- Periodical business monitoring and loan technical advisory
- Opportunity scouting and pre-deal support



Transformation

- Business transformation
- Digitalisation
- Operational excellence
- Data, BI, steering and insights
- Change and programme management
- Sustainability

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