

Market Development

Imprivata builds authentication management capabilities with an eye on virtualization

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Date: 3 Dec 2008

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Event summary

In another step to expand from its single sign-on (SSO) roots, Imprivata has introduced the ability to tie biometric strong authentication into its centrally managed data store and facilitate management of multiple sessions on a single endpoint.

Imprivata's reported customer count reflects a growing market – totaling close to 700, up from 500 in February. While accounts are typically midtier enterprises with lower volumes compared with those courted by rivals, deal sizes are growing.

The company is betting that a secular shift in how applications are delivered, facilitated by virtualized workbench technology and spurred by the economic need to reduce capex, will create demand for a consolidated authentication management layer.

The 451 take

Imprivata encountered some skepticism initially that providing a central point of management and correlation for logical and physical access controls would yield real value and improve overall security. Its growth suggests that the strategy is paying off – although other SSO vendors have demonstrated similar traction. The wisdom of the strategy of migrating from enterprise SSO to management of authentication events and their correlation to establish a 'converged' identity is, however, becoming more apparent. While coverage of more modalities and mechanisms is required, Imprivata could capitalize on the rise of strong authentication as the new password, and the shift toward individualized distributed application sessions promised by VDI.

Details

Imprivata has released an upgrade of its OneSign SSO appliance that elaborates on its centralized authentication management software to support the integration of events generated from the use of **Authentec's** biometric strong authentication embedded on laptops, as well as the use of PINs. Imprivata now also supports the ability to log on or off using a physical access card, mapping the user's identity to a logical entity in order to initiate the process.

The incorporation in the latest release of workflows that allow for administrators to set up and manage multiple user sessions on a single machine, using what the company calls 'fast user switching,' opens the door potentially for managing the authentication front end of virtual desktop infrastructure (VDI) session management. As the two trends feed on each other – adoption of strong authentication to improve security at the edge and the embrace of VDI to minimize capital investments – Imprivata sees a real opportunity. Imprivata closed 133 deals in Q3 (mostly through its indirect channels), bringing its total customer count to just under 700. While the volume of users in any one deal is still significantly lower than those claimed by rivals, Imprivata claims its average deal size is growing. The company's penetration has been helped by scalability improvements such as clustering, failover and support for distributed architectures.

Competitive landscape

The SSO market – as opposed to the Web SSO or federated identity market – is heavily populated. SSO specialists include **Passlogix** (**Oracle** OEMs its software) and **Sentillion**, which has a healthcare vertical focus. We believe both vendors are experiencing strong growth and considering their strategic options. Publicly traded **ActivIdentity** sells SSO software, strong authentication hardware and smart cards. Its June quarter financials showed a modest sequential decline to \$14.3m, with weakness in its hardware division dragging down growth.

Incumbent identity management vendors **CA Inc**, **IBM** and **Sun** are all players in the market, but tend to sell SSO functionality as part of a broader engagement as opposed to standalone functionality. IBM acquired **Encentuate** in March for an estimated \$14m, replacing a longstanding OEM relationship with Passlogix and demonstrating that the company views SSO strategically. The **Citrix** Password Manager is sold either as a standalone product or as part of the XenApp Platinum package, which has helped to propel sales. Imprivata will likely face opposition from Citrix's own technology as it tries to position itself as the security front end to virtualized application delivery infrastructure, although its historical focus on the mid-tier (as well as a development focus on an authentication management layer) should keep direct competition to a minimum.