

**With a long and rich heritage dealing with Complicated Identity and Access Management (IAM) as-a-service Solutions and IT Security, Mycroft Inc. is helping Enterprises Deal with Issues Stemming from Unexpected External Threats or Failed Audits relating to Identity and Access Governance**

**Technology  
IT Security  
Identity & Access Management**

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**Terry Jost  
CEO**

**BIO:** Terry Jost has extensive experience leading global management consulting, systems integration and outsourcing companies. Prior to Mycroft, Jost held numerous senior positions within Capgemini including North American leader of Capgemini Outsourcing Services; CEO of Capgemini Technologies; and responsibility for consulting services of Capgemini's Americas Central Region; Prior to those positions, Jost was an equity partner at Ernst & Young LLP, and earlier, he held senior marketing positions at IBM Corporation.

**About Mycroft Inc.** Mycroft Inc. is the leader in identity and access management (IAM) as-a-service solutions. Focused on the configuration, delivery and management of its solutions, the company seamlessly integrates its software and leading off-the-shelf products, to deliver enterprise implementations and managed security services in scalable private and public cloud environments.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine**

**CEOCFO:** Mr. Jost, would you tell us about Mycroft Inc.?

**Mr. Jost:** Mycroft is an identity and access management services company specializing in helping enterprises deal with IT security and governance issues. Such issues typically stem from unexpected external threats or failed audits relating to identity and access governance, resulting in unwarranted business risks. In addition, the substantial increase in regulatory compliancy requirements has placed added burdens on organizations to invest and protect their information assets, especially those that are part of the financial services industry. Our services help clients understand the issues and business processes to govern and protect their information in a manner that assures regulatory compliance and secures information assets. Once that understanding is in place, we reengineer the business processes with the selection and implementation of technologies.

**CEOCFO:** Do most companies look at IT security as a separate function where they would look for a company like Mycroft Inc.?

**Mr. Jost:** It really depends on the industry. For example, if the client is a financial institution, there are a number of regulations and governing bodies that require audits. If the client is a large bank, like many of our clients, the FFIEC, the FDIC and internal auditors, to name of few, are critical considerations. In fact, the bank may have an entire department dedicated to compliance. The increased spend required to ensure and prove regulatory compliance can be staggering for any organization. Now, in other industries IT security is not as segregated. In my mind and in our opinion, identity and access compliance and governance should be integrated across the organization and associated business processes.

**CEOCFO:** What are some of the other industries of focus for Mycroft Inc.?

**Mr. Jost:** Approximately 70% of our revenue is from the financial industry, but other industries of focus include healthcare, state, local and federal governments, as well as, manufacturing and technology companies.

**CEOCFO:** How do you reach potential clients?

**Mr. Jost:** Mycroft has proven over more than 20 years to be one of the most agile and well known organizations in the industry outside of the large audit and advisory firms. It's a testament to our stellar reputation and service that many of our clients have been with Mycroft for 10-plus years.

Our reputation coupled with our close partnerships with some of the leading IT software providers has resulted in continued business referrals. Lastly, we have a dedicated global sales team providing consultative assistance and advice to new business prospects.

**CEOCFO:** What is the competitive landscape for Mycroft Inc. and what sets you apart?

**Mr. Jost:** Mycroft stands apart from the competition by offering two ways for companies to consume our services. First as a traditional professional services engagement, which includes a dedicated team consisting of a project manager, architects, business analysts and engineers. Within the professional services approach, a number of niche providers exist; however, our primary competitors are the big four audit firms. Secondly, and increasingly preferred, is our identity-as-a-service option, which allows clients to consume a full suite of identity and access technologies without the long and costly implementation times typical of traditional environments. Additionally, the as-a-service option allows for the acquisition of single services as needed, which means a client can buy identity-as-a-service or data protection-as-a-service separately. Mycroft was one of the first vendors to introduce identity-as-a-service and remains one of the few to deliver this important market innovation. The benefits are unmatched and consistently yield rapid deployment, substantially reduced price points, and dynamic scalability. We often describe our Identity-as-a-Service as similar to a Salesforce.com model, in that it requires no hardware acquisition and can be purchased on a per user, per month basis.

**CEOCFO:** What are some of the challenges in keeping current with the regulations and also with the interpretation of the regulations?

**Mr. Jost:** Understanding and interpreting regulation is something we stress heavily throughout our internal

training and continuing education programs. Every business has a set of continually evolving characteristics, from which our staff needs to understand, take into account during an engagement, and gain the necessary insights. Within our field, the financial regulations dealing specifically with the protection and management of information is one of many areas that our project managers and business analysts continually stay current. For example, we provide internal update sessions that include a number of industry experts throughout the year. Secondly, our teams receive approximately 18 months of on-the-job training and experience to become fluent in these types of technologies, how they relate to regulations, and the required integration techniques. The barrier to entry within our business segment is a little higher than a typi-

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cal services industry. The challenge is being able to effectively find, train and retain people. We have done a great job with retention and many of our team members have been with us for 10 plus years and have a substantial amount of experience.

**CEOCFO:** When you are working with a new client, do you find them generally open to the changes that you suggest for their systems?

**Mr. Jost:** Yes, clients are typically advocates for our proposed changes because we are engaged when it is already understood that a change is required. The motivating factor often manifests itself as a material deficiency on a recent audit. A CEO or board of directors does not want to face any additional deficiencies and this is a clear change catalyst. We use proven methodologies to enable

organizational changes which consist of raising awareness of compliance and industry regulations, as well as, techniques which must be implemented in order to protect their information and become a more secure organization.

**CEOCFO:** Would you tell us about one or two of the areas you are able to monitor that may surprise people?

**Mr. Jost:** Sure, Mycroft has really put a heavy emphasis on disruptive innovation over the last five years. Our latest solution is sold as a service, just as our flagship Identity-as-a-Service solution, and enables organizations to allow secure and compliant social networking activities. Up until this point, companies have not had a secure way of not only allowing their employees to use social media while at work, but also integrating that access into IAM processes. Mycroft's Socially Secure accomplishes this through managing, monitoring and logging data transactions in and out of the organization. This assures that inappropriate information – accidental or malicious - is not shared. The second element of Socially Secure provides powerful analytics for companies to garner an understanding of an employee's

total social identity based on public information across social networks and the web. This is then integrated into IAM processes so that companies can continually make better access control decisions. Lastly, Mycroft has made impressive innovations in entitlement management. An entitlement works much like a hotel key card that entitles you to get into your room. If you think of that same analogy to a very large business or a large bank, everybody needs a card before they can access a program, application, email or data. Mycroft has a great amount of experience and specialized toolsets for managing very large volumes of entitlements, essentially millions of those little cards. That becomes a very complicated exercise when deciding who has access to what. The whole notion of access inside an organization is extremely

multi-faceted, and requires us to sift through, make sense out of what one has access to and if they have access to the appropriate things. That is what auditors really want to know.

**CEOCFO:** Has Mycroft Inc. been affected by the current economic environment?

**Mr. Jost:** We have been extremely fortunate, in part, because of our ability to innovate around as-a-service solutions and also due to our industry's upswing. On Mycroft innovations, we are leading the market in delivering a quick, simple and easily consumable identity-as-a-service solution that allows companies to acquire individual services as needed without the acquisition costs or complicated installation typical of traditional IAM implementations. Additionally, our market sector has been in high-growth mode, with a growth rate of 20% plus every year and our business has grown in excess of 25% annually for the last three years. The bottom line is we created a business that has been very important across companies of all sizes. Mycroft has been around a long time, but the assembly of a couple of businesses and expansion of our international and North American offices, all took place over the last five years. We did that at a

time when the demand was really keeping up or exceeding what was available from a supply standpoint.

**CEOCFO:** Are there geographic areas where you would like to expand?

**Mr. Jost :** Yes, over the last year we opened a new center of excellence in Ireland that complements our presence in the UK. Northern Europe has been a high growth area for us with many healthy organizations and opportunities. Central Europe has been a recent area of focus due in part to the Basil Three rules, which carry many privacy and regulatory compliance rules for identity access and IT security.

**CEOCFO:** In which industry areas do you see the most growth?

**Mr. Jost:** I see growth continuing in financial services. One thing we can be sure of is that regulations are going to continue and become even more stringent. That is good news for us, but unfortunately bad news for the financial institutions because it is going to be more costly. We also see a substantial opportunity in the health-care market. If you look at the industry in general, investments have not been made in the business processes or the technologies necessary to secure information as they have in the

financial industry. I think that is going to become more of a regulatory mandate than a consumer issue.

**CEOCFO:** Why should the business and investment community pay attention to Mycroft Inc.?

**Mr. Jost:** Mycroft is well known for our long and rich heritage dealing with complicated IAM and IT security issues, specifically around the protection of intellectual property and the management of data. Secondly, we gain attention for our identity and access management as-a-service solutions, which dramatically cuts costs and is moving an increasing number of companies away from the old-fashioned model of hiring a big, expensive team to acquire IAM systems. The probability of success with this traditional approach is 50% at best. Mycroft defines success as completing a project on budget, on time, as expected. Our new Identity-as-a-Service and Socially Secure offerings increase the success probability to 90% plus. Lastly, we do it at a cost factor that is at least 40% less than any of the professional services methods. This is where the market is going.



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