WiNG

The Next Wave of Devices Brings the Next Wave of Risks: Wing Leads Seed Financing for CloudPost Networks

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The rise of new technologies connected to the enterprise network invariably spawns a generation of companies aiming to secure them. Wing and its principals have been closely involved in several such companies, including MobileIron (securing enterprise mobile devices) and Aruba Networks (securing enterprise WiFi). Internet of Things is the next wave of devices to break on the enterprise network shore, and it just might be the biggest one yet.

Wing has been involved in IoT since long before the term existed. Wing co-founder Gaurav Garg co-led the Series A financing of IoT pioneer Jasper Wireless in 2004, and served on Jasper's board until its $1.4 billion acquisition by Cisco in 2016. Wing partner Martin Giles has led extensive research on IoT, including his seminal IoT Startup State of the Union (http://wing.vc/perspectives/essays/iot-startup-state-of-the-union-2016) (and its update (http://wing.vc/perspectives/essays/wings-iot-startup-state-of-the-union-an-update)). Martin and I have been particularly interested in IoT security, and wrote on the topic (http://wing.vc/blog/iot-insecurity-a-clear-present-danger-for-the-enterprise) here in the wake of the October 21, 2016 attack on DNS provider Dyn by a botnet of infected IoT devices. The security situation has become increasingly dire since the Dyn outage, with events like last month's WannaCry ransomware attack crippling large numbers of IoT devices including critical medical equipment.

While IoT devices can be found almost everywhere, the enterprise is experiencing a particular surge in its IoT population. This brings with it a pressing need to protect these devices and the networks they connect to. It's a two-way problem: safeguarding IoT devices from threats on the network, while also shielding the network from compromised devices. In our October paper (http://wing.vc/blog/iot-insecurity-a-clear-present-danger-for-the-enterprise) , we highlighted four key attributes of the most effective solutions for mitigating IoT-related security risks in the enterprise: automation,

intelligence, analytics and enforcement.

When we wrote the paper, these were speculative statements – a call for a solution that did not yet exist. Today we are happy to reveal our investment in CloudPost Networks, a company formed explicitly to address this need. Wing has led CloudPost's $4 million seed financing, along with industry luminaries Dominic Orr, Dan Warmenhoven, Pankaj Patel and Prakash Bhalerao.

Just as enterprise WiFi gave rise to Aruba Networks, and enterprise mobility gave rise to MobileIron, the emergence of enterprise IoT is creating a parallel opportunity for CloudPost. It is no accident that the CloudPost team participated firsthand in one of those prior cycles: founders Pandian Gnanaprakasam and Sheausong Yang were key technical leaders at Aruba. Investors Dominic and Dan are of course also Aruba veterans – Dominic as CEO and Dan as longtime board member. The intuition and pattern recognition that comes from deep experience in preceding analogous waves is invaluable in new venture formation, and CloudPost has it in spades.

Given the scale of the IoT wave building in the enterprise, it is possible that CloudPost's opportunity might be even bigger than those that have come before. While the number of devices and applications used directly by humans is constrained by our biological capabilities, there is potentially no limit to the population and variety of intelligent things on the network. A new approach is needed to meet the demands of this wave, creating a major new category in enterprise security, and opening the door for a new company to lead the way.

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http://wing.vc/blog/the-next-wave-of-devices-brings-the-next-wave-of-risks-wing-leads-seed-financing-for-cloudpost-networks
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