2015

2015 Global Proactive Network Management and Monitoring Solutions for Enterprises Customer Value Leadership Award

FROST & SULLIVAN

50 Years of Growth, Innovation & Leadership

Contents

Background and Company Performance

Industry Challenges

With operational expansion, modern enterprises worldwide are experiencing the challenge in establishing a seamless network of communication between various departments to maintain higher productivity levels. Unified communications (UC) is the most viable solution to overcome this challenge; however, irrespective of the countless benefits that UC has to offer, in real-life scenarios, the goal of interactivity between organizational departments still remains unattained. UC business applications such as Skype allow users to combine both voice and video services during communication. In this way, Frost & Sullivan notes that these applications reduce the dependence of employees and management on traditional methods of interaction involving huge volumes of data, thus enhancing operational efficiency.

Frost & Sullivan independent analysis suggests that the successful deployment and use of UC, however, is quite challenging due to several reasons. Increasing network complexities and interdependencies are the prime factors that affect the overall performance of applications, leading to poor voice and video quality. Gaining an in-depth understanding about network performance in real time would empower information technology (IT) professionals managing networks for enterprises to take timely and corrective actions in ensuring high-quality communicative performance. Unfortunately, the native encryption feature of signal and media in Skype for Business applications stops IT administrators from receiving real-time insight about the quality of communication. Administrators can only rely on results stored in applications' quality of experience (QoE) database, providing a mere overview on the quality of communication, which makes bottlenecks in identifying network performance in real time both highly expansive and time consuming.

Frost & Sullivan agrees that companies looking to establish a prominent position in the global market of proactive network monitoring and management must develop solutions that will allow IT administrators to monitor and ensure infrastructural compliance of the entire network, identify the root problem plaguing the performance of the network, and instantly manage and optimize network performance.

Customer Impact and Business Impact

Price/Performance Value

Established in 2006, New York-based Nectar Services Corp. (Nectar) is a global leading developer of advanced software solutions targeted at Global Service Providers, System Integrators, Managed Service Providers and the enterprise customers they support. Its solutions cover the entire Unified Communications lifecycle, including planning and deployment, network assessment, monitoring, reporting and root-cause diagnostics. Based on its superior and in-depth understanding of communication-related problems for

modern businesses in handling network operations, such as network complexities and interdependencies, the company has striven to create an ecosystem that guarantees overall improvement of network performance in the fields of voice, video, collaboration and data applications. Nectar's flagship offering, UC Management Platform (UCMP), is such an ecosystem that provides customers' IT professionals and system administrators with the critical information, in real time, about network performance. Empowered by this knowledge, these technically expert professionals can implement necessary changes in the infrastructure and successfully improve the network performance to generate a dependable enterprise-standard user experience (UX).

Of all the proactive network management and monitoring solutions available in the market, Frost & Sullivan identifies Nectar's UC Management platform for Skype for Business/ Lync as the industry's most comprehensive UC management and monitoring solution. Because of its capability to develop customer-oriented network monitoring and unique diagnostic solutions, the company became a Microsoft depth partner in 2012 for the SDN API Program. Additionally, Microsoft selected Nectar as one of 3 IT Pro Tools Program partners for Skype for Business at Ignite (May, 2015).

As one of the most complete UC solutions (featuring voice, video, and collaboration monitoring capabilities), Nectar's Skype for Business solution is being widely used by managed service providers and enterprises worldwide. In order to help ensure the best quality of service to customers, it is important to have insight across the entire Skype for Business ecosystem. As a certified network monitoring and diagnostic solution for Skype for Business, Nectar's flagship UCMP solution focuses on 5 critical areas for ensuring performance management for Skype for Business deployments. These 5 areas include help with planning and deployment, ability to pre-assess the network prior to and during deployment, monitoring the health and availability of the ecosystem, advanced reporting and analytics and the most unique diagnostics solution available. Nectar's breadth and depth and comprehensive view of the ecosystem helps service providers and enterprises to provide the best end-user experience.

The Nectar Perspective module helps troubleshoot any concerns related to the quality of voice and video calls over Unified Communication environments. Featuring real-time troubleshooting capabilities and the ability to identify and isolate issues in the network, this module helps service providers and enterprises make their operations teams more effective and productive, which reflects in the return on investment (ROI). The UC Foundation (UCF) module monitors the health and availability of the overall infrastructure supporting a Skype for Business deployment. This includes the Microsoft server infrastructure, session boarder controllers (SBC), firewalls, gateways, critical certificates, and the Skype for Business Key Health Indicators (KHIs). These capabilities help managed service providers and enterprises take the necessary actions to ensure the network health reflects adequacy in terms of overall availability and makes productive and collaborative UC possible. Nectar's UC Diagnostics (UCD) module helps manage multi-vendor network complexity, maximize existing technology investments, and achieve a lower Total Cost of

Ownership (TCO). By providing complete IP network information correlation and comprehensive insight into cross-platform Unified Communication (UC) issues, UCD offers faster resolution of Skype for Business and UC problems and a superior end-user experience.

UCD also provides real-time visibility into the quality of the Skype for Business user's voice, video and collaboration experience by unobtrusively monitoring content, session, and network topology data, then automatically correlating this information. This correlation enables a help desk engineer to associate specific user-reported issues instantly to any events in the network.

Customer Purchase Experience

To enable customers to enjoy a fulfilling purchase experience, Frost & Sullivan research indicates that Nectar relies on 3 primary steps: extensive content marketing, detailed demos of product performance, and its partnership programs.

Nectar realized that to enable its customers to make the right purchase decisions and position them to enjoy the benefits of UC for their businesses, they need to understand how Nectar's services differ from those of its peers. In line with that, the company not only publishes extensive datasheets of its products (UCMP modules), but provides in-depth and instructive content support for explaining to both existing and potential customers how its proprietary solutions are different from those offered by its competitors. Moreover, publishing case studies and videos functions as an effective instrument for the company to educate its customers about the uniqueness of its offerings in the industry. The case studies and videos demonstrate the success of Nectar's solutions in the real-world scenario. In this context, Nectar's assistance in consolidating the UC network of a major financial service provider can be cited. Currently, the company's telecommunications system showcases high efficiency (even in extremely heterogeneous network conditions). In addition, its overall expenditure in optimizing network performance has reduced significantly in the post deployment of Nectar's solutions. Potential customers, therefore, acquire knowledge about the superior aspects of Nectar's solutions and can develop a clear understanding of how differently Nectar's solutions function from the ones they are using. In turn, the company enjoys a distinct competitive edge in terms of customers' purchasing preference.

In addition, Nectar offers its customers the ability to request an in-depth review and demo of its solutions. This strategic approach reflects the company's understanding of customers' requirements and allows them to tailor the solution and solution review to the customer's respective infrastructure. Nectar has placed hyperlinks of its solutions' demo modules on the respective pages. By clicking on these links, customers are redirected to an online form that they complete to receive an in-depth overview and demo. Once customers see that Nectar's solutions can actually improve their network performance in ways that other competing offerings cannot, they quite often make purchase decisions in

favor of Nectar's solutions.

Finally, Nectar's Partner Program plays a key role in simplifying customers' purchase experience worldwide (using their Skype for Business and other UC solutions). On one hand, Nectar offers partnering companies a lucrative revenue earning opportunity by becoming a part of this program. On the other hand, capitalizing on these partners, the company creates newer sales opportunities worldwide. Nectar understands the increasing demand for a viable solution that offers real-time insight on network performance to guarantee seamless UC is creating new business opportunities. Nectar has offices in Long Island, NY, Boston, Dallas, and London and in 2015 expanded its market reach by adding offices in Asia-Pacific (Australia) Latin America (Sao Paulo, Brazil). Participants in Nectar's Partner Program play a critical role in delivering the appropriate assistance and pertinent support to customers at the right time, ensuring minimized downtime, productive communication, and improved operational management for its customers - unlike that of its competitors. This allows Nectar to effectively scale their business efforts globally.

Customer Ownership Experience

Customer and end-user satisfaction is at the core of Nectar's approach towards delivering a fulfilling customer ownership experience. Strategic partnerships with companies whose solutions are seamlessly compatible with the Microsoft ecosystem play an important role. Apart from this, the company offers design, implementation, and training programs to ensure its customers enjoy a smooth implementation of the solution.

Strategic ties with companies such as media end-point developers (e.g., Plantronics, Jabra, and Polycom), media gateway creators (e.g., Sonus, AudioCodes, and Oracle), and for software-defined networking (e.g., Microsoft, Cisco Systems and SecureLogix) have strongly positioned the company to create an ecosystem that guarantees a best-in-class QoS experience for its end users. These companies design solutions that are compatible with the Skype for Business UC ecosystem. For instance, Nectar is working with media end-point manufacturers to develop and consume an application program interface (API) to provide performance information for the media endpoints used by customers. By comparing and contrasting such information in a call session, the company can further diagnose the real cause affecting end-users' QoS experience.

Nectar is fully aware that while implementing its solutions to their respective network infrastructure, customers may experience technical issues that may affect the overall productivity and block the channels of communication, jeopardizing operations in the process. To address these problems, Nectar offers design, implementation, and training services to its customers. Under training services, the company offers separate programs for its partnering companies and its partners' customers. In the case of partners, Nectar's NecTECH training program, is aimed at enhancing their UC monitoring capabilities with the help of Nectar's proprietary solution's monitoring features. To train its partners' customers, Nectar offers personalized assistance in integrating its proprietary

monitoring solution with the IT infrastructure and the UC system in use by customers. In addition, the company trains the technical personnel so they can quickly identify problems in the network and ensure the quality of the Skype for Business and other UC deployments are not compromised. Nectar trains these professionals on using the new features incorporated into the existing UC system because of the integration of its monitoring solution. In this way, Nectar helps IT administrators with better visibility of the network and facilitates in prompt detection and resolution of network performance issues (even before the communication system is affected).

Customer Service Experience

Nectar offers prompt service assistance to its customers on technical- and sales-related issues over email and the phone. The company has created a team of expert professionals to handle queries from customers based in the United States and other regional markets.

In addition, the company helps customize solutions to match the network environment used by customers. Nectar's technological expertise in developing sophisticated network management and monitoring solutions ensures buyers experience a hassle-free customization process without suffering issues such as network downtime. Nectar's team of installers makes it simple for customers to deploy UCMP to their clients' networks, irrespective of deployment size (basic level or large-scale or even customized deployment). The team assists its customers in creating personalized dashboards to measure users' QoS by creating separate measurement tabs such as phone QoS, perspective QoS, and digital signal processor (DSP) utilization. Additionally, the company creates default report generation based on overall user experience parameters such as QoS summary, QoS details, security, and suspect endpoints. Customers do not need to look any further to measure call quality and overall customer satisfaction rates. They can rely on the information to make prompt decisions, providing a distinct competitive advantage over their peers. In addition, Nectar offers exclusive partner training and a certification program that enables the workforce of partnering companies to reduce system downtime, make the right decision after identifying the nature of the problem, and continue updating their skills as per the changing environments in the network monitoring and management industry.

Brand Equity

Nectar's ability to work closely with global leaders in different verticals, including media endpoint manufacturers, premise Wi-Fi providers, routed network device managers, UC environment creators, and gateway providers has been playing a major role in boosting its global recognition as a reliable brand. By developing dedicated network management and monitoring solutions for companies such as Microsoft, Cisco Systems, and Avaya, Nectar has established itself as one of the most recognized brands in the market. Moreover, by working closely with partnering companies hailing from verticals, such as gateway providers, network infrastructure, routed device producers, and media end-points

developers, Nectar has successfully created an end-to-end, highly reliable network management and monitoring ecosystem. The list of its partners includes companies such as Microsoft, Cisco, Avaya, Nortel, Sonus, Oracle, AudioCodes, NICE, Verint Numonix, Juniper, and HP. Empowered by this extensive solution ecosystem, Nectar has established itself as a leader in the global market, which has further strengthened the company's brand visibility in the network management and monitoring industry.

Customer Acquisition

To acquire customers, Nectar executes two strategic measures: demonstrating live its UC solutions at network monitoring and management events and keeping customers informed about the latest developments in the industry.

The company extensively participates in events that focus on its areas of expertise, which include keeping UC networks up and available for seamless business communications and gaining in-depth visibility of network performance. By attending these events, Nectar demonstrates how its solutions are more advanced and better than those of its competitors. Such participation has been strongly instrumental in enabling potential customers to build a clear understanding about why and how its solutions and product offerings are revolutionizing the proactive network management and monitoring industry. Nectar's participation in Enterprise Connect (Orlando: March 2015), Microsoft Ignite (Chicago: May 2015), Cisco Live (Milan: Feb. 2015 and San Diego: June 2015), International Avaya Users Group (IAUG) (Denver: June 2015), Microsoft WPC (Orlando: July 2015), UC Day – Skype for Business & Exchange Conference (London: September 2015), and ITEXPO West (Anaheim: October 2015), strongly demonstrates the company's sincerity towards reaching out to customers in search of viable network performance measurement and monitoring solutions worldwide.

In addition, Nectar regularly updates the news and blog sections of its Web sites. The posts in these sections discuss the company's achievements or areas in which it has excelled amidst the competition. The posts reflect on the overall market scenarios, including relevant topics such as challenges of UC deployment or the relevance of UC in modern enterprise settings. Such in-depth discussions and reflections deliver an impression of reliability and ensure peace of mind to its potential customers.

Conclusion

Frost & Sullivan agrees that Nectar's proprietary UCMP platform is certainly unique in terms of enabling network managers to build an end-to-end understanding about network performance. The combination of Perspective, UCF and UCD, delivers valuable, real-time insights to IT engineers and operations personnel about network performance, availability, and the scope for performance optimization. Companies can find out from results delivered by UCMP if the network is capable of satisfying the data-hungry nature of the Skype for Business and other UC applications. Contrary to existing legacy systems, Nectar's solutions help companies successfully remove obstacles that plague the possibilities of UC. Backed by such a high-end performance of the UCMP platform, modern businesses can successfully bring down the cost of managing various modes of communication (instant messaging, collaboration, email, voice, video and conferencing) and boost their return on investment.

With its strong overall performance, Nectar has earned the 2015 Frost & Sullivan Global Customer Value Leadership Award.

Significance of Customer Value Leadership

Ultimately, growth in any organization depends upon customers purchasing from a company, and then making the decision to return time and again. Delighting customers is therefore the cornerstone of any successful growth strategy. To achieve these dual goals (growth and customer delight), an organization must be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.

- Shift Competitors Customers
- Increase Renewal
- Increase Upsell
- Customer Value
- Increase Market Penetration

- Increase Equity
- Improve Recognition/ Recall
- Inspire Customers
- Value Leadership
- Clarify Value Proposition

DEMAND

BRAND

Customer Value Leadership

COMPETITIVE POSITIONING

- Clarify Superior Positioning
- Superior Value to Customers
- Competitors Fall Behind
- Best Implementation
- Value Mapping

Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by two macro-level categories: customer impact and business impact. These two sides work together to make customers feel both valued and confident in their products' quality and long shelf life. This dual satisfaction translates into repeat purchases and a high lifetime customer value.

Key Benchmarking Criteria

For the Global Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated two key factors — Customer Impact and Business Impact — according to the criteria identified below.

Customer Impact

Criterion 1: Price/Performance Value
Criterion 2: Customer Purchase Experience
Criterion 3: Customer Ownership Experience
Criterion 4: Customer Service Experience
Criterion 5: Brand Equity

Business Impact

Criterion 1: Financial Performance
Criterion 2: Customer Acquisition
Criterion 3: Operational Efficiency
Criterion 4: Growth Potential
Criterion 5: Human Capital

Best Practice Award Analysis for Nectar

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

RATINGS GUIDELINES
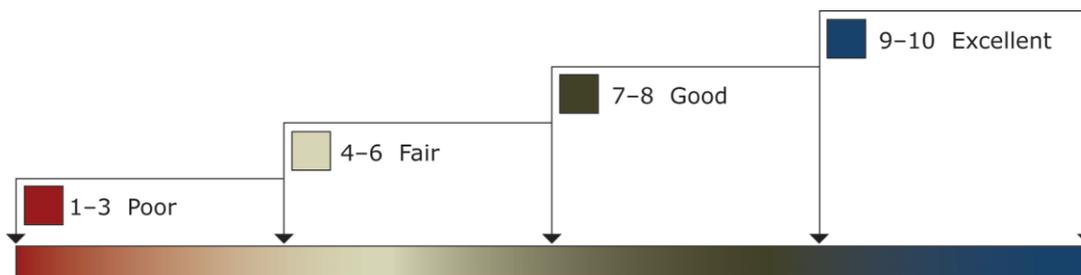
The Decision Support Scorecard is organized by Customer Impact and Business Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players as Competitor 2 and Competitor 3.

DECISION SUPPORT SCORECARD FOR CUSTOMER VALUE LEADERSHIP AWARD

Measurement of 1–10 (1 = poor; 10 = excellent)			
Customer Value Leadership	Customer Impact	Business Impact	**Average Rating**
Nectar Services Corp.	**9.9**	**9.8**	**9.9**
Competitor 2	8.0	7.8	7.9
Competitor 3	6.1	6.3	6.2

Customer Impact

Criterion 1: Price/Performance Value
Requirement: Products or services offer the best value for the price, compared to similar offerings in the market

Criterion 2: Customer Purchase Experience
Requirement: Customers feel like they are buying the most optimal solution that addresses both their unique needs and their unique constraints

Criterion 3: Customer Ownership Experience
Requirement: Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service

Criterion 4: Customer Service Experience
Requirement: Customer service is accessible, fast, stress-free, and of high quality

Criterion 5: Brand Equity
Requirement: Customers have a positive view of the brand and exhibit high brand loyalty

Business Impact

Criterion 1: Financial Performance
Requirement: Strong overall financial performance in terms of revenues, revenue growth, operating margin and other key financial metrics

Criterion 2: Customer Acquisition
Requirement: Customer facing processes support the efficient and consistent acquisition of new customers, even as it enhances retention of current customers

Criterion 3: Operational Efficiency
Requirement: Staff is able to perform assigned tasks productively, quickly, and to a high quality standard

Criterion 4: Growth Potential

Requirements: Customer focus strengthens brand, reinforces customer loyalty and enhances growth potential

Criterion 5: Human Capital

Requirement: Company culture is characterized by a strong commitment to quality and customers, which in turn enhances employee morale and retention

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

DECISION SUPPORT MATRIX FOR CUSTOMER VALUE LEADERSHIP AWARD
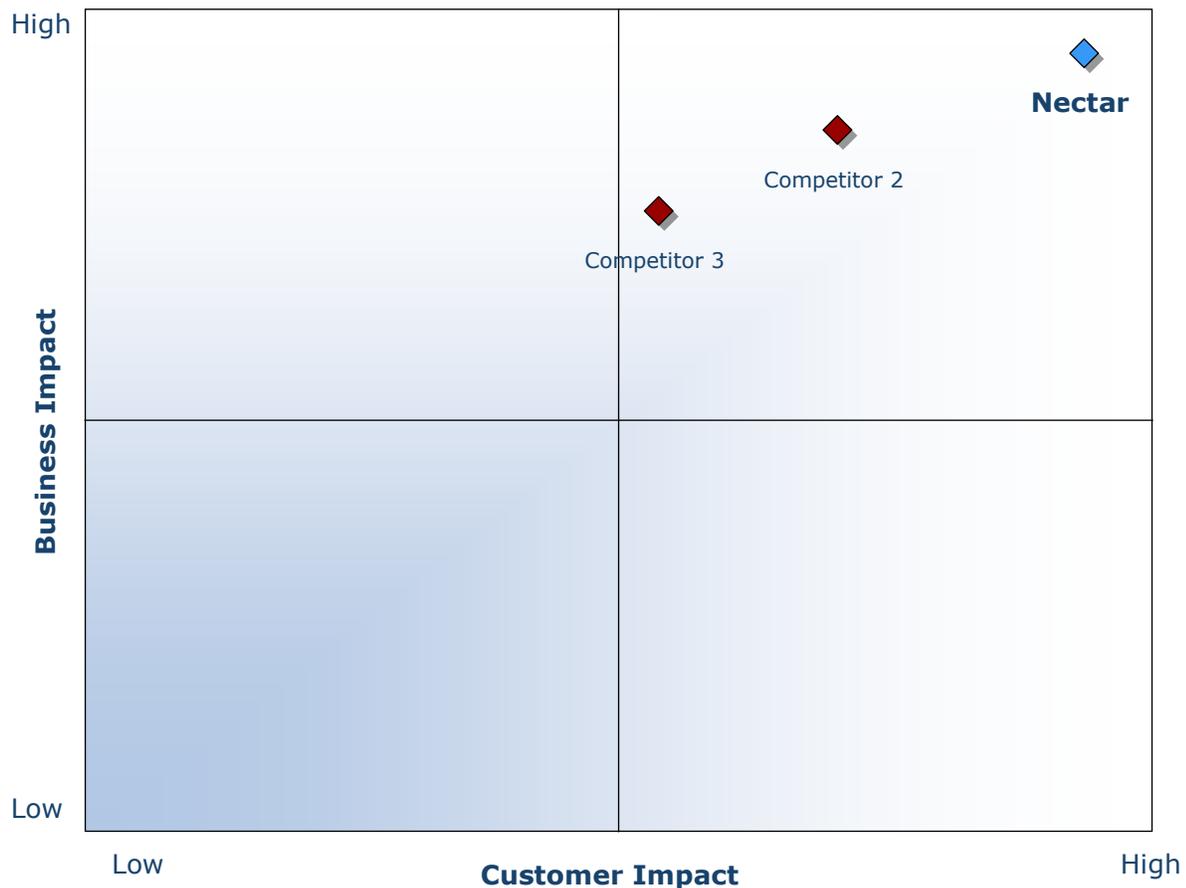
The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan Awards follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

	STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1	**Monitor, target, and screen**	Identify Award recipient candidates from around the globe	• Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies	Pipeline of candidates who potentially meet all best-practice criteria
2	**Perform 360-degree research**	Perform comprehensive, 360-degree research on all candidates in the pipeline	• Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates	Matrix positioning all candidates' performance relative to one another
3	**Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps	Detailed profiles of all ranked candidates
4	**Initiate research director review**	Conduct an unbiased evaluation of all candidate profiles	• Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles	Final prioritization of all eligible candidates and companion best-practice positioning paper
5	**Assemble panel of industry experts**	Present findings to an expert panel of industry thought leaders	• Share findings • Strengthen cases for candidate eligibility • Prioritize candidates	Refined list of prioritized Award candidates
6	**Conduct global industry review**	Build consensus on Award candidates' eligibility	• Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates	Final list of eligible Award candidates, representing success stories worldwide
7	**Perform quality check**	Develop official Award consideration materials	• Perform final performance benchmarking activities • Write nominations • Perform quality review	High-quality, accurate, and creative presentation of nominees' successes
8	**Reconnect with panel of industry experts**	Finalize the selection of the best-practice Award recipient	• Review analysis with panel • Build consensus • Select winner	Decision on which company performs best against all best-practice criteria
9	**Communicate recognition**	Inform Award recipient of Award recognition	• Present Award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10	**Take strategic action**	Upon licensing, company may share Award news with stakeholders and customers	• Coordinate media outreach • Design a marketing plan • Assess Award's role in future strategic planning	Widespread awareness of recipient's Award status among investors, media personnel, and employees

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.