FROST & SULLIVAN

# BEST PRACTICES

AWARDS

FROST & SULLIVAN

2020 BEST PRACTICES AWARD

## Progress®

**2020 NORTH AMERICAN**
**DIGITAL EXPERIENCE PLATFORM**
**PRODUCT LEADERSHIP AWARD**

## Contents

# Background and Company Performance

## Industry Challenges

Today's enterprises seek to build and deploy modern business applications to satisfy their demanding users who expect a consumer-grade, high-end, digital multi-channel user experience. In every digitally evolving competitive market, enterprises must immediately adapt to emerging trends and meet the pressing requirements of their customers, employees, and partners. Therefore, enterprises want to not only build but also accelerate and simplify delivery of those digital experiences.

However, delivering modern applications and a consumer-grade digital experience is arduous due to lack of development resources, integration complexity, and aging architectures. Under such circumstances, vendors that can offer tools, services, and platforms that will speed up and simplify the delivery, deployment, and management of digital experiences and address the aforementioned challenges are expected to secure leadership positions in the market.

## Product Family Attributes and Business Impact

**Match to Needs & Product/Service Value**

Staying true to its mission of enabling today's enterprises to build and run modern strategic business applications and to accelerate their digital innovation, Progress Software Corporation offers its unique Cognitive Apps platform. Frost & Sullivan finds the platform helps enterprises quickly and easily build adaptive, cognitive, and connected applications by leveraging an architecture founded upon Adaptive Experience, Cognitive Cloud, and Connected Data. The platform effectively matches its capabilities to industry needs through a unique combination of comprehensive products, tools, and services.

*Adaptive Experience:* NativeScript, Progress Kendo UI, Progress Telerik, Progress NativeChat, and Progress Unite UX are frontend tools for building and delivering adaptive, engaging, and multi-channel user experiences across mobile, web, chatbot, and wearable applications. Progress Labs represents emerging channels and augmented reality/virtual reality (AR/VR).

*Cognitive Cloud:* Progress Kinvey, Progress DataRPM, Progress Corticon, Progress Sitefinity, and Progress OpenEdge provide server-less cloud backend to build and run microservices and cloud services, including Backend-as-a-Service, Intelligence-as-a-Service (machine learning), Rules-as-a-Service, Content-as-a-Service, and application development.

*Connected Data:* Progress DataDirect provides reliable, high-performance, standards-based, secure, compliant, cloud-to-ground, and ground-to-cloud data connectivity capabilities (for accessing data from IoT, Systems of Record, Big Data, Cloud apps, files, & reports and then making the data usable); and Progress MOVEit enables a secure file transfer.

These products, tools, and services collectively help today's enterprises build and deploy modern, mission-critical, flexible, reliable, and secure apps that provide an adaptive consumer-grade user experience (for employees and partners as well); also, they enable apps that are cognitive, predictive, and connected to data and systems. In contrast, stand-alone solutions intended to address each customer need will not work. To this end, all user requirements for modern apps are met from this single vendor's platform.

Today's businesses and their demanding users require the richest consumer-grade omni-channel experiences. But building adaptive applications and compelling experiences often requires a significant amount of work in terms of setting up the backend systems, building the micro-service architecture, and gathering and personalizing the data, to name a few requirements. Existing architectures are not designed to support adaptive experiences, and from a cost perspective it is not feasible to have different application development teams for different channels, devices, or interfaces. In addition, developer talent is scarce, and therefore today's organizations lack the development resources needed to deliver native app experiences.

Here is where Frost & Sullivan finds Progress unique. The company's flexible frontend tools allow a native experience across different devices by using common skills and shared functionality, as opposed to having to code for native environment. For instance, NativeScript provides the ability to build native applications using JavaScript (customers can build applications for both iOS and Android devices with a single code base), and they can also use the code from a responsive web application, then reuse that as a starting point for their native application. In addition, Kendo UI and Telerik enable customers to deliver an outstanding and compelling UI while NativeChat offers an enriched user experience with AI-driven chatbots.

Progress's platform enables a 40% reduction in time-to-market for business-critical apps and a 60% reduction in app development and deployment costs. In addition, building and deploying adaptive apps using Progress results in a threefold increase in user engagement. Overall, Frost & Sullivan applauds Progress for its timely products, tools, and services designed to quickly and cost-effectively deliver native apps and high-end digital experiences by leveraging customers' existing technology teams and compensating for the scarce developer talent.

**Positioning & Design**

Progress's products and services are designed not only to accelerate and simplify the delivery, deployment, and management of digital experiences that bring together apps, data, and content but are also designed to make a company's technology teams more productive. For instance, automated data science adds predictive capabilities to apps (DataRPM), and complex business rules for demanding enterprise applications are now easily managed using Corticon.

*Progress Enables the Evolving Business Applications Team to Work Together:* The average business applications team is evolving as developers cannot deliver modern apps by

themselves. Progress's enterprise-grade platform therefore facilitates interaction among the various silos and bridges the disconnect between Developers (frontend, backend), DevSecOps QA , Designers, and Data Scientists (4Ds) present in a customer's business to foster a business environment that encourages collaboration in the decision-making and app building process. 4Ds are the personas or the types of users that Progress supports; two other teams that fall outside the 4Ds are content creators and digital marketers, who must be able to determine what content should be leveraged at what point in the sales cycle.

*Acquisition of Ipswitch to Enhance Product Portfolio:* While Progress continues to drive organic growth it also engages in accredited M&A to build its portfolio, to continue providing additional value to its customers, and to strengthen the bottom line, which will ultimately drive more funding into organic growth. To this end, Progress acquired Ipswitch, a provider of secure data file transfer and network management software, in May 2019. Ipswitch's products include MOVEit for secure data transfer, WhatsUp Gold for network monitoring, and WS_FTP that delivers FTP-based secure file transfer server. This acquisition has proven rewarding not only from a product standpoint but also from a go-to-market standpoint. This is because Ipswitch has a really strong 2-tier distribution model, and some Progress products, like DataDirect and Sitefinity, could be primed for sale through the Ipswitch 2-tier distribution model to drive revenue.

**Customer Acquisition & Growth Potential**

Progress offers the full stack for building as well as accelerating the delivery and management of high-end digital experiences. Given that breadth of capabilities, Progress has impacted a large number of organizations, including its more than 1,700 ISVs that build their applications on Progress products and more than 100,000 enterprises that run their business systems on Progress. Moreover, upwards of 2 million developers use Progress products and hundreds of millions of consumers use the applications that run on Progress.

Companies find Progress appealing because its platform accelerates digital innovation and enables them to build and run cognitive-first, future-ready business applications. Progress customers are able to deliver more value to their end users through additional extensions and upgrades to the application, which enables healthy business growth. Some of Progress's leading manufacturing customers include Wärtsilä, Haworth, Inc., Multi-Color Corporation, Coeck, and Composites One. Progress's products are also used across healthcare, insurance, financial services, technology and software, and transportation and logistics. Its cognitive anomaly detection and prediction tools powered by DataRPM can be used by any asset-intensive industry, such as manufacturing, oil and gas, automotive, and energy and utilities. With respect to expansion into more target accounts, Progress works in concert with an extensive ecosystem of more than 2,000 partners across the globe and has built a dedicated Progress Partner+ Program. It has forged strong partnerships with some of the biggest names in the industry, such as QAD, CGI Sverige AB, Virtusa, NTT DATA Services, and Epicor.

## Conclusion

Enterprises need a platform to accelerate and simplify the delivery, deployment, and management of consumer-grade digital experiences to best meet the demanding requirements of its customers, employees, and partners. The Progress Cognitive Apps platform and comprehensive suite of products, tools, and services successfully address this need. Progress renders unmatched customer value as its customers are now able to quickly and easily build and deploy modern business applications that are adaptive, cognitive, and connected. The company has secured a competitive edge by addressing the challenges related to scarce developer talent, integration complexity, and aging architectures. In addition, the use of automated ML for anomaly detection and prediction drive better business decisions and deliver extraordinary business value.

Frost & Sullivan is impressed with the extent to which Progress enables enterprises to build and run cognitive-first business applications and accelerate digital innovation. For its strong overall performance, Progress has earned Frost & Sullivan's 2020 Product Leadership Award.

## Significance of Product Leadership

Ultimately, growth in any organization depends on customers purchasing from a company and then making the decision to return time and again. A comprehensive product line filled with high-quality, value-driven options are the key to building an engaged customer base. To achieve and maintain product excellence, an organization must strive to be best in class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.

- Acquire competitors' customers
- Increase renewal rates
- Increase upsell rates
- Build a reputation for value
- Increase market penetration

- Earn customer loyalty
- Foster strong corporate identity
- Improve brand recall
- Inspire customers
- Build a reputation for creativity

**DEMAND**

**BRAND**

**Product Leadership**

**COMPETITIVE POSITIONING**

- Stake out a unique market position
- Promise superior value to customers
- Implement strategy successfully
- Deliver on the promised value proposition
- Balance price and value

## Understanding Product Leadership

Demand forecasting, branding, and differentiating all play critical roles in finding growth opportunities for your product line. This three-fold focus, however, must be complemented by an equally rigorous focus on pursuing those opportunities to a best-in-class standard. Customer communication, customer feedback, pricing, and competitor actions must all be managed and monitored for ongoing success. If an organization can successfully parlay product excellence into positive business impact, market share will inevitably increase.

## Key Benchmarking Criteria

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated 2 key factors—Product Family Attributes and Business Impact—according to the criteria identified below.

**Product Family Attributes**

Criterion 1: Match to Needs
Criterion 2: Reliability and Quality
Criterion 3: Product/Service Value
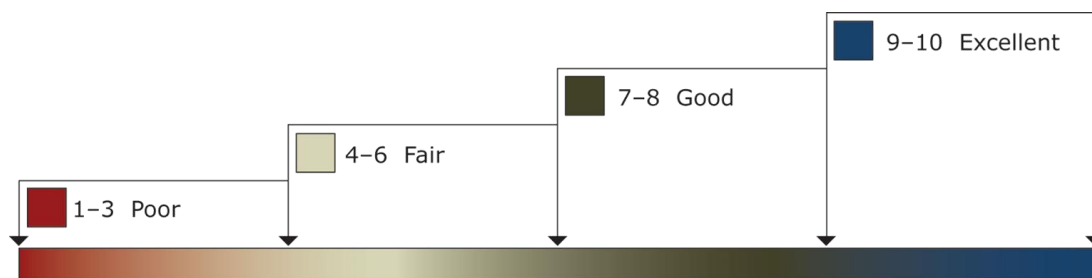Criterion 4: Positioning
Criterion 5: Design

**Business Impact**

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

# Best Practices Award Analysis for Progress

## 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 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 considers Product Family Attributes and Business Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criterion 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, Frost & Sullivan has chosen to refer to the other key participants as Competitor 1 and Competitor 2.

| Measurement of 1–10 (1 = poor; 10 = excellent) | | | |
|---|---|---|---|
| **Product Leadership** | Product Family Attributes | Business Impact | **Average Rating** |
| | | | |
| **Progress** | **9.5** | **9.5** | **9.5** |
| Competitor 1 | 8.0 | 8.0 | 8.0 |
| Competitor 2 | 7.5 | 7.5 | 7.5 |

## Product Family Attributes

### Criterion 1: Match to Needs
Requirement: Customer needs directly influence and inspire the design and positioning of the product family.

### Criterion 2: Reliability and Quality
Requirement: Products consistently meet or exceed customer expectations for performance and length of service.

### Criterion 3: Product/Service Value
Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

### Criterion 4: Positioning
Requirement: Products or services address unique, unmet needs that competitors cannot easily replicate or replace.

### Criterion 5: Design
Requirement: The product features an innovative design, enhancing both visual appeal and ease of use.

## Business Impact

### Criterion 1: Financial Performance
Requirement: Overall financial performance is strong in terms of revenue, revenue growth, operating margin, and other key financial metrics.

### Criterion 2: Customer Acquisition
Requirement: Product strength enables 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.

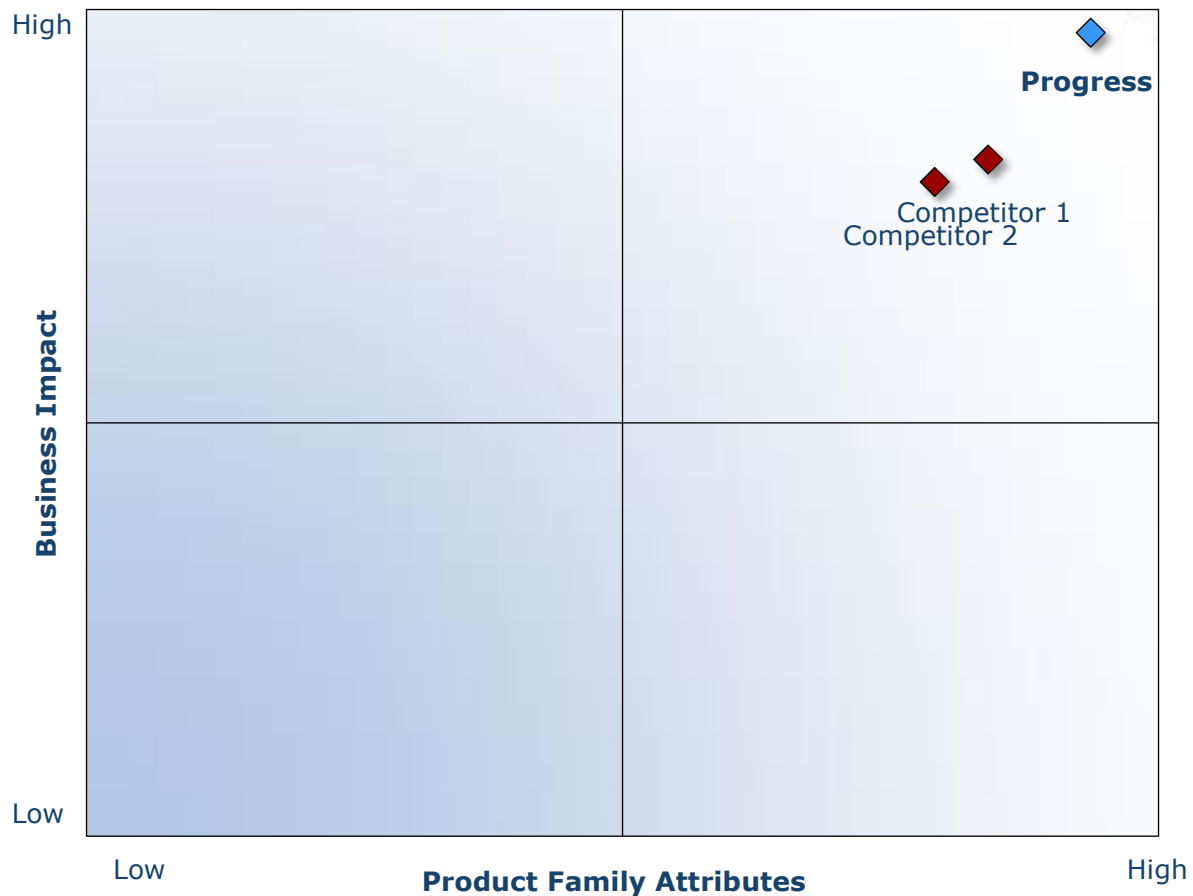### Criterion 4: Growth Potential

Requirements: Product quality strengthens brand, reinforces customer loyalty, and enhances growth potential.

### Criterion 5: Human Capital

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

## Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts 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.

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

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best practices 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 world | • Conduct in-depth industry research<br>• Identify emerging industries<br>• Scan multiple regions | Pipeline of candidates that 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<br>• Assess candidates' fit with best practices criteria<br>• Rank all candidates | Matrix positioning of all candidates' performance relative to one another |
| 3 | **Invite thought leadership in best practices** | Perform in-depth examination of all candidates | • Confirm best practices criteria<br>• Examine eligibility of all candidates<br>• 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<br>• Invite multiple perspectives on candidates' performance<br>• Update candidate profiles | Final prioritization of all eligible candidates and companion best practices positioning paper |
| 5 | **Assemble panel of industry experts** | Present findings to an expert panel of industry thought leaders | • Share findings<br>• Strengthen cases for candidate eligibility<br>• 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<br>• Pressure-test fit with criteria<br>• 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<br>• Write nominations<br>• 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 practices award recipient | • Review analysis with panel<br>• Build consensus<br>• Select recipient | Decision on which company performs best against all best practices criteria |
| 9 | **Communicate recognition** | Inform award recipient of recognition | • Present award to the CEO<br>• Inspire the organization for continued success<br>• 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 is able to share award news with stakeholders and customers | • Coordinate media outreach<br>• Design a marketing plan<br>• Assess award's role in strategic planning | Widespread awareness of recipient's award status among investors, media personnel, and employees |

# 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, resulting in 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 participants and for identifying those performing at best-in-class levels.



360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

# About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients 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 practices models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit http://www.frost.com.