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AWARDS

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2020 BEST PRACTICES AWARD

Yealink

**2020 GLOBAL TABLETOP AUDIO
CONFERENCING ENDPOINT COMPETITIVE
STRATEGY INNOVATION AND LEADERSHIP AWARD**

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Background and Company Performance

Industry Challenges

Frost & Sullivan's research on the global tabletop VoIP audio conferencing endpoint sector indicates that market revenue will grow at a compound annual growth rate (CAGR) of 10.5 per cent between 2017 and 2024. Key factors that contribute to the growth of this market include the availability of dual-connectivity VoIP/USB endpoints and the addition of new features and capabilities such as HD voice, superior noise cancellation technologies, wireless connectivity, and mobile-first connectivity. However, there are certain challenges that could restrain the growth of this market if not appropriately addressed.

Businesses typically expect a broad array of endpoint features, superior performance and adaptability to varied meeting room sizes at low price points. However, audio quality, output (sound) and fitment within medium and bigger meeting spaces are often proportional to price. Constrained by limited budgets, users tend to accept the compromise of poor audio quality from low-priced endpoints; and opt for solution work-around such as daisy-chaining multiple entry-level endpoints to counter the challenge of fitment of small endpoints within bigger meeting spaces. Eventually, such choices can add to IT administrator's burden of setting up the devices in meetings rooms before every meeting.

The audio conferencing endpoints available today are often characterized by limitations with regards to the range of microphones and speakers. When meeting participants are not located within the desired range, the quality of audio tends to be poor and muffled. Therefore, users are restricted to a specific coverage area in order to hear and be heard. In addition, increasing competition on all fronts across the conferencing endpoint space and ever-increasing customer expectations are posing a challenge to audio conferencing endpoint vendors who are striving to provide the greatest value over price.

By addressing issues faced by users and by developing a competitive strategy that is difficult to emulate, a vendor is well positioned for success in the tabletop audio conferencing endpoint market.

Strategy Innovation and Customer Impact

Yealink stands out among IP tabletop audio conferencing endpoint vendors with its ability to introduce compelling products with significant quality and at affordable prices. Through its unwavering commitment to providing enhanced value to both customers and partners, Yealink has established itself as a strong player in the increasingly competitive tabletop audio conferencing endpoint market.

Yealink Rapidly Expands its Conference Phone Portfolio

Embarking on a journey into the audio conferencing endpoint market in 2015, Yealink has been designing audio conferencing endpoints to suit a variety of meeting environments. Yealink's flagship models CP960 and CP920 address today's audio conferencing challenges and unify a clear-and-easy conferencing communication experience for both in-room and remote participants. The CP960 targets mid-to-large-sized meetings, while the CP920

covers small-to-mid-sized meetings. Backed by the significant performance of speakerphone elements, the CP960 sets new standards for sound quality and immerses conference participants in every discussion. Marrying a wide range and dead-zone-free voice pickup with Yealink's Noise Proof technology, the CP960 is well-positioned for day-to-day business conference conversations.

Yealink has continued to innovate in line with changing customer expectations, investing in R&D to launch three more models in 2018-19 including the CP930W (a wireless DECT IP conference phone), the CP900 and CP700 (USB/BT speakerphones). The high-performance portable speakerphone CP900, which features a compact and industrial design, HD audio experience, allows both individuals and companies to use for huddle rooms and on-the-go. AI virtual assistant Cortana is accessible by a single click, allowing users easily make a call or join a meeting. On the other hand, the CP700 is a portable speakerphone which is best-suited for personal, private space and on-the-go use cases.

Today, there is a growing need for DECT conference phones to ensure enhanced security and reliability. In addition to addressing security concerns, the CP930W fills a market gap in terms of end-to-end wireless endpoints. Backed by the Yealink W60B DECT base, the CP930W relieves users from cabling requirements and limitations in terms of power outlets and Internet ports. Further, it liberates users from a fixed seating posture and encourages them to engage in active and natural collaboration from up to 50 meters away indoor and 300 meters outdoor. With such extensive coverage, the CP930W is well suited to meeting spaces of all sizes. The endpoint possesses a battery life of 24 hours between 4-hour charging intervals. On the other hand, the CP900 is a portable speakerphone that serves huddle room meetings and acts as extended speakers for personal meetings of mobile and remote workers.

The pace at which Yealink has been expanding its portfolio within a short time of entering this market reflects its ability to acknowledge and incorporate customer needs into strategic actions.

Contemporary yet Cost-Effective Products

A convergence of trends in businesses – including adoption of both on-premises and cloud-based collaboration platforms, the bring your own device (BYOD) movement and associated mobile applications, multiple choices of access technologies (such as TDM, IP, Bluetooth, DECT, Wi-Fi, USB), and proliferation of huddle rooms – has led to changes with regards to what users expect from hardware endpoints.

Yealink's conference phone portfolio is designed to support and bridge different modalities of conferencing (e.g. PC application or mobile calls) into the same meeting through a Hybrid UC Meeting feature. Users are able to use the device or application of their choice to join a meeting with the help of Hybrid UC Meeting. This is critical in boosting employee collaboration because users tend to collaborate more when the user interface appears more familiar to them. As illustrated by ICS Technologies, one of Yealink's key system integrators based in Australia, the CP960 proved to be the optimum device for a customer that was in need of a SIP conference phone that would work with its Avaya IP Office

phone system as well as a USB speakerphone for a PC-based application. The company benefitted from deploying just the CP960 conference phone instead of deploying two separate endpoints (IP and USB).

In terms of compatibility, Yealink's world-class products can be provisioned on all major PBX platforms. However, Yealink's conference phones have native integration with UC vendors such as 3CX, Broadsoft, Metaswitch, Zoom, Bluejeans, Unify, Cloudonix, 4PSA, Ribbon, Ringcentral, Amplement and Aasani. In addition, Yealink offers specific CP960 Microsoft Skype for Business and Teams editions to feed into the burgeoning Microsoft customer installed base.

Yealink has been more agile than many competing vendors in this space by offering feature-rich yet cost-effective products. Such a competitive pricing strategy and promotional programs, twinned with high product quality, provides Yealink with a substantial competitive advantage in the audio conferencing endpoint market.

Yealink Doubles Down on its Channel Strategy

Yealink has rightly identified that channel partners are crucial to achieving enhanced market penetration and cultivating a satisfied customer base. The company has built a significant partner network comprising over 140 distributors covering more than 100 countries. Some of the well-known distributor brands include ScanSource Communications, 888VoIP and Alloy Computer Products.

As part of the channel partner program, Yealink provides certain discounts to early registrants and a chance for free conference phone demo and testing. Yealink's meticulously designed demo program provides channel partners (both regular and Microsoft-certified partners) with greater familiarity about Yealink's conference phones and interoperability testing during project implementations. Further, Yealink corroborates channels with a mature ticket system and R&D system (for L1 to end customers); extend 24 hours online support and technical support for over five years from the date of purchase; and holds regular training programs for pre-sales, after-sales staff, and technical support. Additionally, Yealink's competitive pricing approach coupled with significant quality conference phones immensely helps resellers to win more projects.

Leveraging a highly efficient partner base that extends prompt and effective technical support, Yealink has been successfully enhancing their brand awareness among businesses. Armed with a strong roster of distributors and channel partners, Yealink is well positioned across various geographies, industries and customer sizes. In addition, Yealink's wide portfolio of IP desk phones, conference phones, video conferencing solutions and management cloud services provide the channel network with significant upsell opportunities and rebates in end-to-end project deals which the channel can leverage to realize better margins.

The Spirit of Craftsmanship

Yealink's executive leadership team is heavily focused on delivering best-in-class audio quality. To keep in tune with this objective, Yealink has been invested in setting up audio

labs. Further, the company invested over \$14 million in R&D in 2018 alone. As stated by the company, the primary focus of such initiatives is to stay ahead of all technical innovation and to meet the ever-changing demands of users.

In a 2019 roadshow event held in Berlin, Leo Huang, VP of Sales, mentioned, "As a company that focuses on products and technologies, 'The Spirit of Craftsmanship' has been our motto ever since the founding of Yealink in 2001".

Conclusion

Yealink's product development efforts in launching feature-rich products at competitive prices targeted at different meeting room environments has helped it to differentiate itself from the competition. Drawing upon its expertise in developing high-quality IP desktop phones, Yealink is gaining considerable brand recognition in the tabletop audio conferencing endpoint market as well.

For its strong overall performance, Yealink has earned Frost & Sullivan's 2020 Competitive Strategy Innovation and Leadership Award.

Significance of Competitive Strategy Innovation and Leadership

Any successful approach to achieving top-line growth must take into account what competitors are and are not doing; meet customer demand with a comprehensive, value-driven product or service portfolio; and establish a brand that resonates deeply with customers and stands apart from other providers. Companies must succeed in these 3 areas—brand, demand, and positioning—to achieve best-practice levels in competitive strategy.



Understanding Competitive Strategy Innovation and Leadership

Driving demand, brand strength, and competitive differentiation play critical roles in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Strategy Innovation and Customer Impact.

Key Benchmarking Criteria

For the Competitive Strategy Innovation and Leadership Award, Frost & Sullivan analysts independently evaluated Strategy Innovation and Customer Impact according to the criteria identified below.

Strategy Innovation

- Criterion 1: Strategy Effectiveness
- Criterion 2: Strategy Execution
- Criterion 3: Competitive Differentiation
- Criterion 4: Executive Team Alignment
- Criterion 5: Stakeholder Integration

Customer Impact

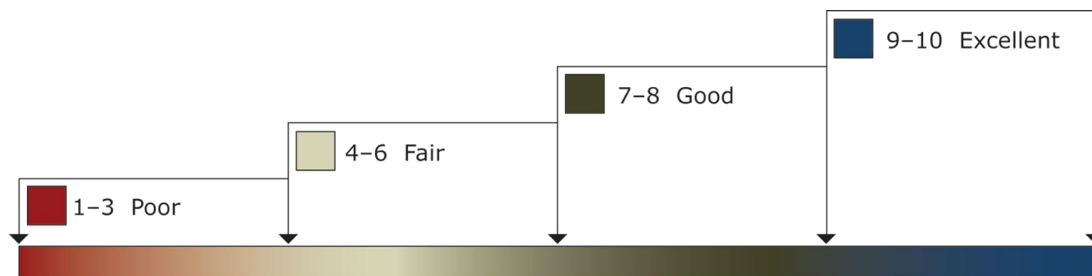
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practices Award Analysis for Yealink

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 Strategy Innovation and Customer 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.

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>			
Competitive Strategy Innovation and Leadership	Strategy Innovation	Customer Impact	Average Rating
Yealink	10.0	9.4	9.7
Competitor 1	9.0	9.2	9.1
Competitor 2	7.8	9.2	8.5

Strategy Innovation

Criterion 1: Strategy Effectiveness

Requirement: Strategy effectively balances short-term performance needs with long-term aspirations and vision for the company.

Criterion 2: Strategy Execution

Requirement: Adoption of best-in-class processes supports the efficient and consistent implementation of business strategy.

Criterion 3: Competitive Differentiation

Requirement: Unique competitive advantages with regard to solution or product are clearly articulated and well accepted in the industry.

Criterion 4: Executive Team Alignment

Requirement: The executive team is aligned with the organization’s mission, vision, strategy, and execution.

Criterion 5: Stakeholder Integration

Requirement: Strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees.

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 they are buying the 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

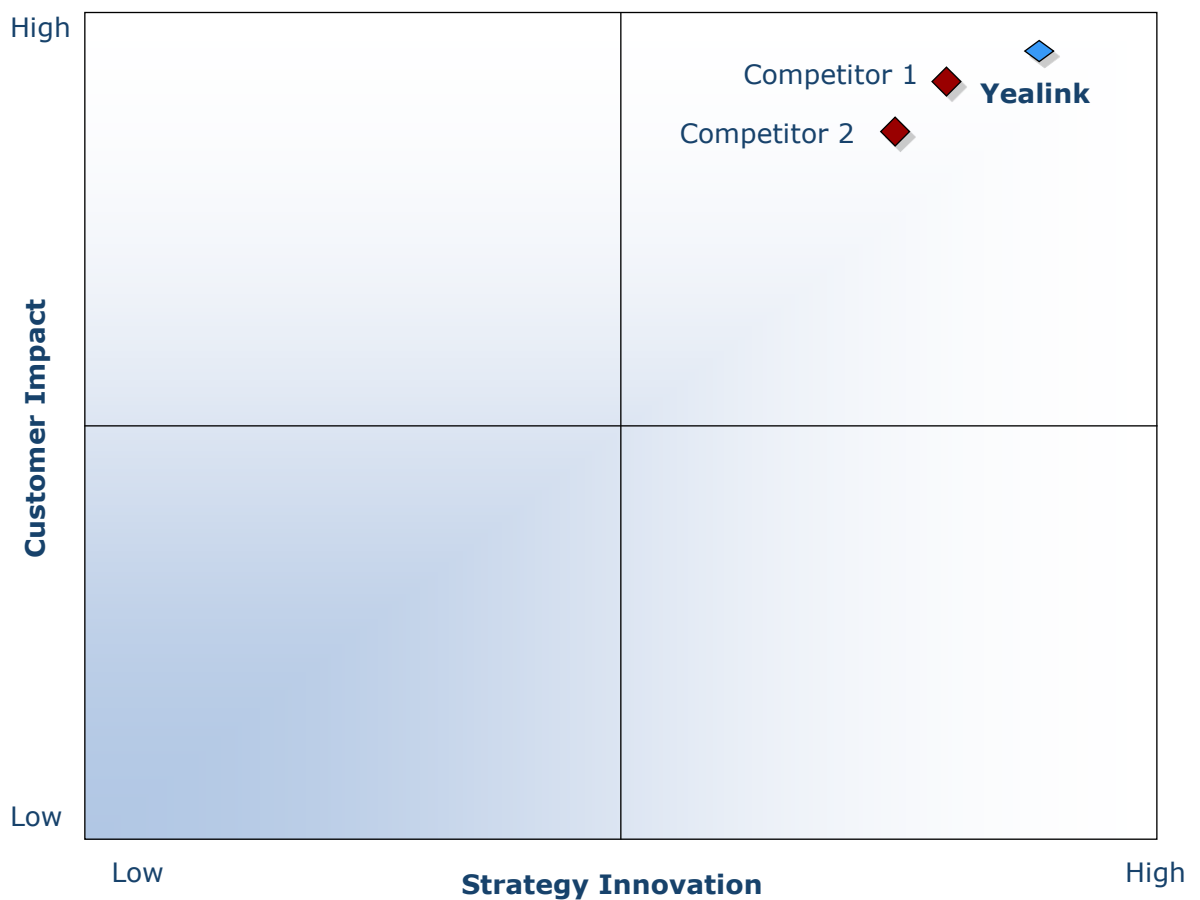
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

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	<ul style="list-style-type: none"> Conduct in-depth industry research Identify emerging industries Scan multiple regions 	Pipeline of candidates that potentially meet all best practices criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> Interview thought leaders and industry practitioners Assess candidates' fit with best practices 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	<ul style="list-style-type: none"> Confirm best practices 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	<ul style="list-style-type: none"> Brainstorm ranking options Invite multiple perspectives on candidates' performance 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 practices award recipient	<ul style="list-style-type: none"> Review analysis with panel Build consensus Select recipient 	Decision on which company performs best against all best practices criteria
9 Communicate recognition	Inform award recipient of recognition	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Coordinate media outreach Design a marketing plan 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 the 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>.