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BEST PRACTICES

AWARDS

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2020 BEST PRACTICES AWARD



**2020 GLOBAL DIGITAL
TRANSFORMATION OPTIMIZATION
PLATFORMS COMPANY OF THE YEAR AWARD**

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Background and Company Performance

Industry Challenges

Digital transformation is occurring at a rapid pace, enabling businesses of all shapes and sizes to optimize their operations and deliver seamless customer experiences. The overall effect of digitalization is a paradigm shift; it ups the ante across industries, providing competitive advantages to companies that leverage it and establishing new standards regarding operational efficiency, product delivery, and customer service. Digitalization is no longer an amenity, but a requirement. Companies that do not embrace it risk losing market share and becoming obsolete. As such, companies across the board have begun to hire Chief Information Officers to help them to implement their digital strategies.

However, despite its apparent benefits, one of the central issues with digital transformation lies in user adoption. Often, existing employees struggle to use the software effectively; conversely, new employees that need to learn how to use existing software face a similar challenge. Multiple software systems and frequent updates compound the problem, requiring employees to understand and interact with different user interfaces and patterns of the organization. Digital transformation is also sometimes met with resistance, as traditionalists, unwilling to learn new processes or forgetful when they do learn the processes, can present a tremendous barrier to overcome.

The challenge to bridge the gap between technology and end-users can have a tremendous impact on business. Some companies are spending massive amounts of money on new technology with the hopes of boosting productivity within their businesses and achieving operational efficiency; however, often, productivity does not change. Onboarding can be cumbersome, especially for employees that are not technologically savvy. Businesses face a critical challenge of not only teaching their employees how to use the software but also how to derive the maximum benefit from it. As a result of these challenges, many strategic leaders are learning that they cannot merely buy new software without a digital adoption strategy. To supplement their strategy, they need to have visibility into the usage of their technology, which they can leverage to confirm the apparent benefits of their investments. In other words, technology can become more cumbersome than helpful.

These challenges give rise to a group of technology leaders that share the objective of facilitating digital transformation within their clients' businesses. These solutions providers aim to streamline adoption, boost productivity, and foster operational efficiency by leveraging advanced technology such as artificial intelligence (AI), machine learning (ML), and cloud computing. As the pioneers of a new technology category, these providers face not only technical issues related to concepts such as data privacy, cybersecurity, and regulations but also the Sisyphean battle of building out a new market—digital platform adoption. They need to lay the groundwork through thought leadership and education, first advising users of the capabilities of their technology products and then demonstrating and proving the value of it through measurable outcomes. They also face technological barriers concerning the design and implementation of their products. They must create solutions that are intuitive and agile, and that provide consistent value through various modalities.

Visionary Innovation and Performance/Customer Impact of WalkMe

Founded in 2011, San Francisco, California-headquartered WalkMe originated as a small software company called Make Tutorial, which provided a guidance and navigation tool to businesses to help them manage the adoption of their software. As the company grew, it recognized that there was a massive demand for its technology, and subsequently developed a platform-agnostic guidance system to provide the same capabilities to internal applications. From that point, WalkMe pivoted into a global enterprise of more than 850 employees and 250 developers providing digital adoption solutions to a roster of well-known clients such as Microsoft, PayPal, Cisco, and CenturyLink. With its award-winning Digital Adoption Platform (DAP), WalkMe enables businesses all over the world to facilitate their digital strategy adoptions.

WalkMe's Digital Adoption Platform

WalkMe strongly believes that thorough and proper digital adoption requires a multi-layered approach. Therefore, the company offers a comprehensive digital adoption platform, which it divides into four key offerings: In-application guidance, engagement (personalization), insights, and automation. Together, each of these products plays a role in driving businesses' digital adoption strategies, simplifying the adoption process, increasing user engagement, streamlining the path to user proficiency, and allowing companies to realize the full potential of their digital assets.

- WalkMe's most popular capability, the in-app guidance, offers user interface (UI) enhancements that WalkMe can leverage to create step-by-step walkthroughs, tip balloons, and other UI components, which they can attach to various elements on-screen and provide contextual data. These components can exist on any web-based application and be either customer- or employee-facing.
- WalkMe's engagement layer allows companies to anticipate user needs and areas of difficulty, and then offer them help at the exact moment of need. Both proactive and intuitive in design, users can leverage it to provide support specifically for individual users at their times of need based on their levels of experience, willingness, and level of digital dexterity. In other words, the engagement layer enables companies to assist their users through contextual and proactive engagement.
- The third layer of WalkMe's DAP platform leverages AI and ML to provide companies analytic insights and holistic views of employee/user behavior, helping them to identify usability issues through user patterns. It can provide two levels of analytics—one shows the usage of WalkMe components (.e.g., who clicked on a balloon and who used a walkthrough). The other level shows companies the user behavior with underlying technology regardless of WalkMe content. Operators can also create goals and rules and track them. WalkMe can also provide session playbacks so companies can review how their users interact with the underlying platform.

- WalkMe also provides automation capabilities, allowing its clients to simplify tedious and complex processes by eliminating mundane, perfunctory steps across multiple systems and platforms. For example, this feature enables businesses to mimic user behavior, such as clicks within interfaces and navigation between different web pages. It can manipulate text, copy and paste, and auto-populate fields. Within this layer, WalkMe also includes a conversational interface, which it calls ActionBot. Users can ask ActionBot for help with such tasks as requesting days off or vacation, and through this conversation, ActionBot can execute all the processes required to complete those tasks.

In addition to these key products, WalkMe also offers other modules, which it sells separately, such as its desktop solution for legacy applications and its mobile application solution.

Allowing Users to Adapt Quickly through Agile Product Features

"WalkMe's elegantly simple solution provides engaging scalability for our business."

—Marc Madenwald, Director of Sales Process & Productivity at Adobe

One of the most significant trends in the digital transformation realm is the ability to create content quickly and provide that power to users with a layman's understanding of technology. WalkMe provides a seamless onboarding experience with every implementation. In other words, deployments of WalkMe include the company's products that help facilitate the onboarding experience. Also, WalkMe allows users to build business flows on top of all their internal employee applications as well as external customer-facing applications. These applications include systems such as Salesforce or companies' pre-developed websites. This capability allows users to adapt quickly to changes. For instance, with the COVID-19 outbreak, many companies utilized WalkMe to ensure business continuity by creating on-the-fly plans to roll out remote training programs, as well as enabling several companies to carry on with their ideas and take employees through classes remotely. In times of disruption, such as with COVID-19, WalkMe's Digital Adoption Platform touches upon all aspects of the organization to guarantee business continuity, from providing management the data they need to be in control and informed, as well as by helping employees be productive and engaged as they transitioned overnight to a 100% remote workforce.

A Seamless Customer Service Experience

WalkMe's technology enables numerous use cases, ranging from onboarding and training to general productivity and system adoption. While these use cases may vary, holistically, the DAP platform functions as a last-mile in software utilization. When clients purchase a license for WalkMe's software, it is all-inclusive and includes capabilities from the entire suite.

The WalkMe platform is industry agnostic, working with numerous customers from different verticals, industries, and use cases. WalkMe's clients range in size as well. The company works with Walmart—which is the largest company in the world—as well as startup companies with only one employee. While WalkMe focuses mainly on its larger customers, it also has an entire line of business for startups and teams dedicated to mid-market

companies with fewer than 1,000 employees. The fact that WalkMe has not been industry-specific or industry segment-specific has allowed the company to grow extensively across industries and verticals.

To ensure its clients receive the maximum value from its DAP platform, the company also provides a layer of insights to its clients, which helps them understand the usage of their digital assets. Through WalkMe's Digital Adoption Center, managers and C-level executives who are responsible for digital transformation initiatives can use insights to gain visibility into important key performance indicators to help them increase revenue, achieve operational efficiency, and mitigate risk. They can also use it to set industry benchmarks on how to leverage different processes effectively and replicate successful utilization patterns. They can view their adoption progress of the new technology and determine how quickly they realize returns on their investments.

Building an Industry

With humble beginnings—WalkMe sold its first product for \$19.99 a month—the company has demonstrated exponential growth to date. Throughout its existence, the company has raised more than \$307 million, with multiple customers paying seven-digit figures for its products and related services. In 2019, the company hit a huge milestone, reaching \$100 million in annual recurring revenue, and it continues to scale with more and more significant deals. WalkMe works with more than 1,800 enterprise and high-growth companies, including 30% of the Fortune 500 companies, 40% of the Fortune 100 companies, and 60% of the Fortune 10 companies. WalkMe partners with well-respected global systems integrators, certified independent software vendors, and enterprise-grade security companies.

WalkMe also participates in educating the market on the possibilities of its technology. DAPs are part of an emerging industry, which WalkMe has spent—and continues to spend—significant time and resources to build. In addition to hosting webinars and blogs, the company also attends and hosts major thought leadership events. In 2019, the company announced plans to host WalkMe Realize—an event designed around the theme of digital adoption—in San Francisco, California, in March 2020. They invested more than \$1 million and sold out the event by building a comprehensive lineup of speakers and demonstrators, including leading technology speakers from companies like The International Business Machines Corporation and Amazon Web Services, and top analysts and company sponsors to share their success stories and speak on WalkMe's behalf. When the company had to cancel the event due to the COVID-19 outbreak, it spun it into an online event in four days, reaching four times more attendees than it would have had through a physical event. WalkMe also plans to take the event global next, with a "Realize is coming to you" series.

WalkMe also held an impromptu virtual summit in March 2020 in place of the Mobile World Congress, which was canceled due to the COVID-19 outbreak. Several businesses had invested a lot of time and money in promoting the event; thus, WalkMe hosted Mobile Live, a free event that anyone could join to engage with the content.

Per Frost & Sullivan's annual digital transformation survey, 52% of companies measure the success of their digital transformations by customer satisfaction rates. This latest technology has the power to improve both the customer experience and the employee experience. As companies progress in their digital transformations, the need to improve the usability of cutting-edge software and systems increases. WalkMe pioneered the DAP, which solves a problem for enterprises that can have hundreds of applications, and tens of thousands of employees that need to learn how to use them. Leading this emerging market, WalkMe's approach has helped companies realize the full potential of their systems and measure the resulting success. To remain a leader in this market, a company must have the ability to adapt when new technology and new ways of doing business come along; WalkMe is committed to this with its constant feedback loop and usage visibility.

Conclusion

The process of embracing digitalization poses significant barriers for businesses and employees across a host of industries, particularly due to unsuccessful user adoption. Companies that do not integrate technology and use it properly risk losing market share and may become obsolete.

To address these inherent challenges, WalkMe actively works to educate clients on its multi-layered digital adoption platform (DAP), complete with four key offerings—in-application guidance, engagement, insights, and automation—creating a smooth onboarding experience. With its industry-agnostic stance, clients can glean valuable insights on the usage of their digital assets and learn how to increase revenue, realize operational efficiency, mitigate risk, and set industry benchmarks.

WalkMe's DAP platform has set the tone for a new industry standard, becoming an essential component of technology professionals' digital strategies. It has opened the door for a new digital paradigm, demonstrating use cases and capabilities never thought possible and addressing unmet needs many companies were not aware they had.

For its strong overall performance, WalkMe earns Frost & Sullivan's Global 2020 Company of the Year Award in the digital adoption platform market.

Significance of Company of the Year

To receive the Company of the Year Award (i.e., to be recognized as a leader not only in your industry, but among non-industry peers) requires a company to demonstrate excellence in growth, innovation, and leadership. This excellence typically translates into superior performance in three key areas—demand generation, brand development, and competitive positioning—that serve as the foundation of a company's future success and prepare it to deliver on the 2 factors that define the Company of the Year Award: Visionary Innovation and Performance, and Customer Impact).



Understanding Company of the Year

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

Key Benchmarking Criteria

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated each factor according to the criteria identified below.

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs

Requirement: Implementing a robust process to continuously unearth customers' unmet or underserved needs, and creating the products or solutions to address them effectively.

Criterion 2: Visionary Scenarios through Mega Trends

Requirement: Incorporating long-range, macro-level scenarios into the innovation strategy, thereby enabling first-to-market growth opportunity solutions.

Criterion 3: Implementation of Best Practices

Requirement: Best-in-class strategy implementation characterized by processes, tools, or activities that generate a consistent and repeatable level of success.

Criterion 4: Blue Ocean Strategy

Requirement: Strategic focus on creating a leadership position in a potentially uncontested market space, manifested by stiff barriers to entry for competitors.

Criterion 5: Financial Performance

Requirement: Strong overall business performance in terms of revenue, revenue growth, operating margin, and other key financial metrics.

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.

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 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 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 of 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 winner 	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"> • Announce 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 able to 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>.