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BEST PRACTICES

AWARDS

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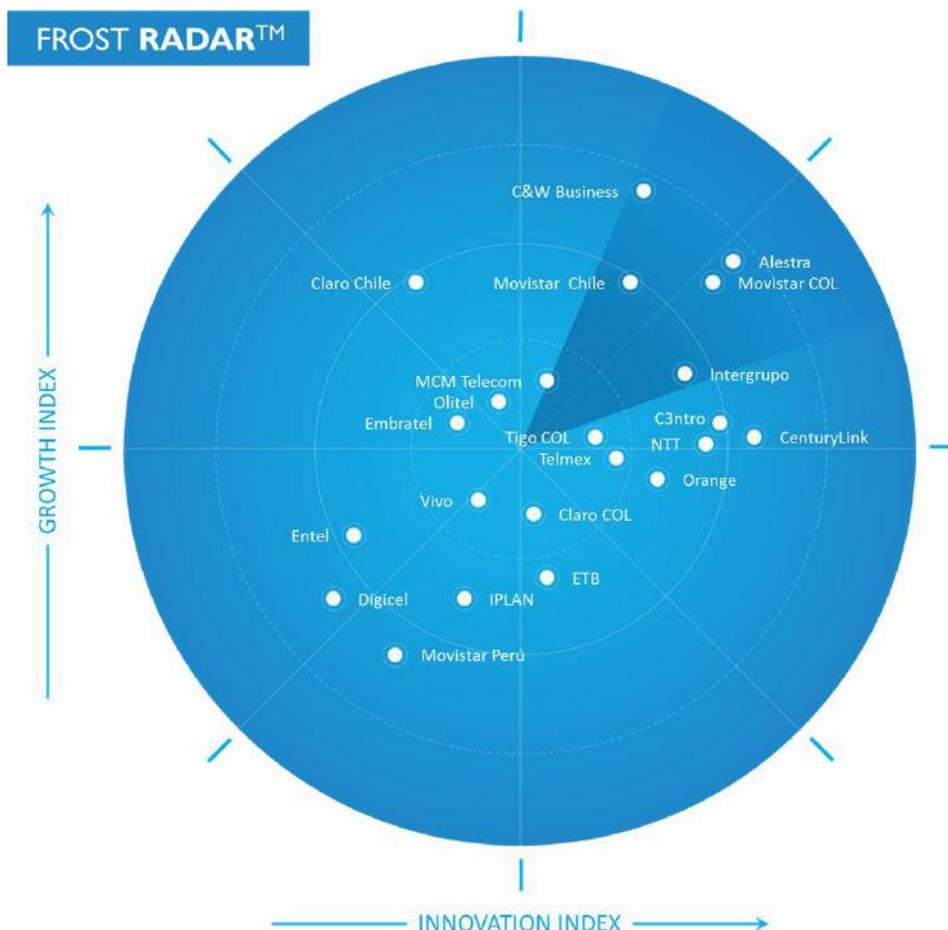
2020 BEST PRACTICES AWARD



CenturyLink

**2020 LATIN AMERICAN AND CARIBBEAN
HOSTED IP TELEPHONY AND UCAAS
INNOVATION EXCELLENCE FROST RADAR AWARD**

The Frost Radar™ The Hosted IP Telephony and UCaaS Market



Source: Frost & Sullivan

In a field of close to 100 global industry participants, Frost & Sullivan has independently ranked the top 22 companies in the above Frost Radar™ analysis.

The key parameters independently analyzed by Frost & Sullivan include:

- Innovation Scalability
- R&D
- Product Portfolio
- Mega Trends Leverage
- Customer Alignment
- Growth Pipeline
- Vision and Strategy
- Sales and Marketing
- Revenue Growth
- Market Share Growth

Frost & Sullivan studies related to this independent analysis:

- Growth Opportunities in the Hosted IP Telephony and UCaaS Market in Latin America and the Caribbean, Forecast to 2026

The Growth Environment

The Latin American and Caribbean hosted IP telephony and UCaaS market continues its path to the cloud and is exhibiting double-digit growth rates, according to Frost & Sullivan research. Companies are increasingly realizing the benefits of cloud-based models, such as the operational expenditure (OPEX) consumption approach that drastically reduces capital expenditure (CAPEX), the scalability and flexibility that allows organizations to increase or decrease the number of resources consumed on a per-month basis, improved security and reliability, faster deployment times, and low-risk options when experimenting with new technologies.

However, customer expectations are also currently evolving. Organizations are demanding new and more advanced UC&C capabilities as well as tighter integration between their communications systems and other business applications—such as customer relationship management (CRM), enterprise resource planning (ERP), and productivity suites. Nevertheless, these demands are not the same for all market segments. For example, while large enterprises request highly customizable projects, small and medium businesses (SMBs) and small offices/home offices usually demand a strong price/performance ratio from providers.

Furthermore, the recent global pandemic driven by the expansion of COVID-19 has presented both challenges and growth opportunities for UCaaS providers. While the negative effects of the expected economic downturn might lead some organizations to postpone investments in ICT solutions, those same organizations are quickly realizing the importance of having solid cloud-based tools—these tools allow them to effectively support remote work while improving employee productivity, augmenting business agility, improving employee and customer experience, and accelerating time to market. Some providers are in a unique position to guarantee those key functionalities and leverage that to fuel both growth and innovation.

Frost Radar™ Innovation Excellence Award CenturyLink

Frost Radar™ Location

- Besides being a global CSP with a largely proven track, CenturyLink has a substantial operation in CALA; a presence in more than 20 countries; 2,100 employees; 18 data centers; and a robust fiber-optic network across the region.
- In terms of growth and innovation, the company scored 3.93 (out of 5 points) on the Frost Radar™.
- CenturyLink has been offering turn-key cloud-based unified communications and collaboration communication solutions for CALA's large enterprises for more than a decade.
- The company is positioned among the top two providers, in terms of average score on the growth and innovation indices.

Growth

- CenturyLink leverages its multinational background and tremendous brand equity to drive growth in several CALA countries and segments.
- Frost & Sullivan research shows that CenturyLink has experienced double-digit growth in terms of UCaaS users in CALA during the last three years.
- The company holds a comprehensive UCaaS portfolio for large enterprises offering Microsoft Teams and Cisco HCS and Webex Teams.
- In addition, CenturyLink offers a multitenant UCaaS suite targeted at medium-size organizations and smaller locations of major CALA countries.

Innovation

- CenturyLink scored the highest (4.75 over 5 points) on the innovation index.
- The company functions as an enabler and advisor of digital transformation for its clients, providing strict SLAs, and owning the customer relationship by providing a single-pane-of-glass IT solution.
- Many of the company's deployments include a great deal of premises-based legacy PBX/PSTN services integration, to protect existing investments in enterprise communications systems.
- The company has significant experience in managing complex hybrid and multicloud environments, while substantially enhancing the client's collaboration capabilities.

Next Steps

- CenturyLink could leverage its existing user base of on-premises Microsoft Skype for Business and Cisco Call Managers to either fully migrate them to UCaaS or push for the adoption of cloud-based collaboration capabilities in a hybrid deployment.
- It will continue developing its Microsoft and Cisco-based UCaaS value proposition with new features and endpoints, additional certifications, and third-party software integration.
- The company could leverage its brand equity to accelerate marketing and demand-generation initiatives, specific to Unified Communications and Collaboration, and boost its growth rate.

What is the Frost Radar™?

Companies to Action – Benchmarking Future Growth Potential

What is it?

A robust analytical tool that benchmarks companies' innovation focus and growth performance in a given market.

How is it built?

Through in-depth analysis built on Frost & Sullivan's 360-degree research methodology (primary and secondary research) and objective rating of companies in a given market.

Why do you need it?

To understand how companies benchmark against each other in their ability to innovate and grow against a backdrop of industry transformation.

What will it accomplish?

Companies can gain an objective, independent perspective of their innovation and growth strategies, including their robustness, effectiveness, relative competitive strength, and implications for their long-term success.

How to use it?

The Frost Radar™ is a dynamic tracking tool that offers frequent rating and positioning of companies that are leading the industry in growth, innovation, or both. Because of changes in the operating environment and internal organizational changes, their positioning in the Frost Radar™ will change over time. It is important to leverage the Frost Radar™ to ensure that companies are aware of changes to their ecosystem and their relative positions to it.

What does it mean to be on the Frost Radar™?

Companies have been chosen to be in the Frost Radar™ because they have proven themselves to be worthy by demonstrating excellence in growth, innovation, or both, and are able to translate that into proven solutions that benefit their clients. At times, companies with high market share may not place on the Radar. Companies are chosen because they are already doing great things or are poised to do great things.

All companies on the Frost Radar™ could be Companies to Action. Best Practice recipients are the companies that Frost & Sullivan considers the **Companies to Act On Now**.

Growth Excellence Award

The Growth Excellence best practice award is bestowed upon companies that are achieving high growth in an intensely competitive industry. This includes emerging companies making great strides in market penetration and seasoned incumbents holding on to their perch at the pinnacle of the industry.

Innovation Excellence Award

The Innovation Excellence best practice award is bestowed upon companies that are industry leaders outperforming their competitors in this area, or new market entrants contending for leadership through heavy investment in R&D and innovation.

Growth, Innovation & Leadership Award

The Growth Innovation Leadership (GIL) best practice award is bestowed on companies that are market leaders at the forefront of innovation. These companies consolidate or grow their leadership position by continuously innovating and creating new products and solutions that serve the evolving needs of the customer base. These companies are also best positioned to expand the market by strategically broadening their product portfolio.

Frost Radar™ – Benchmarking Future Growth Potential 2 Major Indices, 10 Analytical Ingredients, 1 Platform

Vertical Axis – The Growth Index

Growth index is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline system; and effective market, competitor, and end-user focused sales and marketing strategies. The elements of this index include:

- **GI1: Market Share (previous 3 years):** This is a comparison of a company's market share relative to its competitors in a given market space for the previous 3 years.
- **GI2: Revenue Growth (previous 3 years):** This is a look at a company's revenue growth rate for the previous 3 years in the market/ industry/category that forms the context for the given Frost Radar.
- **GI3: Growth Pipeline:** This is an evaluation of the strength and leverage of a company's growth pipeline system to continuously capture, analyze and prioritize its universe of growth opportunities.

- **GI4: Vision and Strategy:** This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments the company is making in new products and markets consistent with the stated vision?
- **GI5: Sales and Marketing:** This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

Horizontal Axis – The Innovation Index

Innovation index is a measure of a company's ability to innovate products/services/solutions (with a clear understanding of disruptive Mega Trends) that are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers' changing needs. The elements of this index include:

- **II1: Innovation Scalability:** This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.
- **II2: Research and Development:** This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.
- **II3: Product Portfolio:** This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.
- **II4: Mega Trends Leverage:** This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline.
- **II5: Customer Alignment:** This evaluates the applicability of a company's products/ services/ solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.