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AWARDS

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BEST PRACTICES AWARD

2020

STTelemedia
Global Data Centres

2020 INDIAN COLOCATION SERVICE PROVIDER COMPANY OF THE YEAR AWARD

Contents

Background and Company Performance

Industry Challenges

The Data Centre market in India is one of the fastest growing markets in the world. With the dawn of digital transformation, organizations, irrespective of their sizes, are adopting digital technologies and cloud computing.

The key theme driving growth in India is the rapidly increasing digital needs of Indian enterprises, the growing presence of hyperscalers, high penetration of Internet connectivity and a keen focus on data privacy. In addition, increasing IT infrastructure complexities are compelling enterprises to move to third party data centre solutions as management of captive data centre becomes difficult. The market is also expected to see many growth-related projects across verticals viz., banking, insurance, telecom, IT and ITeS. This is spurring the strong growth of DC market.

The Indian Colocation market has tremendous potential to grow leveraging key levers such as multi-tenancy, scalability and reduce CapEx etc. Colocation is now becoming more than just a cost control mechanism and is bought for its added value to the buyer.

Visionary Innovation and Performance

Organization Overview and Financial Performance

Globally, the STT GDC Group has built an integrated data centre platform in key economic hubs across developed and emerging markets via STT GDC's network of more than 100 data centres in India, Singapore, China, Thailand and the UK. The company's global platform offers extensive global reach, together with deep sector expertise, enabling customers to rapidly deploy a scalable, global footprint while maintaining STT GDC's premium standards of performance, reliability, security and network choice.

In India, STT GDC India is a dominant leader in data centres services industry propelled by its extensive footprint, eminent facilities and excellent customer service. The company manages the largest pan-India data centre floor area and IT load delivering, more than 105 MW of power capacity through 16 carrier neutral facilities across 8 cities in India. The company plans to expand its power capacity to more than 200 MW in next 3-4 years.

STT GDC India provides robust Colocation services to more than 1000 customers by keeping their dynamic requirement and business continuity at the core of its services and strategies.

In 2019, STT GDC India has continued the dominant leadership in Colocation market with about 1/3rd (more than 30%) of the revenue market share. The company has shown exemplary financial performance in 2019 with a double digit YoY growth in Colocation revenues driven by acquisitions of some big customers and multiple expansion orders from existing customers.

"We Accelerate Growth"

Unique Selling Propositions/Competitive Differentiators

- ***Holistic and Flexible Colocation Solutions****: Throughout its presence in India STT GDC India has been a visionary leader in Data Centre space. The company's experience has allowed it to foresee the shift in data centre requirements of the enterprises and hyperscalers in India. The company understands that one size does not fit all and that customers require flexible approach to their deployments needs. Therefore, STT GDC India provides holistic and flexible colocation solutions (Rack, Cage, Suite, Containment, Bespoke solution) that can be customized as per the desired deployment size in terms of racks, power and network.

  For bespoke solution, STT GDC India not only considers optimal reliability and performance specification for customer's facility, but also supports customers on how to achieve it with low operational costs and the cost-effective investment. The solutions can either be built-to-specifications or modular and can be single-tenanted.

- ***Scalability:*** Customers find it difficult to predict their space requirement which leads to the purchase of surplus or insufficient capacity. STT GDC India understands this concern and provides upward and downward scalability options that help customers to use their capacity in an optimal way. This helps customer to improve operational efficiency and reduce total cost of Ownership. Further, the choice of selecting SKUs, options of time and volume commitment along with a consumption-based model provides added advantage to customers.

- ***Reliability, Redundancy and Business Continuity:*** STT GDC's colocation solutions can offer up to 100% uptime depending on the solution opted by customers. In India, all STT GDC's data centres are owned, purpose built or on long term lease ensuring zero tenancy risks. STT GDC's data centres are custom built for enterprise DC services with high voltage tap, dedicated substations, dual fiber paths etc. ensuring high resiliency and availability. These date centres are strategically located to provide site superiority and reduce the risk of natural disasters.

- ***Physical Security:*** Given its strong commitment to ensuring the highest data security protocols, the company has deployed multi-layer security systems for all its data centres, through a combination of secure multi-tiered access control and 24*7 surveillance. Each data centre utilizes an array of security equipment, techniques and procedures to control, monitor, and record access to the facility including individual cages.

- ***Carrier Neutral and Network Dense Data Centres:*** STT GDC has data centre interconnect partnerships with all the major network service providers in India. The company provides access to the integrated combination of colocation and network services, enabling customers to connect with multiple network service providers. All STT GDC's data centres are Network PoPs for at least one leading carrier in India. Many international carriers also house their PoPs with STT GDC in India, increasing

reliability of network services. Some of STT GDC's data centres are also cable landing stations, making them ideal sites for global network nodes.

- ***Digital First:*** *STT GDC India is focused on building a strong, secure, digitally focused organization. To enable that this year it implemented the SCM dashboard, document management system and various tools and policies that monitor their network and access, vastly enhancing business productivity. Near real-time accurate information for quicker decision-making has been one of the key focus areas. The company has also implemented SAP analytics cloud (SAC) integrating it with various other systems like ServiceNow, SF, Concur, SAP Hana, etc. This, is coupled with enhanced security ecosystem using process, tools and people, to enhance business value creation.*

Overall STT GDC India deploys a flexible approach in terms of designing redundancies as per customer requirements, which allows it to offer clients 100% uptime across all sites. Moreover, it offers a full suite of best-in-class, highly scalable and flexible data centre solutions as well as connectivity and support services that best meet customers' current and future colocation needs. The company is considered a trusted colocation partner by large enterprises such as hyperscalers, banks, financial service organisations, IT companies etc.

Technological/Product Innovations foster Blue Ocean Strategy

STT GDC India has demonstrated exceptional innovation capabilities to further enhance its data centre expertise, customer experience and technological prowess. Its continuous focus and investments in innovation helps it to be an undisputed leader in largely new territories such as Green Data centres, Edge Computing etc.

In India, the company is the first data centre service provider undertaking large-scale deployment of Li-Ion batteries for UPS Systems requiring less floor space and floor loading capacity, thereby providing higher assurance in case of recurring EB failure.

STT GDC India leads the industry in terms of green initiatives and is committed to the sustainability agenda covering the entire build-and-operations lifecycle. This is indicated in the fact that 34% of its power consumption comes from renewable power sources, and that its rainwater harvesting and water recycling initiatives allow them to save 336 KL of water annually. The company has been installing new Green Captive power generation systems that offer clean and reliable power without surges, sags or interference, and can be used for directly powering the critical server load without some of the intermediate power conditioning equipment.

The company will also be investing in smaller edge DCs across tier 2 and tier 3 cities to capitalize on the edge momentum driven by 4G/5G, IOT and video.

Customer Impact

Customer Service Experience

STT GDC India has customer experience at the forefront of its strategy and initiatives. The company has a Customer Experience Management department for active and responsive engagement level with customers. Customer relationship managers share monthly reports with select customers and conduct monthly reviews. Quarterly Business Review is conducted with customers' business team to share updates, understand their future needs, invoicing/payment, Service Level Agreement (SLA) trending, queries and concerns, if any. In 2019, STT GDC India conducted over 1300 customer review meetings.

STT GDC India has a Customer Service portal for raising service requests, which enables faster and effective resolution of customer requests reducing Turnaround Time (TAT) by about 50%. The company has a mobile app and web-based tool for customer ticket booking which has helped it to reduce ticket booking time by 70% for customers.

For customer service support, STT GDC India deeply engages with customers to understand their service support needs and offers relevant support services to help them foster their performance and growth. The customers are provided with 24*7 Remote Hand support, wherein they can access on-demand technician support delivered as per instructions via phone, email or customer portal. The customers can also get premium support for their data centre services, through a dedicated specialized team that would be ready to serve them round the clock.

Customer Purchase Experience

STT GDC India has been following consultative and digital approach to provide best-in-class purchase experience to its customers. The company has a Customer Order portal to fulfill the requirement of customers' cross-connect and dynamic order placing, which helps to reduce order booking time by 60% and stimulates delivery timelines.

The company's sales team focuses on a consultative sales approach to optimize customer requirements and provide tailored solutions meeting their requirements. STT GDC conducts multiple workshops and iterations to ensure customers receive a solution as per their business needs along with significant cost and business benefits.

Conclusion

In Colocation market, STT GDC India has been the dominant leader in terms of revenue, data centre foot print and rack capacity across India and has successfully become the preferred choice of colocation service provider for hyperscalers and large enterprises in India.

STT GDC India has a well formulated strategy and vision to cater to India's high potential Colocation market with customer centricity and capacity expansion at the core of its strategy. The company has the strategic direction to maximize performance, reliability, data security and sustainability across its data centre footprint in India.

This year, STT GDC India has demonstrated tremendous growth performance and innovation capabilities along with strong service delivery & support leading to positive feedback from enterprises. On the back of its robust portfolio, extensive DC footprint and overall financial performance in 2019, STT GDC India has earned Frost & Sullivan's 2020 Company of the Year Award in the Colocation Services Segment in India.

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 and Performance

Criterion 1: Competitive Differentiators

Criterion 2: Visionary Scenarios through Mega Trends

Criterion 3: Implementation of Best Practices

Criterion 4: Technology/Product Innovations foster Blue Ocean Strategy

Criterion 5: Financial Performance

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 STT GDC India

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

9–10 Excellent

7–8 Good

4–6 Fair

1–3 Poor
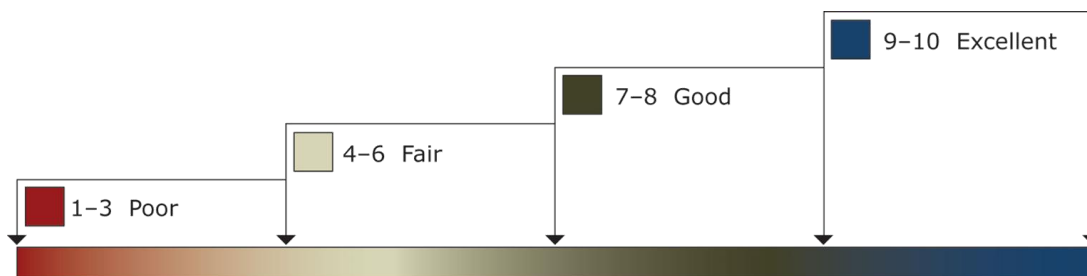
The Decision Support Scorecard considers Visionary Innovation and Performance and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard 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.

Measurement of 1–10 (1 = poor; 10 = excellent)			
Company of the Year	Visionary Innovation & Performance	Customer Impact	**Average Rating**
STT GDC India	**9**	**9**	**9**
Competitor 1	8	8	8
Competitor 2	6	5	5.5

Visionary Innovation & Performance

Criterion 1: Competitive Differentiation

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.

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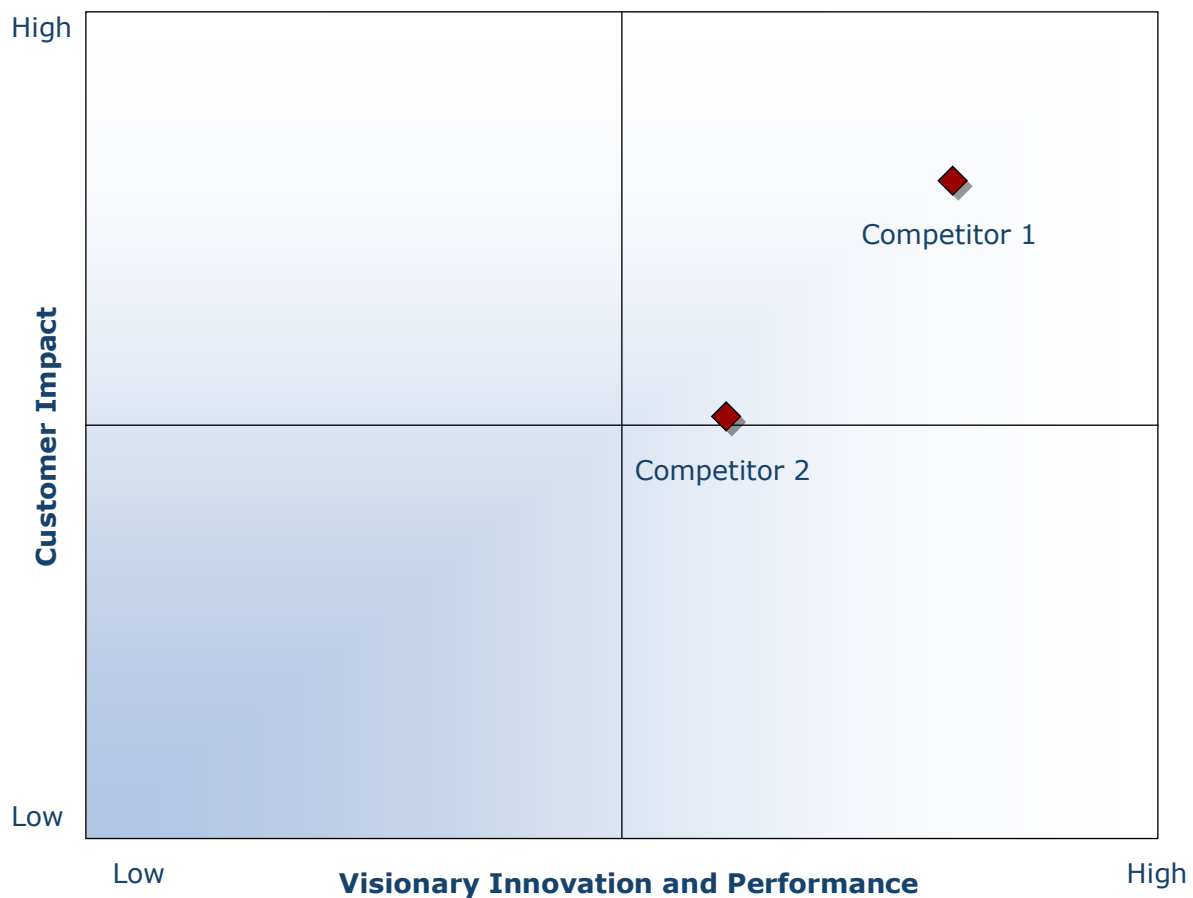
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best 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	• 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	• 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	• 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	• 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	• 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 practices award recipient	• 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	• 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 able to share award news with stakeholders and customers	• 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.