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BEST PRACTICES

AWARDS

FROST & SULLIVAN

2020 BEST PRACTICES AWARD



**2020 EUROPEAN
FMS INTERFACE AND CANBUS SOLUTIONS
CUSTOMER VALUE LEADERSHIP AWARD**

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Background and Company Performance

Industry Challenges

As fleet operators continue to optimize and integrate fleet management systems (FMSs) into their existing vehicles and assets, many solutions in the market lack effective transparency and controls regarding performance. Traditional solutions do not meet specific data interface needs such as reading and translating vehicle signals for driver performance and vehicle data processes. Frost & Sullivan recognizes the trends for fleet telematics by adopting advancements such as open-source platforms and data-enabled embedded solutions. As traditional embedded solutions dominate approximately 85% of the market¹, fleet operators continue to utilize low-cost hardware and portable solutions such as basic On-board Devices II (OBD-II) dongles or personal digital assistant devices. These portable devices are much more cost-effective (€150 to €300); thus, fleet operators tend to steer away from controller area network (CANbus) FMS interface solutions because their costs run from €4,500 to €1,000. Yet, portable devices lack extensive data collection capabilities that are unmatched to CANbus-based FMS interface solutions. Moreover, CANbus FMS interface solutions extract information from embedded solutions and act as a gateway that reads and translates data into standard FMS data protocols. However, with the advanced capabilities that CANbus-based FMS interface solutions offer, these solutions still require technical expertise to a certain degree, which ends up being part of the customer's expense.

The mobility industry remains committed to adopting innovative fleet telematics, and the main focus is connectivity and resolving the difficulty other FMSs had with vehicle signaling and establishing the vehicle's data network. Now, witnessing the trends associated with prioritizing fleet management operations with electric vehicles and autonomous vehicles, the market will shift to accommodate these vehicles as well. At the same time, with the world facing the COVID-19 pandemic, market-determined changes will soon emerge as customers continue to seek efficiency and better management for their vehicle's fleet management. Providers will need to demonstrate affordability and technical convenience to increase CANbus-based FMS interface solution adoption among fleet operators.

Customer Impact and Business Impact of CANGO

Founded in 2009, CANGO consists of software engineers and developers, focused on providing a holistic FMS solution interface package that rivals other competing low-cost generic streaming gateway solutions in the market. During the early stages of development, the company was tapping into an untouched part of the telematics market. Since earning Frost & Sullivan's Customer Value Leadership Award in 2018, the company has made effective changes in its technologies with quick deployment to customers worldwide. CANGO initially was a hardware provider and now shifts its focus towards being a service provider. The company has a unique position in the market, and Frost & Sullivan

¹ *Global Connected Truck Telematics Outlook, 2020* (Frost & Sullivan, June 2020)

still recognizes the company for its innovation and commitment to its customer base. Trust and communication transparency allow the company to prioritize its current offerings of knowledge-as-a-service and CANGO's customers benefit from avoiding any technical inconvenience, reduced maintenance costs, and reliable data to increase safe driving standards.

Deploying Knowledge-as-a-Service and Re-shifting the Customer Optimization Approach

CANGO's FMS interface delivers customers an all-in-one solution package that operates compatibly with various vehicles and equipment. The company's boxed FMS solution fits seamlessly into any vehicle and connects to all data networks, digital tachographs, and other third-party telematics devices; additionally, the quick integration creates absolute versatility that rivals traditional OBD-II devices. Unlike most companies, CANGO's technical advantage features an over-the-air-programming system, fully configurable software, and six exclusive CANbus-based ports for new products. The company's FMS interface system uses its revolutionary CANGOclick technology, a non-intrusive tapping device that can collect effective vehicle data such as driver behavior and engine diagnoses. With an advanced driver behavior algorithm that does not need a wire-to-wire connection, CANGOclick is the smartest tapping device in the market. By eliminating wire-to-wire connections, CANGO's solution blocks intrusive signals, allowing CANGO's CANbus FMS interface to increase the entire system's security.

CANGO focuses on deploying knowledge-as-a-service due to its open platform interface. For example, with its CANbus-based FMS interface and the effectiveness that CANGOclick has made since its debut, the company noted the convenience of licensing just based on the provided knowledge customers gather from its CANbus FMS interface. The company's approach to the market is different because of its level of versatility by being readily available for all types of markets and various geographical regions. CANGO's new approach towards offering knowledge-as-a-service comes from the solution's seamless integration into various platforms to offer the same features and capabilities as before; yet, now, the solutions are powered with more technology and information.

There is no need to add hardware with CANGO's CANbus FMS solution. (The company realized that customers do not want to pay for additional boxes to get more software.) During the beginning of 2020 with the COVID-19 pandemic, CANGO began to observe the number of new vehicles for fleet operators decreasing, in addition to companies that specialize in rideshare operations; moreover, the decline in investment in new vehicles came to a standstill. This problematic situation became an opportunity for CANGO to regroup and find strategic ways towards higher efficiency for its customer base. A critical success story was the partnership with Garrett Motion. With the partnership came several proof of concepts and tests, giving CANGO leverage to enhance its performance and project application. During the global pandemic, the company became part of the top-20 companies in the telematics market. During this period, CANGO re-organized its website and social media domains and invested internally to completely revolutionize its approach to the market and mitigating customer challenges.

CANGO in attendance. One new project with Citylink in Romania also emerged with the development of 130 Toyota Hybrid Envys; during the project, the company demonstrated its solution's capabilities by evaluating traditional hardware versus its CANbus FMS interface. New customers within the market's big five are beginning to partner with the company as well as with partnerships that are focused on integrating the CANGOclick device. CANGO's retention rate continues to remain active, witnessing an impressive 90% percent retention rate in 2018. Additionally, the company's growth rate increased by approximately 30% in 2019; moreover, business consultants in Mexico, Germany, and Australia provide growth opportunities as well. CANGO commits to determining its geographical location, target segment, and market education and uses it to its competitive advantage to deploy the most suitable strategy for attracting and retaining customers, establishing a well-thought-out approach when acquiring clientele. Warranty periods range from two to three years with possible extensions and add-ons, another benefit that impacts customer retention rates as CANGO established a solid customer satisfaction foundation. The CANbus-based services for Android operate in the background of any third-party telematics device without user interaction or interface, except for the user configuring the setup. Because the service runs with a higher priority than other dormant or unseen activities, the possibility of terminating the activities is unlikely. This enablement easily allows customers to upgrade when they request additional services.²

Commitment to Delivering Unmatched Customer Service

While the company witnessed an even higher number of units sold for CANGOclick in 2019, CANGO also deployed more units of its FMS Interface units overall during the COVID-19 pandemic; globally, CANGO has more than 300,000 FMS Interface units currently installed in various markets. One of the largest technology buyers since 2019 was Verizon Connect. Western Europe, the United Kingdom, Australia, and South Africa remain the company's major markets, as many of CANGO's units remain installed with vehicle and equipment projects.

Different specificities for CANGO's platform range depending on a client's main purpose for the solution, supporting all vehicle types for:

- Agriculture
- Mining and construction
- Transport and logistics
- Municipality and government
- Public transportation
- Mobility and smart cities
- Leasing and rental
- Car sharing and ride-hailing
- Insurance telematics

² <https://enterpriseviewpoint.com/cango-if-you-can-dream-you-can-go/>

CANGO takes pride in its customization expertise for customers. The company's devotion to customer service runs true based on its effective feedback mechanism that primarily focuses on directly communicating with its customer base. Customers provide CANGO's support team with a firsthand perspective on how the solutions and products are working and addressing customizations and needs in a timely manner. Customers such as Micronet, MiningTAG, Teletrac Navman, Garrett, Dubai Technologies, Citylink, Torino Wireless, and Transics have all expressed their experience with CANGO from initial conversations to system integration, giving positive feedback about their partnerships with the company.

"Citylink has launched in 2020 the largest car-sharing solution in Romania. We have chosen CANGO as a partner as we have liked their solution, a flexible and customizable one. Their business attitude allowed us to launch the project on time with a stable and fully working solution. Citylink plans to expand regionally with more types of cars and we have already started together with CANGO to work on the internationalization of the platform."

-Dan Boabes, BDO at Citylink

Customer feedback strengthens the trust in the business relationship; therefore, CANGO maintains an excellent customer service experience for its user-base. Moreover, CANGO provides an Android smartphone application that includes technical and installation training, as well as helping customers to simplify installation burdens with step-by-step instructions. When addressing online support or troubleshooting, the company typically resolves any issues with same-day turnaround depending on the customer's location. The support team utilizes various communication channels and is available 24/7, so the time difference is not an issue.

Company culture holds high importance to CANGO, and the company has extensively grown since its early years. Beginning as a small company, CANGO used time as an advantage, especially during the beginning of the pandemic and the uncertainty of the market. Listening to customer needs and developing customized solutions specifically with FMS interface and vehicle implantation is proven commitment. Trust is the essential value proposition with CANGO's knowledge-as-a-service approach, further driving unmatched support and availability to its customers.

Conclusion

The search for reliable CANbus fleet management system (FMS) interface solutions remains an essential process for fleet management operators to overcome. The need for advanced data points maintains high importance when gathering accurate readings from a vehicle's overall performance. The FMS Interface market faces challenges such as cost, installation, and the most important being, customer support and satisfaction. CANGO offers customer's high-performance implementation associated with its unmatched CANbus FMS solution. The company commits to delivering on-time results to fleet management operators; with its CANGOflick device, its customers benefit with complete non-intrusive technology along with its advanced FMS interface solution that enables fleet operators to streamline, process, and translate useful data into other networks as needed. Customers both present and future can and will benefit from CANGO's advanced FMS interface solution as they utilize and streamline data, in addition to ensuring overall safety remains the top priority. The company's strides in the FMS and CANbus solution market continue to excel; together with its line-up of cutting-edge products and strategic knowledge-as-a-service approach to its growing customer base, the company continues to prosper even during the COVID-19 pandemic and will continue to shift telematics capabilities.

With its strong overall performance and commitment to customer satisfaction, CANGO earns Frost & Sullivan's 2020 European Customer Value Leadership Award in the FMS interface and CANbus solution market.

Significance of Customer Value Leadership

Ultimately, growth in any organization depends on customers purchasing from a company and then making the decision to return time and again. Satisfying customers is the cornerstone of any successful growth strategy. To achieve this, an organization must be best in class in 3 key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by 2 macro-level categories: Customer Impact and Business Impact. These two sides work together to make customers feel valued and confident in their products' quality and performance. This dual satisfaction translates into repeat purchases and a lifetime of customer value.

Key Benchmarking Criteria

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

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.

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: Customer-facing processes support the efficient and consistent 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: Customer focus strengthens brand, reinforces customer loyalty, and enhances growth potential.

Criterion 5: Human Capital

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

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 globe	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies 	Pipeline of candidates who potentially meet all best-practice 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-practice 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-practice 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-practice 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-practice 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-practice criteria
9 Communicate recognition	Inform Award recipient of Award 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

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
10 Take strategic action	Upon licensing, company is 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 future 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, leading to 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.



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to 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 practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.