

F R O S T & S U L L I V A N

# BEST PRACTICES

## AWARDS

F R O S T & S U L L I V A N

2020 BEST  
PRACTICES  
AWARD

GRIDPOINT

2020 GLOBAL ENERGY  
MANAGEMENT COMPETITIVE STRATEGY  
INNOVATION AND LEADERSHIP AWARD

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## Background and Company Performance

### *Industry Challenges*

One of the prominent challenges currently prevailing in the energy management industry is the high cost associated with such solutions. Moreover, inadequacies in traditional solutions have created the perception that achieving optimized energy management is a complex and expensive proposition. Yet there is a trend where utilities are starting to properly realize the importance of grid digitalization, asset management, and customer experience. However, the challenge of balancing the consumers' expectation of privacy and the utilities' intention of providing better service is a topical issue in energy management.

With increasing focus on electric vehicle charging, Frost & Sullivan analysts also monitor a shift in the load curve of utilities, which is considered a key issue. On the other hand, the ever changing landscape of energy policies is also an aspect that creates certain challenges, mainly due to the fact that market behavior is closely driven by incentives, regulations, and legislations.

### *Strategy Innovation and Customer Impact*

#### **Strategy Effectiveness**

GridPoint has a razor sharp focus in identifying and analyzing Mega Trends and performing scenario analysis; this empowers the company to develop products and solutions that cater to current market requirements as well as anticipated future needs. The company has made significant strides over the past four years in reinvigorating its business strategy, with a prime focus on enhancing customer value multi-fold. This targeted approach - combined with its industry leading technology know how - has empowered GridPoint to design and develop unique energy management solutions and pricing models that not only address the unmet market needs and customer pain points, but also significantly enhance the overall customer ownership experience throughout the lifetime of the product. There are three strong pillars that characterize GridPoint's strategy excellence and effectiveness: a unique go to market strategy, strategic channel partnerships, and finally product and technology leadership.

As a part of its business model innovation, Frost & Sullivan notes that the company has developed a brilliant go to market strategy based on "Energy Management as a Service" model. With this radical approach, GridPoint is able to offer an all-inclusive, \$0 down, low monthly fee to its customers. In other words, rather than the traditional approach of selling hardware and software, the company has nicely positioned itself as a trusted technology partner; thereby going above and beyond offering just energy savings. The company achieves this by cutting down capital expenditure to a significant extent and optimizing overall building management by seamlessly bringing together all of the value additions and benefits of a product, and offering it as a service. GridPoint's value proposition is a true game changer and is viewed by Frost & Sullivan as a true game changer in the energy management industry.

The second pillar driving GridPoint's excellence in strategy effectiveness is creating a stronger product value through strategic channel partnerships. Even though this aspect is

tightly linked to its go to market strategy, it brings its own sphere of value additions to the end users. As a part of this initiative, the company has forged strategic relationships with players specializing in adjacent (value adding) technologies and services in order to create stronger product and solution bundles for its customers. This not only drives significant return on investments for its customers and enhances their value multi-fold, but also drives technology penetration and adoption, hence contributing to the overall industry development and a sustainable future.

For instance, with its partnership with Bell Canada, GridPoint is able to bundle its solutions with IoT systems and solutions. Another fine example of its partnership excellence is the creation of utility programs based on its product flexibility and its ability to respond to the evolving needs of utilities through programs like demand response. Finally, the third - and the most important strategic pillar for the company - is creating and maintaining product and technology leadership with a high level focus on customization. It achieves this through its expandable smart buildings technology platform which offers a high level of asset integration to support immediate customer needs. With its unique ability to integrate with other smart assets on site (such as smart refrigeration controls, smart lighting panels, security panels etc.), it empowers its customers to properly leverage the investments they've already made and make the systems even smarter.

### **Strategy Execution**

Frost & Sullivan firmly believes that GridPoint's vision alignment is truly remarkable. This is reflected in its executive team's synergy and alignment with the organization's mission, vision, strategy, and execution; where all efforts are directed towards enhancing customer value and creating a sustainable future. The way it enables this sustainability transition is highly commendable; its innovative solutions and business models seamlessly bring together commercial businesses and utilities to create a smart eco system that helps to enable this transition in the fastest possible way and in the least resistive manner. There are again three unique facets that drive GridPoint's strategy execution excellence: customer focus, product roadmap planning process, and process oriented delivery team.

One of the testaments to prove GridPoint's tremendous client focus is its dedicated customer success team, which is specialist division created within its sales organization with a sole purpose of enhancing customer value. This customer success team not only leaves no stones unturned to ensure that its customers get the best value from its products and services, but it also goes the extra mile and constantly explores opportunities to further enhance customer value. For instance, when one of its quick serve restaurant customers, Chipotle, with over 2500 sites decided to invest in smart dishwashers, GridPoint not only performed capability assessment - but also enabled seamless integration of the dishwashers on to its platform. By doing so, it was able to ingest the data from the dishwashing units and create meaningful reports and for its customer across their sites. With these insights, the customer was able to effectively track food safety and sanitization process, while also getting a much deeper and better understanding of the dishwasher's operational conditions, hence allowing them to run at optimal settings.

On the other hand, Frost & Sullivan finds GridPoint's methodical and sophisticated product roadmap planning process quite impressive. It is intriguing to see the level of involvement and dedication in the process from all key stakeholders right from customers, partners, sales, operations, and its engineering teams. This highly structured process forms the core of its product development lifecycle and even shapes the company's long term product trajectory. It employs a two pronged approach where first it analyses market requirements pertaining to emerging technologies with meticulous attention to detail. This is followed by a thorough analysis of customers' current and evolving needs. It then brings these two aspects together into an extremely detailed, granular, and transparent tactical operating plan.

The third aspect of its strategy execution excellence is characterized by its process oriented delivery team, where the company places tremendous focus on quality assurance and installation management for smooth rollouts across thousands of sites each year. Frost & Sullivan analysts feel that it is impressive to witness the high attention to detail the company places on each of the multiple stage gates deployed during the entire rollout process, ultimately driving quality of the highest magnitude.

### **Competitive Differentiation**

GridPoint's deep understanding of end user needs and specific requirements is second to none; it forms the basis of its product development process. The company's excellence in the energy management market can primarily be attributed to its ability to develop products that perfectly align not only with customers' current expectations, but also anticipated future requirements. This is due to the simple fact that its product designs are directly inspired and influenced by evolving customer needs. GridPoint is always ahead of the competition when it comes to identifying/analyzing market trends and developing products and solutions that effectively address customer frustrations and unmet needs; ultimately enhancing customer value. GridPoint has uniquely positioned itself in this highly competitive market and has carved a niche for itself by creating a strong competitive differentiation from a product perspective as well as a market perspective.

The company derives its product differentiators through technology excellence, underpinned by its R&D sophistication. It provides real-time visibility and multi-site control by leveraging a cloud based Software-as-a-Service (SaaS) platform, ultimately generating substantial energy savings and operational benefits. Its unique data-driven approach involving its robust energy management software platform "GridPoint Energy Manager" helps customers identify overcapacity in design and equipment outlay, right at the conceptual facility planning stages; therefore significantly cutting down CAPEX.

In addition, the company's cutting edge, data-driven EMS system enables integrated and automated energy and facility management. It achieves this by leveraging real time visibility, big data analytics, intelligent control, multisite management, open protocols, renewables integration, and cloud simplicity. While it possesses strong product based differentiators, the company's market based differentiators are truly unique and instrumental in creating a solid competitive edge in this highly competitive industry.

The first aspect of GridPoint's market differentiator is its invaluable pricing structure. This is perfectly complemented by its brilliant go to market strategy and channel partnership. The other aspect that drives market differentiation is GridPoint's business model innovation that empowers it to seamlessly target and serve multiple customer segments by creating exceptional value streams for each of these individual customer segments (large buildings, medium sized buildings and small buildings). With its vast technology know how and thorough market knowledge, the company has developed targeted capabilities and strengths to serve each of these customer segments to the fullest possible extent, delivering the highest possible value.

### **Price/Performance Value**

GridPoint has exhibited high levels of perseverance and passion in developing unique pricing model, with a specific focus on enhancing customer value. While the company places significant emphasis on its design aspects and also has tremendous focus on product development, its unique pricing structure takes price/performance value to the next level. In spite of underlying challenges and obstacles, GridPoint has been clearly successful in developing its ground breaking "Energy Management as a Service" (EMaaS) business model that has the potential to shake-up the traditional approach to energy management.

Its pricing model bundles all of its software service installation into a fixed monthly fee through a yearly customer subscription with zero down payment. It is also designed in a way to keep the monthly fee low, and more importantly, it is funded directly by the energy savings created by deploying GridPoint's solutions. This ultimately makes the customers cash-flow positive from day one. Frost & Sullivan finds this truly ingenious. While this radical approach by itself is a game changer, the company goes a step further to create even more value by offering additional benefits such as facility optimization, capital planning, enterprise wide comfort control, inventory loss prevention, remote maintenance, and eventually cutting down costs to manage the building and to support customers' sustainability goals. All while paying for by itself by the savings it creates.

It is also noteworthy that GridPoint's expandable technology can be tailored to evolving customer needs and emerging technology, making it future proof. Furthermore, the company also runs pilot projects for enterprises to demonstrate the fact that the system pays for itself with the significant energy savings it creates - and in many cases that the savings generated is much higher than the monthly fees. In simple terms, GridPoint entirely de-risks the value proposition and makes its offer rather attractive.

### **Customer Ownership Experience**

Frost & Sullivan's research findings suggest that GridPoint offers top notch customer ownership experience throughout the life cycle of the product. When it comes to delivering excellent customer ownership experience, there are three key aspects that drive success; technical performance of the product, return on investment, and client relationship.

GridPoint excels at all three aspects. The company's rapport with the customer has been one of its key success factors in building and maintaining a positive experience, resulting in a lasting bond. This is apparent from its continually increasing list of orders and positive



customer testimonials. It is also evident from its significant annual recurring revenue growth over the past two years. It is also noteworthy that GridPoint has an extremely high customer retention rate - with virtually no churn over the past few years. This is mainly driven by the company's ability to go above and beyond energy savings and create a great deal of supplementary value additions pertaining to operational and process improvement capabilities - along with sustainability benefits.

When it comes to customer service, GridPoint's excellence is second to none. Its industry leading service offering encompasses multiple energy management services including client support, dedicated customer success team, consultative energy advisory services, control support services, and site monitoring. With its control support services, it helps its customers with adjusting store hours, temperature setting, lighting schedules and other factors in real time or for future planned events. As a part of its "Energy Advisory Services", the team essentially takes on the role of an energy analyst/data analyst on behalf of its customers. As a part of their role, the expert data analysts leverage GridPoint Energy Manager to analyze and identify on-site equipment behavior for any negative impact that might be detrimental to the customer's energy savings or operational costs; thus contributing to overall positive customer ownership experience.

### **Brand Equity**

GridPoint's brand name is synonymous with technology excellence, innovation, and most importantly, customer focus. The company has gained a reputed standing in the market and has made a mark for itself for delivering products, services and solutions of the highest standard; it has established itself as a trusted partner, rather than simply an energy management vendor. GridPoint's tremendous effort towards building and strengthening brand equity is clearly evident in the level of confidence its customers place in the company.

With sustainability as the core of its DNA, the company offers invaluable tools and processes to its customers to be used as a strong reporting mechanism for their sustainable initiatives. Over the years, GridPoint has developed a unique market competency through technology excellence and business model innovation to cater to a highly diversified and broad range of application segments. These range from mass market to national accounts to large, unique buildings to smaller niche applications; more importantly, its success here is driven by the fact that it is able to offer vertical specific, targeted solutions that precisely address individual vertical needs. Frost & Sullivan firmly believes that GridPoint has high potential to further strengthen its position in the market with its cutting edge energy management solutions, enabled by its long-range, macro-level innovation strategies.

## *Conclusion*

GridPoint's focus and dedication in continuous product development and strategy innovation has resulted in a revolutionary energy management offering which Frost & Sullivan expects to bring about a positive disruption and transform the landscape of building energy management.

The company continues to deliver greater value for customers through new features, products, partnerships, and integrations, displaying the highest level of commitment towards client satisfaction. Its strong R&D culture - combined with extensive intellectual property and strategy excellence - has enabled GridPoint to properly set itself apart and create strong product and market differentiators, thereby gaining a distinctive edge in a highly dynamic and competitive environment.

With its strong overall performance, GridPoint has earned the 2020 Frost & Sullivan Global 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 Global 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

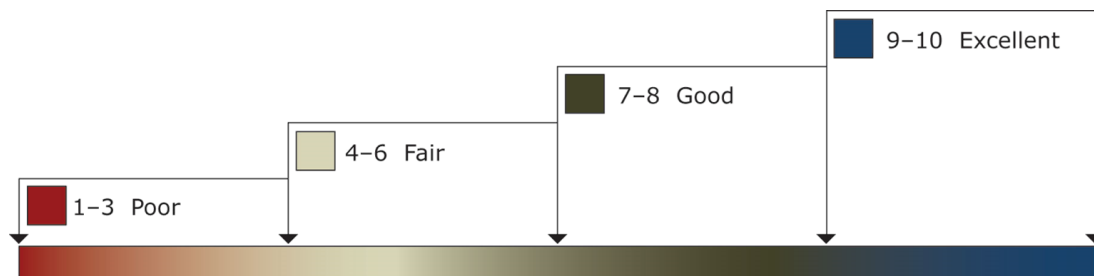
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

## Best Practices Award Analysis for GridPoint

### 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 2 and Competitor 3.

<i>Measurement of 1–10 (1 = poor; 10 = excellent)</i>			
<b>Competitive Strategy Innovation and Leadership</b>	Strategy Innovation	Customer Impact	<b>Average Rating</b>
<b>GRIDPOINT</b>	<b>8.0</b>	<b>9.0</b>	<b>8.5</b>
Competitor 2	6.0	7.0	6.5
Competitor 3	5.0	6.0	5.5

## *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**

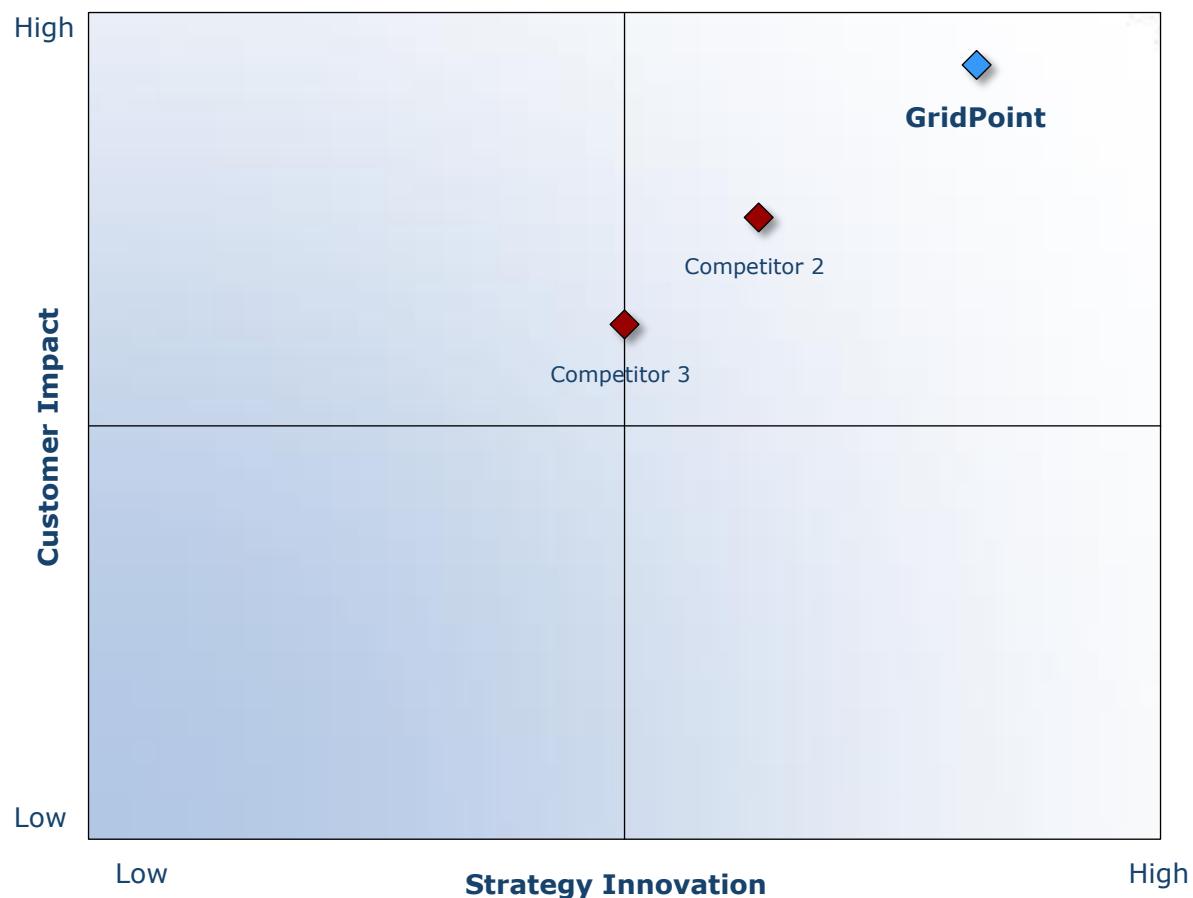
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

**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 <b>Monitor, target, and screen</b>	Identify Award recipient candidates from around the world	<ul style="list-style-type: none"> <li>Conduct in-depth industry research</li> <li>Identify emerging industries</li> <li>Scan multiple regions</li> </ul>	Pipeline of candidates that potentially meet all best practices criteria
2 <b>Perform 360-degree research</b>	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> <li>Interview thought leaders and industry practitioners</li> <li>Assess candidates' fit with best practices criteria</li> <li>Rank all candidates</li> </ul>	Matrix positioning all candidates' performance relative to one another
3 <b>Invite thought leadership in best practices</b>	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> <li>Confirm best practices criteria</li> <li>Examine eligibility of all candidates</li> <li>Identify any information gaps</li> </ul>	Detailed profiles of all ranked candidates
4 <b>Initiate research director review</b>	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> <li>Brainstorm ranking options</li> <li>Invite multiple perspectives on candidates' performance</li> <li>Update candidate profiles</li> </ul>	Final prioritization of all eligible candidates and companion best practices positioning paper
5 <b>Assemble panel of industry experts</b>	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> <li>Share findings</li> <li>Strengthen cases for candidate eligibility</li> <li>Prioritize candidates</li> </ul>	Refined list of prioritized Award candidates
6 <b>Conduct global industry review</b>	Build consensus on Award candidates' eligibility	<ul style="list-style-type: none"> <li>Hold global team meeting to review all candidates</li> <li>Pressure-test fit with criteria</li> <li>Confirm inclusion of all eligible candidates</li> </ul>	Final list of eligible Award candidates, representing success stories worldwide
7 <b>Perform quality check</b>	Develop official Award consideration materials	<ul style="list-style-type: none"> <li>Perform final performance benchmarking activities</li> <li>Write nominations</li> <li>Perform quality review</li> </ul>	High-quality, accurate, and creative presentation of nominees' successes
8 <b>Reconnect with panel of industry experts</b>	Finalize the selection of the best practices Award recipient	<ul style="list-style-type: none"> <li>Review analysis with panel</li> <li>Build consensus</li> <li>Select recipient</li> </ul>	Decision on which company performs best against all best practices criteria
9 <b>Communicate recognition</b>	Inform Award recipient of recognition	<ul style="list-style-type: none"> <li>Announce Award to the CEO</li> <li>Inspire the organization for continued success</li> <li>Celebrate the recipient's performance</li> </ul>	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10 <b>Take strategic action</b>	Upon licensing, company may share Award news with stakeholders and customers	<ul style="list-style-type: none"> <li>Coordinate media outreach</li> <li>Design a marketing plan</li> <li>Assess Award's role in strategic planning</li> </ul>	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.



### 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>.