

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

---

**BEST**

**2020 PRACTICES**

**AWARD**

---



**AT&T**

**2020 NORTH AMERICAN  
MOBILE ASSET MANAGEMENT  
PRODUCT LEADERSHIP AWARD**

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. AT&T excels in many of the criteria in the Mobile Asset Management space.

AWARD CRITERIA	
Product Portfolio Attributes	Business Impact
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

### A Dynamic Portfolio Designed to Address the Needs of Today’s Fragmented and Inefficient Supply Chain

*“AT&T remains laser-focused on transformational growth opportunities and doesn’t shy away from difficult challenges. Today’s supply chain is notoriously inefficient and resistant to change; however, AT&T is leveraging its asset management expertise, IoT experience, global connectivity products, and expanding partner network to create growth and profitability.”*

**- Jeanine Sterling, Industry Director**

Frost & Sullivan defines mobile asset management (MAM) offerings as solutions that use wireless tracking devices and cellular, location and sensor technologies to remotely locate and monitor moveable assets that are outside of a company’s four walls. Today’s asset management market has evolved far beyond its original tracking-only roots. Current needs stratify into four increasingly rich layers of functionality: 1) Basic GPS location tracking, 2) Location tracking and sensor monitoring, 3) Location tracking, sensor monitoring, and sophisticated analytics, and 4) Location tracking, sensors, analytics, and proactive planning.

AT&T has assembled a portfolio of mobile asset management solutions that is comprehensive enough to begin addressing the myriad of communications problems in today’s supply chain. All four layers of

functionality are offered, and all three mobile asset management categories are addressed—field equipment tracking, trailer and container tracking, and high-value cargo tracking.

Key AT&T offerings include:

- **Asset Management for Shipping and Containers:** Gathers and analyzes data via monitoring devices positioned on containers and trailers. Tracks assets via GPS to provide their location and coordinates. Monitors dwell time and also asset environmental conditions (temperature, door status, humidity, shock, etc.). Reduces losses for shippers and optimizes yard management and dispatch management.
- **Asset Management for Equipment and Machinery:** Collects and surveys data regarding the location and performance of heavy equipment in the field. Includes a maintenance module. Key target verticals include oil and gas, mining, rail, agriculture, and construction.
- **Asset Tracker 1 (AT-1):** Compact device that tracks and monitors high-value assets in the field. Small form factor at low per-device per-month price point. Reports daily location and alerts regarding any unwanted activity or environmental variations. A solution that bundles device with integrated sensors, apps, data connectivity, and customer support. Runs on the LTE-M network.
- **End-to-End Supply Chain Monitoring:** Provides a suite of professional services to create and support the customer's mobile asset management solutions, including design, develop, deploy, manage, secure and strategy services. Especially valuable when a prebuilt solution is deemed insufficient and a more customized design is needed.
- **Smart Analytics:** Tracks asset health trends to optimize repair and servicing activities—including implementing predictive maintenance—and decrease maintenance costs and downtime.

In comparison, AT&T's competitors tend to take a more siloed and limited approach to their mobile asset management efforts.

### *Proven Reliability, Quality, and Value-Add*

AT&T has forged partnerships with a number of high-quality application and device OEM vendors. These include mobile-first app developers such as Fleet Complete, a long-time partner that provides the AT-1 device, and an array of other providers of the 3,000+ offerings that populate AT&T's sensor library. Over the years, AT&T has evolved from a strictly reseller role to assuming strong, proactive product management and technology development responsibilities. The carrier works closely with select app and hardware partners throughout the product life cycle to anticipate customer needs, improve product capabilities, and increase reliability and ease of use. AT&T ensures its offerings meet or exceed relevant industry standards; for example, supporting the Association of Equipment Management Professionals (AEMP) standard.

AT&T's mobile asset management solutions are offered in a cloud-based as-a-service format that is priced on a per-device per-month subscription basis. This subscription model results in an affordable, easy-to-scale product that can be attractive across all sizes of businesses. This model is buttressed with a strong ROI message that points to hard-dollar value-add by providing theft protection, avoiding spoilage and expensive losses, reducing transport and warehousing costs, increasing operation efficiencies, and enhancing visibility into chain-of-ownership.

AT&T's competitors are still in the process of cultivating as extensive or deep a partner network.

### ***Positioned As A One-Stop MAM Resource***

Today's supply chain managers are being challenged to address multiple serious inefficiencies, including poor coordination, a lack of visibility into worker performance and asset health, disconnected processes, and high asset risk and exposure. AT&T's product portfolio is positioned to address a spectrum of mobile asset management needs—from tracking to sensor monitoring, to analytics, to proactive planning.

AT&T also:

- Views asset management as a key category in its larger Internet of Things effort.
- Is uniquely able to offer a complete MAM solution that bundles network connectivity, devices, apps, services, and support into a convenient one-stop shop for current and prospective customers.
- Offers multiple AT&T network connectivity options, positioned as a way to enable the flexible kinds of deployments that are key to supply chain success. These network alternatives include global cellular, satellite, global wireline, wired and short range, and low-power wide-area such as LTE-M and NB-IoT.
- Maintains an ongoing high-touch relationship with strategic accounts.

Other carriers participating in this industry are pursuing the same strategy, yet with a more limited product line.

### ***Strong Financial Performance in Adverse Conditions***

AT&T's financial performance continues to be strong, providing significant resources for product development efforts across its mobile asset management product line.

2019 consolidated revenues totaled \$181.2 billion, compared to \$170.8 billion in 2018. Adjusted 2019 operating income was \$38.6 billion versus \$35.2 billion in 2018. Operating income margin was 21.3% versus 20.6%. Full-year free cash flow totaled \$29.0 billion compared to 2018's \$22.4 billion.

The COVID pandemic has negatively impacted 2020 financial performance, however, free cash flow is now expected to reach \$26.0 billion or higher compared to original guidance that anticipated approximately \$28.0 billion. Despite the slowdown, AT&T continues to leverage significant financial resources and project strength and stability.

AT&T's competitors tend to have to participate in the MAM category with markedly lower financial resources.

*"In today's growing mobile asset management market, AT&T is innovating on platform, partnerships, technology, and use cases. Its mobile asset management solutions are a key component in the carrier's larger effort to create an optimized, end-to-end supply chain built on real-time asset information and powerful analytics."*

**- Jeanine Sterling, Industry Director**

### **Growth Potential in Key Vertical Markets**

Mobile asset management continues on a strong growth trajectory in North America. In fact, Frost & Sullivan business survey results reveal that over 70% of businesses that are deploying or planning to deploy MAM solutions expect their mobile asset management needs to become even more advanced over the near term. Leading providers thrive by identifying and pursuing new areas of need, use cases, and vertical markets.

AT&T's product teams are identifying and pursuing growth opportunities in the areas of dry trailers, agriculture, paramedic and EMS services, and more. As is typical with AT&T, synergies with other AT&T services are being actively analyzed, leveraged, and promoted. And newer technologies that enable proactive planning—such as artificial intelligence and machine learning—are being integrated.

AT&T's competitors typically are pursuing a narrower growth path, concentrating on a more limited product line and use cases.

## **Conclusion**

---

The mobile asset management category is a growing market in North America, and AT&T stands out as a product leader in this industry based on its comprehensive—and still growing—portfolio, proactive product development efforts, and close post-sale relationship with key customers. AT&T's compelling set of mobile asset management solutions are designed to address the communications and efficiency problems in today's supply chain. Very importantly, the carrier leverages both its innovative IoT expertise and traditional wireless carrier reputation for quality. It also takes a proactive approach to building and managing technology partner alliances.

With its strong overall performance, AT&T earns Frost & Sullivan's 2020 Product Leadership Award.

## What You Need to Know about the Product Leadership Recognition

---

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

### Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Product Portfolio Attributes*

**Match to Needs:** Customer needs directly influence and inspire the product portfolio's design and positioning

**Reliability and Quality:** Products consistently meet or exceed customer expectations for performance and length of service

**Product/Service Value:** Products or services offer the best value for the price compared to similar market offerings

**Positioning:** Products serve a unique, unmet need that competitors cannot easily replicate

**Design:** Products feature innovative designs, enhancing both visual appeal and ease of use

#### *Business Impact*

**Financial Performance:** Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

**Customer Acquisition:** Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

**Operational Efficiency:** Company staff performs assigned tasks productively, quickly, and to a high-quality standard

**Growth Potential:** Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

**Human Capital:** Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention



## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

### Key Impacts:

- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



## The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

