

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

BEST PRACTICES

AWARDS

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2020 BEST
PRACTICES
AWARD



**2020 LATIN AMERICAN
MANAGED PUBLIC CLOUD SERVICES
COMPANY OF THE YEAR 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. Dedalus excels in many of the criteria in the Latin American Managed Public Cloud Services space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Implementation of Best Practices

Although Latin American businesses were late adopters of cloud compared to other regions, today most enterprises are no longer deciding *whether* to migrate to cloud, but *how* to do it most effectively. LATAM businesses are increasingly choosing the multi- and hybrid cloud deployment models for their strategic benefits. Benefits for multi-cloud include avoiding vendor lock-in and having access to best-in-breed cloud Infrastructure-as-a-Service (IaaS) vendors; for hybrid cloud, benefits include being able to integrate different infrastructure options, including on-premises data centers. To assist them with their cloud implementations, LATAM businesses are increasingly turning to Managed Cloud Services providers.

As a leading Managed Cloud Service provider dedicated to helping enterprise clients build and implement their cloud strategies, Dedalus has implemented best practices in different fronts. To support enterprise Digital Transformation, the company has adopted agile technologies, and can implement cloud-based projects using modern development approaches such as DevOps, the integration of software development (Dev) and IT operations (Ops); as well as next-generation functionality such as Big Data & Analytics, Internet of Things (IoT), Machine Learning and Artificial Intelligence.

Through its broad portfolio of consulting services, depending on the maturity level of the client, Dedalus can help customers start or evolve their cloud journeys. Dedalus can offer, additionally, assistance with

the migration strategy and roadmap, optimization of environments, transformation and modernization of applications, and information security, among other services.

For managed IaaS services, Dedalus works with leading public cloud providers such as Amazon Web Services (AWS) and Microsoft Azure. In addition, Dedalus announced expansion in operations in the data services market and partners with Snowflake, a Data Cloud company. Dedalus provides not only the migration of clients' data and workloads to the cloud, but also manages the cloud infrastructure to deliver high performance and cost efficiency.

Leadership Focus

Dedalus is one of the clear market leaders in public cloud managed services in Latin America.

Its focus on cloud migration—specifically, migrating legacy applications and data to a cloud environment—allows the company to address one of the top hindrances companies face when planning and implementing a cloud strategy. Fifty-seven percent of Latin American respondents to the 2020 Frost & Sullivan Cloud User Survey cited “migrating applications to public cloud” as a hurdle to cloud adoption. Organizations struggle to migrate workloads to cloud for a number of reasons, both technical and non-technical, including the physical challenge of moving vast amounts of data to the cloud; incompatibility of non-cloud native apps with a cloud environment; and lack of on-staff knowledge to manage the migration without disrupting productivity and introducing risk.

In a very fragmented and competitive market in Latin America, Dedalus has been able to meet customer needs by concentrating its efforts and volume with the most demanded cloud service providers in the enterprise segment. Dedalus is a Premier Consulting Partner of AWS, with recognized capabilities on Cloud MSP, Migration, Well Architected and Solution Provider, and a series of additional certifications. The company is also a Gold Microsoft Azure Expert MSP and Gold Cloud Platform Partner, with a number of additional capabilities and certifications.

By adding and retaining qualified technical staff, and investing in tools and systems in 2020, Dedalus is creating a competitive edge. This has enabled the company to keep pace with the high demand for cloud migrations – a demand that has grown even more during the pandemic, as enterprises accelerate their digital transformation and remote working Initiatives.

Financial Performance

Dedalus is one of the largest Cloud MSPs in Latin America, with an annual revenue of R\$ 298 million, equivalent to \$ 76.4 million by the average exchange rate of 2019. The revenue Compound Annual Growth Rate (CAGR) from 2016 to 2019 has been around 45%; in 2020 it is growing by 47%.

The company's billing revenue grew 30X in a decade, with managed services continuing to be a very important revenue stream. Dedalus was able to increase the average ticket in 2020 with more complex projects, including support for workload migration for the financial services vertical.

More than 65% of sales in 2020 were concentrated in the initial customer base, via up-sell and cross-sell opportunities. The company created a customer success area to further expand the retention and upsell process, driving renewals and extending relationships with clients.

Churn levels were flat in 2020, despite the pandemic. The company was also able to negotiate payment extensions in certain cases and guarantee service continuity for their most affected clients as the economic scenario worsened.

Customer Purchase Experience

In order to compete in the Latin American Public Cloud Managed Services market, a company must follow an effective and differentiated growth strategy, demonstrate the ability to consistently identify and pursue emerging growth opportunities, and be able to support its customers with the highest standards of security.

Dedalus has positioned itself as a pure player with end-to-end capabilities with the most relevant Cloud Providers, creating a unique growth strategy and earning recognition as a “go-to” company for cloud managed services. Other pure players are niche oriented with a small volume of public cloud business; these competitors are generally unable to compete in the Enterprise segment, instead focusing only on the lower end of the market. In contrast, Global System Integrators (GSIs)—which target the Enterprise segment—often lack the necessary focus and prioritization to serve clients’ unique needs with custom solutions. Dedalus’s ideal combination of size, capabilities, and cloud managed services focus give it a competitive edge, thus enhancing the customer purchase experience.

Customer Ownership Experience

Dedalus supports clients end-to-end, from the initial assessment to operations. Its expertise allows it to handle large contracts with enterprises.

In 2020, Dedalus added to its team of more than 150 employees by hiring 50 technical team members to help support clients and introduce more innovation. Dedalus also invested R\$5 million in technology and tools in 2020, including modernization of its Information Technology Service Management (ITSM) platform to ServiceNow and Cloud Performance Monitoring to Dynatrace. The company launches a Center of Excellence to validate solutions and accelerate enterprise-level projects.

Around 67% of Dedalus customers are already in the cloud when they contact the company. Even so, the company is able to help them achieve a significant drop in OPEX with optimization, improving the customer ownership experience.

Brand Equity

Dedalus has a strong brand identity in the Brazilian market. Seeing a growth opportunity in cloud managed services, Dedalus pioneered cloud services in Brazil in 2009. The company entered a partnership with AWS in 2010, right before AWS started announcing significant investment in Brazil, such as opening a local data center in Sao Paulo in 2011. In 2014, Dedalus announced the partnership with Microsoft and quickly became one of the few companies to maintain the two major public cloud players and become a customer representative and use a neutral perspective to determine the most appropriate cloud technology for everyone's needs.

Since 2009, Dedalus has focused on Cloud Managed Services for its clients by leveraging its robust brand strength, cloud computing expertise, and knowledgeable staff. As a result of its success in Brazil, the

“Dedalus has demonstrated a strong commitment to addressing and satisfying customer demands. This is supported by its investments in 2020 which include hiring 50 new technical team members, a R\$5 million investment in technology and tools and plans to launch a Center of Excellence in the coming months.”

Renato Pasquini, Research Director

company has expanded its operations to other countries in Latin America. The company says its focus in the next few years will be also to increase brand awareness in other Latin American countries.

Dedalus has taken all of these initiatives to increase customer satisfaction and enhance its brand awareness through its strong commitment to addressing and satisfying customer demands.

Conclusion

Dedalus has a strong track record of successful investments and a strategic vision that includes innovative solutions, a comprehensive portfolio of services, and a focus on customer experience. Its vast decade-long experience in the Latin American cloud managed services market, its successful partnerships with the most important cloud providers and, launched a Center of Excellence to validate solutions and accelerate enterprise projects, clearly demonstrate Dedalus’s strong commitment to deliver enhanced value to its customers in Latin America, as they accelerate their cloud journeys.

With its strong overall performance, Dedalus earns Frost & Sullivan’s 2020 Company of the Year Award.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios through Mega Trends: Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first to market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

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

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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™. [Learn more.](#)

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)**

