



SIMCO Electronics Recognized for

2021

Customer Value Leadership

Global Calibration and
Repair Services Industry

Excellence in Best Practices

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. SIMCO Electronics excels in many of the criteria in the calibration and repair services space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Price/Performance and Customer Impact

Calibration and repair plays a pivotal role in quality management and day-to-day operational activities across various tightly-regulated end markets such as aerospace and defense, life science, communications, semi-conductors, and research. Over time, instruments become less efficient, often due to exposure to harsh working environments such as extreme temperatures, pressure, weights, and humidity. Unplanned instrument failure is problematic due to the downtime and cost associated with it.

“When identifying calibration and repair providers that demonstrate a best-in-class approach, SIMCO stands out due to its emphasis on optimizing customer value. SIMCO’s calibration and repair services and software showcase expert understanding of customer requirements in highly-regulated end markets.”

- Avinash Kumar, Sr. Industry Analyst

Additionally, compliance with strict quality policies, regulations, and standards (e.g., FDA 21 CFR Part 11 and Part 211, ISO/IEC 17025, QS 9000, ANSI/NCSS Z540-1, ISO 10012-1, ISO/TS 16949, NADCAP) and instrument traceability to various country-specific standards have become imperative for customers across various end markets. Other reasons for calibration and repair services include safety factors, certifications, the need to maintain product and process quality, process optimization, and efficiency

improvements.

Moreover, verifying instrument performance, accuracy, safety, product quality, and compliance makes calibration critical. Efficient calibration is impacted by various factors, however, including the process nature, the criticality of the process, and geographic location. Frost & Sullivan observes that customers across various end markets have different needs regarding calibration, such as quick turnaround, cost-competitiveness, broad technical capabilities, repair capabilities, and sophisticated software to automate repetitive tasks and ensure regulatory compliance. As a result, customized calibration and repair solutions are mandated.

Founded in 1962, SIMCO Electronics (SIMCO) is a leader in calibration and repair solutions. SIMCO, which started out providing services to NASA and high-technology companies in Silicon Valley, now caters to 16 of the top 20 global biomedical device manufacturers and 14 of the top 20 global aerospace and defense manufacturers. Additionally, its network of calibration labs integrate directly with CERDAAC Cloud, SIMCO's industry-leading software for managing calibration, maintenance, and other critical compliance tasks. SIMCO now provides services and software to over 3,000 manufacturers.

SIMCO's customer-centered culture is codified in its Mission-In-Service, which includes 10 service basics. These are reviewed by every team in weekly meetings. Some of the basics include:

- Genuine care and client satisfaction is the company's highest mission
- Never disappoint a client
- Each employee is empowered to break away from regular duties to solve a customer's problem.

While prices are one element in the value equation, SIMCO's ability to lean out customer operations is often a much more significant value contributor. SIMCO has Lean-Six-Sigma-trained personnel throughout the company who drive continuous improvement and assist customers in leaning out their programs.

SIMCO provides free local pickup and delivery. SIMCO can provide flat prices for repair services and charges less if the initial evaluation determines an easier-than-normal repair. Customers can pre-authorize SIMCO to automatically make minor repairs, which helps to minimize downtime. SIMCO's "Harvest Program" repairs instruments from a pool of broken equipment, thus eliminating the need to purchase new equipment, saving storage space, and reducing the need for equipment disposal.

SIMCO's CERDAAC Cloud allows customers to consolidate multiple point solutions into a single audit-ready system of record for calibration, maintenance, facilities, and more.

Customer Purchase and Ownership Experience

SIMCO provides unique solutions that are tailored to customers' needs and aligned with their corporate mission and strategic objectives. Also, SIMCO helps customers build the business case needed to obtain internal approvals.

Customers are proud to own the company's product or service and have a positive experience throughout their tenure. CERDAAC Cloud is uniquely tailored to the customer's processes and workflows. CERDAAC Cloud also integrates with other customer systems for seamless data sharing. For

customers who prefer to communicate with a person, knowledgeable CSRs are available at every SIMCO lab and at the corporate level for multi-site enterprise clients.

Customer Service Experience

Customer service is accessible, fast, stress-free, and of high quality. Unlike some competitors, the company's customer service representatives (CSRs) are deployed locally. They build lasting relationships with customers and are able to resolve issues quickly.

Responsiveness, transparency, and accountability form the cornerstone of SIMCO's customer service experience. Regular program health reviews provide a tailored report card on program performance and areas for improvement. Moreover, SIMCO's zero downtime push program makes sure that field service engineers (FSEs) are more productive by ensuring their tools are up-to-date, accurate, and always available. As a result, FSEs avoid downtime during tool servicing, reducing tool-related costs. All key performance indicators are tracked, showing trends and performance against agreed-upon targets. If performance falls short of target, return-to-green plans are implemented. Lean projects are prioritized and quantified in these meetings. Recently, SIMCO added an internal dashboard to monitor all program health scores.

Brand Equity

Customers have a positive view of the brand and exhibit high brand loyalty. SIMCO's Mission-in-Service, CERDAAC Cloud, lean expertise, and program health reviews help the company achieve the highest brand loyalty in the industry. More than 95% of SIMCO customers renew each year, and the average customer lifetime is close to 20 years. More than any other competitor, SIMCO has been able to leverage satisfied customers to grow organically.

Customer Acquisition and Growth Potential

Customer opinions are continually solicited and monitored, leading to direct changes to SIMCO's products and services. SIMCO sends feedback surveys to clients every 120 days, with responses automatically routed to the executive team and local labs for follow up. SIMCO's executive team reviews the survey results weekly and during quarterly business reviews. Additionally, SIMCO has developed a customer dashboard to monitor each customer's program status and rapidly respond to issues.

Investment in best-in-class technologies that enhance customer awareness, accelerate issue resolution, and/or improve the customer experience is in SIMCO's DNA. SIMCO boasts a long line of industry firsts, including first in cloud-based calibration management, first to validate and integrate cloud software, first to use FDA-compliant digital signatures, first to offer 3D printing of obsolete parts, and first to leverage aggregated service data and predictive analytics to show total cost of ownership for a given make and model.

Additionally, SIMCO offers a wide range of solutions, tailorable to each customer's unique needs. These include multiple levels of calibration and repair service and a suite of software that allows customers to digitalize their manufacturing quality processes. By offering configurable services and software, SIMCO is uniquely positioned to address a broad range of customer challenges.

Operational Efficiency

SIMCO resolves issues within a timeframe satisfactory to the customer by continuously monitoring every aspect of speed/timeliness, quality, and responsiveness. SIMCO's lab operating system automatically

"SIMCO's highly configurable solutions allow for tailored offerings to customers."

- Avinash Kumar, Sr. Industry Analyst

measures the duration, accuracy, and timeliness of every transaction and scores performance against goals, culminating in a score each manager is evaluated on. In the name of transparency, accountability, and trust, the scores are on display for all employees and visitors to see and proactively

shared with customers. When SIMCO misses its goals, it immediately implements return-to-green plans. Recently, SIMCO began measuring and accelerating the time-to-value for new customer deployments.

Conclusion

Today's customers expect timely, high-quality support for calibration and repair solutions. In this growing and highly competitive market, SIMCO Electronics focuses on optimizing customer value. By recognizing the importance of quick turnaround, offering customized and varying levels of calibration services at competitive prices, and providing configurable software that allows customers to digitalize their manufacturing quality processes, SIMCO distinguishes itself from its peers.

With its strong overall performance, SIMCO Electronics earns Frost & Sullivan's 2021 Customer Value Leadership Award in the global calibration and repair services Industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

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

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

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

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- **Growth Pipeline:** Continuous flow of Growth opportunities
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- **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)**

