

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

Claro

**2020 COLOMBIAN
SD-WAN SERVICES
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. Claro excels in many of the criteria in the Colombian digital transformation 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

Supporting the Urgent Need for Digital Transformation

During 2020, businesses of all sizes in Colombia were hit in unprecedented ways by the COVID-19 pandemic. While the negative impacts at a macro-economic level are still to be determined, companies nevertheless face pressure to gain the agility and flexibility necessary to adjust to new business models and improve the efficiency of commercial and operational processes. Moreover, global forces defining the new normal will have an extensive impact on people, societies, and businesses, spurring an increasing urgency for enterprises to accelerate digital transformation. At the same time, telecommunications services providers must transform their businesses (e.g., from offering traditional connectivity services to becoming a strategic partner that can support companies in their digital transformation initiatives).

In contrast to traditional telecommunication services providers in Colombia, Claro delivers a wide portfolio of products and solutions, including networking services, infrastructure, cloud, data centers, the Internet of Things (IoT), analytics, mobility, collaboration and unified communications, security, information technology (IT), and managed services. With a comprehensive portfolio of solutions, Claro serves as an exceptional digital transformation partner. Additionally, by leveraging synergies with its parent company, América Móvil, Claro can support an ever-growing ecosystem of partners in the ICT arena. As a result, Claro can build a complete end-to-end solution from scratch, making it uniquely positioned to support small, medium, and large organizations seeking to gain business efficiencies, cope with new industry and customer requirements, and deliver a better user experience.

Offering an Integrated Networking Vision

Claro has a critical role as a service provider for Colombian enterprises as its comprehensive offering of networking services can support transformative solutions. Claro's networking services include not only traditional solutions typically offered by every other network service provider (NSP) (e.g., LTE, business broadband, dedicated IP, MPLS, and Ethernet services) but also innovative network solutions such as software-defined wide-area networks (SD-WANs). Claro's SD-WAN solution integrates with the rest of its connectivity portfolio so that its deployment can optimize traffic between data centers and cloud services. Since SD-WAN solutions are typically deployed to work in hybrid cloud environments, Claro's SD-WAN solution is rolled out on converged networks to support the efficiency of cloud operations, thus empowering companies with greater flexibility. Moreover, while competitors typically only integrate vendors' solutions, Claro's offers a dedicated and Latin America-hosted platform for SD-WAN.

Claro's SD-WAN platform is organized in 3 clusters: Mexico, the United States, and Colombia. Frost & Sullivan notes that offering a local cluster enables better service integration and availability. Furthermore, SD-WAN performance is highly dependent on the underlying network. Claro holds one of the most robust fiber networks in the country, with support centers working 24x7 to ensure network availability and manage service level agreements.

From a Single Product to a Comprehensive Portfolio

Claro complements traditional and state-of-the-art networking services with digital and disruptive solutions that help companies manage mixed network architectures and enable interrelated technologies as part of their business transformation plans.

Over the last 2 to 3 years, Claro has made several investments to advance the building of a comprehensive portfolio of solutions that can solve enterprises' digitization problems and support the business modernization needed to address clients' current needs. As a part of the América Móvil group, Claro not only leverages financial resources to fund targeted investments locally but also can access the significant resources and stability of a global telecom company. For example, Global Hitss, an IT services

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provider, was acquired by América Móvil to diversify its portfolio beyond traditional telecom services and augment its IT capabilities and digital solutions. In Colombia, Global Hitss has more than 2,500 engineers building custom solutions for clients locally in diverse sectors such as software development, energy efficiency, cloud migration, and smart cities.

Scitum, another América Móvil subsidiary, was acquired by the group to play an advanced role in cybersecurity services, a market that is expected to provide large opportunities for revenue growth over the next few years. In partnership with Scitum, Claro provides services such as data protection, processing, and storage, security diagnosis, evaluation, and management, and applications security.

Moreover, by working closely with companies through co-creation processes along with specialists from diverse industry sectors, Claro has built a portfolio that not only focuses on transversal solutions but on

vertical-specific (e.g., healthcare, financial services, retail, and smart cities) solutions. For the healthcare sector, Claro provides solutions such as hospital information systems, mobile hospital management, and personalized chatbots. In the financial services sector, Claro has developed solutions such as Claro Assistance for vehicle insurers and Digital Office for financial companies. In the retail sector, Claro's portfolio includes smart and predictive purchasing for inventory management and customer analytics. Other solutions include 180-WiFi marketing, heat maps, and connected labels. In the smart cities segment, Claro offers solutions such as emergency systems as smart lighting and monitoring platforms. Moreover, Triara, Claro's Tier IV data center in Bogota, allows Claro to scale and integrate different customer solutions and services efficiently.

Providing Client-centric and Customized End-to-End Solutions

In addition to providing diverse hybrid network solutions and leveraging America Móvil's subsidiaries for value-added services, Claro Colombia has built a comprehensive ecosystem of partnerships that enable the company to deploy all types of digital solutions. Claro has partnerships with Nokia, Cisco, and Fortinet to support SD-WAN. For cloud computing, the company has partnerships with Microsoft, Google, Amazon Web Services (AWS), and other cloud providers. The partnership with AWS goes one step forward due to an agreement to create an experience center where customers can receive guidance and assistance on cloud adoption and migration projects.

IoT is another focus area for Claro in Colombia. The company has entered into partnerships with Ericsson and vertical-oriented companies such as Agrusdata and Agres for digital agriculture and weather station solutions. Claro also recently launched an eCommerce platform in a partnership with Alibaba.

Multiple partnerships and in-house group capabilities provide Claro with an exceptional market position as a single provider of cutting-edge technologies and diverse technical solutions to Colombian enterprises.

Furthermore, Claro co-creates the most optimal solutions directly with customers. The company works with each client from the project definition stage until deployment and helps determine the solution

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that will best support the entire digital transformation plan. With its advisory role and focus on prioritizing co-creation with each client, Claro helps customers understand market gaps, determine technical priorities, and create a best-fit solution that addresses clients' needs and investment capacity.

Claro's financial performance is a testament to the company's success in its internal transformation from a traditional telco provider to a digital transformation advisor and enabler. While most NSPs in Colombia have experienced flat-to-declining revenue growth during 2020, Claro reported 9.2% year-over-year service revenue growth in its Colombian mobile and fixed services division in the third quarter of 2020. Frost & Sullivan notes this is an outstanding performance, similar to the company's growth rates prior to the COVID-19 pandemic.

Conclusion

Telecommunications services providers in Colombia are confronted by flat-to-declining revenues and deteriorating margins while at the same time coping with changing market conditions and clients' needs. Claro's far-reaching vision allows it to provide enterprises with access to a wide-ranging portfolio of disruptive technological solutions that enable business transformation. Claro's ecosystem of networking, digital, and security services can be locally hosted, operated, and supported. Building on its large existing network infrastructure, advisory capabilities, and ability to act as a single-service provider, Claro has created a comprehensive portfolio of end-to-end solutions and vertical-specific technologies that support digital transformation projects for customers.

With its strong overall performance, Claro earns Frost & Sullivan's 2020 Company of the Year Award in the Colombian digital transformation services industry.

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™.

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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)

