

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



A member of **UEM Group**

# 2022 COMPANY OF THE YEAR

*MALAYSIA  
FACILITY MANAGEMENT INDUSTRY*

## 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. UEM Edgenta Berhad excels in many of the criteria in the facility management space.

AWARD CRITERIA	
<i>Visionary Innovation &amp; 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

### *Financial Performance and Brand Equity*

The prolonged COVID-19 pandemic in 2020 and 2021 had accelerated the adoption of new workplace trends, such as work-from-home and flexible work arrangements. Coupled with uncertainties with occupancy arrangements because of the ever-changing protocols, facility management (FM) engagements and work orders were severely impacted. For existing engagements, service deliveries and business practices needed to be enhanced to comply with regulatory requirements and to adhere to guidelines imposed to curb the spread of COVID-19, resulting in an inverse relation between revenues and additional costs incurred and thus becoming a significant challenge for FM companies in the past two years.

2020 was a rocky year for all FM companies, and UEM Edgenta Berhad’s financial performance was not spared from the impact of the pandemic. In 2021, UEM Edgenta successfully bounced back with double-digit growth in revenue and net profit, primarily because of its relentless focus in expanding its global footprint, disciplined approach in driving cost efficiencies and diversifying into new revenue streams.

With the new normal brought about by the pandemic, UEM Edgenta leveraged on its SmartConnect technology platform which allows the convergence of human, big data analytics and IoT technologies to help clients manage their business assets more effectively. By integrating facilities management with technology, its IoT-enabled solutions provided real-time data collection and analytics, enabling preventive maintenance and early detection of anomalies, driving clients’ operational efficiency.

The company continues to embrace technological advancements to improve productivity, namely continuous enhancement of operational processes through the use of technology and digitization, continuous training and development programmes to upskill and reskill their staff, equipping them with knowledge through programs such as hackathons and sandbox sessions. The group-wide supplier financing programme and strategic vendor management programme, lead to the creation of a sustainable vendor system/supply chain programme which in turn will further optimize costs. In terms of its

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environmental-sustainable solutions, UEM Edgenta offers services such as Green Building Audits and Energy Performance Contracting Services, which form the building blocks of climate-smart infrastructure in supporting the Environmental, Social, and Governance (ESG) journey of its Clients. To date, it has more than 10 Green Building Index (GBI) certified green buildings under its belt.

The company’s digital journey has been outstanding, with no other domestic FM service provider investing as heavily as UEM Edgenta, in terms of nurturing digitally-ready human resources and introducing tech-enabled FM operations and building asset management solutions in the market. The company’s technology roll-out year after year has set a benchmark in the industry.

In addition to its exemplary performance in 2021, UEM Edgenta is well recognized as a market leader and frontrunner in the Malaysian FM market, in terms of business asset facilities portfolio strength under its management, technological advancements, and the regional FM expansion journey, validated by the various industry recognitions it received over the years. The company was recognized for its journey in innovation, health and safety, and energy efficiency in 2021, with the following awards:

- The Malaysia Technology Expo (MTE) Outstanding Innovation Award (one Gold award and four Silver awards)
- Bureau Veritas: one award for Occupational Health & Safety Management General Guideline for Safe Working during COVID-19 Pandemic and one award for Safeguard Certification, which was the first Malaysian corporate building to be certified
- Occupational Safety and Health (OSH) Awards from Malaysian Society for Occupational Safety & Health (MSOSH) (three Good Class 1 awards and three Gold Class 2 awards)
- ASEAN Energy Management Scheme (AEMAS): Energy Management Gold Standard 3-Star for 30 hospitals in Perak, Kedah, Perlis, and Penang and 2-Star for two hospitals in Penang and Kedah

The company’s brand equity is well acknowledged, evident by its strong contract wins in 2021. By the end of 2021, UEM Edgenta had a healthy total work in hand of RM 10.8 billion in project value, with RM1 billion in new contracts secured during the year, of which 55% came from international market wins, a testament to its competitive position on the global scale. Furthermore, UEM Edgenta is offering Smart FM

solutions to clients; which includes, a clientele list comprising of clients from the banking industry as well as integrated retail and business hubs.

Frost & Sullivan research indicates that UEM Edgenta's leading market positioning and well-strategized value propositions have led to consistent new customer acquisitions while ensuring that the company stays at the forefront in its digitalization and business sustainability plans.

### ***Leadership Focus and Best Practices Implementation***

The developing FM market in Malaysia has become highly saturated and commoditized, with little product and service differentiation. The large number of service providers competing on price-points reflects the low barrier to entry and the increased competition and eroding margins have been detrimental to the overall development of the FM sector.

UEM Edgenta has stayed relevant and sustainable through active adoption of digital technology. The company continues to differentiate its capabilities and competencies through its proprietary technologies, sustainability solutions and go-to market strategy into new growth markets. In 2021, the service provider introduced new solutions that are aligned with the market needs, including the development Clinical Home Quarantine Management System for COVID-19 RFID E-Bracelet Tracking Programme and the installation of 14 field hybrid ICU facilities, increasing the availability of ICU beds by 140 nationwide. Moreover, the service provider converted its UEM Edgenta Learning Centre into a private COVID-19 Assessment & Vaccination Centre which was also converted to a private vaccination centre in support of

*"UEM Edgenta has managed to stay at the vanguard of domestic market progression by strategizing through diversify risks and by exploring new growth markets, strengthening its leadership position in the country while creating stiff barriers to entry for new competitors."*

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the National COVID-19 Immunization Programme. Close to 40,000 COVID-19 assessments & vaccinations were conducted at the center during the operating period.

In addition to introducing new services, UEM Edgenta continues to advance in its technological journey by introducing Edgenta NXT, a digital ecosystem platform and the company's first digital-focused subsidiary, to spearhead its vision of Edgenta of the Future 2025 (EoTF 2025). Incepted in

July 2021, this platform specializes in commercializing technologies while accelerating organization-wide digital transformation. Edgenta NXT has established a range of offerings, namely Smart Asset Management, Smart Roadways, Smart Project Management, and two new tech platforms, Asseto and Quickmed, all powered by Alibaba Cloud. UEM Edgenta has secured KLCC IBCC project as the first client for its NXT Cloud solution in 2021.

Furthermore, the service provider continues to seek new opportunities through partnerships and geographical expansion. In 2021, UEM Edgenta partnered with UTMSPACE and the Malaysian Association of Facility Management (MAFM) to launch the Facility Managers Development Programme (FMDP), equipping FM professionals with suited and well-curated knowledge on FM. The program is an extension of the Certified Facility Management Manager (CFMM) competency program established by the Construction Industry Development Board (CIDB), In addition to its domestic footprint, UEM Edgenta

continued its geographic expansion journey by foraying into the Saudi Arabia market in 2021 through a memorandum of business exploration (MoBE) with Asma Advanced Solutions LLC, to explore healthcare support services and FM opportunities in the country.

In addition to its strong leadership position, UEM Edgenta is well recognized for its best-in-class service delivery that has been vital to its current success. One of the company's best practices is its commitment to health, safety, security and environment (HSSE) by utilizing resources effectively while consistently improving process efficiency and maintaining work quality at project sites. The company's culture and mindset, where safety always comes first, have been instilled throughout the organization and among its clients, translating into high standards of customer service delivery.

UEM Edgenta's commitment to embark on a full-fledged ESG journey while fulfilling its EoTF 2025 aspirations will pave the way for its projected annual growth of 12% through 2025. Setting an above-industry double-digit growth rate is a confident move for UEM Edgenta where it is actively laying solid foundations across all businesses and remains steadfast in pursuing its growth plans through geographical expansion, new products and services, cost optimization and tech-enabled solutions.

### ***Customer Ownership Experience and Customer Purchase Experience***

With the rampant price competition in the domestic FM market, client retention and long-term relationships will unlikely remain constant. In the long run, clients will be attuned to selecting service providers based on pricing instead of quality. Educating clients on the benefits of quality service delivery while ensuring continuous client engagement has been an ongoing mission for UEM Edgenta.

The company offers performance-based solutions with quantifiable outcomes, with the support of technology-driven building solutions and data-driven building asset management solutions, reflecting a clear vision of optimizing assets and improving overall quality of lives. One remarkable example of UEM Edgenta leveraging on technologies to achieve best client experience is the establishment of its Command & Contact Centre, which acts as a central hub for Internet of Things (IoT) applications to support clients' asset monitoring and management, including energy management and real-time monitoring of building controls and automation. This central hub allows for ease of monitoring, predictive maintenance, anomaly detection. improves business asset performance and lifecycle management. Compared to other service providers in the domestic market that offer a relatively basic and manual customer service and experience, UEM Edgenta focuses on customer value enhancement through quantifiable outcomes and performance, driven by technologies that are well received by its clients.

UEM Edgenta is a pioneer in introducing sustainability solutions to the local FM market. Through its Energy Performance Contract (EPC) Programme, the company collaborate with customers to reduce their carbon emissions and overall energy expenditure. The EPC programmes includes, solar PV installation, chiller retrofitting, lighting zoning, and de-lamping services, while utilizing an array of IoT solutions to monitor and manage energy utilization remotely. Another energy-related solution that has been gaining traction is the energy auditing services for asset performance and optimization purposes. This audit is conducted through the analysis of the consumption trends to establish a baseline, detect sources of wastage, and subsequently determine viable energy conservation and generation measures. Frost & Sullivan commends UEM Edgenta's ability to deliver energy-related services with its capable in-house team.

The company's continuous effort to innovate and address niche market needs while serving the core sectors has been key to its strong customer purchase and ownership experience. In 2021, UEM Edgenta maintained its overall customer satisfaction survey (CSS) score of 83%, surpassed the target of 80%.

## Conclusion

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Overcoming the uncertain business environment while competing in a commoditized market, UEM Edgenta has maintained its market leadership by expanding its global footprint, disciplined approach in driving cost efficiencies and diversifying into new revenue streams while maintaining a strong foothold in its core sectors. The service provider's continuous journey in innovating technology-led solutions and incorporating digital tools in its service delivery has been a success, translating good track record in securing contracts and successfully delivering quality services, with an impressive double-digit revenue growth rate and net profit in 2021. Leveraging on its globally recognized brand equity, UEM Edgenta is looking to strengthen its leadership position further by optimizing customer experience through technology.

With its strong overall performance, UEM Edgenta Berhad earns Frost & Sullivan's 2022 Malaysia Company of the Year Award in the facility management industry.

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

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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 ongoing 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 6 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)**

