

## Product Line Strategy of the Year, Mobile Enterprise Applications North America, 2010

### Frost & Sullivan's Global Research Platform

Frost & Sullivan is entering its 50<sup>th</sup> year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The Company's research philosophy originates with the CEO's 360-Degree Perspective,\* which in turn serves as the foundation of its TEAM Research\*\* methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2010 North American Product Line Strategy of the Year Award in Mobile Enterprise Applications to Airclic.

### Significance of the Product Line Strategy Award

#### Key Industry Challenges

Selling premium mobile enterprise applications to U.S. businesses remains a work in progress for today's vendors and their channels. However, a best-in-class product line strategy addresses many of the challenges inherent to this effort. Key challenges faced by the U.S. mobile enterprise applications market at this time include: 1) High cost fears on the part of the customer, 2) Low level of perceived business value on the part of the customer, and 3) Continued fragmentation, with multiple devices and platforms as a fact of life within today's workplace.

Frost & Sullivan's First Quarter 2010 survey of potential U.S. enterprise purchasers revealed that expense concerns around mobile applications remain very strong. These worries relate to the anticipated cost of implementation, required hardware, solution customization needs, and back-end integration requirements. A well-designed product line includes a well-designed pricing strategy that neutralizes a good portion of these concerns. It also offers solutions that minimize the need for expensive integration and customization services.

Approximately three-quarters of companies that have expressed strong disinterest in mobile enterprise apps point to a perceived lack of business value. A best-in-class product line strategy provides solutions that speak directly to the needs of a particular vertical industry, making the value proposition of the solution crystal clear. The product line also offers the type of clear, hard-dollar return on investment that results from directly addressing specific business pain points.

The number of mobile device and operating system alternatives is not narrowing in the U.S. business sector; rather, IT departments are resigning themselves to the fact that mobile enterprise apps must always work on multiple mobile platforms. Creating this type of cross-platform capability can be time-consuming and expensive for IT departments if

they choose to create their own corporate apps. A high-quality product line strategy from an outside vendor will make cross-platform capability easy and economical to achieve.

### Key Benchmarking Criteria for the Product Line Strategy Award

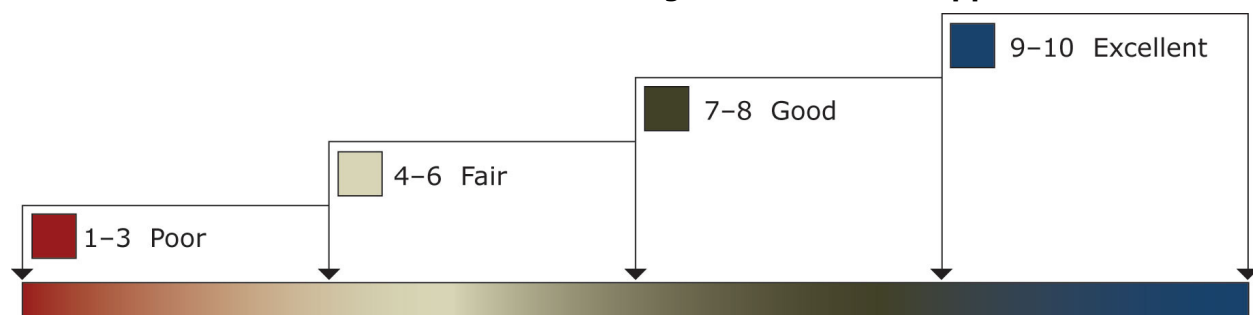
For the Product Line Strategy Award, the following criteria were used to benchmark Airclit's performance against key competitors:

- **Breadth of Product Line**
- **Size of Addressable Customer Base**
- **Impact on Customer Value**
- **Impact on Market Share**
- **Breadth of Applications/Markets Served**

### Decision Support Matrix and Measurement Criteria

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Matrix (DSM). The DSM is an analytical tool that compares companies' performance relative to each other with an integration of quantitative and qualitative metrics. The DSM features criteria unique to each award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. Fundamentally, each DSM is distinct for each market and award category. The DSM allows our research and consulting teams to objectively analyze each company's performance on each criterion relative to its top competitors and assign performance ratings on that basis. The DSM follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are shown in Chart 2.

**Chart 2: Performance-based Ratings for Decision Support Matrix**



This exercise encompasses all criteria, leading to a weighted average ranking of each company. Researchers can then easily identify the company with the highest ranking. As a final step, the research team confirms the veracity of the model by ensuring that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

**Chart 3: Frost & Sullivan’s 10 Step Process for Identifying Award-Recipients**



**Best Practice Award Analysis for AirClic**

The Decision Support Matrix, shown in Chart 4, illustrates the relative importance of each criterion for the Product Line Strategy Award and the ratings for each company under evaluation. To remain unbiased while also protecting the interests of the other organizations reviewed, we have chosen to refer to the other key players as Competitor 1 and Competitor 2.

**Chart 4: Decision Support Matrix for Product Line Strategy Award**

Measurement of 1-10 (1 = lowest; 10 = highest)	Award Criteria					Weighted Rating
	Breadth of Product Line	Size of Addressable Customer Base	Impact on Customer Value	Impact on Market Share	Breadth of Applications/Markets Served	
<b>Relative Weight (%)</b>	<b>25%</b>	<b>15%</b>	<b>25%</b>	<b>15%</b>	<b>20%</b>	<b>100%</b>
Airclic	10	9	10	10	9	9.65
Competitor 1	7	8	8	9	6	7.5
Competitor 2	6	8	7	7	6	6.7

**Criterion 1: Breadth of Product Line**

The current mobile enterprise applications market in the U.S. is moving from a focus on creating and deploying horizontal solutions to the next phase of solution evolution:

Identifying profitable vertical markets and designing products that more directly meet their industry-specific requirements. As a result, product lines on the cutting edge are broadening to address an array of specific customer types. Airclic has methodically identified and targeted what it considers to be a profitable line-up of industries that can significantly benefit from increasing the visibility into their supply chain and logistics operations. Its "Perform" product line has grown to include six branded solutions, with each directed at a specific (or specific type of) industry: Courier Perform, Clinical Perform, Order Perform, Food Perform, Care Perform, and Service Perform. The company demonstrates a deep understanding of the business needs and logistics within each targeted vertical, and plans to continue launching Perform products for additional verticals on a regular basis. Airclic is also launching three new modules in 2011 that will connect to any of its Perform products, further enhancing and broadening its product line. Competitor #1 has introduced new products during the past twelve months, but these remain horizontal in nature. Competitor #2 has not expanded its basic product line during the past year, continuing to focus instead on maintaining its horizontal approach with a constrained set of solutions.

**Criterion 2: Size of Addressable Customer Base**

All three competitors are global in scope, although there are some regional-specific strengths that may come into play. Airclic is ranked more highly due to the expanded customer base its vertical solutions open up.

**Criterion 3: Impact on Customer Value**

Airclic positively builds customer value in a variety of ways. For those prospects that are strongly concerned about the cost of implementing mobile application solutions, Airclic delivers its solutions via the Software as a Service (SaaS) model, which provides a hosted service on a per user/per month basis. The company also participates in a buying consortium that can provide mobile devices at significantly reduced prices. Airclic has also directly addressed fragmentation concerns by creating solutions that are device agnostic, able to work on any mobile phone or laptop computer. The customer can choose the best device option that works for them. Airclic also increases customer value by making its solutions intuitive and easy to use. An effort is made to collaborate with key systems integrators in each vertical, create solutions for the integrator's customers, and standardize as much of the required integration as possible, which allows companies to be up and running in weeks, not months or even years. Though competitors #1 and #2 also deliver via the SaaS model and can work with partners to offer discounts on devices, Competitor #1 has not collaborated or standardized to the same extent as Airclic and Competitor #2's solutions (with the exception of their very low-end, network-based entry) are not device agnostic.

**Criterion 4: Impact on Market Share**

With its 2010 merger with complementary competitor AirVersant, Airclic has over 300 customers globally, and these numbers are expected to increase quickly, based on a growing product line and an expanded channel partner network. Airclic also has strategically

partnered with a set of ISVs, hardware manufacturers, and systems integrators in order to penetrate into targeted industries. Competitor #1 has forged a strong partnership with only one major ISV and though competitor #2 has a larger customer base at this time, its customers tend to skew strongly toward small businesses.

#### **Criterion 5: Breadth of Applications/Markets Served**

It is extremely important to give customers a choice, especially when application needs can vary strongly by industry. While other vendors are still trying to crack the code, Airclic provides one of the best examples today of how to create and market vertical-specific mobile solutions for the enterprise. Currently, the company offers six Perform mobile software products that monitor worker location, capture relevant customer and product information (barcode scanning, signature capture, wireless forms, image capture), and process payments. All of these solutions are built on the company's Mobile Performance Platform. Each of these products has been designed to directly address the needs and requirements of a particular industry. These vertical markets are Delivery, Medical Diagnostics, Auto Parts Distributors, Food Distributors, Durable and Home Medical Equipment Distributors, and Waste Services. In addition to the Perform product portfolio, Airclic provides software solutions for Facilities Management, Secure Transport, Freight, Air Transport, and Industrial Parts Distributors. A sub-set of these will be converted to Perform products over the next twelve months. Competitor #1 is working closely with its major ISV partner to create and market mobile enterprise solutions to the ISV's customer base; however, as strong as this effort is, it remains horizontal in nature and is very limited in comparison to Airclic's efforts. Competitor #2 offers a vertical template to its customers to use to design an industry-specific version of its basically horizontal mobile solutions. It also recommends back-end integration partners to its customers. While helpful, this arms-length approach provides little direct support to companies trying to implement a mobile application that directly addresses their business needs.

Based on Frost & Sullivan's independent analysis of the North American Mobile Enterprise Applications market, Airclic is being recognized with the 2010 Product Line Strategy of the Year Award.

### **The CEO 360-Degree Perspective™ - Visionary Platform for Growth Strategies**

The CEO 360-Degree Perspective model provides a clear illustration of the complex business universe in which CEOs and their management teams live today. It represents the foundation of Frost & Sullivan's global research organization and provides the basis on which companies can gain a visionary and strategic understanding of the market. The 360-Degree perspective is also a "must-have" requirement for the identification and analysis of best-practice performance by industry leaders.

The 360-Degree model enables our clients to gain a comprehensive, action-oriented understanding of market evolution and its implications for their companies' growth

strategies. As illustrated in Chart 5 below, the following six-step process outlines how our researchers and consultants embed the 360-Degree perspective into their analyses and recommendations:

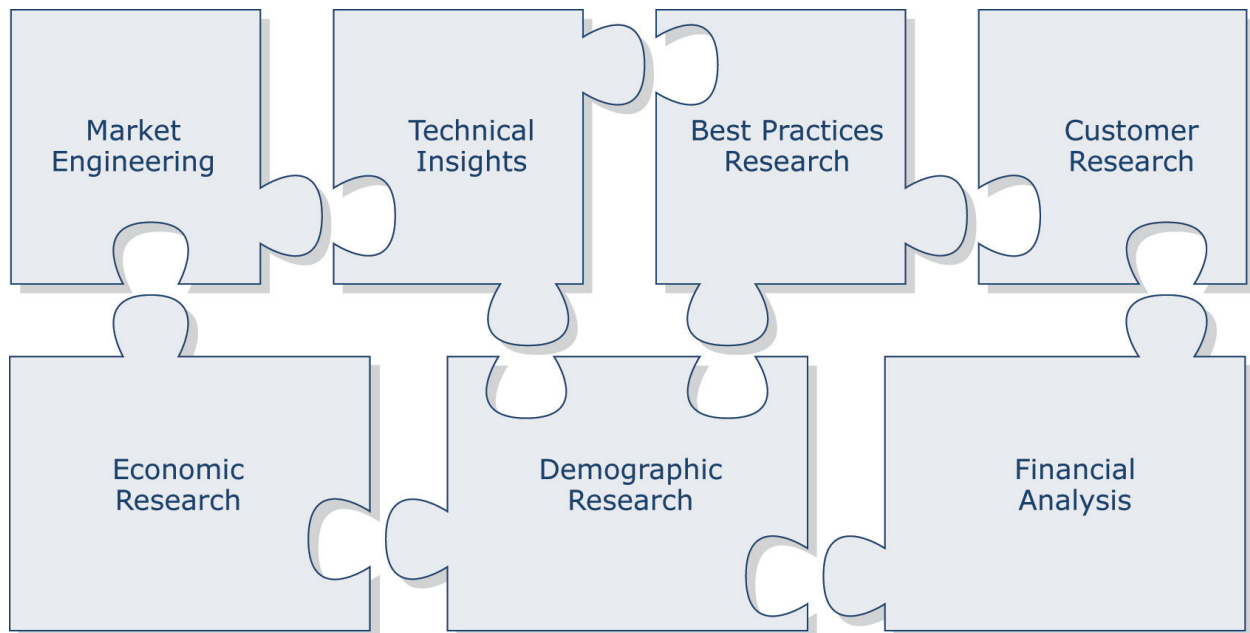
**Chart 5: CEO's 360-Degree Perspective Model**



## Critical Importance of TEAM Research

Frost & Sullivan's TEAM Research methodology represents the analytical rigor of our research process: it offers a 360-Degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that the successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

**Chart 6: Benchmarking Performance with TEAM Research**



## About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.