FROST & SULLIVAN

BEST PRACTICES

AWARDS

FROST & SULLIVAN

2020 BEST PRACTICES AWARD

TATA COMMUNICATIONS

2020 INDIAN
UNIFIED COMMUNICATIONS SERVICE PROVIDER
COMPANY OF THE YEAR AWARD

Contents

Background and Company Performance

Industry Challenges

Across India, businesses are looking to propel their digital transformation journey yet tread cautiously when building a clear roadmap as to how this transformation can be managed without interfering with routine operations. Communication is one area in which businesses want to enhance digital implementation efforts. In large part, these organizations seek to minimize their dependency on on-premise unified communication and collaboration (UCC) tools due to high operating costs, including the renewal of licenses. Although many businesses are willing to shift towards a software-as-a-service (SaaS), or cloud/hosted, model of UCC, they face a dilemma in terms of how and where to start and are hesitant about what interruptions they might face in business operations. Also, companies remain skeptical about the effectiveness of a cloud model and wonder if they will achieve the intended return on investment (RoI) and cost optimization.

Nevertheless, many businesses, both large and small, are open to working with a service provider that would offer effective cloud-based UCC tools, and, importantly, support in management of the new digital tools. Most companies with legacy IT infrastructure face implementation, compatibility, and integration related challenges. As a result of these complexities, many businesses are not willing to adopt full-fledged cloud-based UCC tools. For businesses that are already implementing some form of UCC solution, managing multiple vendors/service providers becomes difficult. As a result, demand is intensifying for a single service provider that can effectively manage all of a customer's UCC requirements.

Visionary Innovation and Performance/Customer Impact

Brand Augmentation By Undressing Unmet Needs: One Service Provider, Multiple Offerings

India's business communication landscape, until recently, was dominated by stand-alone service providers who offered basic audio or video conferencing solutions. However, companies are no longer keen to invest their time and resources for managing multiple UCC vendors and service providers and their focus has shifted towards a more comprehensive digital posture. Thus, those stand-alone audio or video conferencing service providers are fast losing ground as demand gains momentum for service providers who have the capabilities to partner with key UCC OEM vendors and become a one-stop destination for all of their customers' UCC needs. As such, service providers play a crucial role in the shifting UCC landscape of India and those service providers who are constantly widening their portfolio of offerings have been able to build a strong brand recall among customers which has resulted in greater success in the market

Over past several years, the Indian telecommunications company Tata Communication has successfully transformed itself from offering standalone solutions into a comprehensive UCC service provider operating on a global scale. The company has built strong capabilities that enables it to cater to verticals like BFSI, Travel Transport& Hospitality, Retail, Healthcare, Automotive, FMCG, IT/ITES & BPO/KPO. The wide portfolio of offerings by the company makes it an outstanding player when compared to the competition.

Tata Communications partners with leading UCC OEMs like Microsoft and Cisco to offer their products and solutions. Impressively, it has created bundled offerings (through several value additions) that address the end-to-end UCC requirements of any business entity. In addition, Tata Communications offers end to end professional and managed services, a much demanded offering in India, which has enabled it to gain the trust of its business customers that stem from all stages of the digital transformation journey.

Tata Communications is one such company which has shown how service providers, through strong partnerships and better value addition can carve a unique space in the minds of customers. The company is one of the most preferred service UCC service provider partner for Indian businesses. Companies in India, especially large enterprises today see Tata Communications as most valuable partner to have in order to realize their digital transformation dream through effective implementation of digital communication solutions.

Tata Communications continues to surge forward in the India UCC market by catering to different industries and is seen as a key link between business customers and UCC OEM vendors. The company continues to build its brand in the minds of the customers through new product developments, value addition, and product enhancements. Frost & Sullivan recognizes Tata Communications' timely and strategic initiative and believes that the company has strong growth prospects in India's UCC service provider market.

Implementation of Best Practices: Value Creation

Service providers are known to add several additional enhancements and capabilities to OEMs' offerings to create a complete and comprehensive solution, often customizing packages as requested by customers. Strong network infrastructure, wide coverage, and better access to customers make service providers critical to the overall growth of India's UCC market.

Frost & Sullivan recognizes Tata Communications as a clear frontrunner in the overall UCC service provider segment of India. The company is uniquely positioned as a key player on the strength of its vast set of unified communication offerings and enterprise grade network. Its UCC portfolio includes unified communication as a service (UCaaS), Enterprise Voice (Global SIP Connect Service) and contact center as a service (CCaaS) options, which are popular among businesses seeking cloud based UCC solutions.

Specifically, Tata Communications partners with Cisco and Microsoft, the top 2 leading UCC OEM vendors in India.

Tata Communications has mastered the art of forming partnerships with leading UCC OEMs and nurturing them with meaningful value-added services. Its ability to introduce new services that complements OEM partner's offerings is aligned to market needs and is in comparison to some of the market leaders in this space. In addition to offering Cisco Webex and Microsoft Team, the company has been successful in adding value by including enhancements that make it a complete solution. For instance, the introduction of Intelligent Onnet Dial back for Cisco enables automatic, efficient, and seamless routing of dial-back calls directly into SIP trunk, thereby enabling better quality at a lower price. To power seamless collaboration and create predictable spend for the customer, it offers Cloud Connected Audio plans for Cisco Powered Solutions while it is the only service provider to offer the audio plans for Microsoft Teams Solutions in India. The value addition that Tata Communications creates has enabled it to gain an unassailable lead in the UCC service provider market of India.

Customer Purchase Experience

The degree to which a service provider can deliver additional value to the solutions business customers buy remains integral to growth in the UCC service provider market. Most service providers, even though successful in re-selling OEM solutions, do not have the experience needed to provide a top-quality customer purchase experience in today's digitally transforming landscape. Offering customized solutions that are a perfect fit, post-purchase implementation and integration assistance, enhanced service level agreements (SLAs) for improved business continuity, and the tools to ensure minimal disruption in services offered are among the key factors that distinguish one service provider from other. While businesses expect their service provider partner to cater to their exact needs, failing to do so increases frustration among them, which eventually leads to customer attrition. Another important aspect of customer purchase experience is the cost incurred by businesses in using these services. When companies find value in what they purchase and believe that they are paying only for what they use, chances of long-term customer retention for service providers is high.

Frost & Sullivan's industry benchmarking research finds that Tata Communications' deliverables coupled with OEM licenses create a powerful proposition. The company stands out from the competition for the level to which it ensures its customers' focus remains on the core business while it takes care of service provider workflows are correctly orchestrated , successful migration from legacy to cloud native applications , end-to-end customer lifecycle management, service management, customer success management, program management, and service assurance. Importantly, Tata supports the entire digital migration journey. It streamlines operations by acting as a single point of accountability as the sole service provider working for each customer. A digital portal is set up for customers to view key business functions and analytics, ensuring they are

safeguarded from telco fraud through Tata Communications industry-appreciated fraud management system that empowers customers to experience the strength of APIs.

With world's largest wholly owned subsea fiber backbone and a Tier-1 IP network; 99.99% average network up-time offering; and 30% global Internet routes managing capability, Tata Communications has clearly demonstrated both the required depth and width to provide customers with rich purchase experience like no other competitor in the market. This unique capability of the company has helped to win the prestigious Frost & Sullivan award for UCC service provider category.

Customer Service Experience

As UCC services are third-party managed offerings, providing a high-quality customer experience becomes crucial while businesses choose a vendor. Today, the top expectation from businesses using UCC services is anytime-anywhere availability of service provider for assistance in case of any discrepancies or distortion in services. Having attractive customer service policies and procedures in place helps UCC service providers build a robust customer base in the market. In addition, creating a mechanism for UCC service providers to gain regular feedback from its customer community supports meaningful service transformation.

Tata Communications is well regarded by clients for delivering flexible, always-available customer service. The company has garnered popularity among business circles for its unmatched capability to help customers no matter how complex the issue. Tata Communications boasts more than 4000 experts spread across 126 countries that deliver quality customer service. With five global contact centers, the company successfully reaches every business customer. Built on a foundation of years of customer engagement experience, Tata Communications has introduced different levels of customer servicing. For instance, the company offers Personalized Support Services that consider the unique requirements of business customers. Some of the features of this customized support service level include resident engineer, customer solution analyst, dedicated support desk, cloud specialists, and technical account managers. This unique ability of the company to provide a wide range of UCC services coupled with industry unique Service Level Agreements (SLAs) has made Tata Communications a go-to service provider for all the UCC service requirements of businesses.

Visionary Scenarios through Mega Trends

Customer experience has become ever more critical as close to 90% of Indian customers report customer service as the single most important factor that makes them stay with one particular brand.[1] Given the growing importance of customer service, more and more companies are keen to establish a modern-day contact center. However, most businesses struggle to afford an on-premise contact center, which is considered capital-intensive and

---

[1] According to American Express Global Customer Service Barometer

requires significant management and operation costs. As a result, many companies are implementing cloud-based contact center solutions. The cloud, or hosted, contact center model is known to be the perfect fit for budding organizations that want to keep their IT costs in check but also want to support their customers effectively. Large enterprises in India are known to be partially implementing cloud contact centers to enjoy the cost benefits associated with this model. Sensing the shift, Tata Communications has been successful in converting this trend into an opportunity.

Tata Communications has emerged as a strong player in the hosted/cloud contact center space of India by offering a comprehensive set of solutions. The company has cemented its place in the market through its Digital Customer Experience Platform - offering, a widely popular hosted contact center solution among businesses. In addition, the company offers the Digital Customer Experience Platform globally in partnership with Cisco, which is targeted at large enterprises that have considerable contact center requirements in addition to this there is a multi-tenant offering in partnership with Enghouse available for small medium enterprises globally with native integration of Microsoft Teams. Tata Communications is taking its partnership with Cisco to next level and has recently announced the launch of Cisco Webex Contact Center in the global market. Similarly, the company has partnered with Amazon Web Services (AWS) to launch Amazon Connect, a cost-effective public-cloud-based contact center solution. Frost & Sullivan recognizes that the long-term vision of Tata Communications reflects its insight about the growing importance of contact centers and its evolution in customer experience among global businesses and is accordingly coming up with cost-effective cloud-based customer experience offerings.

Conclusion

India's UCC market is increasingly cloud-oriented as more and more businesses are willing to shift to hosted/cloud model provided they have a strong partner in the form of service provider who can manage their UCC requirements end-to-end. Tata Communications has clearly emerged as a strong UCC service provider who has gained expertise in handling businesses' UCC requirements. The company has pioneered the art of enhancing offerings based on the changing requirements of Indian businesses and has forged unmatched partnerships with all leading UCC OEM vendors to strengthen its position in the India UCC service provider market. In addition, the company has been successful in establishing itself as a trusted partner in implementing an organization's digital communication platform, whether in terms of integration with legacy systems or implementing new solutions from scratch.

These efforts have enabled it to win the prestigious Frost & Sullivan 2020 Indian Unified Communications Service Provider Company of the Year award.

Significance of Company of the Year

To receive the Company of the Year Award (i.e., to be recognized as a leader not only in your industry, but among non-industry peers) requires a company to demonstrate excellence in growth, innovation, and leadership. This excellence typically translates into superior performance in three key areas—demand generation, brand development, and competitive positioning—that serve as the foundation of a company's future success and prepare it to deliver on the 2 factors that define the Company of the Year Award: Visionary Innovation and Performance, and Customer Impact).

- Acquire competitors' customers
- Increase renewal rates
- Increase upsell rates
- Build a reputation for value
- Increase market penetration

- Earn customer loyalty
- Foster strong corporate identity
- Improve brand recall
- Inspire customers
- Build a reputation for creativity

DEMAND

BRAND

Company of the Year

COMPETITIVE POSITIONING

- Stake out a unique market position
- Promise superior value to customers
- Implement strategy successfully
- Deliver on the promised value proposition
- Balance price and value

Understanding Company of the Year

Driving demand, brand strength, and competitive differentiation all play critical roles in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Visionary Innovation and Performance to enhance Customer Impact.

Key Benchmarking Criteria

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated each factor according to the criteria identified below.

Visionary Innovation and Performance

Criterion 1: Addressing Unmet Needs

Criterion 2: Visionary Scenarios through Mega Trends

Criterion 3: Implementation of Best Practices

Criterion 4: Blue Ocean Strategy

Criterion 5: Financial Performance

Customer Impact

Criterion 1: Price/Performance Value

Criterion 2: Customer Purchase Experience

Criterion 3: Customer Ownership Experience

Criterion 4: Customer Service Experience

Criterion 5: Brand Equity

Best Practices Award Analysis for Tata Communications

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows research and consulting teams to objectively analyze performance according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Ratings guidelines are illustrated below.

RATINGS GUIDELINES

9–10 Excellent

7–8 Good

4–6 Fair

1–3 Poor
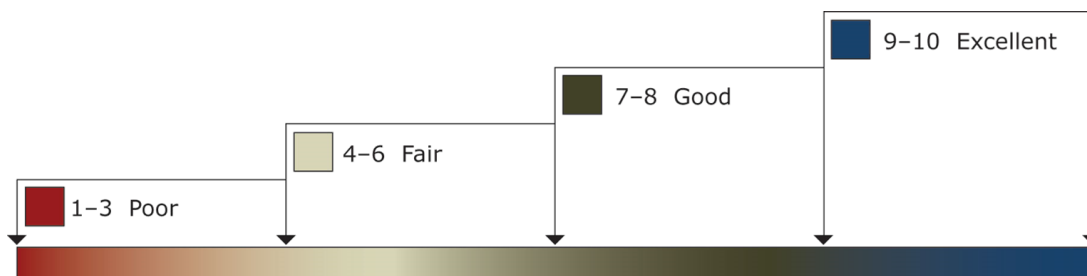
The Decision Support Scorecard considers Visionary Innovation and Performance and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms 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.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, Frost & Sullivan has chosen to refer to the other key participants as Competitor 1 and Competitor 2.

Measurement of 1–10 (1 = poor; 10 = excellent)			
Company of the Year	Visionary Innovation & Performance	Customer Impact	**Average Rating**
Tata Communications	**9**	**9**	**9**
Competitor 1	7	8	7.5
Competitor 2	6	6	6

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs
Requirement: Implementing a robust process to continuously unearth customers' unmet or underserved needs and creating the products or solutions to address them effectively.

Criterion 2: Visionary Scenarios through Mega Trends
Requirement: Incorporating long-range, macro-level scenarios into the innovation strategy, thereby enabling first-to-market growth opportunity solutions.

Criterion 3: Implementation of Best Practices
Requirement: Best-in-class strategy implementation characterized by processes, tools, or activities that generate a consistent and repeatable level of success.

Criterion 4: Blue Ocean Strategy
Requirement: Strategic focus on creating a leadership position in a potentially uncontested market space, manifested by stiff barriers to entry for competitors.

Criterion 5: Financial Performance
Requirement: Strong overall business performance in terms of revenue, revenue growth, operating margin, and other key financial metrics.

Customer Impact

Criterion 1: Price/Performance Value
Requirement: Products or services offer the best value for the price compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience
Requirement: Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience
Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience

Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.
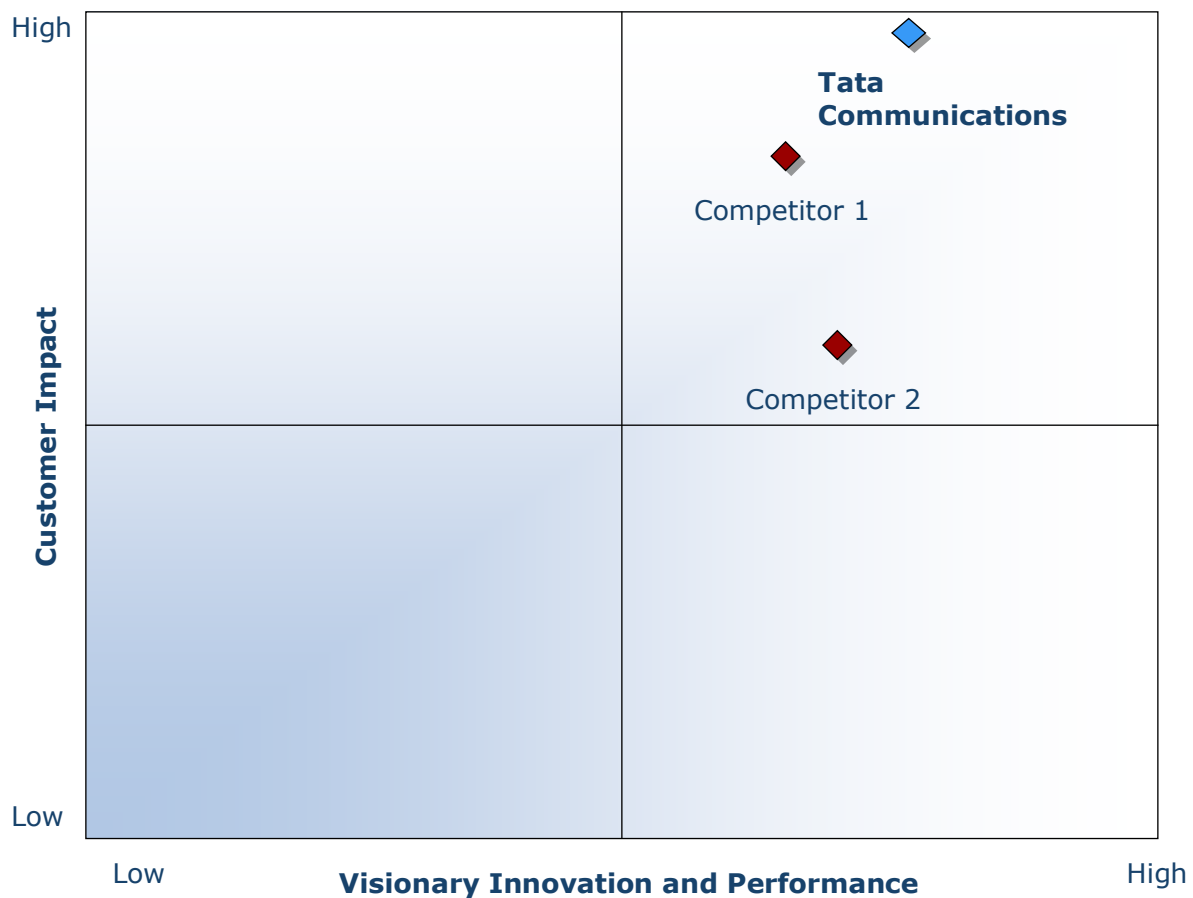
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best practice criteria. The reputation and integrity of the awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 **Monitor, target, and screen**	Identify award recipient candidates from around the world	• Conduct in-depth industry research • Identify emerging industries • Scan multiple regions	Pipeline of candidates that potentially meet all best practices criteria
2 **Perform 360-degree research**	Perform comprehensive, 360-degree research on all candidates in the pipeline	• Interview thought leaders and industry practitioners • Assess candidates' fit with best practices criteria • Rank all candidates	Matrix positioning of all candidates' performance relative to one another
3 **Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• Confirm best practices criteria • Examine eligibility of all candidates • Identify any information gaps	Detailed profiles of all ranked candidates
4 **Initiate research director review**	Conduct an unbiased evaluation of all candidate profiles	• Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles	Final prioritization of all eligible candidates and companion best practices positioning paper
5 **Assemble panel of industry experts**	Present findings to an expert panel of industry thought leaders	• Share findings • Strengthen cases for candidate eligibility • Prioritize candidates	Refined list of prioritized award candidates
6 **Conduct global industry review**	Build consensus on Award candidates' eligibility	• Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates	Final list of eligible award candidates, representing success stories worldwide
7 **Perform quality check**	Develop official award consideration materials	• Perform final performance benchmarking activities • Write nominations • Perform quality review	High-quality, accurate, and creative presentation of nominees' successes
8 **Reconnect with panel of industry experts**	Finalize the selection of the best practices award recipient	• Review analysis with panel • Build consensus • Select winner	Decision on which company performs best against all best practices criteria
9 **Communicate recognition**	Inform award recipient of recognition	• Present award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance	Announcement of award and plan for how recipient can use the award to enhance the brand
10 **Take strategic action**	Upon licensing, company able to share award news with stakeholders and customers	• Coordinate media outreach • Design a marketing plan • Assess award's role in strategic planning	Widespread awareness of recipient's award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients 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 practices models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit http://www.frost.com.