



2013 North American Mobile Workforce Management Product Line Strategy Award



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



50 Years of Growth, Innovation & Leadership

Product Line Strategy Award Mobile Workforce Management North America, 2013

Frost & Sullivan's Global Research Platform

Frost & Sullivan is in its 50th 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 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 2013 North American Product Line Strategy Leadership Award in Mobile Workforce Management to AT&T.

Significance of the Product Line Strategy Leadership Award

Key Industry Challenges Addressed by Leading Product Line Strategies

North American mobile workforce management applications are designed to track and manage mobile field workers and their tasks. This expanding market is being driven by a number of significant factors; however, it also continues to face key challenges. Current barriers to growth include: 1) A still-fragmented marketplace, 2) Implementation cost and return-on-investment (ROI) concerns on the part of the prospective customer, and 3) Worries regarding ease of use and worker resistance. A top-tier product line strategy will help providers address all three of these challenges.

As is typical of an early growth market, a great deal of fragmentation exists in the North American sector. The wide array of vendors, multiple channels, and a variety of approaches to implementation (standalone, bolt-on, integrated with current desktop ERP or Field Services solution, etc.) can be confusing and intimidating. There are also multiple additional components necessary to actually implement the mobile workforce management software, including the accompanying hardware devices (smartphones, tablets), network data plans, any necessary professional services, and post-sale technical support. Providers with best-in-class product line strategies will provide a vetted, organized set of product alternatives to customers – including all components to these solutions.

The annual Frost & Sullivan Mobile Enterprise Applications Survey reveals pronounced and continued concerns regarding the cost of mobile workforce management solutions. Interested prospects cite the following as major barriers to purchase: Overall cost of implementation, cost of the hardware devices, and the expense of any required software customization. As a result of these concerns, prospects also believe that the ROI for mobile workforce management solutions remains unclear. In response, leading product line

strategists will offer affordable pricing models, a range of price points, and attractive discount opportunities. Customer use cases will build upon these pricing approaches and demonstrate a quick, hard-dollar ROI to skeptical businesses.

Another challenge relates directly to the individual mobile field worker. If the individual employee finds the application difficult to use, then complications will arise with implementation and morale. This, in turn, can impact revenues and profitability. Leading providers will constantly strive to simplify and optimize their solutions' user interfaces, work flow processes, etc.

Key Benchmarking Criteria for Product Line Strategy Award

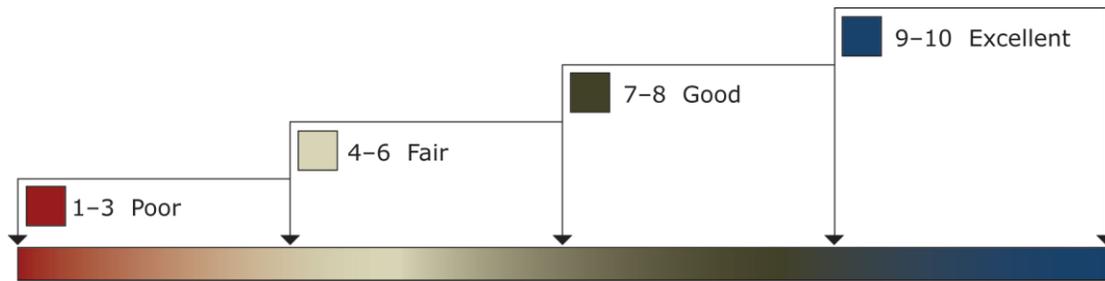
For the Product Line Strategy Leadership Award, the following criteria were used to benchmark AT&T's performance against key competitors:

- 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 1.

Chart 1: 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 2: Frost & Sullivan’s 10-Step Process for Identifying Award Recipients



Best Practice Award Analysis for AT&T

The Decision Support Matrix, shown in Chart 3, illustrates the relative importance of each criterion for the Company of the Year 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 3: Decision Support Matrix for Product Line Strategy Leadership 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	
Relative Weight (%)	20%	20%	20%	20%	20%	100%
AT&T	10	10	10	9	9	9.6
Competitor 1	9	7	8	7	7	7.6
Competitor 2	6	10	6	5	6	6.6

Criterion 1: Breadth of Product Line

This criterion is the crux of this year's product line strategy award. In a market as fragmented as mobile workforce management, the providers that assemble a vetted and comprehensive selection of solution alternatives are the ones that become the top contenders for this award. This application category encompasses many, many vertical industries and use cases – so limiting product selection to only a few alternatives is short-sighted and fails to adequately anticipate and address customer needs. A top-tier product line strategy strives to offer solutions across the range of verticals, company sizes, and use cases – and does so in an organized way that does not confuse the prospective customer.

AT&T continues to carefully augment its mobile workforce management portfolio, building upon a core set of solutions by Actsoft, Xora, Telenav/FleetCor, and ProntoForms. These four product partners provide best-in-class prepackaged applications aimed at satisfying entry-level, mid-tier and niche needs – and now AT&T is working with them to appeal up-market to larger businesses looking for easily-implementable MWM offerings. Very importantly, AT&T is also steadily incorporating complimentary solutions, such as its Enhanced Push to Talk (ePTT) and DWD (Driving While Distracted) products. Value-add services such as cloud storage and professional services are also being promoted and incorporated in order to deliver total solutions to businesses, rather than simple point applications. And, as always, more complex deployments can be ably handled by the carrier's Professional Services organization, working with MEAP (mobile enterprise applications platform) middleware.

Competitor #1 has re-engaged with this product category and is in the midst of refining its

line-up. Its pared-down selection of point products is quite good, although this provider needs to begin layering in complimentary products and consider looking for more up-market business with larger companies. Competitor #2 continues to offer its customers one alternative, but has certified a collection of other point solutions to have available if business customers reject its white-labeled product.

Criterion 2: Size of Addressable Customer Base

All three participants in this award analysis are North American wireless carriers and are national or global in scope. Competitor #1 currently has the smallest subscriber base, while AT&T and Competitor #2 are fairly equivalent.

Criterion 3: Impact on Customer Value

Optimizing customer value in the mobile workforce management category can take many forms. AT&T's carefully curated product line makes many things possible in this area. The carrier addresses customer concerns around cost by offering hosted solutions with their affordable per-user/per-month pricing model. In addition, AT&T includes MWM purchases when calculating a customer's annual volume discounts. The carrier promotes the fast, hard-dollar ROI of its prepackaged solutions. AT&T also supports the BYOD (bring your own device) trend that businesses are adopting – by supporting an array of mobile device operating systems, form factors, and product brands. AT&T is constantly evaluating its solution line-up to ensure representation by best-of-breed vendors, which in turn helps streamline its customers' product evaluation process. AT&T is directly addressing customer concerns regarding user-friendliness by working closely with its application developer partners to simplify their solutions, optimize the user interface, and add crucial capabilities such as enhanced analytics. As outlined previously, the carrier is focused on looking beyond point solutions to understand and address the complete set of needs a business has in its interactions with end-customers out in the field. The carrier understands that current MWM customers make the best prospects for additional app sales, and it makes a point of circling back to its customers a few months after initial deployment to evaluate the solution's effectiveness and to scope out additional needs that can be addressed.

Competitor #1 is not as strategic in the promotion and positioning of its current mobile workforce management product portfolio. It doesn't offer the same level of financial and advertising support to its application partners as AT&T does. And it doesn't yet leverage its current customers for additional sales as effectively as AT&T does. Competitor #1 does offer hosted pricing, volume discounts, and an array of device alternatives. It also is working more closely with its vendor partners to improve their products. Competitor #2's focus upon one MWM solution alternative seems to focus on keeping MWM efforts simple for itself, rather than directly addressing the gamut of customer needs.

Criterion 4: Impact on Market Share

AT&T's focus on assembling, supporting and promoting a comprehensive portfolio of mobile workforce management solutions has resulted in a higher market share in the North American sector. According to the 2013 Frost & Sullivan Mobile Enterprise Applications survey responses, 34% of companies currently using MWM solutions view AT&T as their primary brand. 9% use Competitor #1 products. 25% use Competitor #2's solution.

Criterion 5: Breadth of Applications/Markets Served

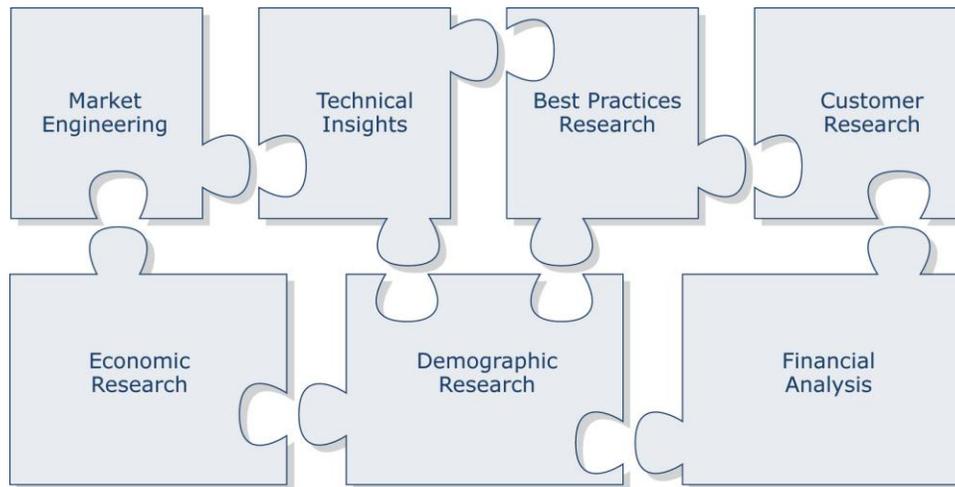
The AT&T mobile workforce management product line provides solutions for every size business and for all vertical industries that deploy field services and delivery personnel. The carrier actively supports vertical-specific efforts by its vendors, including strong marketing campaigns into the government sector. Both competitors maintain a more limited horizontal approach.

Conclusion

AT&T is a leader in building and marketing a comprehensive, customer-oriented portfolio of mobile workforce management solutions. The carrier continues to carefully augment its selection of offerings, partnering with best-in-class application developers and expanding its efforts to provide businesses with total solutions rather than limited point products. AT&T's success in this sector is based on its willingness to work with partners to constantly improve their products, to offer affordable pricing options to customers, and to provide much-needed promotional and advertising support in this early-growth market.

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 seven 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 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 4: 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 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.