

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

## FROST & SULLIVAN BEST PRACTICES AWARD

ENTERPRISE QUALITY AND COMPLIANCE FOR ENERGY  
AND UTILITIES - NORTH AMERICA

Customer Value Leadership Award 2019

The logo for AssurX, featuring the word "Assur" in a dark grey sans-serif font and "X" in a bold red sans-serif font. A red curved line arches over the "X".

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2019

BEST  
PRACTICES  
AWARD

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## Background and Company Performance

### *Industry Challenges*

The energy and utilities industry is one of the most regulated; companies must navigate the constantly changing compliance, business, and regulatory landscapes to control risks and better manage their enterprise. Failure to meet quality and compliance standards can result in significant financial and criminal penalties and legal actions that result in brand damage.

Because of the variety of tasks and challenges, stand-alone, point quality management and regulatory compliance software solutions intended for compliance, risk management, task management, evidence collection and assessment, asset and change management, incident reporting and mitigation, and cybersecurity will not suffice: a single quality management platform with comprehensive and reliable quality and compliance management solutions dedicated to the energy and utilities industry is needed. Energy and utility companies want a configurable, adaptable, and easy-to-use and -deploy software platform along with dedicated support and service that will allow them to effectively run their daily business. A vendor must be able to support them on their journey despite more complex operations, more enforcement, and a constantly changing compliance landscape.

A vendor that can offer a quality and compliance management platform with a broad portfolio of next-generation software solutions that easily adapt as the customer's business evolves would be able to enhance customer value and secure a leadership position in the market.

### *Customer Impact and Business Impact*

#### **Price Performance Value**

Frost & Sullivan industry research determined that the AssurX quality and compliance management platform serves the core elements of the energy and utilities industry by effectively combining industry-specific quality and compliance management software solutions including regulatory compliance management, North American Electric Reliability Corporation (NERC) reliability standards management, critical infrastructure protection (CIP) solutions addressing asset, access, patch, change, & incident management to support cyber-security, protection and control system maintenance, evidence management, risk management & internal controls, issue & mitigation management, document management, training management, & audit management.

While comprehensiveness is one of the distinct features of the platform, it also is future-proof to help customers not only meet their current needs but also scale easily, grow quickly, and update their business model in line with emerging market trends. One such trend is cybersecurity: the energy grid and infrastructure are constantly in danger of being hacked. Keeping in mind that energy companies have some of the strictest cybersecurity

management regulations, the AssurX quality and compliance management platform supports solutions for asset, patch, access management and more. Frost & Sullivan finds that AssurX delivers exceptional product and customer value with end-to-end, automated quality management and regulatory compliance software solutions that identify what energy and utility companies need to solve from a quality and compliance management perspective in a single, reliable, versatile, and enterprise-wide platform. Clients are no longer held back by relying on stand-alone point solutions to identify and reduce risks, improve quality, manage operations, streamline workflow, and prioritize and track activities across the enterprise.

The platform proactively identifies compliance gaps and risks, automatically notifies stakeholders when an issue arises, and provides them with the information they need to immediately evaluate, prioritize, and resolve the issue. Here is where Frost & Sullivan sees AssurX display its unique customer value leadership: AssurX customers, by quickly incorporating changes in requirements, standards, and directives, can now avoid fines, negative publicity, and legal actions associated with compliance failure.

AssurX ensures transparent control of every process. The software platform links and organizes compliance and risk data with schedules, tasks and activities, and compliance requirements across an enterprise. It facilitates communication among various silos in a customer's business and fosters an environment that encourages collaboration rather than conflict in the decision-making process. As a result, a single source of truth allows all compliance requirements to be met.

Frost & Sullivan applauds AssurX's deep understanding of the energy and utilities industry's needs and for offering an end-to-end platform that enables regulated companies to have better operational control and efficiency while remaining compliant from just one place in the cloud or on-premise and enjoy flawless performance at every point along the way.

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

AssurX differentiates itself from other vendors on several fronts; chief among them is partnering with customers to identify their needs and delivering solutions through continuous, customer-driven improvement. Frost & Sullivan concluded that the aspects of the platform that deliver the greatest value to customers are its ease of use and configurability, adaptability, extremely high uptime and performance, integration with other systems, scalability, and flexible deployment options.

The platform is highly configurable, which allows users to easily set up quality processes and workflows to meet their unique requirements through drag-and-drop, codeless configuration that results in efficient tasking and increased user productivity. Frost & Sullivan appreciates that this user-friendly approach eliminates the need for hiring expensive coders or relying on intermediaries.

AssurX believes that visual representation of a plan and visual indicators of performance are powerful elements of success; therefore, its platform was designed with native, built-in, well-defined, and user-friendly metrics, analytics and report builders, and key performance indicator measurement tools that help to quickly and easily identify risks and avoid non-compliance issues. Customers find this built-in feature attractive because it does not force them to go to Crystal, BusinessObjects, or some other reporting tool; instead, users can easily compare multiple scenarios, visualize them fully, and understand the quality merits. AssurX also supports these reporting tools if they are already in use by the customer.

Facilitating seamless coordination and connectivity across different enterprise systems, AssurX offers heavy-duty integration with other cloud-based and on-premise systems—everything from Oracle to Documentum to Salesforce.

AssurX is one of the pioneers in cloud-based enterprise quality management systems (EQMS) since 2001. The AssurX native cloud QMS, comparable to Salesforce because it is built from the ground up as opposed to competitors' being bolt-on, has a Web app and responsive design that can be used on all devices (e.g., smartphone and tablet) and can deal with single-instance as well as with multi-tenant environments.

Keeping in mind that some of its customers start on-demand in the cloud and later move to on-premise, AssurX offers the same, exact product for both; as a result, its customers can easily move back and forth between these two environments. Frost & Sullivan appreciates this customer-centric approach that supports seamless migration. In addition, AssurX offers standard, advanced, and dedicated cloud tiers for companies that want to control upgrades: customers essentially can be on their own instance.

The platform is highly configurable without any changes required to the source code. This allows the customer to update to a new version of the core product without affecting the customers' configurations. Therefore, when AssurX pushes a new version, every customer gets it and it does not disturb any other solution that customers have installed or created. The AssurX system also includes all the metrics tools, alerting tools, dashboards, and all the configurability.

Frost & Sullivan finds that such unparalleled product attributes have helped AssurX instill pride in ownership among its customers.

### **Customer Service Experience**

With the platform being deployed at multiple sites around the world, AssurX works closely with customers to ensure an optimal service experience. It regularly contacts customers to remain abreast of their needs and ensures that they have the latest versions of the platform. AssurX gets customers up and running quickly and provides them full service and support, whether by phone, email, or on-site.

AssurX treats the request for proposal and demonstration process as if the prospect is already a customer. A primary factor that has contributed to the company's success is its professional services consulting team with unmatched industry expertise and understanding of every aspect of the customer's business and their requirements. The team offers remote or on-site implementation, validation, and integration. Customers also appreciate the fact that they talk to AssurX implementation experts who can share the best practices about what they have learned rather than just salespeople.

The AssurX on-demand solution can be easily deployed, configured, used, and modified by customers with minimal IT training: AssurX takes care of the end-to-end hardware, software, and server installation, delivery, maintenance, backup, patches, and upgrades. This frees customers to focus on other business operations. Frost & Sullivan notes that competing on-demand quality management software requires management and administration by qualified IT personnel.

The company's comprehensive service also includes customer mentoring and training ranging from basic to advanced training offered at customer's site, AssurX's facility or online to effectively use the AssurX platform and gain maximum value, and to accelerate its customer's proficiency with AssurX solutions.

### **Customer Acquisition and Growth Potential**

AssurX has approximately 300 customers (100 on-premise and 200 on-demand) and tens of thousands of individual users. The company has a direct sales model and does not use channels or resellers. AssurX is focused on serving medium (\$50 million to \$250 million) to large (up to \$20 billion) companies. Its leading energy and utility customers include Duke Energy, Exelon, and Pacific Gas & Electric, which are the biggest power providers in the United States. Independent system operators (ISOs) such as New York ISO and Midwest ISO have also adopted the platform.

Frost & Sullivan notes that companies choose AssurX because of its reputation for providing full-service, customer-centric solutions for decades. One of AssurX's best practices is that it is not driven by how many deals it closes; rather, it focuses on getting good matches for its product and then concentrates on customer retention. As a result, many of its customers are long-term and have pursued expansion projects. For instance, Northeast Utilities (now Eversource), Pacific Gas & Electric, and Portland General Electric have been with AssurX for more than 10 years.

Overall, AssurX has a customer retention rate of more than 90%. The company does an analysis of any customer that leaves and found that most times a departure is only because funding stopped or management changed rather than related to AssurX's performance. All AssurX employees are in-house; it does not outsource any work. Boasting high customer satisfaction, one of the highest customer retention rates in the industry, and a robust and continuously expanding customer base, AssurX is expected to further strengthen its position in the North American market.



Being privately held and with no venture funding, AssurX is debt-free and has a strong roadmap of companywide initiatives (e.g., Health Insurance Portability and Accountability Act and General Data Protection Regulation compliance, cybersecurity training), platform initiatives (cloud and analytics innovation), and industry initiatives (e.g., risk management such as background checks and extended and improved password authentication and connectivity). AssurX has gained the attention of leaders from a wide range of other industries, including life sciences, medical devices, manufacturing, high-tech, and food and beverage. One of its customers is Toray Industries, which supplies all composite materials for the Boeing 787 Dreamliner. The U.S. Navy uses the AssurX quality management platform for audits and corrective action systems globally, and is embarking on a big initiative to streamline audits. Frost & Sullivan finds that the high level of customer satisfaction with the AssurX quality management platform across a plethora of verticals and its drive to reinvest in growth initiatives positions the company for additional growth.

## *Conclusion*

Energy and utility companies needed an end-to-end quality and compliance management software solution to ensure compliance, reduce risks, and manage operations amid a constantly changing industry landscape. The AssurX quality and compliance management platform successfully addresses this need in a single, flexible, enterprise-wide system. Frost & Sullivan's independent analysis shows that the company has gained a competitive edge by solving a critical challenge for enterprises: their reliance on point solutions. AssurX delivers unmatched value by helping customers identify compliance gaps and risks and quickly incorporate changes in requirements and standards, directives, or process improvements despite the dynamic landscape. To remain competitive and ultimately deliver unmatched value, AssurX has made its quality management platform the easiest to deploy, configure, modify, and use.

Frost & Sullivan believes that AssurX, by focusing on its customers' needs, supporting them on their journey every step of the way, and keeping an eye on the regulatory and technological landscape, will continue to succeed. With its strong overall performance, AssurX has earned Frost & Sullivan's 2019 Customer Value Leadership Award.

## Significance of Customer Value Leadership

Ultimately, growth in any organization depends upon customers purchasing from a company and then making the decision to return time and again. Delighting customers is, therefore, the cornerstone of any successful growth strategy. To achieve these dual goals (growth and customer delight), an organization must be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.



## Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by two macro-level categories: Customer Impact and Business Impact. These two sides work together to make customers feel valued and confident in their products' quality and long shelf life. This dual satisfaction translates into repeat purchases and a high lifetime of customer value.



## Key Benchmarking Criteria

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated two key factors—Customer Impact and Business Impact—according to the criteria identified below.

### 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

### Business Impact

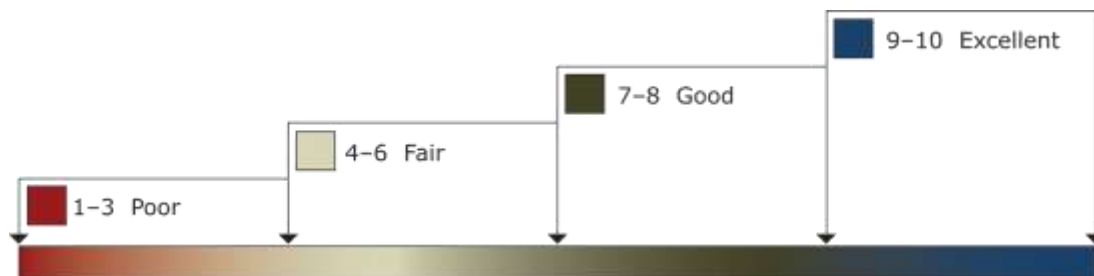
- Criterion 1: Financial Performance
- Criterion 2: Customer Acquisition
- Criterion 3: Operational Efficiency
- Criterion 4: Growth Potential
- Criterion 5: Human Capital

## Best Practices Award Analysis for AssurX

### 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 our 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



The Decision Support Scorecard is organized by Customer Impact and Business Impact (i.e., These are 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, we have chosen to refer to the other key participants as Competitor 2 and Competitor 3.

<i>Measurement of 1–10 (1 = poor; 10 = excellent)</i>			
<b>Customer Value Leadership</b>	Customer Impact	Business Impact	Average Rating
<b>AssurX</b>	<b>9.2</b>	<b>9.2</b>	<b>9.2</b>
Competitor 2	8.0	8.0	8.0
Competitor 3	7.5	7.5	7.5

## *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 most 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.

## *Business Impact*

### **Criterion 1: Financial Performance**

Requirement: Overall financial performance is strong in terms of revenues, revenue growth, operating margin, and other key financial metrics.

### **Criterion 2: Customer Acquisition**

Requirement: Customer-facing processes support the efficient and consistent acquisition of new customers, even as it enhances retention of current customers.

### **Criterion 3: Operational Efficiency**

Requirement: Staff is able to perform assigned tasks productively, quickly, and to a high quality standard.

### **Criterion 4: Growth Potential**

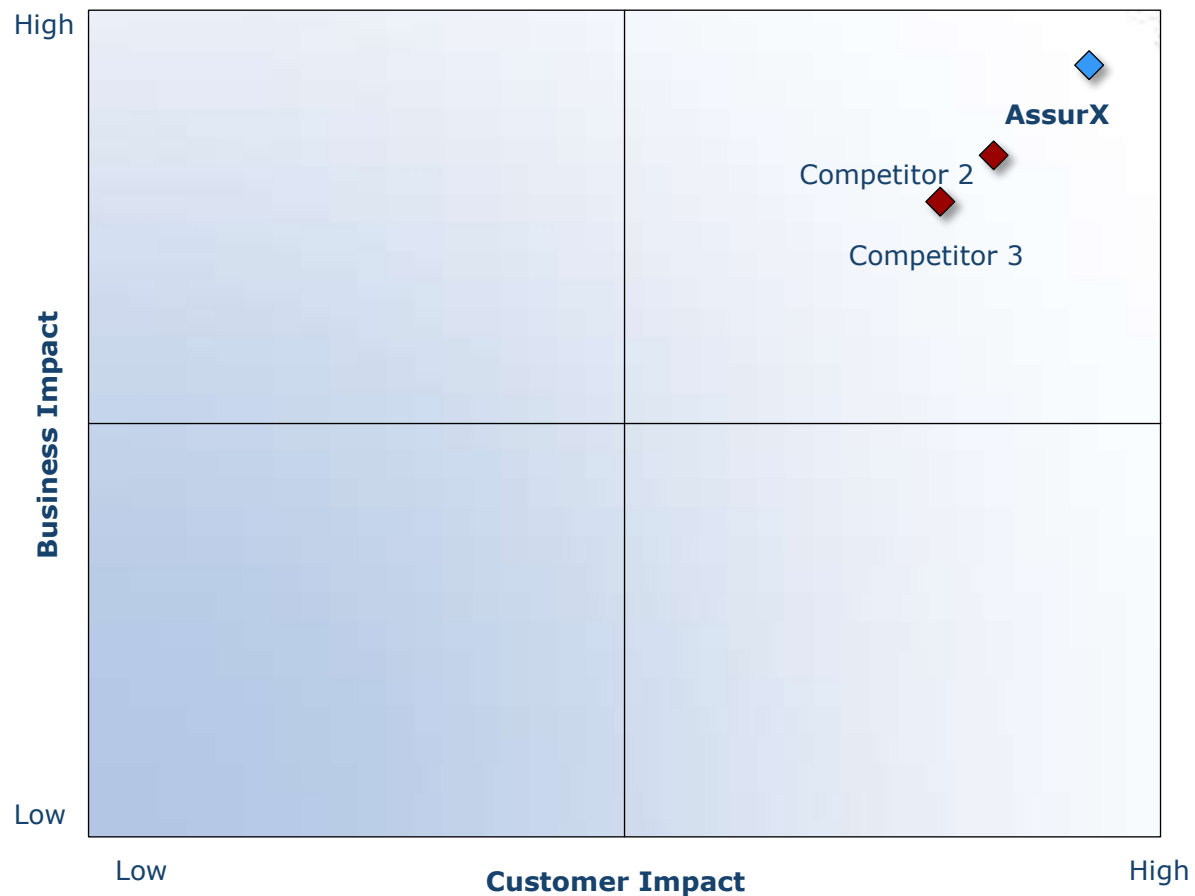
Requirements: Customer focus strengthens brand, reinforces customer loyalty, and enhances growth potential.

**Criterion 5: Human Capital**

Requirement: Company culture is characterized by a strong commitment to quality and customers, which in turn enhances employee morale and retention.

***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 <b>Monitor, target, and screen</b>	Identify Award recipient candidates from around the globe	<ul style="list-style-type: none"> <li>Conduct in-depth industry research</li> <li>Identify emerging sectors</li> <li>Scan multiple geographies</li> </ul>	Pipeline of candidates who potentially meet all best-practice criteria
2 <b>Perform 360-degree research</b>	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> <li>Interview thought leaders and industry practitioners</li> <li>Assess candidates' fit with best-practice criteria</li> <li>Rank all candidates</li> </ul>	Matrix positioning of all candidates' performance relative to one another
3 <b>Invite thought leadership in best practices</b>	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> <li>Confirm best-practice criteria</li> <li>Examine eligibility of all candidates</li> <li>Identify any information gaps</li> </ul>	Detailed profiles of all ranked candidates
4 <b>Initiate research director review</b>	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> <li>Brainstorm ranking options</li> <li>Invite multiple perspectives on candidates' performance</li> <li>Update candidate profiles</li> </ul>	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 <b>Assemble panel of industry experts</b>	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> <li>Share findings</li> <li>Strengthen cases for candidate eligibility</li> <li>Prioritize candidates</li> </ul>	Refined list of prioritized Award candidates
6 <b>Conduct global industry review</b>	Build consensus on Award candidates' eligibility	<ul style="list-style-type: none"> <li>Hold global team meeting to review all candidates</li> <li>Pressure-test fit with criteria</li> <li>Confirm inclusion of all eligible candidates</li> </ul>	Final list of eligible Award candidates, representing success stories worldwide
7 <b>Perform quality check</b>	Develop official Award consideration materials	<ul style="list-style-type: none"> <li>Perform final performance benchmarking activities</li> <li>Write nominations</li> <li>Perform quality review</li> </ul>	High-quality, accurate, and creative presentation of nominees' successes
8 <b>Reconnect with panel of industry experts</b>	Finalize the selection of the best-practice Award recipient	<ul style="list-style-type: none"> <li>Review analysis with panel</li> <li>Build consensus</li> <li>Select recipient</li> </ul>	Decision on which company performs best against all best-practice criteria
9 <b>Communicate recognition</b>	Inform Award recipient of Award recognition	<ul style="list-style-type: none"> <li>Present Award to the CEO</li> <li>Inspire the organization for continued success</li> <li>Celebrate the recipient's performance</li> </ul>	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10 <b>Take strategic action</b>	Upon licensing, company is able to share Award news with stakeholders and customers	<ul style="list-style-type: none"> <li>Coordinate media outreach</li> <li>Design a marketing plan</li> <li>Assess Award's role in future strategic planning</li> </ul>	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 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. Too often companies make important growth decisions based on a narrow understanding of their environment, leading to 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, 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 more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.