



ZILKR

**2017 North American
Communications Platform as a Service
Enabling Technology Leadership Award**

FROST & SULLIVAN

BEST
2017 **PRACTICES**
AWARD

**NORTH AMERICAN
COMMUNICATIONS PLATFORM AS A SERVICE
ENABLING TECHNOLOGY LEADERSHIP AWARD**

Contents

Background and Company Performance	3
<i>Industry Challenges</i>	3
<i>Technology Leverage and Customer Impact</i>	4
<i>Conclusion</i>	6
Significance of Enabling Technology Leadership	7
Understanding Enabling Technology Leadership	7
<i>Key Benchmarking Criteria</i>	8
Best Practices Award Analysis for Zilkr	8
<i>Decision Support Scorecard</i>	8
<i>Technology Leverage</i>	9
<i>Customer Impact</i>	9
<i>Decision Support Matrix</i>	10
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices	11
The Intersection between 360-Degree Research and Best Practices Awards.....	12
<i>Research Methodology</i>	12
About Frost & Sullivan	12

Background and Company Performance

Industry Challenges

Communications platforms as a service (CPaaS) is arguably one of the fastest growing segments in the overall enterprise communications industry. Application developers are leveraging CPaaS solutions to embed voice, video, and messaging capabilities into their applications quickly and easily, without the need for significant investments in communications infrastructure. Businesses of all sizes and verticals are also beginning to understand the value of CPaaS. They increasingly see these on-demand, application programming interface (API)-driven cloud platforms as an opportunity to fill the gaps in business communications that are left unaddressed by their current platforms and services. The existing competitors in the CPaaS market are quickly gaining traction and scaling up in terms of the number of voice minutes and SMS messages being sent every quarter.

This has not gone unnoticed by the more traditional communications service providers, including incumbent and competitive telecommunications carriers, voice over Internet protocol (VoIP) access and session initiation protocol (SIP) trunking providers, and unified communications as a service (UCaaS) providers. As a result of the groundswell of interest in CPaaS, these providers are seeking ways to quickly join in the API economy. Intensifying competition and market consolidation compel service providers to seek ways to differentiate and deliver greater value to customers. CPaaS solutions create an opportunity for providers to address unmet customer needs and thus gain a competitive edge and boost revenues. However, developing new platforms or enhancing existing services to incorporate CPaaS capabilities is a time-consuming and expensive process. Carriers are often very conservative about infrastructure investments and have to balance the risks and rewards of capital expenditures when considering adding new services.

In addition, current and future success in the CPaaS market will require a broad base of support from the application developer community. While mainstream enterprise adoption is starting to accelerate, independent developers and startups still make up the majority of CPaaS consumers. As such, it is incumbent on providers to attract and retain the attention of this market segment. This is a different type of engagement and relationship from what most providers are used to and many struggle adjusting to new market requirements.

Ultimately, entering the CPaaS market has the potential to be a lucrative but risky proposition for established service providers. Fortunately, innovative companies are leading service providers into the API economy. Leadership in service provider enablement solutions requires focusing on managing the CPaaS journey for providers and delivering unique capabilities that complement and enhance provider core competencies. Leading enabling technology vendors are doing much of the heavy lifting for service providers in terms of supporting the developer community, as well as leveraging business models that support sharing the risk between the provider and enabler.

Technology Leverage and Customer Impact

Commitment to Innovation

Zilkr is one of a small number of vendors that enable service providers to bridge the gap between their existing voice and messaging services and the API-driven CPaaS services. Zilkr's cloud-based platform delivers a full CPaaS service to providers as an overlay on top of the provider's communications infrastructure, thus enabling carriers to deliver a full CPaaS solution to businesses. Zilkr's approach provides significant value to service providers that wish to provide innovative value-added services to their customers, but lack the in-house resources to deploy their own API-driven CPaaS platforms. Zilkr's platform also appeals to service providers committed to a "cloud-first" approach with their service offerings. These providers would prefer to partner with someone like Zilkr to provide a CPaaS platform rather than standing up additional infrastructure.

Zilkr's innovative approach to CPaaS deployment is highly differentiated from that of the majority of CPaaS providers. Most competitors deliver end-to-end solutions that comprise the telephony network as well as the API integrations. Zilkr uniquely combines telecom carriers' robust network capabilities with its own agile cloud-based platform to bring compelling CPaaS solutions to end customers.

As such, Zilkr operates as an agile startup, with not only the ability to quickly bring new services and capabilities to its portfolio, but also to respond quickly to the needs of its provider customers. As an overlay on top of service provider network services, Zilkr can continuously update and enhance its service without having a material impact on the provider's infrastructure.

Similarly, Zilkr can operate on behalf of all of its provider partners in the broader application ecosystem to ensure interoperability. For example, Zilkr can collaborate directly with a particular application vendor to ensure that embedded communications features work within specific applications, to the benefit of all of Zilkr's provider partners. In this way, Zilkr enables a level of shared innovation that service providers would be unlikely to achieve on their own.

Overall, Zilkr delivers highly innovative solutions as well as fosters innovation throughout the communications provider ecosystem.

Customer Ownership Experience

For its provider customers, Zilkr delivers an end-to-end CPaaS solution that enables a provider's telecommunications services to be leveraged by independent developers and enterprise development teams. Unlike some competitors that require on-premises media servers to be deployed within the provider infrastructure, Zilkr's solution is operated from the vendor's cloud. This means that ongoing solution maintenance, upgrades and enhancements are managed by Zilkr, relieving the burden off the provider. In addition, Zilkr provides integration support, working closely with its provider customers to connect the carrier infrastructure to Zilkr's cloud. Zilkr effectively leverages its own knowledge of

the most popular provider infrastructure platforms, such as BroadSoft's BroadWorks. Just as businesses have embraced cloud services to minimize the need for additional staffing and in-house knowledge, with Zilkr providers have an alternative to the significant capital investment often required to provide new services.

Equally important, Zilkr also engages and supports the developer community on the behalf of its provider customers. The vendor understands the challenges and objectives of both coders and telecommunications experts, and through its services, establishes a bridge between the two. In addition, Zilkr serves as an advocate for the nascent CPaaS market, educating the developer, business, and provider communities about the benefits of CPaaS.

Through its unique approach, Zilkr delivers a superior ownership experience to both telco partners and end customers.

Price/Performance Value

Zilkr has found success in enabling the CPaaS market by leveraging the same "as a service" business model that its provider customers are themselves moving to. Zilkr bills providers for its service based solely on the usage of the provider's customers. Unlike some of its competitors, Zilkr does not require a significant investment on the part of the provider. Zilkr instead offers a utilization-based business model with monthly fees based on the average number of daily transactions that run through its service. In this way, Zilkr assumes much of the risk in deploying a provider's CPaaS offering. The pricing model is particularly compelling to telecom carriers and Zilkr finds that even the most conservative of service providers are willing to consider adding CPaaS solutions into their offerings using Zilkr's cloud services.

This shared risk also means that Zilkr's success is tied directly to its partners' success, providing ongoing motivation to Zilkr to constantly improve their solution, expand it with new features, as well as work with partners to enhance the value of their CPaaS offerings. This type of relationship is in contrast to reselling another provider's CPaaS services or the costly investment required for a provider to build its own platform in-house.

Reduced risk and usage-based pricing, position Zilkr as a highly desirable partner for the service provider community.

Stage Gate Efficiency

Frost & Sullivan defines stage gate efficiency as the adoption of technology to enhance the stage gate process for launching new products and solutions. In the case of Zilkr, the company's platform provides the technology and the stage gate for its provider partners to deliver new products and solutions. Put another way, Zilkr enables a provider's existing communications services to be leveraged as a CPaaS, but the provider makes the ultimate determination on how these API-driven services are purchased and consumed by their business customers. For example, a service provider could choose to replicate the most common transaction-based CPaaS model, charging a per-API rate. Alternately, the provider could offer CPaaS as a value-added service to its existing customers in order to

gain additional utilization on their core communications services. In another example, providers could leverage Zilkr on top of their services to support specific application integrations, such as the commonly requested Salesforce integration, as well as to foster their own application development and integration efforts. Zilkr's platform opens up traditionally isolated communications services, and as result, expands a service provider's communications portfolio to a nearly limitless number of new product offerings and value-added services.

Application Diversity

At its core, Zilkr's solution offers service providers an opportunity to offer their customers a new way to consume their voice and messaging services. Beyond basic telecommunications services connected to on-premises private branch exchanges (PBXs) or unified communications (UC) platforms, API-driven CPaaS offerings allow businesses to embed communications or text notifications within applications, streamline business workflows by incorporating communication into essential business applications, or even automatically provision and tailor their services to meet specific business objectives.

Beyond CPaaS, Zilkr enables service providers to participate in the broader "API Economy". With a CPaaS solution in place, a provider's communications services can be leveraged as a component of the larger integration platform as a service (IPaaS) market. While CPaaS is narrowly focused on the programmatic automation of communication elements, IPaaS incorporates "mash-ups" across the wide spectrum of cloud-based applications. Through Zilkr and its integration with IPaaS partner Cloudpipes, for example, providers can allow customers to integrate their communications services with over 150 different applications including the most popular customer relationship management (CRM), team collaboration, and helpdesk tools. Zilkr's CPaaS overlay allows end customers to either directly connect CPaaS to these applications, or bridge communications into a larger IPaaS strategy.

Conclusion

Zilkr's platform enables service providers to take advantage of the next frontier in enterprise communications, the communications as a service market. Frost & Sullivan's research clearly shows that with its provider-friendly pricing model, bolstered by ongoing support and advocacy services, Zilkr affords providers the opportunity to participate in the burgeoning API Economy with minimal investment and a shared risk.

For its strong overall performance, Zilkr has earned Frost & Sullivan's 2017 Enabling Technology Leadership Award.

Significance of Enabling Technology Leadership

Ultimately, growth in any organization depends upon customers purchasing from a company and then making the decision to return time and again. In a sense, then, everything is truly about the customer—and making those customers happy is the cornerstone of any long-term successful growth strategy. To achieve these goals through enabling technology leadership, an organization must be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Enabling Technology Leadership

Product quality (driven by innovative technology) is the foundation of delivering customer value. When complemented by an equally rigorous focus on the customer, companies can begin to differentiate themselves from the competition. From awareness, to consideration, to purchase, to follow-up support, best-practice organizations deliver a unique and enjoyable experience that gives customers confidence in the company, its products, and its integrity.

Key Benchmarking Criteria

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

Technology Leverage

- Criterion 1: Commitment to Innovation
- Criterion 2: Commitment to Creativity
- Criterion 3: Stage Gate Efficiency
- Criterion 4: Commercialization Success
- Criterion 5: Application Diversity

Customer Impact

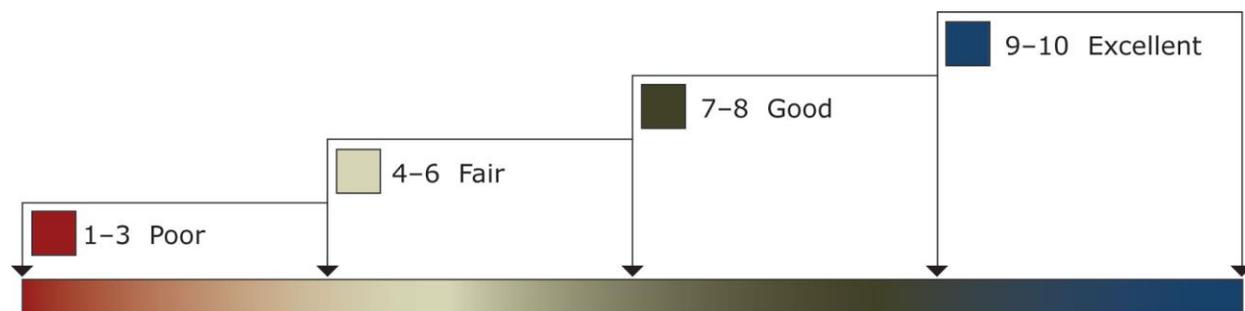
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practices Award Analysis for Zilkr

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 Technology Leverage and Customer 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, Frost & Sullivan chooses to refer to the other key participants as Competitor 2 and Competitor 3.

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>			
Enabling Technology Leadership	Technology Leverage	Customer Impact	Average Rating
Zilkr	9	9	9
Competitor 2	9	7	8
Competitor 3	8	8	8

Technology Leverage

Criterion 1: Commitment to Innovation

Requirement: Conscious, ongoing adoption of emerging technologies that enables new product development and enhances product performance

Criterion 2: Commitment to Creativity

Requirement: Technology leveraged to push the limits of form and function in the pursuit of “white space” innovation

Criterion 3: Stage Gate Efficiency

Requirement: Adoption of technology to enhance the stage gate process for launching new products and solutions

Criterion 4: Commercialization Success

Requirement: A proven track record of taking new technologies to market with a high rate of success

Criterion 5: Application Diversity

Requirement: The development and/or integration of technologies that serve multiple applications and can be embraced in multiple environments

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

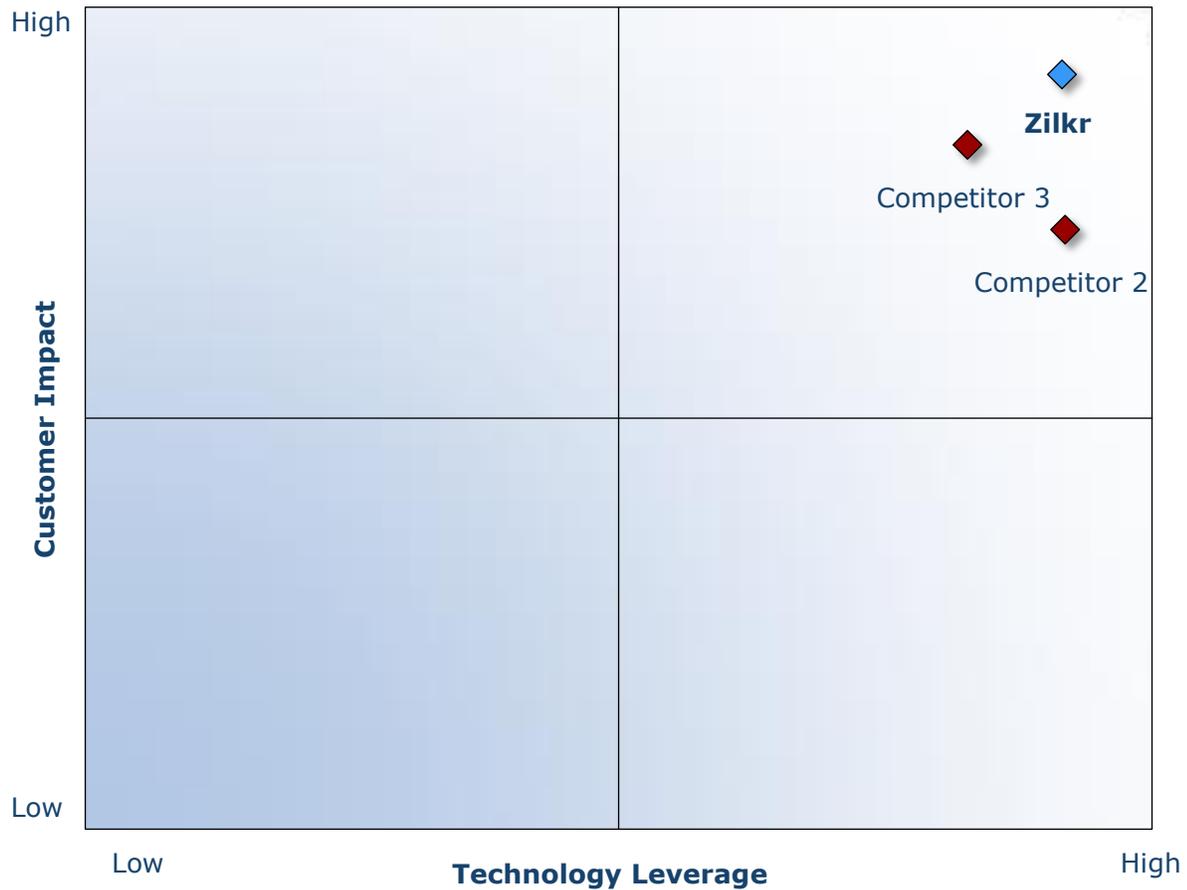
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity

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

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 globe	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies 	Pipeline of candidates who potentially meet all best-practice criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice 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	<ul style="list-style-type: none"> • Confirm best-practice 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	<ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles 	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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-practice Award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select recipient 	Decision on which company performs best against all best-practice criteria
9 Communicate recognition	Inform Award recipient of Award recognition	<ul style="list-style-type: none"> • 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
10 Take strategic action	Upon licensing, company is able to share Award news with stakeholders and customers	<ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess Award's role in future 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 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>.