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QUMU

2018 Global Enterprise Video Platforms
Competitive Strategy Innovation and Leadership Award

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2018 BEST PRACTICES AWARD

GLOBAL ENTERPRISE VIDEO PLATFORMS
COMPETITIVE STRATEGY INNOVATION
AND LEADERSHIP AWARD

2018
BEST PRACTICES
AWARDS

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Background and Company Performance

Industry Challenges

Video, today, is truly revolutionizing the way enterprises all over the world engage with their stakeholders. Large organizations with globally dispersed employees have considered video to be a cost-effective tool to reach the broadest audience on the broadest range of devices for many years now. However, over the past 18-24 months, the widespread popularity gained by consumer live video platforms such as YouTube, Facebook, Periscope and Instagram Live is more than trickling down into the enterprise, creating huge demand for enterprise video platforms across all verticals. As a result, video has seen a wave of mass adoption and has swiftly become the communication tool of choice for executives, corporate communicators, marketing and training departments looking to engage their employees, customers, partners, investors and suppliers among others. According to Frost & Sullivan analysis, the Enterprise Video Market continued to demonstrate steady growth in 2017.

Vendors from complementary markets have long recognized the EVP market's potential for growth and have invested in this space, expanding their product portfolios beyond their traditional core competency and creating video platforms that enable large enterprise clients deliver live and on-demand video. Thus, competition in the EVP market is stiff with a range of solutions offered by traditional webcasters, unified communications, content management and online video platforms providers. 2016 also marked the year technology giants such as Microsoft and IBM entered the EVP market in a big way. Competition in this market will continue to be fierce, and all vendors will face pricing pressures. Communicating value proposition and differentiation to prospective customers who have the luxury of choice in this fragmented market is a challenge.

Global economic uncertainty combined with some industry specific austerity measures shrinks technology budgets at enterprises. IT departments often choose to upgrade existing document-based, operational or workflow systems instead of video solutions. Added to this, many enterprises are inherently slow, and sales cycles in this market range from unpredictable to long-drawn.

Within the enterprise, the network continues to be the first and foremost challenge. Delivering broadcast-quality video, especially live video, to tens of thousands of employees, irrespective of whether they are in conference rooms, remote office, or in transit in a secure, scalable and reliable manner consistently is not an easy task to accomplish. Also, as the creation of video has been democratized, the sources and destination devices for video have proliferated creating the need for platforms that effectively and seamlessly ingest, manage and deliver live and on-demand content.

Where investments have been directed towards enterprise video and solutions deployed, it is often found that video is sparingly used beyond the high profile executive broadcast and training events. Changing an employee base culturally and encouraging people to lower

inhibitions toward creating content are both time consuming and challenging. The lack of executive sponsorship to drive such a change initiative often leads to instances of un-utilized or under-utilized EVPs. From a product perspective, vendors must build simpler, easy-to-use, intuitive systems complete with a strong partner ecosystem.

Strategy Innovation and Customer Impact

Growth Strategy

Qumu's vision is to be the leading provider of best-in-class tools to create, manage, secure, distribute and measure the success of live and on demand video for the enterprise. Qumu's growth strategy involves empowering enterprises to adapt to evolving audience behaviors, deliver video across all networks, and reach all constituents and stakeholders—regardless of their device or endpoint configuration. Qumu focuses on being a trusted advisor to clients and partners, and the innovation leader when scalability, reliability and security are critical.

In addition to the more traditional use-cases such as executive address and sales enablement, Qumu's platform is used for live and on-demand employee collaboration, employee onboarding, external communications, internal training and IPTV. The company continues to support and enhance their capabilities around traditional use-cases, while also looking to the future—identifying innovative ways in which enterprise stakeholders will use video, incorporating those in their product roadmap and enabling these through their end-to-end platform.

Competitive Differentiation

Qumu has rapidly evolved from traditional on-premises enterprise video deployments to a cloud first company, offering cloud and hybrid deployment models which involve a combination of cloud computing infrastructure and on-premise network optimization. In 2016 and 2017, Qumu added over 60 cloud and cloud-hybrid customers, including some of the largest Global 2000 companies in the world. However, even as the market is largely moving toward cloud solutions, there are still market segments like Financial Services and Life Sciences with serious security concerns around video content. Qumu's on-premises experience and availability of flexible deployment models makes it very well positioned to serve segments of the market that are interested in a combination or 'hybrid' approach.

Similarly, as one of the first enterprise video webcasting companies in the market, live video forms part of the Qumu DNA. While several other competitors in the market offer exclusively corporate YouTube platforms, Qumu has known and worked through the challenges of delivering live video at scale for tens of thousands of enterprise stakeholders across multiple screens, reliably and securely. In addition to providing the platform to handle cloud, hybrid and on-premise distribution, Qumu also provides a business rules engine called Pathfinder that customers leverage for intelligent video delivery. Customers

such as MasterCard, Bayer, AT&T, Vodafone, and Dow have run thousands of live events using the Qumu platform.

As the popularity of live video in the consumer landscape has grown tremendously in the past 12-18 months, the demand for live, real-time communications in the enterprise has also soared—and experience with live video allows Qumu to differentiate itself in a fragmented competitive environment. Enterprises that are well along in their journey with video typically accumulate multiple solutions from a variety of enterprise video vendors to handle use cases such as training, webcasting and corporate communications. But over the past 2 to 3 years, we have seen these enterprises re-evaluate their video strategies, initiate a new round of RFPs, and consolidate enterprise video under a single vendor. Qumu, with its best-in-class and true end-to-end platform, has been a key beneficiary of this trend.

Customer Purchase Experience

Qumu focuses on enabling the sharing of knowledge thru video, for the largest and most globally-dispersed enterprises in the world. During the evaluation process the Qumu team engages in a consultative sales approach, acting as a trusted advisor and working to understand where companies are in their journey with video, and where they want to be. While there are still smaller enterprises such as hedge funds and asset management firms that opt for a pure cloud solution, Qumu's biggest differentiator continue to be in the large enterprise—where security, scalability and reliability are key, needs are complex, and a comprehensive solution is required. These premium customers require enterprise-level service, and rely on Qumu's experienced staff and proven solution to reach their audiences across a variety of devices and portals.

Brand Equity

Founded in 2002 as a media publishing company and sold by Yahoo! that same year, Qumu was one of the first companies to enter the enterprise video space. Over the years since its founding, the enterprise video market has grown significantly—yet despite a sea of entrants from adjacent markets like unified communications, audio visual and webcasting, Qumu has maintained a healthy leadership position. The company's strong brand reputation, laser-like focus on business video, commitment to the Global 2000 and true end-to-end solution make it the enterprise video platform of choice across a variety of verticals including Financial Services, Manufacturing, Business Services, Telecommunications, Technology and Life Sciences.

Conclusion

Qumu's ability to traverse through the complexities of delivering live and on-demand video in a secure, scalable and reliable fashion to internal and external enterprise stakeholders make it the partner of choice for global companies interested in executing an enterprise video strategy. Qumu's true end-to-end platform approach, experience with large and dispersed global organizations, strength in live webcasting, and intuitive, engaging viewer portals are a source of competitive differentiation. Qumu works with its customers, anticipating changes to their business landscape, ensuring that the Qumu platform evolves to continuously address the communications needs of the hour. With its strong overall performance, Frost & Sullivan is proud to name Qumu its 2018 Global Competitive Strategy Innovation and Leadership Award recipient.

Significance of Competitive Strategy Innovation and Leadership

Any successful approach to achieving top-line growth must (1) take into account what competitors are, and are not, doing; (2) meet customer demand with a comprehensive, value-driven product or service portfolio; and (3) establish a brand that resonates deeply with customers and stands apart from other providers. Companies must succeed in these three areas—brand, demand, and positioning—to achieve best-practice levels in competitive strategy.

Understanding Competitive Strategy Innovation and Leadership

As discussed above, driving demand, brand strength, and competitive differentiation all play a critical role in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Strategy Innovation and Customer Impact.

Key Benchmarking Criteria

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

Strategy Innovation

Criterion 1: Strategy Effectiveness
Criterion 2: Strategy Execution
Criterion 3: Competitive Differentiation
Criterion 4: Executive Team Alignment
Criterion 5: Stakeholder Integration

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 Qumu

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

9–10 Excellent
7–8 Good
4–6 Fair
1–3 Poor
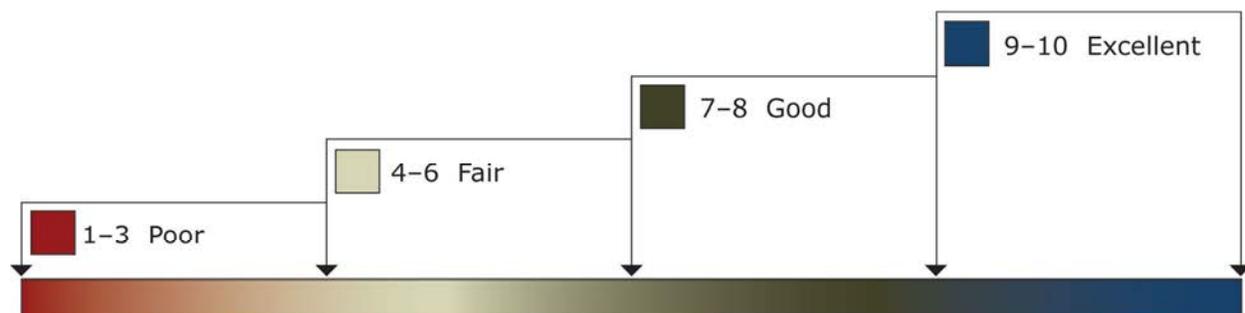
The Decision Support Scorecard is organized by Strategy Innovation and Customer Impact (i.e., these are the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard.). The research team confirms the veracity of this weighted scorecard 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, we have chosen to refer to the other key participants as Competitor 1 and Competitor 2.

Measurement of 1–10 (1 = poor; 10 = excellent)			
Competitive Strategy Innovation and Leadership	Strategy Innovation	Customer Impact	**Average Rating**
Qumu	**9**	**9.5**	**9.25**
Competitor 2	9	9.0	9.00
Competitor 3	8	9.0	8.50

Strategy Innovation

Criterion 1: Strategy Effectiveness
Requirement: Strategy effectively balances short-term performance needs with long-term aspirations and vision for the company.

Criterion 2: Strategy Execution
Requirement: Adoption of best-in-class processes supports the efficient and consistent implementation of business strategy.

Criterion 3: Competitive Differentiation
Requirement: Unique competitive advantages with regard to solution or product are clearly articulated and well accepted within the industry.

Criterion 4: Executive Team Alignment
Requirement: The executive team is aligned along the organization's mission, vision, strategy, and execution.

Criterion 5: Stakeholder Integration
Requirement: Strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees.

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.
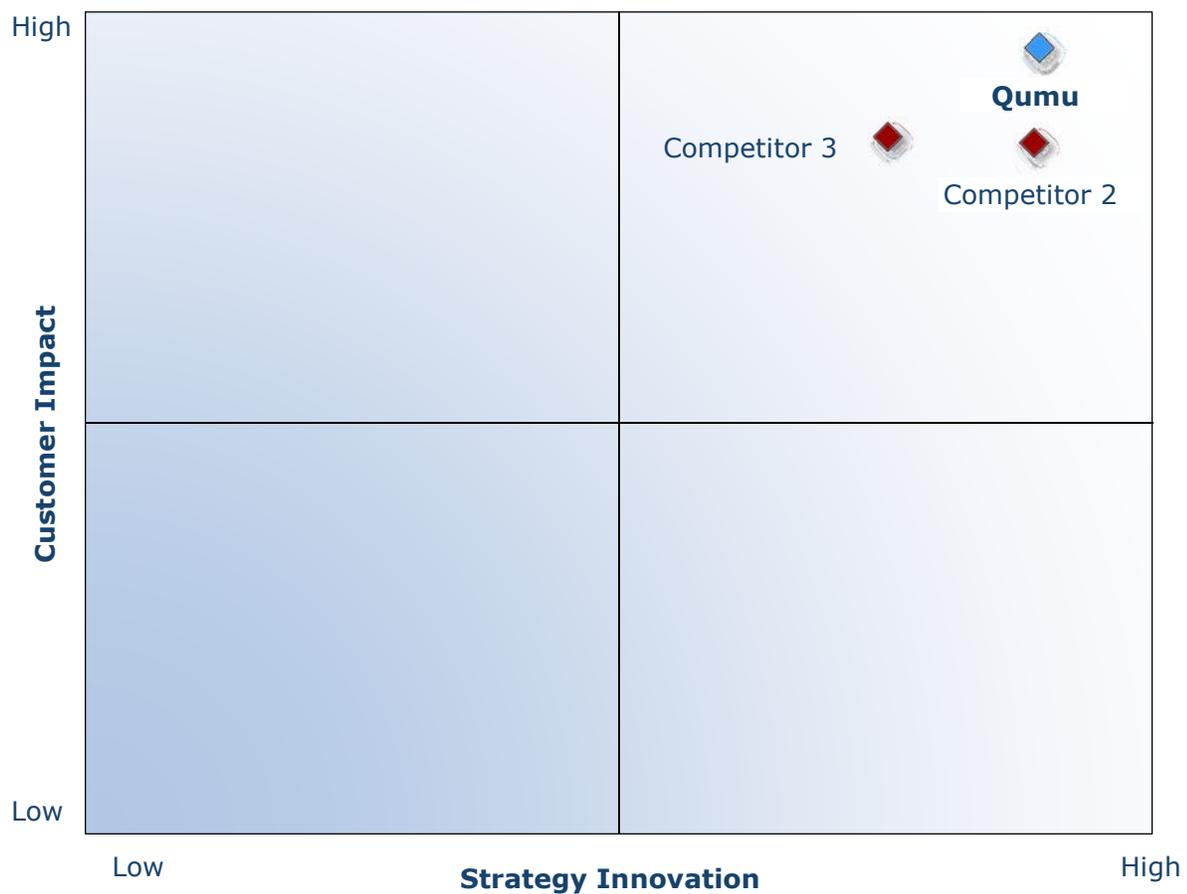
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

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	• 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	• Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates	Matrix positioning all candidates' performance relative to one another
3	**Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• 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	• 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	• 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-practice Award recipient	• 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	• 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 may share Award news with stakeholders and customers	• 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.