Lumen Latin America Recognized as the

2021

Company of the Year
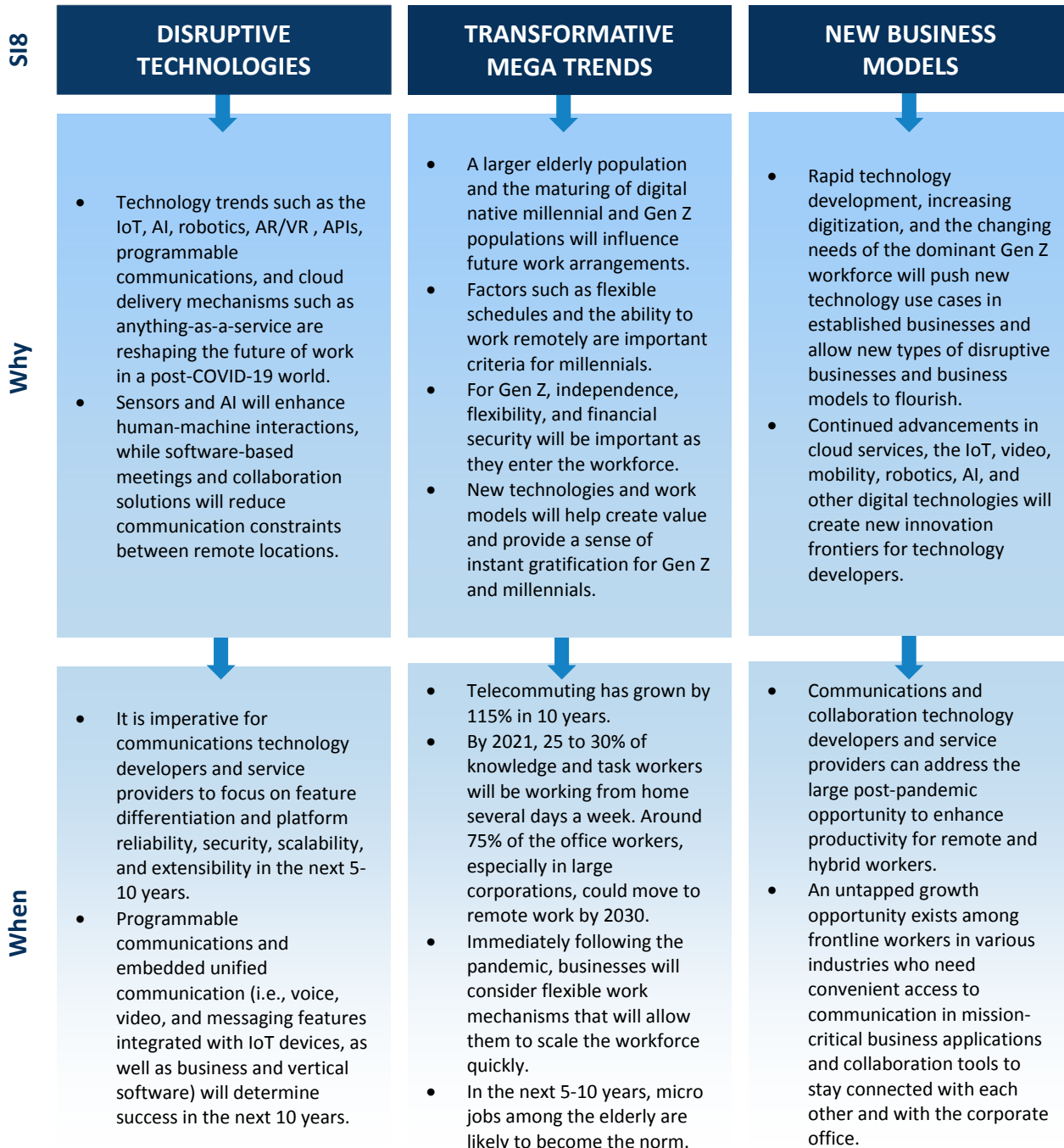
Latin American
Collaboration Services Industry
Excellence in Best Practices

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Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the connected work industry: disruptive technologies, transformative Mega Trends, and new business models. Every company that is competing in the connected work space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan's recognition of Lumen is a reflection of how well it is performing against the backdrop of these imperatives.

SI8

DISRUPTIVE TECHNOLOGIES	TRANSFORMATIVE MEGA TRENDS	NEW BUSINESS MODELS

Why

DISRUPTIVE TECHNOLOGIES
- Technology trends such as the IoT, AI, robotics, AR/VR , APIs, programmable communications, and cloud delivery mechanisms such as anything-as-a-service are reshaping the future of work in a post-COVID-19 world.
- Sensors and AI will enhance human-machine interactions, while software-based meetings and collaboration solutions will reduce communication constraints between remote locations.

TRANSFORMATIVE MEGA TRENDS
- A larger elderly population and the maturing of digital native millennial and Gen Z populations will influence future work arrangements.
- Factors such as flexible schedules and the ability to work remotely are important criteria for millennials.
- For Gen Z, independence, flexibility, and financial security will be important as they enter the workforce.
- New technologies and work models will help create value and provide a sense of instant gratification for Gen Z and millennials.

NEW BUSINESS MODELS
- Rapid technology development, increasing digitization, and the changing needs of the dominant Gen Z workforce will push new technology use cases in established businesses and allow new types of disruptive businesses and business models to flourish.
- Continued advancements in cloud services, the IoT, video, mobility, robotics, AI, and other digital technologies will create new innovation frontiers for technology developers.

When

DISRUPTIVE TECHNOLOGIES
- It is imperative for communications technology developers and service providers to focus on feature differentiation and platform reliability, security, scalability, and extensibility in the next 5-10 years.
- Programmable communications and embedded unified communication (i.e., voice, video, and messaging features integrated with IoT devices, as well as business and vertical software) will determine success in the next 10 years.

TRANSFORMATIVE MEGA TRENDS
- Telecommuting has grown by 115% in 10 years.
- By 2021, 25 to 30% of knowledge and task workers will be working from home several days a week. Around 75% of the office workers, especially in large corporations, could move to remote work by 2030.
- Immediately following the pandemic, businesses will consider flexible work mechanisms that will allow them to scale the workforce quickly.
- In the next 5-10 years, micro jobs among the elderly are likely to become the norm.

NEW BUSINESS MODELS
- Communications and collaboration technology developers and service providers can address the large post-pandemic opportunity to enhance productivity for remote and hybrid workers.
- An untapped growth opportunity exists among frontline workers in various industries who need convenient access to communication in mission-critical business applications and collaboration tools to stay connected with each other and with the corporate office.

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Lumen excels in many of the criteria in the collaboration services space.

AWARD CRITERIA

Visionary Innovation & Performance	Customer Impact
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

With Many Choices in a Challenging Time, Enterprises Need a Steady Guide

In Latin America, enterprises are in the midst of digital transformation decisions across the organization and most acutely in communications and collaboration systems. The options, types, and complexity of enterprise information technology (IT) systems have expanded significantly in the past decade, and as a consequence, many global organizations are refocusing on their core business and leveraging a managed services model for an increasing portion of their technological needs. However, in general, the Latin America region retains a large percentage of on-premise (as opposed to cloud) deployments, legacy infrastructure, and in-house managed systems. Attachment to legacy systems (both enterprise telephony and collaboration platforms) has led many companies to be reluctant to outsource daily operations for fear of losing control of strategy and enforceable policies.

The COVID-19 pandemic forced massive disruptions in all aspects of business operations and brought unified communications and collaborations (UCC) systems to the top of mind for many executives. Enterprises accelerated their digital transformation strategies and timelines, in only a matter of weeks and months they made changes that would have taken years to push through and achieve. The pandemic propelled an explosion of users on collaboration platforms, with enterprise customers rapidly expanding their usage. This situation increased competitive pressure and vendor's aspiration for innovation, but the vendor landscape is unordered.

Consequently, enterprise decision-makers face a chaotic assortment of potential tools, with a confusing assortment of options and models (for example, some departments in the enterprise already use one type of channel, while the IT team prefers another, while the organization-wide security and usage policies are unclear). This fragmented landscape makes it difficult for companies to understand what solutions and bundles may help them achieve productivity and efficiency goals throughout their collaboration and overall IT investments. Enterprises with numerous office locations and siloed departments are experiencing the difficulties of ensuring security and controlling costs without a unified strategy. Moreover, with the pandemic driving a massive uptake of hybrid and remote work environments, organizations recognize that with more users connecting and more devices accessing more shared resources, they need an overall strategy and a guide to implement, manage, and oversee the numerous technologies.

After a fall 2020 rebranding, Lumen Technologies (Lumen) has taken the reins from CenturyLink, and the name change highlights the company's focus on technology-enabling progress. While the Lumen name is new to the marketplace, the core of the company's Latin America operations began more than 30 years ago, and through subsequent changes the common thread remains the exclusive focus on propelling the enterprise segment. Frost & Sullivan has previously recognized the company (under the CenturyLink label), for its track record of delivering innovative tools and value-driven solutions. Lumen excels in supporting companies to cut through the complexity, and handle total cost of ownership while optimizing their technology deployments.

"With experience supporting a diverse array of clients, Lumen understands the variability of each one's situation and remains sensitive to the unique needs and deployments in place. Whether that translates to migrating everything over a single weekend or a tailored transition planned to phase in overtime to protect legacy investments, Lumen manages the risk and process around the client's requirements."

- Nicholas J. Baugh, Best Practices Research Analyst

Through its portfolio of unified communications as a service and meetings solutions, Lumen has cultivated a natural evolution from succeeding generations of communications technologies. As voice technologies moved toward commoditization in the 2010s, Lumen began joining the voice services with managed services solutions and arranging communication and collaboration technologies with the support of the company's backbone infrastructure, networking, and data center options. As technologies have converged, Lumen's managed services model extends across a range of UCC services and leverages an integrated approach that assists enterprises to make sense of the fragmentation in the market.

Truly End-to-End Visibility and Capabilities

Lumen has a uniquely comprehensive offering with a complete portfolio and solution set that meets enterprises' end-to-end needs and helps them gain overall value and lower total cost of ownership in communications costs. With visibility across the spectrum of enterprise needs, Lumen takes an impressively in-depth consideration of what the client wants and needs. Lumen begins by diagnosing the underlying issues causing the customer's pain points and walking through the complete lifecycle of a potential solution to understand and design a plan to meet their needs. This approach requires truly

listening to the client, building a consultative relationship rather than pitching a menu of options. With this deep perspective, Lumen tailors a concept to support the enterprise's goals across the lifecycle: from designing solutions to planning transitions, executing migrations, operating systems on the client's behalf, and closing the circle with a continuous improvement practice. Lumen takes on the complexity at each stage, managing services for the clients according to their strategies and policies.

Leveraging Lumen's internal integrations, enterprises can consolidate service level agreements and control costs under a single managed services provider rather than dealing with a disconnected assortment of vendors. The end-to-end offering includes voice, UCC platforms, and operations teams, supporting customers and leveraging Lumen's foundational strengths in data center, infrastructure, and managed security services. As a single point of contact for all of a client's managed services, Lumen handles integration behind the scenes, including dedicated support and premium infrastructure along with advanced technology. While the company's portfolio is broad, the objective of Lumen's entire model is specific to enterprise needs and environments.

Exceptional Flexibility to Customize Deployments

More than the broad portfolio, Lumen presents exceptional flexibility in delivering and configuring services for clients. Meeting enterprises where they are (such as in cloud migration strategies and integrating with existing systems), Lumen accommodates customers at their desired pace and in a thoughtful way to meet their actual needs. Lumen maintains relationships with leading collaboration technology vendors (e.g., Microsoft, Cisco, Avaya) to offer clients connection to their preferred ecosystem. With experience supporting a diverse array of clients, Lumen understands the variability of each one's situation and remains sensitive to the unique needs and deployments in place. Whether that translates to migrating everything over a single weekend or a tailored transition planned to phase in overtime to protect legacy investments, Lumen manages the risk and process around the client's requirements. The company demonstrates its agility in providing managed services and additional operational services to complement and multiply the power of the solution set, such as adding in a resident engineer to the customer's office to provide high-touch service.

Lumen similarly extends commendable flexibility to clients in regards to commercial and implementation models offered. The company displays a remarkable capacity for creating hybrid models: whether the client wants to combine existing infrastructure to coexist with new services being implemented, with Lumen additionally maintaining and operating each over a transition period to ensure business continuity. Lumen serves as a warranty for the customer, handling the transition and change management processes as a part of the operational services umbrella. Moreover, as a part of the conceptual walkthrough conversation with customers, assessing the experienced pain points and underlying needs, Lumen makes honest and unbiased recommendations in a fully-formed solution that is sensitive to commercial needs and ecosystem requirements. Lumen can deliver in a fully operational expenditure (opex) or capital expenditure and a mix in between. The company's aptitude to customize and blend the commercial model based on the features, functions, and scale that the customer desires creates a compelling value proposition. Past configurations range from a 100% monthly recurring model for cloud platforms with zero upfront investment, or a mixed deployment for purchased phones and video equipment alongside UCC apps and operational assistance services on an opex model, or voice

and collaboration services bundled with managed security and content delivery network on a structured opex.

Lumen takes special care to guide enterprises through cloud migration, with proven transition and risk management strategies. The company's agnosticism and expertise support migrations of all types, whether moving from on-premise to cloud or from vendor to vendor. With experience working with various cloud players, Lumen helps enterprises move gradually or (as in the case of 2020) to rapidly design and implement a global migration strategy for UCC in the cloud. Lumen acts as a trusted advisor for the enterprise, smoothing the transition and advocating between them and the cloud.

A Consolidated Approach to the Region Yields Efficiencies

Lumen supports its customer base of large, global and multi-Latina customers through a consolidated regional approach. As a single point of contact for an enterprise across borders, Lumen can address multi-country challenges and help achieve efficiencies to drive down the total cost of ownership.

With decades of experience operating in Latin America, much of the core Lumen team counts years of experience with the company. Lumen minimizes the barriers that competitors often face with siloed national teams or misalignment between departments with its streamlined regional organization. This simplification means that Lumen can engage customers on a highly accurate and consistent basis, and likewise, how it designs and launches products and services is compact and coherent. Indeed, the more complex a deployment or product across an enterprise's footprint, the more Lumen's cohesive infrastructure and comprehensive coverage demonstrate value and efficacy. The company's proven track record makes its expertise evident in evaluating and solving for region-wide needs.

> *"Lumen excels in supporting companies to cut through the complexity, and handle total cost of ownership while optimizing their technology deployments."*
>
> *- Sebastian Menutti, Industry Principal*

Adding Value During Pandemic-induced Acceleration

The COVID-19 pandemic forced enterprises to reorganize and adapt quickly (unleashing a wave of users and interest in accelerating UCC strategies); in the wake, Lumen proved a key enabler and commendably helped organizations through the confusion. In the first months of the pandemic, Lumen went to great lengths to educate and guide customers to understand their existing capabilities and gain the most out of their licenses. Additionally, Lumen provided enterprises with a number of free trials, and try and buy models to support them in deciding which platform or deployment model to adopt. Further, while coping with the rising demand and continuing the individualized approach to meeting customer needs, Lumen added new vendors (such as Zoom) and application integrations to its offerings (such as WhatsApp groups as a channel in Microsoft Teams) that respond to users' real experience and behavior.

Notably, in the last year Lumen has met the surging demand for collaboration and accelerated digital transformation timelines by developing a layer of value-added managed services on top of the UCC portfolio. Along with the collaboration packages, this extra layer can include device management or managed infrastructure joining to the vendor's ecosystem. Lumen integrates all of the building blocks, incorporating connectivity, managed security, telephony (such as public switch telephone network or

session initiation protocol trunks), and even proactive network monitoring, insights, and analytics. The breadth of the Lumen managed services umbrella is truly remarkable and unmatched in the space.

Conclusion

As enterprises in Latin America found themselves struggling to cope with the pressures created by the pandemic, they felt a renewed urgency to adopt cloud-based unified communications and collaboration systems and find ways to simplify their overall strategy and policy throughout distributed offices and remote employees. Lumen has deep roots, drawing from decades of expertise and a proven track record for coordinating complex services in the region. The company's broad portfolio and visibility across the lifecycle of enterprise needs help Lumen to address the customer's complete end-to-end needs and drive down the total cost of ownership. Leveraging backbone internet, networking, and managed security, Lumen tailors customized service offerings (and commercial models) to meet the enterprise's unique needs and sensitivities. Supporting enterprises to consolidate managed services, unify policy administration, and hybridize existing systems, Lumen demonstrates exceptional awareness and responsive capabilities.

With its consistency and knowledge of multi-Latina operations, reliable managed services, and flexibility to meet enterprise needs, Lumen earns Frost & Sullivan's Latin America 2021 Company of the Year Award in the collaboration services market.

The Growth Pipeline Company™

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What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends: Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first to market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

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

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator™. Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous flow of Growth opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

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