



Epsilon Recognized for

2021

Technology Innovation Leadership

Global Data Centre

Connectivity Solutions Industry

Excellence in Best Practices

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. Epsilon excels in many of the criteria in the data centre connectivity space.

AWARD CRITERIA	
<i>Technology Leverage</i>	<i>Business Impact</i>
Commitment to Innovation	Financial Performance
Commitment to Creativity	Customer Acquisition
Stage Gate Efficiency	Operational Efficiency
Commercialization Success	Growth Potential
Application Diversity	Human Capital

Commitment to Innovation

Innovation is embedded in Epsilon’s DNA. The company’s futuristic approach towards product development has placed it in the forefront of this highly competitive industry. Epsilon’s ever increasing

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- Gautham Gnanajothi, Research Director

focus on technology and innovation has been instrumental in creating a niche for itself; it also plays a crucial role in propelling the company’s growth and penetration in international markets. Epsilon’s technology and innovation excellence is primarily driven by ability to envisage visionary scenarios by constantly analyzing Mega Trends and creating revolutionary solutions to address those developments. With its expertise in tracking and studying Mega Trends, Epsilon was not only able to anticipate the advent of transformational technologies that would have a significant impact on

data centre connectivity, but it also diligently capitalized on them. “Infiny”, the company’s Network as a Service (NaaS) platform is a perfect testament to its constant innovation efforts to address the evolving market and customer needs. This path breaking solution will be instrumental in transforming data

centre networking capabilities not only from an operational stand point, but also from a cost effectiveness perspective. Infiny offers the much needed flexibility to users in procuring and managing network services. While it delivers state-of-the art, on-demand, scalable, connectivity between data centres, cloud providers and internet exchanges around the globe, it also empowers data centre operators to create a seamless path to support their customers' cloud adoption and IT modernization journey.

The other intriguing aspect that makes Epsilon stand out is the fact that it empowers data centre service providers to monetize connectivity and create new revenue stream. The company has built a comprehensive partner program which allows its channel partners to white-label Infiny and resell Epsilon's services including data centre interconnection, cloud connect, remote peering and voice services. This makes Infiny invaluable to its channel partners as they get access to a new revenue streams by adding a comprehensive connectivity portfolio to their existing offering. This ultimately enables the channel partners to help its customers in adapting to technology evolution and staying at the forefront of innovation within their industries.

The company's technology excellence and far-reaching digital transformation initiatives have resulted in creation of a host of value added features and functionalities that have the potential to create a step change in data centre connectivity. Some of the fine technology features and capabilities include powerful automation tools and APIs that facilitate simple, agile and cost effective network management. This is followed by friction-free, day-to-day scalability of interconnection; this eliminates the hassle and complication involved with the traditional approach of connecting directly with multiple cloud service providers and data centres. The other noteworthy technology capability is the high level of regional and niche market reach offered by Epsilon, which helps its customers to penetrate elusive markets with ease. In addition to this, Epsilon's multi-service port functionality offers its customers the flexibility to add multiple layers of connectivity and communication services in single port. This not only simplifies the management of multiple circuits, but is also highly cost effective and enhances operational efficiency multi-fold.

Commercialization Success

The most intriguing aspect about Epsilon is its rock solid determination and relentless pursuit for technology innovation and excellence. Its comprehensive connectivity offerings represents the next generation of data centre networking solutions that are not only truly end-to-end, but also state of the art future ready solution set. When it comes to anticipating overall future market needs and addressing unmet customer segment needs, Epsilon strives to be a torch bearer and has been successful at it thus far. More interestingly, with its innovation capabilities, the company manages to raise the bar higher every time it comes up with a novel initiative; this makes it even harder for its competitors to catch up with. Epsilon's commercialization success is underpinned by its steadfast customer segmentation strategy. It has been highly successful in commercializing its solutions in all three of its target customer segments which are carriers, channel partners and enterprise. It is intriguing to see the level focus and dedication the company places on studying the requirements and unique attributes of its individual customer segments and aligning its resources to appropriately serve them. Frost & Sullivan strongly believes that this deep-rooted customer intimacy in conjunction with its technology and innovation

excellence will elevate Epsilon's market position to much greater heights in the coming years.

While the Carrier group has traditionally been the strong hold for Epsilon's commercialization, it is noteworthy that the company has been rapidly in expanding its commercial reach in to other segments as well. A crucial aspect that led to this accomplishment was the development new services around SD WAN, more advanced cloud networking, security services and so on. Developing these new services is made possible by leveraging a combination of its in-house network capabilities and technical partnerships. One of the best practice examples to highlight the company's excellence in this space is its partnership with "Aviatrix", which enables Epsilon to deliver cloud networking solutions that goes above and beyond traditional connectivity. For instance, it is able to offer a cloud networking service all way through to the VPC and the VNET of AWS, Google Cloud Platform, Microsoft Azure and Oracle Cloud, whereas the traditional solutions do not go beyond the cloud gateway. This is a great example of a truly unique and disruptive offering which Epsilon's competitors are unable to replicate.

Application Diversity

Epsilon's ardent journey towards constantly innovating around the concept of network as a service with a special focus on ingraining greater flexibility is highly commendable. Over the course of the research, it was evident that the company places meticulous focus on continually honing the synergies between the interconnection fabric and the elements that are further up the stack; ultimately aiming to enhance the flexibility and scalability of cloud migration. Epsilon's excellence in application diversity stems from its ability to adapt and reinvigorate its technology offering to enable and support its customers to extend their network and interconnection fabric to meet the ever evolving technology mega trends, be it pertaining software as a service, infrastructure as a service or any other application. Furthermore, it's tenacious focus to tie-in and relate these technology mega trends to the specific requirements of its individual customer groups further elevates its application diversity excellence. The company leaves no stone unturned while identifying the right technology partners; it invests a tremendous amount of time, effort and resources in integrating its technology partners' capabilities into Infiny in order to deliver seamless connectivity solutions that fit its customers' needs perfectly. Some of the key applications that are supported by Epsilon's technology include SaaS, where it offers direct access to software to its channel partners and enterprise customers; it supports the interconnection of different network technologies to support businesses' adoption of cloud and hybrid application architectures; it enables close proximity to the ever-evolving cloud / SaaS landscape of providers; it supports enterprises that have a diverse customer base spread across the globe; it offers a fully private network while still allowing users to take advantage of cloud services, and so on. It is also noteworthy that Epsilon's network extension capabilities are also made available at an API orchestration layer. This enables service-threading (or API-threading) within digital infrastructure architecture. Epsilon was also an active stakeholder in the development of the IX-API standard and was the first network service provider to adopt this capability. The IX-API automates the provisioning and configuration of interconnection services for peering at the three internet exchanges, AMS-IX, DE-CIX and LINX.

Customer Acquisition Potential

One of the key success factors for Epsilon's high customer acquisition and retention rates is its constant effort to stay ahead of the game when it comes to identifying/analyzing market trends and developing

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products and solutions that effectively address pain points and frustrations; ultimately enhancing customer value. This is complemented by the size of Epsilon as an organization and its flat hierarchy; the company is big enough to deliver, yet small enough to add a personal touch. This nimbleness allows it to move swiftly to adopt new technologies and create end-to-end services, including the delivery of tricky network components such as last-mile access. It is also notable that Epsilon recently completed a customer satisfaction survey and obtained a NPS score of 56, which is double the industry average.

The other critical aspect driving Epsilon's customer acquisition success is its ability to empower data centre operators to enhance their value proposition by white labelling Epsilon services, in-turn resulting in superior value creation for their end customers. This ultimately offers data centre operators and their customers a unique competitive edge in their respective industries. Some of the success stories in this space include Epsilon's partnership with "maincubes", a fast-growing European data centre operator and "SpaceDC" a visionary South East Asian data centre operator. In both cases, the operators benefitted from the portfolio expansion and were able to enhance end customer value creation by offering fast, secure and direct access to a global network fabric and leading cloud service providers. In essence, Infiny has now become an integral part of future growth and market expansion strategy for both maincubes and SpaceDC. Additionally, Epsilon facilitates tier 2 and tier 3 data centre operators to not only compete head-on, but also win bids against large data centre operators such as Equinix. In simple terms, partnering with Epsilon allows data centre operators to take their business to the next level; a proposition that's hard to ignore.

Operational Efficiency

Frost & Sullivan believes that Epsilon's multi-dimensional approach to implementing best practices will fast track its course to a leadership position in the market. One of the key aspects that drive success for the company in this regard is its operational best practices that allow for successful execution of customer value enhancement strategies. Its razor sharp focus on all aspects of service delivery including last-mile circuits plays a crucial role in its outstanding operational efficiency. Over the course of the research it was evident that the company's operational strategies were built on two key pillars – service excellence and superior customer experience; Epsilon manages to strike a perfect balance between the two. As a result, the company delivers its services swiftly, accurately and most importantly gets it right the first time. Its Infiny-first strategy has been instrumental to its unparalleled operational efficiency. The company leverages Infiny for its own network and communication requirements which allow it to automate traditional networking tasks and deliverables for itself and for its customers. This capability

extends to monitoring and reporting functions as well, which saves significant amount of time and resources in comparison to the traditional way of managing network services.

To address the ongoing structural changes in the market and increasing competitive intensity, Epsilon has added further emphasis on improving its operational efficiency, cost effectiveness and service agility. For instance, the company recently consolidated its operational, service and engineering functions in to Sofia to create a centralized customer services team, where it grew its team strength from 10 to 60 people in a short span. To highlight another fine example, it recently launched an advanced inventory management system called “EthOSS”. This provides the company with a deeper and granular understanding of its infrastructure in all of its POPs around the world. The company is able to relay this level of granular information to its IT service management platforms, which facilitates faster access to information and bolsters automation capabilities further. This ultimately results in a more efficient business practice.

High Growth Potential

Frost & Sullivan’s research findings suggest that Epsilon has tremendous growth potential over the coming years. The company has gained a reputation of delivering products and solutions that are not only technically brilliant, but are also highly flexible and scalable; this rare combination will drive its future growth and market penetration in the global arena. Epsilon’s deep understanding of customer segment needs and specific requirements is the foundation of its product development process. Epsilon has high growth potential across all of its customer segments and business segments. The company’s growth potential is underpinned by its ability develop connectivity solutions that not only seamlessly align with the individual market segment expectations, but also anticipated future requirements; this is because of the simple fact that its product designs are directly inspired and influenced by evolving customer needs. On the other hand, market factors and trends such as, increasing requirements and activity around data centre connectivity, continued high growth in the cloud market and increasing competitive intensity in colocation and managed services industry will also be instrumental in driving Epsilon’s growth over the next few years.

Conclusion

Epsilon’s innovation is purely driven and quantified by the value addition it brings to its customers. Its technology excellence has led to the creation of path breaking data centre connectivity solutions; these are loaded with a host of value added features and functionalities that are unique to the industry. Frost & Sullivan finds Epsilon’s ability to tailor its solutions to meet the needs of individual customer segments exceptional; it is a boon to the industry. The company’s white labelling capability is a unique differentiator that not only adds additional revenue streams to its channel partners, but also propels Epsilon’s market growth; an impeccable win-win indeed.

With its strong overall performance, Epsilon earns Frost & Sullivan’s 2021 Technology Innovation Leadership Award.

What You Need to Know about the Technology Innovation Leadership Recognition

Frost & Sullivan's Technology Innovation Leadership Award recognizes the company that has introduced the best underlying technology for achieving remarkable product and customer success while driving future business value.

Best Practices Award Analysis

For the Technology Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Technology Leverage

Commitment to Innovation: Continuous emerging technology adoption and creation enables new product development and enhances product performance

Commitment to Creativity: Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

Stage Gate Efficiency: Technology adoption enhances the stage gate process for launching new products and solutions

Commercialization Success: Company displays a proven track record of taking new technologies to market with a high success rate

Application Diversity: Company develops and/or integrates technology that serves multiple applications and multiple environments

Business Impact

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

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

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 ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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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 6 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)**

