Spectrum Enterprise Recognized for

2021

Customer Value Leadership

United States Business Carrier
Ethernet Services Industry
Excellence in Best Practices

FROST *&* SULLIVAN

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. Spectrum Enterprise excels in many of the criteria in the United States business carrier Ethernet services space.

AWARD CRITERIA

Business Impact	Customer Impact
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Strategizing Network Investments to Expand Client Reach

Spectrum Enterprise provides fiber Internet access, networking solutions (Ethernet, wavelengths, managed SD-WAN), voice and unified communications, managed cloud services, managed security, and other services in the domestic US market.

Spectrum Enterprise was an early adopter of carrier Ethernet, allowing it to offer metro switched Ethernet to targeted verticals requiring highly dense metro networking (e.g., healthcare, education, government and hospitality). Healthcare companies, for example, must connect multiple hospitals, radiology centers, labs, and other multi-functional facilities across multiple locations. Unlike competitors, Spectrum Enterprise has outlined a strategy to evolve networks since the initial launch of Ethernet deployments, allowing it to serve clients reliant on dense metro networks. Spectrum Enterprise serves more than 246,000 fiber-lit buildings across 230,000 fiber-route miles.

In markets where the company does not offer native fiber connectivity, Spectrum Enterprise provisions local access from a variety of suppliers using MEF-compliant E-NNI technology. The approach allows Spectrum Enterprise to connect their network with fiber from other suppliers within a data center or a carrier colocation facility. Spectrum Enterprise also integrates a network interface device (NID) on clients' circuits to provide end-to-end service-level management, nationwide, thus acting act as a single point of contact for customers while guaranteeing excellent network performance.

Leveraging Hybrid Networking Services

Currently, enterprises migrating from MPLS networks seek cost-effective solutions, typically exploring hybrid network solutions that combine a private network using Ethernet-native connections with public Internet networks. While traditional carriers struggle to maintain their installed base of MPLS customers, Spectrum Enterprise is supporting the hybrid networking trend, allowing it to successfully attach its managed SD-WAN offering with traditional WAN services.

> *"In recent years, Spectrum Enterprise has been growing its market share in the business Ethernet services market due to combining dense fiber and on-net buildings, a national Ethernet reach, its Cloud Connect offering, and managed services (e.g., managed security, router, and SD-WAN)."*
>
> *- Gina Sánchez, Industry Principal*

Moreover, unlike many other leading carriers, Spectrum Enterprise does not have any significant investment in MPLS networks. The hybrid WAN trend arising from the increase in SD-WAN is therefore fueling Spectrum Enterprise's Ethernet services growth. The company´s SD-WAN offering is also designed with flexibility in mind. For example, customers can integrate Spectrum Enterprise Ethernet into their own SD-WAN environment or customers can either connect to the company's SD-WAN using Internet services or with the company's carrier Ethernet. Enterprises value the fact that they can combine the simplicity of SD-WAN technology with existing carrier Ethernet-built WAN to expand locations nationwide.

> *"Spectrum Enterprise is well-positioned to acquire customers migrating from legacy services to managed SD-WAN due to the company´s strengths in the Ethernet market."*
>
> *- Gina Sánchez, Industry Principal*

Spectrum Enterprise is therefore well-positioned to acquire customers migrating from legacy services to managed SD-WAN due to its strength in the Ethernet market.

Enhancing Value through Superior Offerings

Given the widespread use of cloud-based applications, enterprises demand high-capacity Ethernet connectivity. At the same time, the need to connect to third-party cloud service providers is increasing. In addition to its expansive national network, Spectrum Enterprise's Cloud Connect service enables customers connecting to its Ethernet network to easily build a cloud accessible WAN. As a result, the company can directly connect customers with key cloud service providers. Frost & Sullivan notes this unique capability became popular among Spectrum Enterprise´s customers during the emergence of COVID-19. The offering allowed clients to quickly empower remote employees with cloud-based tools and enterprise applications, guaranteeing a seamless business operation.

In recent years, Spectrum Enterprise has grown its market share in the business Ethernet services market by combining dense fiber and on-net buildings, a national Ethernet reach, its Cloud Connect offering, and managed services (e.g., managed security, router, and SD-WAN).

Spectrum Enterprise also continues investing in its network solutions portfolio to provide extra value to its Ethernet customers, including the availability of up to 100 Gbps service. The company also recently

launched Managed Network Edge (MNE), an SD-WAN solution that enhances visibility and network infrastructure control for clients, providing both a fully-managed or co-managed option.

Conclusion

The United States business carrier Ethernet services market is mature, with traditional market participants experiencing revenue decline. Spectrum Enterprise leverages technical innovation and thought leadership to spur growth and continually increase its market share. The company provides enterprises with the flexibility needed to embrace both SD-WAN and hybrid networking, allowing companies to efficiently expand their wide area networks. Spectrum Enterprise has also strategically combined its nationwide dense metro Ethernet footprint and managed SD-WAN offering, allowing it to compete effectively in the Ethernet market.

For its outstanding performance, Frost & Sullivan is proud to present Spectrum Enterprise with its 2021 Customer Value Leadership Award in the United States business carrier ethernet services industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

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

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)