

FROST & SULLIVAN

*FUJI ELECTRIC INDIA*

**2022**  
**PRODUCT**  
**LEADER**

*SOUTH ASIAN*  
*BACKUP POWER*  
*SOLUTIONS INDUSTRY*

## 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. Fuji Electric India excels in many of the criteria in the backup power solutions space.

| AWARD CRITERIA                      |                        |
|-------------------------------------|------------------------|
| <i>Product Portfolio Attributes</i> | <i>Business Impact</i> |
| Match to Needs                      | Financial Performance  |
| Reliability and Quality             | Customer Acquisition   |
| Product/Service Value               | Operational Efficiency |
| Positioning                         | Growth Potential       |
| Design                              | Human Capital          |

### Match to Needs

Fuji Electric India’s commitment towards unearthing market gaps and unmet customer needs is highly

*“One of the key differentiators that makes Fuji Electric India stand out in a highly competitive environment is that the company’s products are designed “in India – for India”. With a vast exposure in the Indian power market, the company has gained a significant technology know-how on designing and developing critical power products that specifically cater to the Indian power conditions and environment.”*

**- Gautham Gnanajothi,  
Vice President of Research**

commendable. The company has demonstrated excellence in tracking, studying, and understanding drivers of change that impact the current market dynamics and mega trends that will influence future market requirements. Its excellence and leadership in the backup power solution market is primarily driven by its profound industry knowledge and technology know-how gained through years of experience. Fuji Electric India’s leadership position is further bolstered by its commitment towards constant product enhancements based on voice of customer analysis. The company’s excellence in this regard is demonstrated by the high degree of emphasis it places on the product life cycle. Fuji Electric India goes

to great lengths to tailor its value proposition to ensure its products and solutions perfectly resonate with its customers. One of the crucial factors driving the company’s success in this aspect is its highly structured and coordinated customer feedback mechanism. This allows Fuji Electric India to incorporate invaluable customer inputs at every stage of the product development process. The end result is a product that is

not only tailored to address current customer pain points and frustrations, but also takes into account some of the anticipated future needs that are driven by technology evolution. While this agile product development strategy has empowered the company to swiftly adapt and respond to market shifts and customer preferences, it also helps minimize any risks associated with these shifts; ultimately enabling it to stay ahead of the competition.

Fuji Electric India's product portfolio for mission critical applications such as data centres is a great example to showcase its excellence in developing products that match the needs of the end user. These customized products offer high levels of efficiency, high reliability and availability driven by low mean time between failure (MTBF) and low mean time to repair (MTTR), and smaller footprint. It is noteworthy that these products employ a modular design and offer Lithium-Ion battery compatibility. The company has gained an inherent competitive edge in the critical power management sector owing to its excellence in semiconductor manufacturing. It is also impressive to see a high degree of collaboration among Fuji Electric India's internal teams and stake holders; more so in mission critical applications, where the collaboration begins right from pre-sales stages and involves various teams including R&D, project management, installation, service, and sales.

One of the key differentiators that makes Fuji Electric India stand out in a highly competitive environment is that the company's products are designed "in India – for India". With a vast exposure in the Indian power market, the company has gained a significant technology know-how on designing and developing critical power products that specifically cater to the Indian power conditions and environment. Its products are meticulously designed to handle harsh electrical environment and ambient conditions such as dust, high ambient temperatures, wider voltage fluctuations, and so on. The company's prioritized synergies between its key technologies such as power semiconductor and power electronics have resulted in industry leading products that enhance customer value multi-fold. This is further complemented by its excellence in integrating high-quality machinery that uses vital components with engineering services, advanced control technologies, and Internet of Things innovations cultivated via frontline work. The company offers a wide range of power products to support mission critical applications. This includes UPS systems, stabilizers, isolated transformers, solar inverters, active harmonic filters, PDUs and power management solutions. It is noteworthy that while its UPS systems are designed to offer a lower total cost of ownership (TCO), they also offer high efficiency levels and reliability and availability of the highest magnitude. Fuji Electric India's Falcon X5 series leverages an advanced 3-level technology and employs an inbuilt transformer and offers seamless maintenance. The company also offers transformerless UPS and Active harmonic filters with the advanced 3-level technology, which are embedded with a host of additional value-added features and functionalities.

### ***Industry Leading Product and Service Value***

Fuji Electric India's excellence in product/service value is underpinned by its core belief in empowering its customers with total control with respect to product maintenance and management. It achieves this by leveraging cutting technologies and operational best practices; ultimately leading to significant cost benefits and ROIs. The foundational element of the company's ethos is to not simply deliver a product, but rather a holistic solution and substantial value to its customers. Frost & Sullivan firmly believes that this trait will be a crucial driver that further elevates Fuji Electric India's position in the market. The

company is highly cognizant of the intricacies involved in delivering critical power products, and it goes to great lengths to address those with a high level of attention to detail. From a product perspective, Fuji Electric India delivers value to its customers in the form of energy efficiency, OPEX reduction, enhanced reliability, green infrastructure, rugged design, and improving overall availability and productivity.

The other key aspect that reinforces Fuji Electric India's product and service value is its vast, pan-Indian service network. The company's impressive service network is represented by over 400 factory trained service engineers, spanning the entire length and breadth of the country. The company places significant emphasis on equipping its service engineers with latest tools and ensuring local spares availability in an effort to reduce the turn-around time for resolving field issues. It is noteworthy that Fuji Electric India has an installed base of over 250,000 units and offers round the clock mission critical maintenance support for life saving applications in health care, ISRO's satellite launch facility, data centres, BFSI applications to name a few. The sheer amount of value addition Fuji Electric India delivers to its customers can be observed in its high success rate with customer retention; over 70% of the company's revenues come from repeat business. One of the crucial factors driving this success is the company's highly structured service support complemented by service digitalization and transparency.

### ***Excellent Product Positioning***

Frost & Sullivan finds Fuji Electric India's ability to strike a perfect balance between price vs. performance value laudable. The company possesses a unique ability to amalgamate cutting-edge Japanese technology and quality with domestic R&D and production with a sharp focus on local market conditions; while this enhances customer value from multiple facets, it also allows Fuji Electric India to stay ahead in the competitive landscape. The company's excellence in product positioning can be characterized by its agile and adaptable strategies that allow it to recognize, articulate, and communicate a unique value proposition to prospective clients and customers; this is underpinned by its ability to develop innovative products while maintaining a reasonable budget. It is impressive to note that Fuji Electric India was able to maintain control over its manufacturing costs despite the recent chip shortage and increase in raw material costs. This can be attributed to the company's operational excellence and manufacturing best practices. Some of the key initiatives include customization and standardization of products and components, inventory control, eliminating wastage at plant, close collaboration with component vendors in an effort to optimize their process and reduce costs, and more importantly implementing design changes without impacting product performance. In essence, Fuji Electric India has achieved cost reduction / cost control through three key initiatives: supply chain optimization, process control and design improvements.

Over the course of the research, it was evident that customer centricity forms the core of Fuji Electric India's DNA and all of its strategic initiatives and activities are designed around the evolving needs of its customers. With this approach, Fuji Electric India has managed to build a lasting bond with its customers, driven by trust and transparency, eventually leading to high level of customer satisfaction. The company's constant year on year increase in the NPS (Net Promoter Score) is a great testament to this.

### **Customer Acquisition Potential**

Fuji Electric India's customer acquisition strategy is embodied by its application diversity. The company

*“Fuji Electric India's excellence in product/service value is underpinned by its core belief in empowering its customers with total control with respect to product maintenance and management. It achieves this by leveraging cutting technologies and operational best practices; ultimately leading to significant cost benefits and ROIs. The foundational element of the company's ethos is to not simply deliver a product, but rather a holistic solution and substantial value to its customers.”*

**- Gautham Gnanajothi,  
Vice President of Research**

caters to a wide range of vertical applications and their specific needs. Some of the key verticals served by the company include heavy industrial, light industrial, commercial, IT&ITES, data centres, healthcare, surveillance, BFSI, and SOHO. A high level of market penetration in each of these verticals has allowed the company to accumulate highly detailed feedback and gain significant exposure to real-world challenges and issues in each vertical; this has ultimately enabled Fuji Electric India to hone and enhance its product offerings. Furthermore, the company has also deployed a special purpose technical team called technical

commandos to act as a bridge between its field team and R&D team. The sole purpose of this team is to ensure that R&D efforts are accurately targeted at addressing customer challenges, and pain points.

There are three key aspects that drive the company's customer acquisition potential: superior product performance, excellence in service delivery, and sales strength. From a vertical market perspective, Fuji Electric India's customer acquisition strategy is built on two key pillars. One is focusing on high growth sectors such as data centres and developing / tailoring products for that specific segment. The other is acquiring / penetrating new industries and applications regularly by constantly monitoring, tracking, and analysing industries that have unique requirements and specific needs. For instance, Fuji Electric India's penetration of the lab grown diamonds market, the underground and metro application, speciality medical devices (linear accelerator for proton therapy) are some good examples to highlight Fuji Electric India's success in this regard. Another great example of the company's design excellence targeted at highly niche applications with special requirements is qualifying for deployment in nuclear power plants. Its Falcon 1000 UPS recently passed the test was approved for seismic compliance as required by Nuclear Power Corporation of India.

### **Growth Potential and Brand Equity**

With a vast experience and know how in the Indian backup power solutions market, Fuji Electric India has potential to emerge as an iconic brand in the industry. Its unique product positioning strategy and the effectiveness of its customer centric approach towards product development is expected to play a vital role in enhancing its brand image. Frost & Sullivan research suggests that Fuji Electric India has a tremendous growth potential over the coming years. The company's ability to serve a multitude of end user verticals with solutions tailored to suit individual sector requirement will be one of its key growth drivers. The company has exhibited an impressive year-on-year revenue growth rate which is higher than industry average and is anticipating even higher growth rates over the next two years. This is substantiated by its heavy investments in developing two new manufacturing units with state-of-the-art

test facilities to cater to burgeoning demand for its UPS products. Furthermore, the company has also designed new products to be launched in 2024 to address the needs of the evolving data centre market. It is noteworthy that these products are designed with a modular architecture with an ability to scale up to 3MW and offer even higher efficiency levels compared to its current UPS offerings.

### ***Leading Market Position***

Frost & Sullivan's research findings indicate that Fuji Electric India is positioned as one of the top 3 UPS manufacturers in the Indian three phase UPS market in 2021 (in terms of annual revenue). In the same context, the company is also placed as one of the top 5 companies in the overall Indian UPS market in 2021 and is perfectly positioned to steadily climb up the market share ladder over the next 2 to 3 years.

## **Conclusion**

---

Frost & Sullivan finds Fuji Electric India's relentless effort to continually hone its products and solutions to meet evolving market needs highly commendable. The company leaves no stone unturned while developing products and solutions that address customer pain points and frustrations. Its deep-rooted engineering expertise, superior R&D capabilities, highly comprehensive pan-Indian service network along with its vast know-how of the local market conditions have resulted in tremendous value additions to the end users.

With its strong overall performance, Fuji Electric India earns Frost & Sullivan's 2022 South Asian Product Leadership Award in the backup power solutions industry.

## What You Need to Know about the Product Leadership Recognition

---

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

### Best Practices Award Analysis

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

#### *Product Portfolio Attributes*

**Match to Needs:** Customer needs directly influence and inspire the product portfolio's design and positioning

**Reliability and Quality:** Products consistently meet or exceed customer expectations for performance and length of service

**Product/Service Value:** Products or services offer the best value for the price compared to similar market offerings

**Positioning:** Products serve a unique, unmet need that competitors cannot easily replicate

**Design:** Products feature innovative designs, enhancing both visual appeal and ease of use

#### *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

