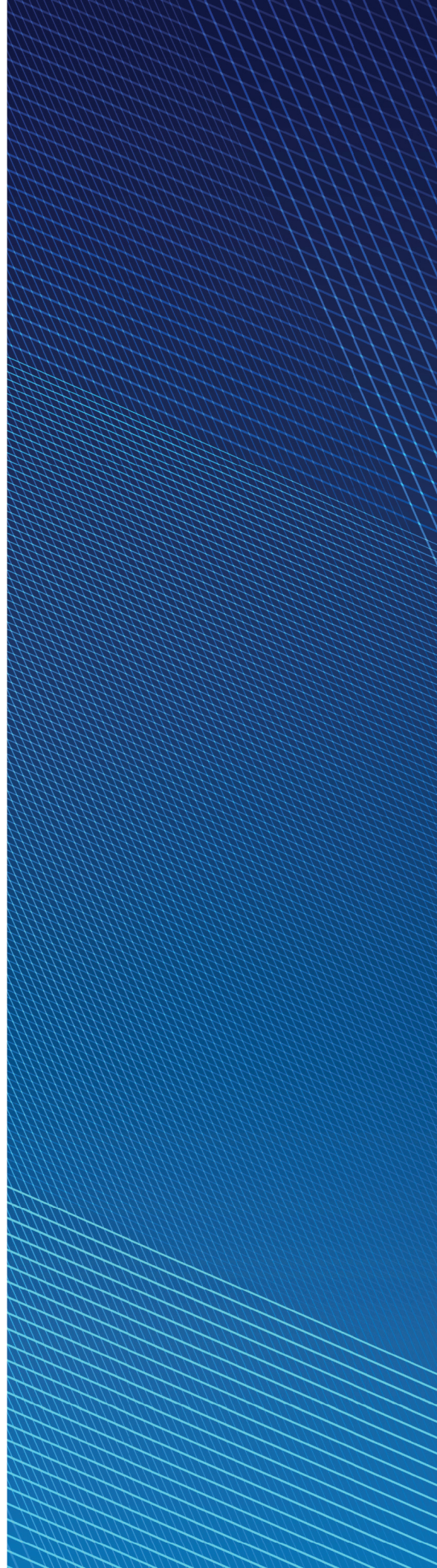


COLT TECHNOLOGY SERVICES RECEIVES THE 2023 CUSTOMER VALUE LEADERSHIP AWARD

*Identified as best in class in the global
enterprise network services 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. Colt Technology Services excels in many of the criteria in the global enterprise network services space.

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

The Enterprise Network Services Industry: A Market Snapshot

After constant revenue declines since the COVID-19 pandemic, Frost & Sullivan expects the global enterprise network services market, valued at approximately \$80 billion in 2022, to grow at low levels (between 1% and 3%) in the coming years. Although best-in-class global providers have a significant market presence and continue investing heavily to extend their network services scope, they still require a robust set of local partners to fulfill and execute their end-to-end solutions in the countries where they operate. A geographical footprint is critical; however, geopolitical risk factors are more relevant than ever. In addition, determined by the shift to software-defined networks, global providers invest considerable capital in expanding security measures.

For this reason, portfolios typically include integrated software-defined wide area networks (SD-WAN), secure access service edge, cloud, and unified communications capabilities, along with software-as-a-service interconnects to facilitate seamless data flow and communication between applications and clients' headquarters in one region and branches in other countries or regions. Tier 1 providers also enhance their packages by adding network and security professionals, helping clients set up or customize the offerings.

With networks turning into a commodity and operators striving to outperform the competition through customer experience, providers strongly focus on client-facing processes (e.g., onboarding and offboarding services, including billing, network inventory, and incident management) to differentiate themselves.

Furthermore, Frost & Sullivan analysts monitor how forward-looking network service providers increasingly integrate mature artificial intelligence (AI) technologies into their day-to-day information technology operations, developing practice areas in data analytics or partnering with analytics firms to offer value-added services that study online behaviors, voice, Wi-Fi, and mobile analytics. It creates a space of intense competition for providers as telematics, machine learning, and advanced correlation engines allow them to simplify operations and engage in predictive behaviors. This proactive approach enables global network service providers to dive deeper into the enterprise information technology (IT) domain, presenting a vantage point for service growth (through network automation platforms and advanced tools such as self-healing mechanisms) while capitalizing on connectivity offerings (which are under constant price pressure).

A Customer-tailored Solution Suite for Maximum Industry Impact

Founded in 1992 and headquartered in London, United Kingdom, Colt Technology Services (Colt) is a global digital infrastructure company recognized for its innovation in software-defined networks and network function virtualization. Understanding that clients require more than just connectivity services, Colt created a comprehensive solution suite catering to a broad range of business needs while providing flexibility and ease of design and deployment. The company has an extensive global presence, with

“Colt uses a pricing strategy that prioritizes competitiveness without sacrificing quality. The company has streamlined and automated many processes, reducing the risk of errors and minimizing the need for human intervention. Also, Colt’s wholesale application programming interface structure is highly advanced, enabling the company to respond promptly and accurately to supplier and partner requests. Frost & Sullivan acknowledges Colt’s focus on fast delivery cycles and lauds the company for significantly reducing it.”

***- Stephen Thomas
Senior Industry Director, Network Services***

delivered services in over 190 countries. Its network connects to 1,000+ data centers, over 250 cloud points of presence, and 30,000+ buildings worldwide, affording customers reliable, high-speed coverage bolstered by supporting staff in 21 countries. Notably, the Colt IQ Network is a frontrunner in offering 400 gigabits per second services, while the on-demand platform enables integration and synchronization with last-mile providers to deliver true end-to-end dynamic capability.

Frost & Sullivan commends Colt for its outstanding customer service showcasing industry-leading net promoter scores (NPS) in Europe and the United States (70+) and the Asia-Pacific (the mid-60s). In addition, Colt offers white-labeled SD-WAN services

to regional carriers and global resellers. Frost & Sullivan finds that its on-demand services portfolio is quite robust and straightforward, positioning Colt as a partner of choice. Overall, the company enables critical network-related tasks elegantly. It facilitates a hybrid topology of MPLS and cost-effective Internet, supports multi-cloud strategy execution, and provides increased visibility and network control, improving network performance and efficiency.

Roadmap to Success: Customer-centric, Innovative, Proactive

Colt’s MEF 3.0 certification for SD-WAN services (i.e., service availability, security, interoperability, and serviceability) demonstrates the company’s commitment to partnerships and interconnectivity between

providers. In particular, it provides secure interconnections to major cloud providers, including AWS, Google, IBM, Azure, Oracle, Alibaba Cloud, SAP, and Salesforce.

Colt deeply understands data flow in cloud services and its impact on digital transformations. Continuously analyzing data traffic and market movements, the company perceived a shift, accelerated by the COVID-19 pandemic, towards increased use of digital channels resulting in fewer customer touchpoints and sales interactions between suppliers and buyers. As Colt realized customers were more likely to choose suppliers based on data points generated by analytics (rather than human interaction), it embarked on a journey to AI-driven business-to-business marketing to strengthen its competitiveness.

The Colt team brainstormed how to build a system that could provide information on what customers are interested in, what services they are likely to buy, and which competitors they are considering. The information fed into Colt's AI-powered recommendation engine, built on Microsoft Azure, included customer-related data points, for example, a list of the company's top 500 customers, their revenue percentages and service choices, and information on the competition in metro cities where Colt operates.

"By providing state-of-the-art digital infrastructure and delivering robust on-demand service on customers' terms (i.e., wherever, whenever, and however they choose), Colt presents a compelling business proposition. Moreover, its game-changing recommendation engine and AI-driven marketing strategy inform company-wide decision-making to elevate the customer experience, positioning Colt as a pioneer in the enterprise network services industry."

- Riana Barnard
Best Practices Research Analyst

External input included news articles, financial reports, analyst updates, public and social posts, and geotagging. The recommendation engine used this data to perform signal detection, correlation mapping, and value association, whereafter it identified three customer groups: customers with high upside potential, customers most impacted by COVID-19, and customers with business risks. Based on the data, the tool created a vertical impact heatmap. The visualization assisted Colt in pinpointing customers with high upside potential and at least one active demand signal, thus discovering substantial addressable market potential in 113 accounts. Fundamentally, the recommendation engine captured

customer demand and intent without speaking to clients, allowing the company to engage positively (e.g., by offering flexible payment options when customers struggled after the pandemic). The outcome of the AI-driven analysis resulted in a pipeline increase of 120% to 400% per channel, while Colt's NPS increased from 54 to 66 points. Furthermore, the company offered flexible payment options to 250 customers and received direct revenue contributions from 60+ 100G connections and multinational companies' hybrid workplace support.

By providing state-of-the-art digital infrastructure and delivering robust on-demand service on customers' terms (i.e., wherever, whenever, and however they choose), Colt presents a compelling business proposition. Moreover, its game-changing recommendation engine and AI-driven marketing strategy inform company-wide decision-making to elevate the customer experience, positioning Colt as a pioneer in the enterprise network services industry.

Operational Strategies Promote Company Growth

Colt blended some of its core business elements with machine learning and AI technology to categorize customers by revenue size, identifying high and low spenders and potential prospects. It also developed a growth factor based on connectivity spend, prioritizing companies with increased investment in connectivity over those with higher turnovers. The company further improved its perspective on growth factors by incorporating feedback and insights from the sales team (i.e., strategic importance, network spending, and footprint). With this new segmentation model, Colt divided its sales resources into three categories: desk-based sales, field sales, and automated interaction. The advanced market segmentation delivered outstanding results. A low-cost approach (i.e., no travel expenses) allowed the desk-based team to increase productivity, efficiently engaging with 50,000+ neglected customers. The skilled field sales team, equipped to handle complex deals, covered 99% of large transactions to increase year-on-year revenue by 125.4%.

Moreover, by utilizing a generative AI platform, Colt started to analyze where it could apply the technology to promote automation, from raising awareness to capturing customer interest, intent, evaluation, and placement and repeating the process. As a result, the AI tools revolutionized the team's way of working at every step of the marketing funnel.

Frost & Sullivan recognizes that many contributing factors make a company successful; having a customer-centric strategy is critical. As such, it is important to have aligned leadership and staff to implement and operationalize a strategy cohesively. Colt executes its customer-centric approach effectively by leveraging its recommendation engine and generative AI platform. The company adjusted its outlook on market analytics and streamlined its personalized interactions, eliminating the time staff spent on message customization. It also reshaped the company's training programs, supporting employees to become AI experts. The results of Colt's refined customer communication process testify to the success of its AI-powered initiative. Utilizing technology enabled Colt to perform high-level analytics 10x faster, resulting in accurate lead generation and identifying upselling and cross-selling opportunities. Therefore, the team achieved a 38% increase in the conversion rate - while reducing opt-out instances by almost 30%. And most importantly, the team morale increased quite dramatically.

Frost & Sullivan's research analysts find that Colt's innovative AI-driven approach, coupled with its best practices implementation, improves both employee productivity and happiness. Happy employees translate to satisfied customers, facilitating customer loyalty and revenue growth.

Alignment Brings Efficiency

Colt's approach goes beyond its extensive expertise and best-in-class capabilities, with customer value as a strategic imperative. Through the years, the company has earned a sterling reputation supporting clients' paths toward digital transformation. The company builds its services, collaborating closely with various stakeholders and partners to evolve alongside market needs and trends. For example, in a recent cloud-based collaboration tool use case, Colt introduced a process to detect irregular call terminations using a detailed call record as part of its telephony service package.

In this instance, advanced AI technology allowed Colt to identify around 160 suspected cases out of one million calls within three days. By capturing the data and notifying the client, Colt acted as a partner (i.e.,

offering more than a voice service) to ensure safe and efficient operations. The critical piece is that Colt involved its engineering team and IT experts to capture opportunities through collaboration; all participating employees also understood the use case's business aspects.

On the back of this success, Colt actively explores other use cases for AI-driven automation deployments, such as:

- **Inter-provider buying automation:** allowing customers to order services across multiple carriers virtually;
- **Fault prevention:** empowering customers by predicting upcoming alarms one to five days in advance through a Big Data platform that runs supervised machine learning models, and;
- **Churn predictive modeling:** enabling customers to cluster qualitative and quantitative data, NPS data, and cease data to extract the correct set of attributes, identifying critical predictors of churn.

By using AI technology to analyze and assess order patterns accurately, Colt better understands companies' requirements, enabling the provider to respond and refine its offering through co-creative collaboration.

Colt uses a pricing strategy that prioritizes competitiveness without sacrificing quality. The company has streamlined and automated many processes, reducing the risk of errors and minimizing the need for human intervention. Also, Colt's wholesale application programming interface structure is highly advanced, enabling the company to respond promptly and accurately to supplier and partner requests. Frost & Sullivan acknowledges Colt's focus on fast delivery cycles and lauds the company for significantly reducing them.

While evolving from a technology standpoint, Colt always retains its clients' perspectives. Its brand maintains its global presence while meeting customer-specific needs. Given today's landscape, Frost & Sullivan believes the company is in a prime position to increase its market share in the highly competitive enterprise network services industry.

Finally, in November 2023, Colt acquired Lumen's Europe, Middle East, and Africa (EMEA) business. To this end, Colt expands its digital infrastructure with 1,630,031 kilometers of fiber connecting 125 European cities in 34 EMEA countries and 11,000 kilometers of metropolitan network in 23 countries while adding twelve cable landing stations and ten subsea cable systems.¹ Colt also extends its talent pool with 1,300 employees across 16 countries. With the transaction, Colt added 2,700 customers (including leading enterprises, blue chip corporations, and public sector clients) to its established customer base. In addition, the company will launch new services (i.e., security technologies, SASE products, managed hosting, and professional services) to its existing portfolio, leveraging even more PoPs (now also in Dubai, Estonia, Greece, Iceland, Israel, Kenya, Serbia, Slovenia, South Africa, and Turkey). Overall, the acquisition, valued at \$1.8 billion, shows Colt's unwavering commitment to providing best-in-class digital infrastructure and pioneering services to help its customers scale and grow.

¹ <https://www.colt.net/resources/colt-lumen-emea/> (Accessed in November 2023)

Conclusion

The enterprise network services market is in flux. Telecommunication companies are moving up the stack to provide value-added managed services to offset revenue declines in traditional enterprise network services. By adding more software-defined functions, security, automation, and by leveraging artificial intelligence (AI) solutions, companies attempt to mitigate the high capital costs of operating a network.

Frost & Sullivan applauds the way that Colt Technology Services addresses these unmet needs with a strong leadership focus that incorporates client-centric strategies and exemplifies best practice implementation. The company provides state-of-the-art digital infrastructure and robust on-demand service on customers' terms. Moreover, its game-changing recommendation engine and AI-driven strategy inform company-wide decision-making to elevate the customer experience, positioning Colt as a pioneer in the enterprise network services industry. Its innovative AI-powered approach also improves employee productivity and happiness, facilitating customer loyalty and revenue growth. The company remains a trusted partner, earning a reputation for offering the best in the enterprise network services industry.

With its strong overall performance, Colt Technology Services earns the 2023 Frost & Sullivan Global Customer Value Leadership Award in the enterprise network 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

