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FROST & SULLIVAN BEST PRACTICES AWARD

CLOUD-BASED ENTERPRISE QUALITY MANAGEMENT SYSTEM - NORTH AMERICA

Customer Value Leadership 2019

COMPLIANCEQUEST
Quality . Compliance . Collaboration . Communication

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2019 BEST PRACTICES AWARD

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Background and Company Performance

Industry Challenges

The manufacturing industry is on the cusp of transformation, led by digital forces such as cloud, mobile, AI and IIoT. As value-chain's become more complex, integrated and networked, manufacturing industry customers seek to improve operational efficiency, enhance visibility, and reduce costs by embracing automation across all areas. The outcomes sought by customer is to improve the quality of product builds, traceability, profitability and customer satisfaction. Unfortunately, the breadth and depth of legacy systems are severely restraining customers. Quality goes hand-in-hand with compliance, particularly in regulated industries like medical devices, Lifesciences, aerospace, etc. Even today, customers measure quality in siloes and don't have a comprehensive view on quality metrics across the value-chain. The inability to integrate easily with legacy systems fails to provide adequate visibility and control over quality, and they are prohibitively expensive and complex to deploy. This often forces the organizations to alter processes in order to implement new technology.

For companies looking to reduce their total cost of ownership and realize the benefits of an end-to-end quality management system more quickly, the siloed solution view simply does not deliver. Frost & Sullivan believes the ideal enterprise quality management system (EQMS) should be an asset, not a liability, and it should be easily configurable. An effective EQMS integrates quality across all organizational operations without making extensive demands on resources, particularly cost. A vendor that offers a robust, connected quality management system that provides superior flexibility, improved user experience, hassle-free quick deployment and lasting customer value will position the vendor as a preferred supplier of choice in the market.

Customer Impact and Business Impact of ComplianceQuest

Founded in 2014, ComplianceQuest leverages strong capabilities to streamline quality, compliance, content, and collaboration management initiatives through its cloud-based enterprise quality management system (EQMS). The company builds next-generation (next-gen) solutions for the new age of digital transformation, connectivity, and data access through its revolutionary platform built with innovative capabilities comprising of mobile, artificial intelligence (AI) and machine learning (ML).

Translating Next-generation Technology to Unrivaled Customer Value

Frost & Sullivan finds ComplianceQuest's unified suite of applications covers the aspects of quality management, manufacturing, supplier management, customer/field service, health, and safety, driving exceptional business value for its customers. The company shares a strong relationship with Salesforce, harnessing the capability to offer an entirely modern cloud-based EQMS solution to the manufacturing world. As manufacturing industries adopt cloud-based platforms as a mainstream technology, ComplianceQuest is

well prepared to meet the latent demand from the industry. ComplianceQuest's EQMS platform offers creative digital experiences for manufacturing companies by empowering them to manage quality across a collaborative supply chain.

ComplianceQuest facilitates value through its focus on quality management across the entire value-chain (from sourcing to manufacturing to supply-chain), improving both revenue and bottom line efficiency. As a Salesforce native application suite, ComplianceQuest added its E-Signature (E-Sig) component that ensures data collection standards compliance, as well as its Audit Trail Management, which accurately tracks access to certain information. Additionally, since Salesforce powers ComplianceQuest's EQMS, it enables the company and its customers to leverage Salesforce's proprietary technology, such as workflow, task management and data mobility. Users can record and access quality, safety, and compliance data from any device and any location. Data streams from various sources (e.g., enterprise resource planning, customer relationship management, and Salesforce AppExchange solutions) with simple integrations built by ComplianceQuest.

Since Industry 4.0's arrival, ubiquitous connectivity has allowed unchallenged access to data. Mobility must be effortless and seamless between data centers, among field locations, and to individual users at the edge. Thus, data integration must be managed, not the infrastructure. ComplianceQuest embeds connectivity in its solution through Salesforce's collaborative tools. Chatter and Community-portals connect shop floor managers with suppliers, facilitating discussions regarding compliance issues to see real-time solutions. The communication tools improve collaboration and minimize data and email exchange, to resolve issues quickly. Frost & Sullivan believes ComplianceQuest's additional capabilities and features help customers reap the benefits of digitizing manual practices and enabling data access ubiquity.

ComplianceQuest has put together a strong solutions portfolio that few competitors can match. Its EQMS provides scalability, smart connectivity, and predictive analytics-based data availability, integrated into a modern cloud enterprise quality and compliance platform that spans across the entire operational value chain.

Prioritizing Customer Satisfaction across the Solution Lifecycle

ComplianceQuest delivers a best-in-class experience through its Agile-Based CQ Deployment (ABCD). The company's rapid implementation methodology simplifies deployment and configures the solution to meet specific business requirements. Traditionally, startups express hesitance when it comes to adopting radical market strategies; however, ComplianceQuest's solutions are highly flexible, enabling it to work with small companies in the same way as with large enterprises. Also, being a Salesforce native, the company's solution operates with existing Salesforce instances easily.

The company's customer centricity culture speaks volumes of the growth it has achieved in the market. It grew by 177% in 2018 and has a target to grow by 100%+ in 2019 as well. To ensure its customers' needs are the primary objective, ComplianceQuest conducts workshops to help users define their business outcomes. The workshop also features comprehensive training to assist companies with preparing its end-user training team.

Customer satisfaction is a critical determining factor of any business' sustainability, particularly those in highly regulated industries where compliance with industry regulations and avoidance of potential product liability lawsuits are necessary for business viability. To ensure customers remain loyal to their brand, a company's solution must not only match the customer's current needs but anticipate and adapt to future requirements.

"Necessity is the mother of invention," and as consumer needs increase, businesses must also rise to meet their demands. Legacy systems are failing rapidly, and new technology must be capable of shouldering the immense workloads of the future. Thus, scalability has become a critical differentiator. As a Salesforce application suite, ComplianceQuest is supported by some of the most robust and relevant technologies, preventing near-future obsolescence. ComplianceQuest passes on Salesforce's inherent scalability to its customers, bolstering their overall confidence and satisfaction as they are supported by a dependable support team. Additionally, Salesforce's essential features vitalize ComplianceQuest's EQMS, strengthening it with additional services, such as enterprise-class security and real-time streamlined analytics, reporting, and customized queries. Frost & Sullivan believes ComplianceQuest provides its customers with high scalability and value-added features from Salesforce, which supports improved performance value for its customers and further instills strong customer ownership satisfaction.

Excellence in Strategic Partnerships and a Growing Customer Base

ComplianceQuest's growth strategy focuses on leveraging strategic partnerships and integrating advance technology to expand the product value chain, which Frost & Sullivan believes will help the company expand beyond QMS to other suites, such as health and safety. In only five years, the company experienced consistent growth, with full-year revenues increasing by 177% in 2018.[1]

Companies that have adopted ComplianceQuest have realized at least a 20% reduction in customer complaints and a 48% reduction in the cost of poor quality. The company's brand strength has grown as its customer volume increased, as well, from 35 to 60 by 2018, and it is predicted to rise further by the end of 2019.[2] More appropriately, the company saw roughly a 160% increase in channel partners from 2017 to 2018.[3] Additionally, ComplianceQuest aims to release three updates with validation every year, ensuring its customers always have the most up-to-date features.

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[1] ComplianceQuest. *Analyst Briefing for Frost & Sullivan*. February 2019. (Accessed April 2019)
[2] ComplianceQuest. *Analyst Briefing for Frost & Sullivan*. February 2019. (Accessed April 2019)
[3] ComplianceQuest. *Analyst Briefing for Frost & Sullivan*. February 2019. (Accessed April 2019)

Moreover, ComplianceQuest focuses on strategic and mutually beneficial partnership, understanding the importance of good relationship to ensure best-in-class integrated solutions, industry experience, local support, and extensive service offerings. The company's Partner Program combines its EQMS solution with a partnership company's technology, bolstering growth and maximizing revenue potential, as well as inviting new opportunities.

Notable strategic partnerships include:

- USDM – The company combined its life sciences domain knowledge with ComplianceQuest's platform, creating a powerful solution that assists companies implementing a quality system for the first time or for those replacing on-premises, legacy systems. The resulting platform offered robust benefits, such as consolidation, lowered costs, and increased user adoption.
- Atos – ComplianceQuest announced its partnership with Atos in late 2018. The company provided training and certification for Atos' developers, as well as access to solution development areas for prototyping, building, and testing solutions, and joint pursuit of implementation opportunities.
- coServe – The collaboration with coServe enhances ComplianceQuest's market reach, enabling it to expand its brand recognition and customer service abilities to the Indian sub-continent, South-East Asia, and the Middle East. The channel partnership increases the value ComplianceQuest provides its customers, positioning the company to deliver EQMS to more locations, opening up greater opportunities.
- Rootstock – ComplianceQuest and Rootstock partnered to offer their joint customers a simple integration of Rootstock's manufacturing/distributing ERP and ComplianceQuest's enterprise quality management capabilities. Through this strategic partnership, enterprises can manage quality by collaborating with supply chains while still remaining compliant with industry, country, and customer-specific regulations.

Frost & Sullivan applauds ComplianceQuest's growth strategy, believing its collaborative approach will strengthen its market position and brand, positioning the company as a dominant force in the EQMS market.

Conclusion

Legacy systems that once seemed ideal are facing obsolescence, as they cannot address the rising complexities of today's markets. Natively built and run on the Salesforce Platform, ComplianceQuest invigorates the industry with a cloud-based approach to quality management. Maintaining a firm customer-first mentality, the company's solution delivers significant value and ensures customer satisfaction throughout the entire sales and solution lifecycle. Moreover, ComplianceQuest's consistent growth in revenues, customers, and partnerships is well poised to position the company as a formidable presence in the enterprise quality management systems market. Frost & Sullivan predicts that collective value brought by the company's strategic partnerships will ignite more interest and prove strategic in years to come.

For its innovative focus, proven solutions, and strong overall performance, ComplianceQuest earns Frost & Sullivan's 2019 North America Customer Value Leadership Award in the cloud-based enterprise quality management systems market.

Significance of Customer Value Leadership

Ultimately, growth in any organization depends upon customers purchasing from a company and then making the decision to return time and again. Delighting customers is, therefore, the cornerstone of any successful growth strategy. To achieve these dual goals (growth and customer delight), an organization must be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.

Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by two macro-level categories: Customer Impact and Business Impact. These two sides work together to make customers feel valued and confident in their products' quality and long shelf life. This dual satisfaction translates into repeat purchases and a high lifetime of customer value.

Key Benchmarking Criteria

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated two key factors—Customer Impact and Business Impact—according to the criteria identified below.

Customer Impact

Criterion 1: Price/Performance Value
Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience
Requirement: Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience
Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity
Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Business Impact

Criterion 1: Financial Performance
Requirement: Overall financial performance is strong in terms of revenue, revenue growth, operating margin, and other key financial metrics.

Criterion 2: Customer Acquisition
Requirement: Customer-facing processes support the efficient and consistent acquisition of new customers, even as it enhances retention of current customers.

Criterion 3: Operational Efficiency
Requirement: Staff is able to perform assigned tasks productively, quickly, and to a high quality standard.

Criterion 4: Growth Potential
Requirements: Customer focus strengthens brand, reinforces customer loyalty, and enhances growth potential.

Criterion 5: Human Capital
Requirement: Company culture is characterized by a strong commitment to quality and customers, which in turn enhances employee morale and retention.

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP		OBJECTIVE	KEY ACTIVITIES	OUTPUT
1	**Monitor, target, and screen**	Identify Award recipient candidates from around the globe	• Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies	Pipeline of candidates who potentially meet all best-practice criteria
2	**Perform 360-degree research**	Perform comprehensive, 360-degree research on all candidates in the pipeline	• Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates	Matrix positioning of all candidates' performance relative to one another
3	**Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps	Detailed profiles of all ranked candidates
4	**Initiate research director review**	Conduct an unbiased evaluation of all candidate profiles	• Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles	Final prioritization of all eligible candidates and companion best-practice positioning paper
5	**Assemble panel of industry experts**	Present findings to an expert panel of industry thought leaders	• Share findings • Strengthen cases for candidate eligibility • Prioritize candidates	Refined list of prioritized Award candidates
6	**Conduct global industry review**	Build consensus on Award candidates' eligibility	• Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates	Final list of eligible Award candidates, representing success stories worldwide
7	**Perform quality check**	Develop official Award consideration materials	• Perform final performance benchmarking activities • Write nominations • Perform quality review	High-quality, accurate, and creative presentation of nominees' successes
8	**Reconnect with panel of industry experts**	Finalize the selection of the best-practice Award recipient	• Review analysis with panel • Build consensus • Select recipient	Decision on which company performs best against all best-practice criteria
9	**Communicate recognition**	Inform Award recipient of Award recognition	• Present Award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10	**Take strategic action**	Upon licensing, company is able to share Award news with stakeholders and customers	• Coordinate media outreach • Design a marketing plan • Assess Award's role in future strategic planning	Widespread awareness of recipient's Award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.