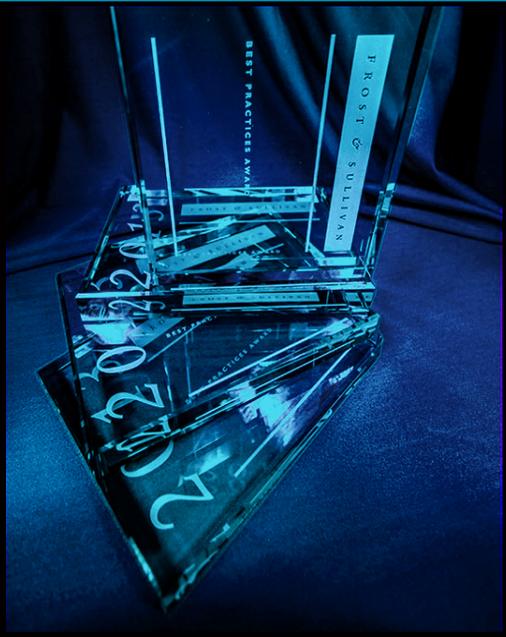




2016 European Fleet Telematics Company of the Year Award



FROST & SULLIVAN

BEST
2016 PRACTICES
AWARD

EUROPEAN FLEET TELEMATICS
COMPANY OF THE YEAR AWARD

2016
BEST PRACTICES
AWARDS

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Background and Company Performance

Industry Challenges

Fleet management includes an array of services, ranging from asset management to operations and driver management, that help simplify the business processes related to transportation for companies. Companies are increasingly focusing on reducing the downtime of their drivers as well as their fleet, which has brought about a surge in the demand for effective and comprehensive fleet management solutions across diverse industry verticals such as healthcare, utilities, insurance telematics, and emergency services. To address concerns in such a demanding environment where fleet operators generally operate at a tight margin of less than 5%, the availability of telematics in fleet operations brings a welcome change. Technologically advanced fleet telematics solutions facilitate instant data transmission on a real-time basis, enabling companies to optimise and control their incumbent fleet operations.

Fleet telematics vendors seek a competitive advantage in the market and thus strive to incorporate innovative elements in their solutions (with a strong focus on research and development (R&D) to consistently enhance customer satisfaction even in the face of the evolving market requirements. Lack of product differentiation further deters companies from expanding their installed customer base, necessitating the incorporation of unique value-added features into their solutions. Bound by increasingly stringent legislation and regulations for both driver and vehicle safety, the fleet management industry needs pertinent solutions that ensure a high degree of effectiveness and compliance with prevailing norms and mandates. Inadequate attempts by market participants to provide robust customer support and implement strategies for customer retention also hinder their growth and affect their margins. This creates the need for a comprehensive solution that not only facilitates fleet management optimisation but also positively impacts customers' profit margins. Telematics service vendors also need to enhance their customer support measures and improve their sales and marketing strategies such that they are able to acquire new customers whilst retaining their current clients. The biggest challenge stems from choosing the best fleet telematics vendor that can effectively address the aforementioned challenges, especially in an industry marked by the presence of a large number of telematics vendors offering similar services.

Visionary Innovation and Performance and Customer Impact

Addressing Unmet Needs

In 2005 TomTom acquired Datafactory AG, a telematics company based in Leipzig, Germany, which formed the foundation for TomTom Telematics. In a span of 10 years since, TomTom Telematics has built its reputation for excellence in innovation to meet evolving customer requirements for effective fleet operation management solutions in diverse market domains. The Telematics division of the company has remained highly

focused on securing and maintaining the company's edge over its competitors through WEBFLEET, the company's Software as a Service (SaaS) fleet management platform (launched in 1999), with advanced capabilities that can effectively address an array of unmet customer needs.

Such needs include managing time and resources for clients during a fleet operation, ensuring driver efficiency, providing assistance to customers with regard to real-time vehicle tracking, and facilitating workforce management. Unlike competing solutions in the European market, the WEBFLEET platform effectively addresses the challenges stemming from fuel and driver efficiency issues across industries, such as service and maintenance, utilities, healthcare, goods transport, passenger transport, emergency services, courier services, sales fleets. To further enhance the customer ownership experience, TomTom Telematics continuously upgrades the features and functionalities of its WEBFLEET platform to be able to meet emerging market needs and changing customer preferences.

TomTom Telematics also assists companies and drivers to effectively manage time and resources through its range of WEBFLEET connected driver terminals, which deliver professional-grade navigation, comprehensive maps, and key routing and traffic information. The TomTom Traffic tool additionally provides customers with world-class information on traffic movement, assisting drivers to maximise their performance by taking the less congested route and avoiding delays. Most importantly, the near real-time tracking attribute of WEBFLEET keeps companies abreast of driver activities (with about six updates in a minute). This creates a conducive environment and reduces possibilities of any miscommunication between company officials and the fleet of drivers. Leveraging information technology (IT) systems and processes, the WEBFLEET platform can readily update customers whilst helping to improve fleet efficiency.

Being highly appreciated for the WEBFLEET platform, TomTom Telematics focuses on continuing the legacy of providing unmatched customer satisfaction. In 2015, it launched OptiDrive 360 (an upgraded version of WEBFLEET OptiDrive). This benchmarking tool helps companies to increase fuel efficiency and improve driving behaviour, and the mechanism of providing constant feedback to drivers provides it with an edge over its competitors. By improving driver behaviour, companies can also help improve road safety and reduce their risk profile.

TomTom Telematics technology and its cloud-based platform also enriches innovative connected car solutions for both consumers and car service providers, including OEMs, dealerships, importers, servicing and leasing companies and motor insurers.

The open approach by TomTom Telematics enables diverse companies from diverse verticals to create numerous applications suiting their respective environments and specifications. Companies can incorporate a range of software and hardware vendors, enabling them to digitize end-to-end business processes and make smarter decisions to achieve business goals. This is made possible through stable, open Application

Programming Interfaces (APIs) and Software Development Kits (SDKs), which allow for third-party app development and integration. To date, more than 350 software and hardware partners have integrated WEBFLEET into their product applications. This has broadened TomTom Telematics' scope of operations by enabling it to cater to specific requirements such as route optimisation, planning/scheduling, dispatching/workflow, communication, reporting, customer relationship management/ enterprise resource planning (CRM/ERP), mobile worker applications, working hours/salary, asset management, driving performance, billing/invoicing, vehicle maintenance, and fuel cards. The range of telematics solutions for in-vehicle and mobile devices covers among others proof of delivery, driver identification, printing, barcodes, radio-frequency identification (RFID), temperature, scanning, cameras, and fuel level.

The open platform technology from TomTom Telematics was strategically adopted by AttainIT (an IT services and vehicle networks company in Venice, Italy) to launch an integrated software solution (powered by TomTom Telematics WEBFLEET platform) to facilitate sustainable car sharing operations in the European region.

Such integration of car booking software and electric car battery data with the WEBFLEET platform has provided electric car sharing companies with value-added benefits by facilitating efficient fleet management. For instance, Be Smart, a prominent software integrator in Italy, has readily accepted this solution to extend an array of benefits to its clients, such as checking the remaining battery power in each vehicle, facilitating remote car activation, assisting effective vehicle tracking, and providing accurate billing by precisely tapping the journey information. The cutting-edge ability of TomTom Telematics solutions to meet such a diverse range of customer requirements clearly positions the company ahead of its competitors in the European market.

Implementation of Best Practices

With its ability to ensure high customer satisfaction (in alignment with its business objectives), TomTom Telematics has secured immense appreciation for its solutions. Its successful implementation of industry best practices with regard to meeting changing user needs, with major technological advances, has provided the company with a competitive advantage.

The award winning OptiDrive 360 feature is a unique innovation that provides comprehensive feedback to drivers (before, during, and after trips). Such consistent flow of real-time information motivates drivers to drive in a responsible manner, keeping fuel consumption in check, which in turn helps bring down maintenance costs and the insurance premium for their employers. All of this can help to reduce total costs of ownership. Moreover, through the WEBFLEET platform, TomTom Telematics affirms its responsibility towards environmental sustainability, which it seeks to highlight by helping to fulfil the green requirements of clients.

SGN, one of the UK's largest gas distribution networks, implemented WEBFLEET and OptiDrive360 to improve driver efficiency and safety, helping the company save £1 million a year. Using WEBFLEET for its >2,000 fleet, SGN recorded idling reduction of 68%, inefficient driving events reduced by 24%, mileage reduced 16%, speeding reduced by 15%, vehicle maintenance bill cut by 5% and improved MPG of 11%. Additionally, managers use OptiDrive 360 to actively manage drivers and ensure safer, greener fleets.

Sales-Lentz, a Luxembourg-based bus and people transport company with a 450-vehicle fleet, used OptiDrive to enhance driver efficiency. The company recorded a reduction in the number of road accidents from six to zero (within one year of the deployment of the TomTom Telematics solution).

Financial Performance

The fleet management market in Europe has been growing exponentially, driven by the popularity of TomTom Telematics customer-centric and highly differentiated fleet management solutions. With more than 600,000 active subscriptions at the end of 2015, the company has recorded a high compound annual growth rate (CAGR) of more than 30% since 2006. Apart from its ability to develop unique solutions, the company relies on strategies for inorganic growth by acquiring leading companies in related domains. For instance, the company acquired the Barcelona-based Coordina on August 01, 2013, the France-based DAMS Tracking on April 29, 2014, the Netherlands-based Fleetlogic on December 02, 2014 and Finder, the leading fleet management service provider in Poland, effective as of the end of December 2015. All of these strategic acquisitions have helped TomTom Telematics expand its installed customer base and strengthen its sales, distribution, and support network by leveraging customer penetration in diverse markets.

TomTom Telematics is strongly positioned to cater to a wide range of customers, including small and medium businesses to very large corporate fleets such as Mersey Care in healthcare, Lexus Leicester in the sales fleet domain, Cheetah Couriers in Express services, and SGN in utilities.

With a highly user-friendly interface, the capability to seamlessly integrate with third-party systems, and unmatched security features, the WEBFLEET platform renders optimum value to its customers. This is strongly underscored by the platform's compliance with the ISO 27001 standard, an extra level of security that ensures sensitive business data is not compromised. Providing a unique experience for customers in the European market, the subscriber base for the WEBFLEET platform recorded strong growth in 2015 (and a 41% growth in 2014). With about 40,000 customers globally, TomTom Telematics focuses and spends aggressively on its R&D initiatives. On a group level TomTom, 2014 R&D spend stood at €243 million (an increase of €15 million from 2013).

Price/Performance Value

Currently, TomTom Telematics enjoys a leading position in the European fleet telematics market. The company has secured more than 600,000 subscriptions in 2015. In use across 60 countries, WEBFLEET ensures all stakeholders are connected, allowing them to work cohesively as a team. TomTom Telematics strong local support network and availability of third-party integrators further enhance the value proposition for customers. Combined with the ISO 27001 certification, this ensures supreme levels of security and quality. The unique functionality of the WEBFLEET platform is its ability to keep a rigorous check on the fleet through the day from any remote location (using a computer, tablet, or smartphone).

Zenith Hygiene Group, a prominent privately-owned hygiene business company in the United Kingdom, also derived unparalleled benefits from its deployment of the WEBFLEET platform, which helped the company reduce fleet operation costs by nearly £350,000 per year, including insurance costs reductions of £78,000 per annum, and carbon dioxide emissions from 33 to 24lbs per day (27% reduction).

Customer Purchase Experience

TomTom Telematics boasts of a multi-channel sales network that enables it to provide a fulfilling purchase experience to its customers. Historically, TomTom Telematics solutions were sold by indirect sales channels such as resellers. More recently the company has shifted further towards direct sales, and has added a telesales team and an online sales platform to serve customers in the manner that best fits their needs.

To further enhance the customer purchase experience, TomTom Telematics seeks to forge partnerships with some of the major oil companies in Europe. This will ensure the perfect amalgamation of fuel card information and fleet management, facilitating the development of a comprehensive solution. Such partnerships are likely to render supreme value to customers with large fleets. For instance, in November 2015, the company formed an alliance with 'Shell' (the leading oil and gas provider based in the Netherlands), whereby TomTom Telematics and Shell cooperate to offer businesses in Europe a complete fuel management solution using WEBFLEET alongside Shell's fuel management services.. This will enable TomTom Telematics to strategically maximise the extensive customer reach that Shell boasts , helping it create a much larger addressable customer base.

With its hybrid go-to market model, comprising direct, indirect, telesales, and online sales approaches, TomTom Telematics has been able to maintain proximity with customers. Leveraging its network of 250 business partners (resellers and installers) and more than 350 software and hardware partners (system integrators and independent software and hardware vendors), the company has surpassed customer expectations.

Customer Ownership Experience

Positive feedback from customers on a consistent basis strongly testifies to the enriched ownership experience that TomTom Telematics provides them. The fleet telematics solutions developed by the company are extremely user-friendly, easy to implement, and constantly upgraded. Moreover, these do not require any specified skill sets for operation. With a competent service and support network, the company's customized mode of service delivery in terms of user-specific training, installation support, strategic fleet consulting, and implementation projects is unmatched in the industry. The company also has partnered with some of the leading automobile associations and driving institutions in Europe (DEKRA and Forenede Danske Motorejere, or the Danish Motorists' Federation).

In practice, the combination of best-in class products supported by high customer intimacy results in almost immediate benefits for clients. Typically, TomTom Telematics customers can expect to see a return on their investment in 6-9 months, often sooner. Rolling out TomTom Telematics solutions helped UK-based Sanctuary Maintenance to reduce fuel costs by around 25% in two months, whilst Xerox, with a service fleet of 2,000, was able to cut fleet costs and simultaneously increase productivity of engineers by 30 minutes every day.

Customer Service Experience

Driven by its vision to redefine the European fleet telematics market, TomTom Telematics has an efficient customer support team to address user queries. Being one of the few companies providing services across five continents, TomTom Telematics has maintained its strong foothold in Europe, as well as in North America and South Africa. It also caters to customers in New Zealand and Australia, and launched its services in the LATAM region (Chile and Mexico) in December 2015. Its solutions support all major European (English, German, French, Spanish, Portuguese, Italian, Dutch, Danish, and Polish) and American languages. TomTom Telematics also extends local support to its customers, as and when needed, through in-house technicians or third-party vendors. For instance, with a vast customer base in Germany and Spain, the company relies on its robust network of installers rather than its in-house technicians. It also has call centers (in Amsterdam and Leipzig to support customers in the European region and one in Boston for North American users) as centralised locations providing comprehensive technical support. The company additionally has a call center in Barcelona, which focuses on inside sales and marketing as well as addressing customer issues.

Rather than use third-party cloud services to store data, TomTom Telematics operates its own ISO 27001 certified secured private cloud. This allows the company to not only support customers when there's a problem, but help them proactively manage the data and understand what that data is telling them to achieve their goals and objectives.

Other service components that help raise the customer satisfaction bar include the company's ability to detect any issues in the network through its network monitoring centre and provide prompt customer support services. Moreover, all of its hardware boxes are upgradable over the air, which ensures efficient and customer-friendly processes.

TomTom Telematics offers about 400 frequently asked questions (FAQs) in diverse languages through its customer portal, enabling users to gain important insights into available products online. The customer support representatives address customer queries on a 24/7 basis throughout the year. Another differentiated benefit that the company provides is its standard hardware warranty and lifetime warranty on all rental products. Therefore, whenever there is a glitch in product performance, the support team readily addresses the need for replacements, installations, and activations.

Conclusion

TomTom Telematics has strongly positioned itself in the European fleet telematics market, backed by its expertise in developing diversified solutions that ensure optimum driver efficiency and maximise operational cost savings for clients. The company aspires to retain its dominant position globally across diverse industry verticals. Understanding the market gap in terms of the unmet need for a befitting telematics solution to facilitate vehicle tracking on a real-time basis, the company focuses on improving its existing solutions portfolio to further bolster its market position and render enhanced customer value. Its strategic partnerships and strong focus on inorganic growth enable TomTom Telematics to take advantage of its partners' market reach and expand its installed customer base over time. Because of its strong overall performance, TomTom Telematics is recognized with Frost & Sullivan's 2016 Company of the Year Award.

Significance of Company of the Year

To win the Company of the Year award (i.e., to be recognized as a leader not only in your industry, but among your non-industry peers as well) requires a company to demonstrate excellence in growth, innovation, and leadership. This kind of excellence typically translates into superior performance in three key areas: demand generation, brand development, and competitive positioning. These areas serve as the foundation of a company's future success and prepare it to deliver on the two criteria that define the Company of the Year Award (Visionary Innovation & Performance and Customer Impact).



Understanding Company of the Year

As discussed above, driving demand, brand strength, and competitive differentiation all play a critical role in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on visionary innovation to enhance customer value and impact.

Key Benchmarking Criteria

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated two key factors—Visionary Innovation & Performance and Customer Impact—according to the criteria identified below.

Visionary Innovation & Performance

- Criterion 1: Addressing Unmet Needs
- Criterion 2: Visionary Scenarios through Mega Trends
- Criterion 3: Implementation Best Practices
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Financial Performance

Customer Impact

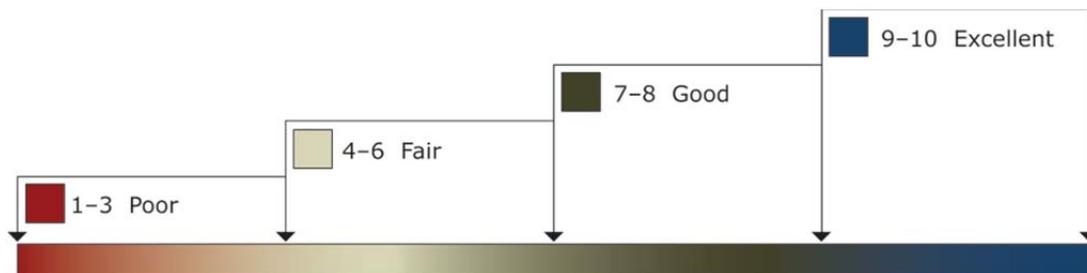
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practice Award Analysis for TomTom Telematics

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

RATINGS GUIDELINES



The Decision Support Scorecard is organized by Visionary Innovation & Performance and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players as Competitor 2 and Competitor 3.

<i>Measurement of 1–10 (1 = poor; 10 = excellent)</i>			
Company of the Year	Visionary Innovation & Performance	Customer Impact	Average Rating
TomTom Telematics	9.0	9.0	9.0
Competitor 2	8.0	7.0	7.5
Competitor 3	7.0	7.0	7.0

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs

Requirement: Implementing a robust process to continuously unearth customers’ unmet or under-served needs, and creating the products or solutions to address them effectively

Criterion 2: Visionary Scenarios Through Mega Trends

Requirement: Incorporating long-range, macro-level scenarios into the innovation strategy, thereby enabling “first to market” growth opportunities solutions

Criterion 4: Implementation of Best Practices

Requirement: Best-in-class strategy implementation characterized by processes, tools, or activities that generate a consistent and repeatable level of success.

Criterion 3: Blue Ocean Strategy

Requirement: Strategic focus in creating a leadership position in a potentially “uncontested” market space, manifested by stiff barriers to entry for competitors

Criterion 5: Financial Performance

Requirement: Strong overall business performance in terms of revenues, revenue growth, operating margin and other key financial metrics

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 like they are buying the most 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

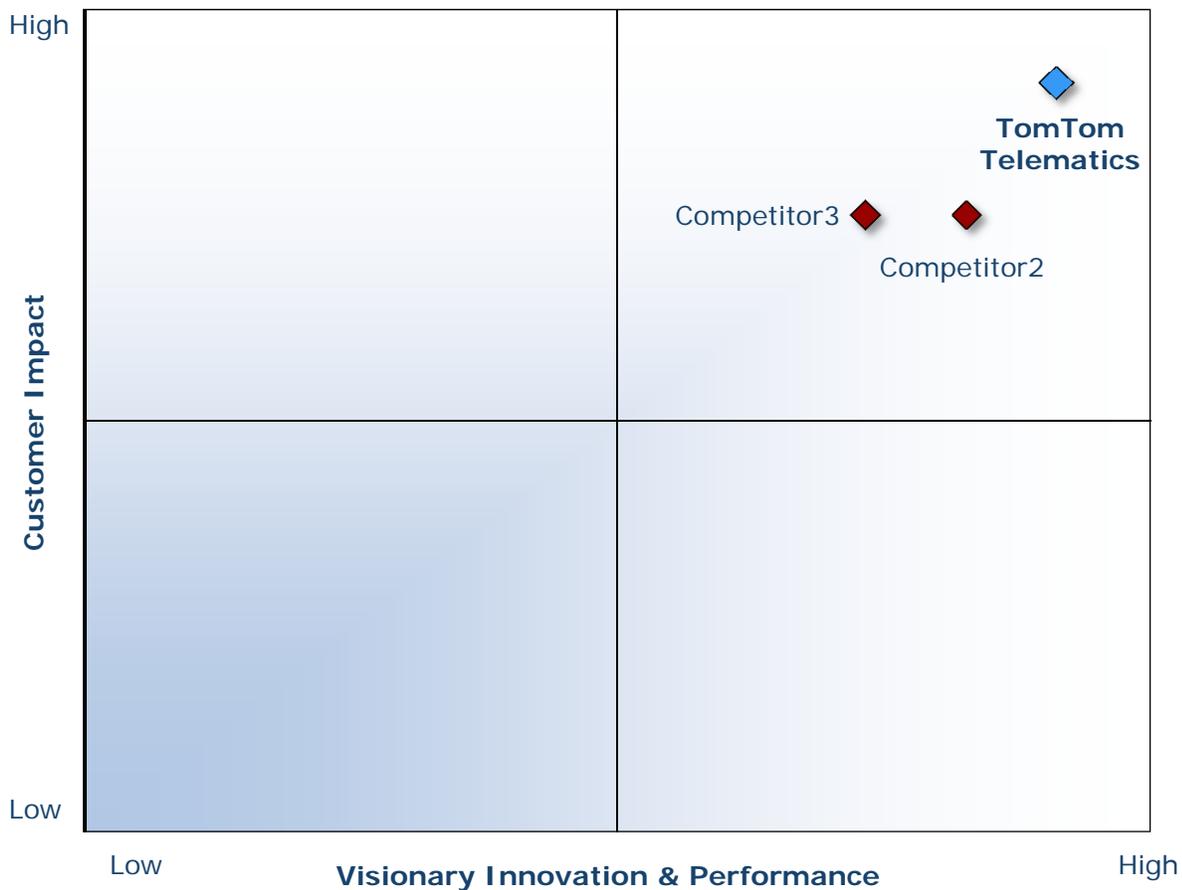
Requirement: Customer service is accessible, fast, stress-free, and of high quality

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.



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

Frost & Sullivan Awards 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates 	Matrix positioning all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select winner 	Decision on which company performs best against all best-practice criteria
9 Communicate recognition	Inform award recipient of award recognition	<ul style="list-style-type: none"> • 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 may share award news with stakeholders and customers	<ul style="list-style-type: none"> • 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

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 almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.