

FROST & SULLIVAN

BEST PRACTICES

AWARDS

FROST & SULLIVAN

2020 BEST PRACTICES AWARD

rackspace[®]

**2020 NORTH AMERICAN CHANNEL
PARTNER PROGRAMS ENABLING
TECHNOLOGY LEADERSHIP AWARD**

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Background and Company Performance

Industry Challenges

In the technology industry, channel partner relationships are like a three-legged stool, with vendors, partners, and businesses—the end customer—all reaping benefits from the relationship. For customers, channel partners often provide a high-touch, consultative approach that allows them to get to know the business' needs and goals and offers a trusted, expert view of how to make their goals a reality. Partners can also be of great assistance to vendors, offering a broader sales footprint—including the ability to expand into new geographic markets and reach new customers and prospects, often at a decreased cost per sale (particularly for start-up technology vendors). For the partners themselves, creating a diverse ecosystem of technology vendors enables them to better meet their customers' needs in a comprehensive way, helping to ensure customer needs are met through a single point of contact.

To attract new partners and increase productivity, many technology vendors are bolstering their channel partner programs by rolling out enhancements to traditional partner initiatives—adding training, certification tiers, and new sales incentives—to make partners more successful.

But as more vendors vie for partner mindshare, traditional tactics of partner enablement may not be enough to drive new business. Savvy vendors are looking at using new tools and techniques—often leveraging advanced technologies or concepts—to help increase partner productivity and ensure success in the partner channel.

Technology Leverage and Customer Impact

A leader in the managed cloud space known for its “fanatical” customer experience, Rackspace has led the way in partner programs, recently updating its partner portal to include aspects of gamification that drive partner engagement and value. Below we evaluate the portal as a leader in enabling channel partner success.

Commitment to Innovation

Rackspace recognizes the importance of its partner channel, and is committed to enabling its partners' success and driving shared revenue. Beyond offering typical partner program incentives like enhanced training and access to support, Rackspace revamped its partner portal, leveraging gamification strategies to increase partner engagement and use of the platform.

The Rackspace partner portal is a primary web interface that gives channel partner agents access to everything they need to do business with Rackspace, from sales agreements to training materials or marketing collateral. The portal seems typical when considering only what partners can do through it. Its uniqueness lies in how they interact: specifically, the principles of gaming used to drive usage and engagement by partner company employees. The portal is designed to recognize levels of achievement for sales enablement and education activities—much like a video game offers new levels of achievement for more

time spent successfully “leveling up” within the game. Partner employees earn “points” in the portal for a variety of sales activities such as:

- Registering sales leads
- Downloading educational content
- Participating in a training course or e-learning module
- Signing a new agent
- Engaging in community forums

The portal is very clear in its presentation of common partner needs like level and compensation, and the portal customizes marketing and educational material over time, based on what each individual partner agent engages with the most. Each partner company can flexibly assign permissions to each authorized employee based on specific, role-based personas. The portal offers role-based access that enables personalization of content; individual sales representatives or engineers can sort and filter content based on what’s new, popular, or “favorited” by users. This further allows individual users to find relevant material quickly.

Commitment to Creativity

The Rackspace partner portal was designed to look like a web-based game, creatively using graphics like level “tokens” and emojis to engage partners. Just as in a video game, as partner employees engage with the portal and complete more activities, they can increase their portal rank and win small prizes (Rackspace-branded items like t-shirts, water bottles, mugs, or similar gear) to keep users interested and engaged. The portal shows each registered user their current level and how many points they need to ascend to the next level.

Commercialization Success

Commercialization of the platform has been successful, with Rackspace reporting a 14% increase in pipeline creation in its partner sales channel between the portal’s launch in August and late November 2019. As more partners interact with the portal for longer periods of time, that number is expected to increase.

Customer Ownership Experience

Rackspace reports that partner agents have responded well to the new portal. Partners especially report that they appreciate the transparency with which they can view compensation tiers and what’s needed to “rank up”—both in the portal as well as in terms of actual partner tiers. The customized content that “learns” what is most used by each particular agent makes the portal more useful than most.

Rackspace reports that partners also find the format engaging and fun, and it makes doing business with Rackspace enjoyable as well as lucrative.

Brand Equity

Rackspace has long been known for its Fanatical Experience™ with customers and has earned strong brand loyalty for its customer service. Now, that high level of support is demonstrated even more strongly for channel partners through the innovative portal that the company has designed to support partner agents.

Partners who use the Rackspace portal have access to educational material, sales collateral, and training; and even better, they receive fun rewards for using it. The more partner agents interact, the more the platform learns their needs and preferences and customizes what they see first in the portal. Agents can also “level up” and earn fun rewards just for accessing what they need to do their job.

Conclusion

Frost & Sullivan believes that as partners become increasingly important to cloud and IT vendors, new technologies and strategies like gamification will be the differentiators that set some vendors ahead of the pack. Rackspace has anticipated this need and is continuing to respond accordingly.

For its strong overall performance, Rackspace is recognized with Frost & Sullivan’s 2020 Enabling Technology Leadership Award.

Significance of Enabling Technology Leadership

Ultimately, growth in any organization depends on customers purchasing from a company and then making the decision to return time and again. In a sense, then, everything is truly about the customer. Making customers happy is the cornerstone of any successful, long-term growth strategy. To achieve these goals through enabling technology leadership, an organization must be best in class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Enabling Technology Leadership

Product quality (driven by innovative technology) is the foundation of delivering customer value. When complemented by an equally rigorous focus on the customer, companies can begin to differentiate themselves from the competition. From awareness, to consideration, to purchase, to follow-up support, organizations that demonstrate best practices deliver a unique and enjoyable experience that gives customers confidence in the company, its products, and its integrity.

Key Benchmarking Criteria

For the Enabling Technology Leadership Award, Frost & Sullivan analysts independently evaluated Technology Leverage and Customer Impact according to the criteria identified below.

Technology Leverage

Criterion 1: Commitment to Innovation

Requirement: Conscious, ongoing adoption of emerging technologies that enable new product development and enhance product performance.

Criterion 2: Commitment to Creativity

Requirement: Technology leveraged to push the limits of form and function in the pursuit of white space innovation.

Criterion 3: Stage Gate Efficiency

Requirement: Adoption of technology to enhance the stage gate process for launching new products and solutions.

Criterion 4: Commercialization Success

Requirement: A proven track record of taking new technologies to market with a high rate of success.

Criterion 5: Application Diversity

Requirement: The development and/or integration of technologies that serve multiple applications and can be embraced in multiple environments.

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.

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 practices 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 world	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging industries • Scan multiple regions 	Pipeline of candidates that potentially meet all best practices 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 practices 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	<ul style="list-style-type: none"> • Confirm best practices 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 practices 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 practices award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select recipient 	Decision on which company performs best against all best practices criteria
9 Communicate recognition	Inform award recipient of 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 is able to 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 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 the 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, resulting in 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, helps clients 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 practices models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit <http://www.frost.com>.