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BEST PRACTICES

AWARDS

FROST & SULLIVAN

2020 BEST PRACTICES AWARD

cobalt IRON®

**2020 NORTH AMERICAN DATA BACKUP
PRODUCT LEADERSHIP AWARD**

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Background and Company Performance

Industry Challenges

Enterprises understand that protecting their corporate data is vital, but their investment in data backup solutions often lags behind their level of concern. In spite of enterprise applications benefiting from automation, modernization, and software-as-a-service (SaaS) economics, the backup and recovery environment has largely inspired only incremental feature improvements due to three perceived challenges. Many businesses believe that data backup solutions are too complicated, too costly, and success is not attainable. The complexity, expense, and daily backup and recovery tasks performed by administrators can be daunting. As a result, enterprises' subpar solutions and practices for backing up data leave vulnerabilities that can be exploited by hackers, resulting in financial and reputational loss.

Product Family Attributes and Business Impact

The U.S. company Cobalt Iron Inc., of Lawrence, Kansas, has developed its Compass[®] data backup as a software-defined, automated solution. Compass delivers user-friendly and economical backup and recovery of data through optimized hardware and automation of administrative tasks. Frost & Sullivan's industry benchmarking research finds that the higher degree of automation and sophisticated analytics are key differentiators of the Compass solution.

Match to Needs and Positioning

Cobalt Iron designed Compass to address unmet needs that Frost & Sullivan finds competitors cannot easily replicate, such as providing rich and customizable role-based access control. This feature enables administrators to manage systems and users on a granular level. Enterprises are able to assign default or custom roles to individual users and groups, or, if preferred, integrate them with Active Directory or Lightweight Directory Access Protocol. Further, administrators can customize various permission levels based on whether the user is an administrator or an end-user. Indeed, additional customization is possible on the basis of projects, locations, and over 50 fine-grain access criteria. The value here is that Compass empowers enterprises to manage data protection in a way that fits their corporate structure. Companies can easily provide access to individuals while only allowing access to the appropriate systems or data needed. This flexibility helps streamline operations, enforce data security, and raise the efficiency of information sharing.

Another unmet need Compass addresses is the definition of policies across an entire enterprise at a global level while retaining the capability of overriding policies locally when necessary. This feature, in turn, enables customers to predefine numerous tasks. These include: their approach to protect application data, the number of versions to maintain, the length of time to retain backup or archived objects and protect deleted objects, and how to archive and retain that archive.

In addition to desiring a backup solution to protect data, customers rightly demand that solutions must also provide timely restoration of data when needed. Every Compass

deployment is designed with recovery as the primary objective. Service Level Agreements, Recovery Point Objectives, and Recovery Time Objectives are baseline measurements for customer success. And, not least, all of the solution's activities comply with the Payment Card Industry Data Security Standard, the Gramm-Leach-Bliley Act, and FINRA¹ requirements.

Also, customers noted that the "long tail" created by data breaches translates into costs extending years into the future. In response, Cobalt Iron equipped its Compass solution with cutting-edge ransomware protection features, a pay-as-you-grow SaaS delivery model, and broad automation that enables enterprises to mitigate risk and cost while operating fully in compliance.

Reliability and Quality

Frost & Sullivan recognizes that companies achieve best-in-class quality by designing features that differentiate their solutions. In the case of Compass, Cobalt Iron delivers powerful cyber-security features with every deployment of its solution. These security features, collectively called Cyber Shield, protect the backup data in the event of a breach such as stolen passwords, breached networks, hacked devices, and ransomware attacks. Compass delivers a further layer of security by eliminating administrator log-ins to backup components. Compass automatically applies updates and patches to the hardware and software so there is no need for administrator log-ins to accomplish these maintenance tasks, thus eliminating passwords that can be stolen. This approach contrasts with competing solutions that have shown vulnerabilities to ransomware and hacking in the areas of stolen passwords and server access.

The use of Virtual Tape Library (VTL) technology to consolidate storage and speed up data restore processing has also created demand for simpler and more cost-effective operations. Cobalt Iron seized upon this opportunity by introducing a software-defined VTL data ingest feature into the Compass solution. In contrast to other VTL solutions, the Compass VTL feature is fully integrated inside of the end-to-end data protection platform. The Compass VTL feature arms an enterprise with a single solution that liberates data from the conventional physical, as well as virtual, tape data silos that typically hamper backup and recovery.

Design

Frost & Sullivan understands that data backup solution developers must design products sophisticated enough to perform complex functions, yet be easy to use. Cobalt Iron addresses this paradox by making Compass incorporate all enterprise backup management on a single console, no matter the size or number of systems involved. Compass minimizes management time and optimizes its solution reliability by bringing management, global policy administration, and automated maintenance updates under the same umbrella. This enables Cobalt Iron Compass to resolve problems faster than

¹ US Congress authorized non-profit organization that oversees over 643,000 brokers to ensure fair financial transactions

competing solutions. System operators can view all needed data on a single display for deployments on-premises, in the cloud, or in a hybrid or multi-cloud combination.

A difficult task for traditional data backup solutions is deploying and maintaining data protection agents, which Frost & Sullivan research shows typically have to be done manually by administrators. Compass has simplified this process by automating installations by means of the Compass Analytics Engine. Frost & Sullivan is impressed that the Analytics Engine provides patches, upgrades, and agent software updates to keep backup infrastructure continuously current without human agency. In this way, Cobalt Iron's automated code updates deliver increased performance and reliability while at the same time relieving administrators of a major burden.

The company is present in more than 20 global cloud data centers and maintains native integrations with the major public cloud providers: Alibaba Cloud, Amazon Web Services, Google Cloud Platform, IBM Cloud, and Microsoft Azure. Users of Compass are able to implement public cloud source and target backup workloads with ease. The Compass solution can be deployed as an on-premises, private cloud, public cloud, or hybrid solution. Furthermore, customers can easily add or modify deployment types as their needs change.

Product/Service Value

Cobalt Iron measures the impact of its Compass solution in terms of automating data backup functions to provide significant savings for customers. For instance, One Cobalt Iron client employed 12 administrators to perform backup tasks for a global enterprise. After installing Compass, the business was able to reduce that number to 1.5 administrators because so many backup tasks were automated, or as Cobalt Iron puts it, "by eliminating the daily grind of daily backup via automation."

In addition to reducing physical backup tasks by 90%, Compass also reduces capital expense by consolidating and optimizing workloads to reduce data storage infrastructure; for example, 5 servers may be pared down to two or three. This streamlining enables enterprises to decommission or repurpose servers for other work.

As a SaaS solution, there is no per system license fee for Compass; payment is calculated based on the customer's protected data footprint. Frost & Sullivan research shows savings can be considerable as an otherwise perpetual license requires customers to pay an upfront sum that includes fees for installation, customization, and integration of the software.

Customer Acquisition

Key to Cobalt Iron's customer acquisition strategy is its focus on customer satisfaction and the firm's use of channel partners as global extensions of its sales group so that they can bring customer needs, compliments, and complaints to Cobalt Iron quickly.

A key differentiator of Cobalt Iron's customer acquisition strategy is its progressive Ironclad Partner Advantage, or IPA. Cobalt Iron created IPA after recognizing many partners that move into SaaS solutions are not rewarded. In response, the Cobalt Iron IPA pays its partners more on the renewal of their services than it would on a new deal by providing them with Cobalt Iron sales leads, marketing experience, and cutting-edge sales

training. This approach incentivizes the software company's partners to maintain happy customers throughout the renewal period.

Customers benefit from the continuous data and operational monitoring that Compass provides, subsequently automatically optimizing operations every day. Cobalt Iron markets this continuous customer care as Compass Solution Assurance.

Conclusion

Across industries, enterprises are protecting increasingly greater amounts of data to comply with regulations, improve efficiency, and thanks to more sophisticated data analytics, uncover valuable information to increase revenue. These changes represent opportunity that is hedged by the challenges of complexity, cost, and unfamiliarity with data backup solutions. Cobalt Iron developed its Compass solution to address these challenges by reducing the amount of human labor needed, and in turn lowering operational costs, as well as by eliminating inefficiencies via high-level automation that Frost & Sullivan finds outperforms competing solutions.

For enabling enterprises to efficiently and more easily manage their stored data, Cobalt Iron Compass earns the 2020 North American Frost & Sullivan Product Leadership Award in data backup.

Significance of Product Leadership

Ultimately, growth in any organization depends on customers purchasing from a company and then making the decision to return time and again. A comprehensive product line filled with high-quality, value-driven options is the key to building an engaged customer base. To achieve and maintain product excellence, an organization must strive to be best in class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Product Leadership

Demand forecasting, branding, and differentiating all play critical roles in finding growth opportunities for your product line. This three-fold focus, however, must be complemented by an equally rigorous focus on pursuing those opportunities to a best-in-class standard. Customer communication, customer feedback, pricing, and competitor actions must all be managed and monitored for ongoing success. If an organization can successfully parlay product excellence into positive business impact, market share will inevitably increase.

Key Benchmarking Criteria

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated 2 key factors—Product Family Attributes and Business Impact—according to the criteria identified below.

Product Family Attributes

- Criterion 1: Match to Needs
- Criterion 2: Reliability and Quality
- Criterion 3: Product/Service Value
- Criterion 4: Positioning
- Criterion 5: Design

Business Impact

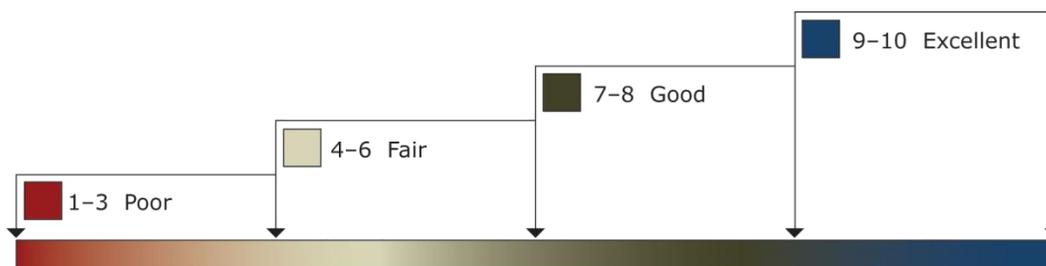
- Criterion 1: Financial Performance
- Criterion 2: Customer Acquisition
- Criterion 3: Operational Efficiency
- Criterion 4: Growth Potential
- Criterion 5: Human Capital

Best Practices Award Analysis for Cobalt Iron Inc.

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 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 considers Product Family Attributes and Business Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criterion 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, Frost & Sullivan has chosen to refer to the other key participants as Competitor 1 and Competitor 2.

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>				
Product Leadership	Product Attributes	Family	Business Impact	Average Rating
Cobalt Iron Inc.	10		10	10
Competitor 1	9.0		9.5	9.25
Competitor 2	9.0		8.5	8.75

Product Family Attributes

Criterion 1: Match to Needs

Requirement: Customer needs directly influence and inspire the design and positioning of the product family.

Criterion 2: Reliability and Quality

Requirement: Products consistently meet or exceed customer expectations for performance and length of service.

Criterion 3: Product/Service Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 4: Positioning

Requirement: Products or services address unique, unmet needs that competitors cannot easily replicate or replace.

Criterion 5: Design

Requirement: The product features an innovative design, enhancing both visual appeal and ease of use.

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: Product strength enables 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

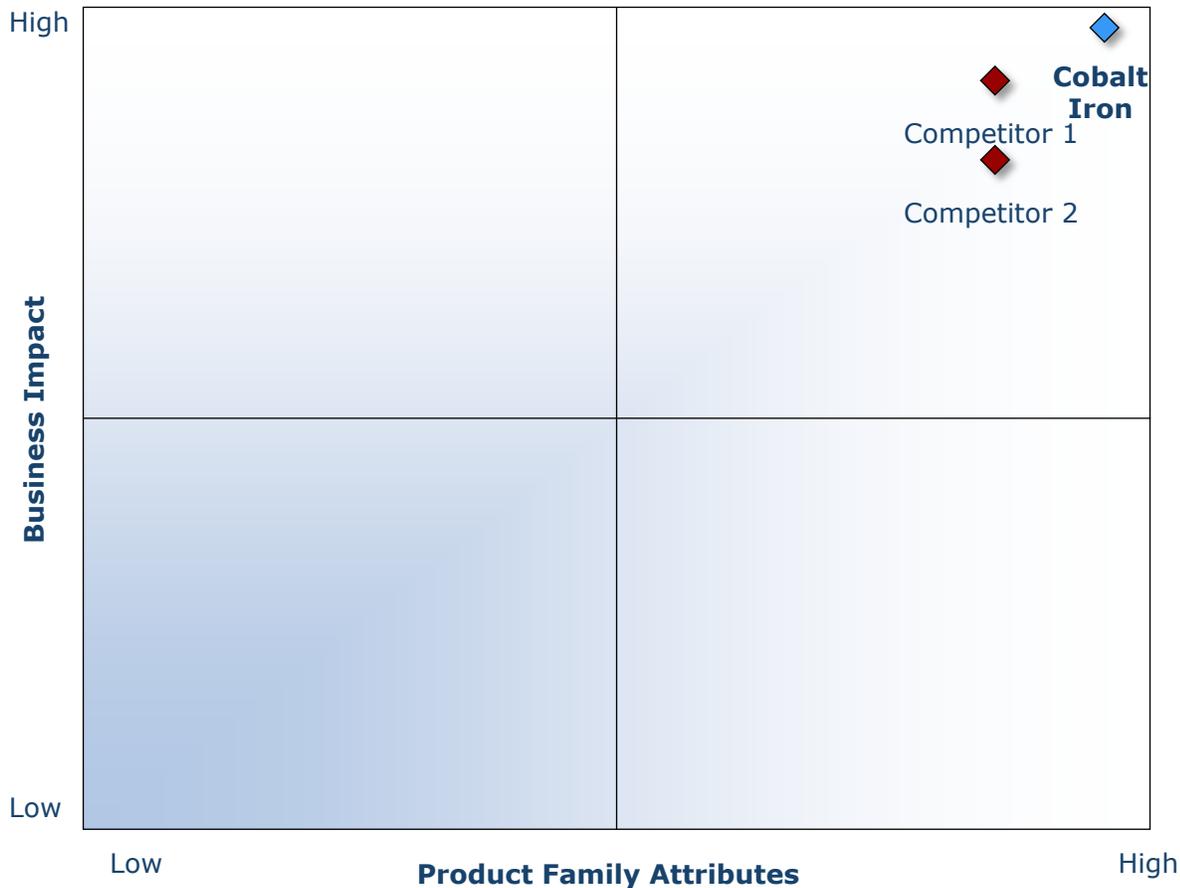
Requirements: Product quality strengthens brand, reinforces customer loyalty, and enhances growth potential.

Criterion 5: Human Capital

Requirement: Company culture is characterized by a strong commitment to product quality and customer impact, which in turn enhances employee morale and retention.

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts 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 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-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 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 candidate 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"> • Announce 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 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, 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.



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>.