

NETCRACKER TECHNOLOGY RECEIVES THE 2023 COMPANY OF THE YEAR AWARD

*Identified as best in class in the Asia-Pacific
OSS/BSS 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. Netcracker Technology excels in many of the criteria in the APAC OSS/BSS space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Addressing Unmet Needs

Going forward, communications service providers (CSPs) in Asia-Pacific (APAC) will transition to one of three possible modes of operation, that is, a technology company (techco), an infrastructure-centric

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company, or a diversified company that offers products/services beyond just connectivity. The old way of approaching the mobile services business is no longer sustainable. Even the basic connectivity service or broadband will have to operate across multiple domains; for example, mobile, fiber, and Wi-Fi. The more advanced enterprise services require the support of platform and ecosystem partners to develop and maintain seamless end-to-end services. Despite these challenges, CSPs are driven by

competition to diversify product lines, launch new segment-related revenue streams, and focus more on enterprise services while always ensuring they meet consumers' service needs, which is their bread and butter. Therefore, operations support systems and business support systems (OSS/BSS) companies, such as Netcracker Technology, should be able to support CSPs as customers in any of the three modes, across domains, across segments, and with commercial arrangements that can range from simple to complex.

With all these challenges in mind, the company strives to meet CSPs' unmet needs and help them overcome barriers to success. As a result, Netcracker Technology is highly appreciated for the critical OSS functions and the reliable BSS capabilities it provides. Customers trust the company to address their needs and enable capabilities that will facilitate future growth. In some cases, trust has been built over a decade of consistently delivering results based on detailed knowledge and expertise. Netcracker Technology takes a customer-centric approach and openly defines its success based on the success of its customers. It strives to be a partner to CSPs on their digital transformation journeys, especially when it comes to bringing higher levels of automation to enable new digital experiences. Among other things, many of the company's long-term customers recognize its ability to deliver digital experiences and reduce costs; for example, Rakuten in Japan, which wants to deliver the best customer experience across all channels; SLT-Mobitel in Sri Lanka, which wants to maintain a uniform and exceptional customer experience across all brands as it expands; and Chorus in New Zealand and Globe Telecom in the Philippines, which want to optimize the overall customer service experience. Meanwhile, Optus in Australia, Maxis in Malaysia, and NTT DOCOMO are among the CSPs that selected Netcracker Technology to drive cost efficiency and savings.

Visionary Scenarios Through Mega Trends

Netcracker Technology addresses Mega Trends opportunities and challenges in collaboration with NEC (a Netcracker Technology subsidiary) by developing product visions around digitalization, environmental sustainability, and co-innovation. In the case of digitalization, technological transformation is changing the way social interactions take place. Communication is going virtual, instant, and barrier-free. Business models are evolving to tap revenue potential and value-producing opportunities. As a response to these changes, Netcracker Technology has evolved its assets to support a comprehensive suite of professional services. Its solutions enable the digital consumer lifestyle, facilitate innovation for digital enterprises, and hyper-automate new digital service delivery. The company is globally recognized for excelling at automation, while its peers have room for improvement in this area, even though automation is where the industry is headed. In terms of environmental sustainability, companies have been increasing efforts to decarbonize and use renewable energy. To support these endeavors, Netcracker Technology partners with companies in the APAC region to reduce business activities' environmental impact through the use of 100% renewable energy, manufacturing products using energy-saving technologies, and promoting initiatives (including within the supply chain) that support the achievement of a decarbonized society. Regarding co-innovation, for new value creation to happen, CSPs should opt for new modes of operation and consider diversification within their capabilities. This is a space where technology companies and telecommunications companies can come together to develop innovative services. Netcracker Technology helps CSPs through this transformation by enabling new, partnership-driven business value with solutions that create and support large networks of users and resources, in addition to being scalable and accessible on demand. Netcracker Technology is at the forefront of leveraging Mega Trends for new growth opportunities, and by doing so, it plays a key role in shaping the future of the region.

The company has worked on meaningful projects in automation for energy and performance efficiency, inclusive society development through lifestyle digitalization and smart transport enablement, as well as next-generation economy and health. To support climate action goals, it collaborated with NTT DOCOMO

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and launched an energy-efficient core and open radio access network (RAN) resource utilization project. Moreover, Netcracker Technology uses blockchain/distributed ledger technology (DLT) to transparently track environmental impact and the resultant operational optimization achieved. Aiming to ensure everyone has access to communication technologies and digital services, its Fiber Cloud Solution contributes to Gigabit society strategy realization by being a tailored lean solution. By promoting the adoption of fiber cloud solutions, Netcracker Technology reduces data transmission's

energy consumption and greenhouse gas emissions. Having worked on safe-yet-smart city initiatives, the company offers a wide solutions portfolio, which allows governments to create safe cities. Furthermore, it has a track record of delivering user-friendly, smart transport solutions and services internationally, enabling seamless and safe travel in more than 100 cities; for example, Netcracker Technology provides a next-generation ticketing solution in Canberra’s transport sector for the Australian Capital Territory (ACT) Government. The ticketing system uses the company’s Smart Mobility Platform to provide smart ticketing, operational intelligence, platform safety and security, and optimal customer experiences.

Leadership Focus

Netcracker Technology helps CSPs in APAC build mobile networks of the future. The company’s multipronged ecosystem approach to digital transformation includes the Digital Transformation Service suite (which guides companies through their transformation journeys), ecosystem enablement assets, and a partnership approach. Netcracker Technology empowers customers to achieve their digital transformation goals quickly and efficiently with the support of its thought leadership assets; for example, best practices, innovative toolsets, proven methodologies, and out-of-the-box templates, processes, and capabilities. The company is recognized for excelling in innovation and has set a new benchmark for its competitors to meet or exceed as innovation is highly sought after in OSS/BSS solutions today. Netcracker Technology also introduces best practices to define solution architecture, plan key performance indicator (KPI)-driven transformation strategy, and design a roadmap for overall implementation. It helps customers upskill their workforces, transform rigid governance processes, and redesign their organizations to remove siloes and adopt agile ways of working. Developments in all these areas are required for CSPs to stay in business. By helping CSPs in these areas, Netcracker Technology shows that it is not only good at delivering software but also at making extra effort to help its customers succeed. By taking a partnership approach to working with customers throughout their projects, the company delivers transformative results that drive business growth and customer success.

Implementation of Best Practices

As an added advantage to a global footprint and a wide variety of project experiences, customers in APAC can benefit from Netcracker Technology's fast learning curve and ready solutions tailored to meet specific needs as 5G gains greater acceptance in the region and the market landscape undergoes rapid changes,

thereby challenging CSPs' existence. The company addresses specific needs through solutions that facilitate infrastructure upgrades, next-generation enterprise services, and digital customer experience and technology evolution solutions with advanced analytics and the cloud, generating consistent and continued success. Netcracker Technology's globally proven best-of-suite approach to modernizing the CSP IT stack is not only ahead of competitors' approach but also caters to CSPs' unique needs by enabling innovation, catering to growth, and managing consolidation. This allows customers to concentrate on and prioritize product innovation and channel management, which are directly linked to revenue generation.

Japan's Nippon Telegraph and Telephone Corporation (NTT) Group undertook one of the largest billing transformation projects in the world, with the aim of consolidating its billing functions into a single multi-tenant cloud platform and catering to more than 150 million subscribers at a Tier I performance of 300,000 bills per minute. Netcracker Technology's BSS was chosen for the transformation due to the company's commendable BSS track record and industry validation, including from TM Forum, a billing platform for large-scale, multinational, and advanced cloud customers. As NTT comprises a large group of businesses, it requires a multi-tenant, enterprise-grade, and data-driven financial solution. In addition to the convergent Revenue Management solution, Netcracker Technology provides NTT with a Data Analytics Platform that combines data management, advanced analytics, and smart use-cases to help NTT with the following: 1) Identifying value-driven use-cases that meet KPIs; 2) Increasing data efficiency by harnessing and processing the right data; 3) Making it easy for business entities and third parties to use the insights with self-service analytics; 4) Enabling corporate users to quickly start a subscription business; and 5) Utilizing usage trend data to improve the lifetime value (LTV) of corporate customers. Through this project, Netcracker Technology has created more than 40 financial use-cases that can benefit other customers in the region as ready innovative solutions.

Sri Lanka's SLT-Mobitel is consolidating all brands onto Netcracker Technology's Revenue Management platform to provide real-time charging and billing; it is also leveraging the company's Digital BSS and Professional Services for end-to-end implementation and post-production support. By doing this, SLT-Mobitel gains a competitive edge and enables greater growth with the latest features, including the following: 1) Control of spending limits at any level within the complex enterprise customer hierarchy; 2) Hybrid subscription support that allows auto-switching from a renewable subscription model to pay-as-you-go and back based on a balance (with the ability to handle multiple parallel subscriptions with non-aligned cycles); 3) Cost-effective, scalable ratings for IoT traffic and stream-based event aggregation for billing load optimization; 4) Dynamic smart quota allocation for high-speed consumption in 5G (with the ability to reduce the load on the rating engine for innovative services); and 5) Real-time billing that provides higher billing accuracy, earlier fraud detection, fewer billing disputes, and higher customer satisfaction. With Netcracker Technology's support, SLT-Mobitel is able to stay competitive and continue to grow. Through this project, Netcracker Technology can leverage consolidation experience with SLT-Mobitel to help other CSPs that need to consolidate separate lines of business to be more cost-effective or consolidate as part of mergers and acquisitions to better manage the merged entity.

In the case of Optus in Australia, significant changes in the market meant that it needed to transform service provisioning and fulfill customer services by undertaking extensive cloud transformation and enterprise service expansion or risk continued loss of market share to smaller participants. Implementing

a new end-to-end cloud-native OSS stack for enterprise services focused on enabling SD-Internet/Ethernet implemented alongside the transitioning of the existing OSS stack into the cloud, Netcracker Technology enabled comprehensive service fulfillment, resource management, service assurance, and cross-domain inventory and topology, as an umbrella for both OSS stacks. With Netcracker Technology's support, Optus is more agile, better placed to offer more efficient customer service, and more competitive. Through this project, Netcracker Technology's cloud-native flexible, scalable, and cost-effective OSS solution supports data integration, disaster recovery, and hybrid cloud capabilities and can be the underlying technology that helps CSPs address the rapidly changing market landscape and reinvent themselves to stay competitive and relevant.

Financial Performance

Netcracker Technology achieved solid growth in OSS/BSS revenue in APAC, at a compound annual growth rate (CAGR) of 3.4% from 2020 to 2022. The COVID-19 pandemic did little to slow its pace of growth in the region, unlike its close competitors that were impacted in 2020 and 2021. In 2022, the company's OSS/BSS revenue in APAC grew by 4.6% year-over-year (YoY), and recurring OSS/BSS revenue increased by 3.0% YoY. This shows the strong backing, level of trust, and following the company has among its customers. Netcracker Technology has a stronghold in Japan, a key market for 5G private networks (called Local 5G) in APAC; it also has good customer relationships with NTT, which is the largest telecommunications company in Japan (and among the largest in the world), and other leading telecommunications companies in the region. In addition to working closely with NEC Corporation, Netcracker Technology is well positioned to take on the larger, big-ticket projects for its best-in-class solutions. Furthermore, from 2020 to 2022, despite challenging times, the company remained committed to investing 9% of its OSS/BSS revenue in research and development (R&D) expense and innovation, reinforcing its value proposition to customers and, ultimately, strengthening future revenue generation potential.

Price/Performance Value

Netcracker Technology is the only vendor that provides its entire flagship solution, that is, the Netcracker Digital Platform portfolio, as a software as a service (SaaS) offering based on the Evergreen model. The Evergreen approach allows subscribed customers to maintain the latest version of the product without costly upgrades or change requests. The shift from complex full-fledged upgrades of the entire stack to frequent Evergreen upgrades, coupled with application development at the post-production stage, ensures fast access to new functionality. The SaaS approach converts capital expenditure to operational expenditure, which offers greater flexibility with software management and reduces the risk of getting stuck with software that does not work for the company/software that the company cannot work with, restricting its ability to compete effectively with its peers. With SaaS, solution maintenance is simple—customers only need to pay a one-time onboarding fee, followed by a regular SaaS fee, which covers all relevant ongoing expenses, such as right-to-use license, support, infrastructure-as-a-service/platform-as-a-service (IaaS/PaaS) operations, and Evergreen, which used to be part of legacy models. For certain long-term innovative customers, Netcracker Technology offers an Outcome-based commercial model, which is an evolution of the revenue sharing model, where the revenue split is tied to the business KPIs achieved.

Using Minimum Viable Product (MVP) and the outcome-based approach, customers enjoy faster return on investment (ROI), business agility, and continuous alignment between business and technology.

To further ensure that customers receive the best value for price, Netcracker Technology addresses customers' proactivity concerns in a two-fold manner, that is, an outside-in approach and an inside-out approach. To induce proactivity within the company, Netcracker Technology actively onboards new ecosystem partners; for example, hyperscalers, third-party vendors, data center infrastructure providers, and system integrators, to drive new business model creation, incorporation of innovative technologies, and adoption of business process efficiency. Complementing this, Netcracker Technology collaborates with customers to perform a comprehensive analysis of the as-is state of the business to clearly map steps to reach the desired state. Consultants help customers bridge the gap between target business goals and the functionality required to achieve them, pinpointing crucial solution features aligned with long-term business strategies. This significantly shortens the planning phase and, ultimately, leads to expectation-based outcomes. Proactivity is a trait that drives the company's partnerships and manifests itself at every stage of cooperation with customers. It helps the company offer better value to customers, that is, not only reactively delivering the requested software but also making a difference in the industry by leading the way in terms of utilizing outcome-based approaches to help CSPs meet their needs.

Conclusion

Stepping up to the task of adequately supporting CSPs in APAC, Netcracker Technology is highly appreciated for the critical OSS functions and the reliable BSS capabilities it provides. Often, the company is entrusted with the task of helping CSPs meet their needs and enabling capabilities that facilitate future growth. Netcracker Technology's customer-centric approach, Evergreen and SaaS models, and outcome-based approach give it the necessary impetus to exceed customer expectations. Leading the way for others in the industry, the company is truly ahead from all angles. The string of customer testimonials is proof of not only how well it delivers its products/services but also how much it makes a difference by going the extra mile to help.

With its strong overall performance, Netcracker Technology earns Frost & Sullivan's 2023 APAC Company of the Year Award in the OSS/BSS industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

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

About Frost & Sullivan

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The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

