

FROST & SULLIVAN

GRIDPOINT®

2016 Global
Building Energy Management Solutions
Customer Value Leadership Award



FROST & SULLIVAN

BEST
2016 PRACTICES
AWARD

GLOBAL
BUILDING ENERGY MANAGEMENT SOLUTIONS
CUSTOMER VALUE LEADERSHIP AWARD

2016
BEST PRACTICES
AWARDS

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Background and Company Performance

Industry Challenges

Given the inherent inadequacies in several energy management solutions (EMS) available at present to building portfolio owners and managers, achieving optimized energy management is often seen as a complex and expensive proposition. There is a general lack of affordable EMS that can provide real time asset level data. Customer engagement and acquisition also remain important challenges due to low awareness of EMS benefits. Towards this end, vendors, integrators, channel partners, installers and utilities are required to provide advisory solutions to address the needs of home and building owners.

Customer Impact and Business Impact

Excellent Price/Performance Value

GridPoint's steady innovation initiatives and ability to introduce a highly compatible and versatile EMS not only provide high cost benefits but also offer predictive management of resources. The company's comprehensive portfolio of integrated solutions includes asset-level sub-metering and monitoring, intelligent control, energy management software and professional services. It provides real-time visibility and multi-site control by leveraging a cloud based Software-as-a-Service (SaaS) platform, ultimately generating energy savings of up to 30%. Furthermore, its pricing model is designed in a way to deliver an 18-36 month payback time. The company's unique data-driven approach involving its robust energy management software platform "GridPoint Energy Manager" helps customers identify overcapacity in design and equipment outlay, right at the conceptual facility planning stages; therefore reducing capital expenditure to a high degree.

GridPoint's software and hardware cohesively offer a host of critical features that enable its customers to realize a quicker payback when compared to the competing systems in the market. The company's solutions have saved customers over \$250 million in energy expenses, reduced over 3.5 billion kWh, and eliminated over 3.1 billion lbs of carbon dioxide equivalent to date.

Industry Leading Customer Ownership Experience

Frost & Sullivan finds GridPoint's futuristic approach towards enhancing customer ownership experience highly commendable. The company's product development and innovation efforts are not only based on its deep understanding of the market, but more importantly on its expertise in analyzing mega trends that are transforming the way enterprises approach energy management. GridPoint's meticulous efforts in this space has resulted in game changing EMS solutions that are tangible and yet affordable.

Its data-driven EMS leverages real time visibility, big data analytics, intelligent control, multisite management, open protocols, renewables integration and cloud simplicity to enable integrated and automated energy and facility management. The company has gone to great lengths to perfect its solutions and enhance customer value. Some of its key differentiators are asset-level sub-metering and monitoring; cloud based software; comprehensive portfolio: GridPoint's full suite of products includes software, hardware, and services; enterprise wide visibility: one integrated point of control to monitor and manage enterprise-wide endpoints across sites.

The company employs low cost sub-metering and monitoring sensors to collect real time, granular energy data from individual assets such as HVAC, lighting circuits, refrigeration, kitchen equipment, renewables (such as solar panels, fuel cells) and so on; it also goes a step further to collect data beyond pure energy consumption; it also collects data with similar granularity on environmental conditions. It tracks zone and duct temperatures, humidity levels, CO2 concentration, equipment run times, door positions and more.

At the next stage, this data is aggregated in its intuitive, cloud-based software platform – GridPoint Energy Manager, which leverages big data analytics to enable value added tools such as smart alarms, exception reporting, intelligent control, facility diagnostics, continuous demand management, renewables monitoring and project & event tracking. It finally closes the loop with its professional services, offering exceptional support and data-driven insights on savings, backed by extensive industry knowledge.

Best Practice Example:

GridPoint's granular data helped a major urban hospital determine that it did not need to purchase an additional generator to meet regulatory compliance requirements, which would have been a \$2 million capital cost plus maintenance and fuel.

Excellence in Customer Service

Apart from offering exceptional products and solutions in the energy management field, the company also excels at customer service. Its industry leading service offering encompasses multiple energy management services including customer support, consultative energy advisory services, control support services and site monitoring. With its control support services, it helps its customers with adjusting store hours, temperature setting, lighting schedules and other factors in real time or for future planned events. Its monitoring services includes monitoring of EMS-generated alarms, triaging response to reported site issues, facilitating appropriate dispatch of customer-approved resources to sites in question and so on. As a part of its "Energy Advisory Services", GridPoint provides its customers access to expert data analysts who leverage GridPoint Energy Manager to identify equipment or on-site behavior that is negatively affecting a customer's energy savings or increasing operational costs.

Having reviewed GridPoint's customer survey results, it is intriguing to note that the company has received an average overall satisfaction rating of 9.6 out of 10 on total installations in 2016. In summary, Frost & Sullivan finds that GridPoint has the highest level of focus and undivided attention towards customer service in the industry, which ultimately translates into customers achieving optimal results.

Superior Operational Efficiency

Predictive energy monitoring and optimization help customers avoid downtimes and untimely repairs. GridPoint's EMS is loaded with a host of features and functionalities that are specifically aimed at enhancing end user operational efficiency. It incorporates building instrumentation with advanced automation, control algorithms, real-time dashboards, and alarm notifications that allow for quick fault detection and diagnostics

GridPoint's primary approach towards improving the efficiency of facility maintenance and thereby operational savings is by reducing the internal human and third-party capital needs to service and maintain sites. The company leverages its diagnostic tools to triage HVAC or any other failures in the site and validate resolutions before dispatching a technician. Operational efficiency is further enhanced through the implementation of centralized management of temperature set points, lighting schedules and override thresholds for maximum savings and customer comfort. In addition to standard scheduling functionality, GridPoint offers patented algorithms with embedded load curtailment functionalities that adjust building operations to changing site conditions and proactively optimize energy consumption (it turns off equipment or adjusts set-points automatically to meet peak load targets).

Its patented algorithms are a part of its intelligent and integrated controls, designed to minimize operational drift caused by changing site conditions and human control overrides. In addition, the company's EMS is complemented by its fine-tuned smart-alarm system which mitigates "risk events" in customer facilities; it is designed to identify and alert users on asset-level operational issues such as equipment outages, voltage imbalances or unsafe temperature spikes etc. These multi-condition alarms continuously assess real time data against fine-tuned alarm conditions.

Best Practice Example:

GridPoint's Smart Alarms could alert a pharmacy manager to a sudden temperature increase in a prescription medicine cooler, which could hold up to \$50,000 in refrigerated inventory, thus enabling him to quickly resolve the issue and avoid costly spoilage.

High Growth Potential

Frost & Sullivan finds GridPoint's growth curve impressive, especially over the past two years, during which period the company doubled its revenues. The company has high potential for growth in the future as well; its strong focus on revenue growth and gaining market share is evident in its detailed business plan, which has been formulated in an attempt to achieve three-fold revenue growth over the next two years. One of the critical aspects expected to drive its future growth is the recent acquisition of GridPoint by TFC Utilities. In short term, this is expected to further broaden GridPoint's market penetration through direct sales and the channel program. In a longer term, TFC Utilities has plans to purchase mid-size regulated utilities and integrate GridPoint's EMS into their products. The company is also planning significant new investments in its current industry leading technology platform and expansion of its products and services for current and emerging market segments.

In an effort to further enhance its overall value proposition, GridPoint has aggressively invested in software, hardware, installation and services, where it enhanced its demand response capabilities and received patents on load curtailment capabilities. It also recently developed and started offering financial models (such as zero cost financing options) to its customers and channel partners to significantly lower CAPEX; thus encouraging distribution of energy saving technologies.

The other core strength and growth driver for GridPoint is its partnership program, which has been critical to its increasing market reach. It has significantly strengthened its partner program (both channel partners and alliance partners) and has further plans to strengthen it through 2016. With its recent partnership with the security solutions giant ADT, the company has developed a portfolio of integrated security and energy management offerings. This is a significant milestone for GridPoint, which will accelerate its growth and market penetration. A few other recent (March, 2016) partnerships the company announced was with Correlate, an Energy Management-as-a-Service company and Energy Management Collaborative (EMC), a lighting retrofits and maintenance services provider.

Human Capital

Since inception, GridPoint has nurtured a customer focused culture and has been highly successful at that. The company's success in this space can be attributed to its sound ethical business standards. Apart from investing heavily in R&D, GridPoint also invests heavily in its people, especially on training, so that its employees are properly educated on the industry and best practices. This has resulted in its employees making actionable and highly reliable recommendations to its customers. GridPoint has carved a name for itself in the industry as a company that employs best in class and trusted advisors in energy management. The acquisition by TFC Utilities and establishment of new management is expected to further improve its customer focused culture. The acquisition

is also set to significantly increase its focus on cross functional, collaborative work environment while driving employee morale, satisfaction and loyalty.

Conclusion

GridPoint has a tremendous focus on product development, innovation, technology and operational efficiencies. These key factors have led to its success as the global leader in providing customer value. The company's commitment to its customers is highly commendable, where it brings value addition to them not just from a product perspective but from a holistic perspective. The company's recent acquisition by TFC Utilities is set to further elevate its position in the global energy management arena.

With its strong overall performance, GridPoint has earned Frost & Sullivan's 2016 Customer Value Leadership Award.

Significance of Customer Value Leadership

Ultimately, growth in any organization depends upon customers purchasing from your 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 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
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Business Impact

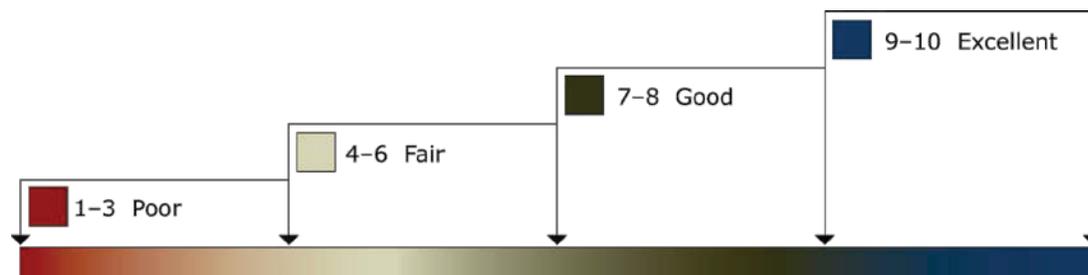
- Criterion 1: Financial Performance
- Criterion 2: Customer Acquisition
- Criterion 3: Operational Efficiency
- Criterion 4: Growth Potential
- Criterion 5: Human Capital

Best Practice Award Analysis for GridPoint

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 Customer Impact and Business 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.

DECISION SUPPORT SCORECARD FOR CUSTOMER VALUE LEADERSHIP AWARD

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>			
Customer Value Leadership	Customer Impact	Business Impact	Average Rating
GridPoint	9	9	9.0
Competitor 2	7	6	6.5
Competitor 3	5	5	5.0

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

Business Impact

Criterion 1: Financial Performance

Requirement: Strong overall financial performance in terms of revenues, 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

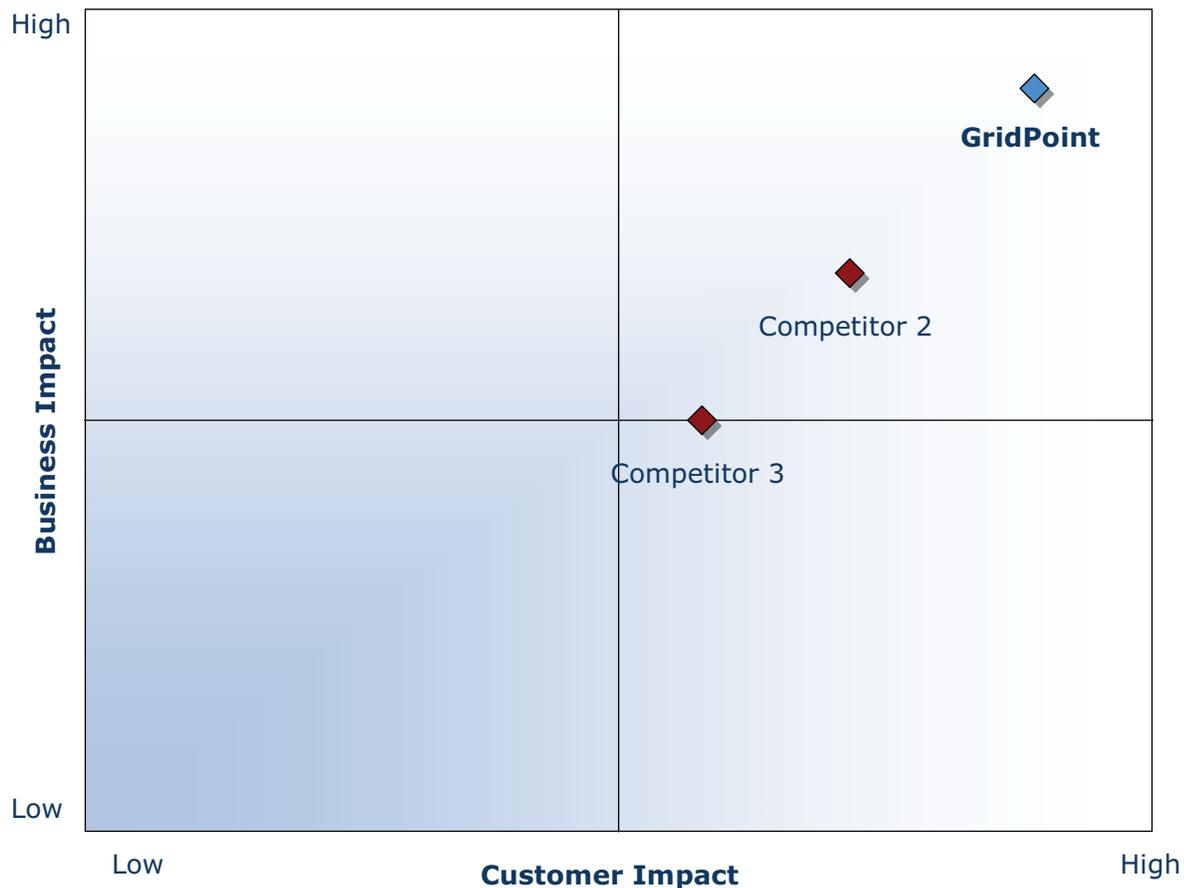
Criterion 5: Human Capital

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

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.

DECISION SUPPORT MATRIX FOR CUSTOMER VALUE LEADERSHIP AWARD



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 players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



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>.