



*Colt Technology Services Recognized for*

**2021**

**Customer Value Leadership**

European

Business Network Services Industry

*Excellence in Best Practices*

## 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. Colt Technology Services excels in many of the criteria in the business network services space.

| AWARD CRITERIA         |                               |
|------------------------|-------------------------------|
| <i>Business Impact</i> | <i>Customer Impact</i>        |
| Financial Performance  | Price/Performance Value       |
| Customer Acquisition   | Customer Purchase Experience  |
| Operational Efficiency | Customer Ownership Experience |
| Growth Potential       | Customer Service Experience   |
| Human Capital          | Brand Equity                  |

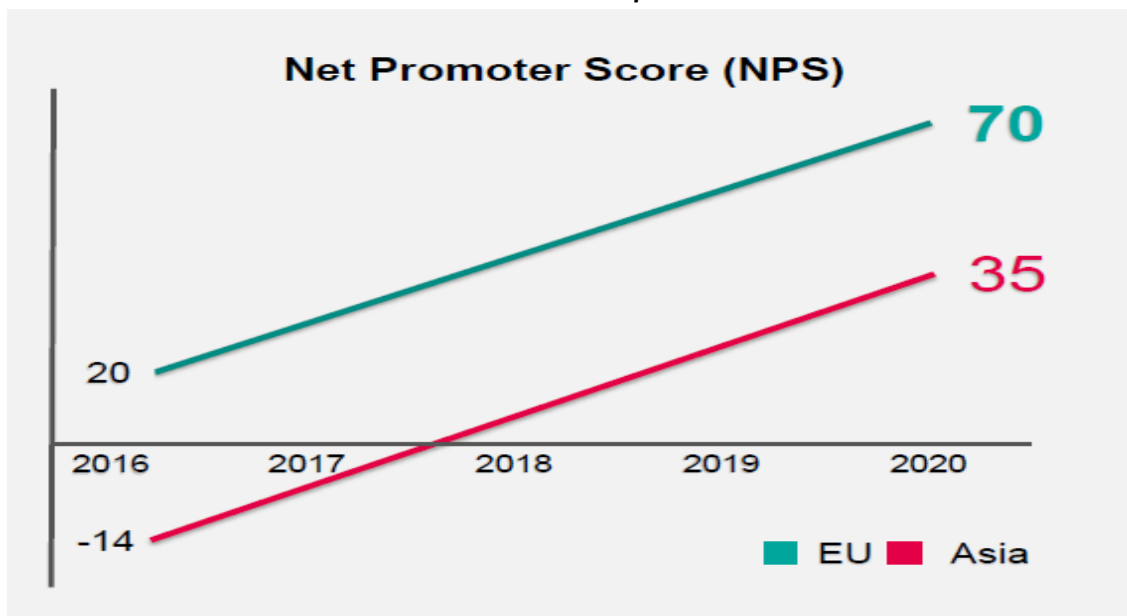
### *Colt Technology Services: A Philosophy that Translates to Accountability and Action*

The consumerization trends continue to march across the information technology (IT) and telecommunications landscape, forcing service providers of all types to adapt to meet enterprises' and end-customers' changing demands. Connectivity is now a commodity and a basic necessity; network customers seldom think about it, yet are quick to anger when it fails. When network customers feel their business pressures to squeeze more efficiency out of less, service providers can reshape how they deliver connectivity and ensure that customers achieve their end-goals. Frost & Sullivan analysts observe how rather than the traditionally linear customer journey, built around functional alignment and siloed operations, Colt Technology Services (Colt) is transforming itself to serve customers in the more dynamic, complex, and experience-oriented future. Colt understands that it is not enough to provide superior network technology and services. To support enterprise customers' digital journeys, Colt relentlessly focuses on the total customer experience.

Impressing Frost & Sullivan with the depth of its introspective strategy review, Colt is in the midst of a long-term plan to differentiate itself in the competitive market with a solution set that prioritizes its relation to customers and how they experience connectivity. The company is doubling down on building relationships and trust through a customer-led philosophy as the Internet of Things and ubiquitous connectivity promise to transform so much of everyday life. Frost & Sullivan appreciates how rather than seeking out a silver bullet or building a new customer experience department, Colt is reorienting itself to listen, reflect, and act upon what customers say they actually need.

This philosophy underpins countless small changes in recent years that have boosted its Net Promoter (NPS) score from 20 in 2016 to 70 in 2020 among European customers. The customer-led philosophy permeates throughout the company and translates to accountability, for everyone in the organization to remain focused on the customer's experience. Beyond simply prioritizing customer care functions, Colt's mantra leads to process, product, and operational redesigns motivated by how the customer will feel going through the activity - and anticipating how they will report after the fact. The company philosophy emphasizes that every individual in the organization, and every action they take, is genuinely responsible for ensuring that the customer feels cared for and supported in the best possible fashion. By leveraging automation and continuously making new investments in software and people, Colt dedicates itself to enhancing customer experience and value in a truly striking way.

#### Remarkable Customer Experience Gains



Source: Colt Technology Services

#### Listening to Customers with Dedication and Data

Colt reimagined how it interacts with customers across the entire journey and realized that it must first listen differently to respond to their business needs and requirements. From its first customer interaction to the last, the company invests significant time, effort, and energy in conversations to learn what it can do better to fulfill client expectations. Colt is now capturing a remarkable level of insight into what customers think and feel, enabling the company to make genuinely informed and data-driven decisions about every element of daily operations and long-term strategy.

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**- Lynda Stadtmueller, VP, Network & Cloud Services**

In addition to the mature quarterly NPS system (which provides a distinct longitudinal perspective), the company instituted a new interview program to survey customers and gain a critical perspective. In a reflective dialogue, Colt seeks to understand how the customer felt in each touchpoint and occasion (whether it be about network faults, billing issues, or sales) over a certain period. The interview program surfaces insights and provides anecdotes to communicate across the organization, driving the conversation about how customers feel.

The company built a new system to cross-reference customer statements against quantifiable data, for deeper understanding. A machine learning (ML) system analyzes tens of thousands of customer comments. Algorithms examine what customers have said, categorize entries, and generate cluster relationships for different types of feedback and topics. Colt’s ML design works alongside humans to keep it on track and accurate, operating with native speakers in six languages. The complementary approach supports the company in gaining unbiased customer intelligence, avoiding any preordained justification or angle, and remaining transparent and open for collaboration across the organization.

As a byproduct of its ML effort, Colt also launched a new metric to record whether customers feel interactions are effortless. The appended Net Easy Score measures at the transactional level, gauging its daily working relationship with customers and informing decision-making across the organization. Analyzing this dimension forces the company to imagine how to complete transactions easier, faster, and make them more personalized, thus enhancing customer satisfaction.

Meticulously expanding the boundaries of the typical listening initiative, Colt maintains the dialogue after the feedback. The company revisits customers that provided feedback and discusses what adjustments resulted from the effort. Admirably, sharing information and demonstrating the resulting process changes involves continued customer conversations and reveals Colt’s behind-the-scenes movement to fulfill their needs. Moreover, the company also launched an initiative to interview customers at the exit, to understand the circumstances and what factors that led to their withdrawal. Investing such time and effort into departing customers is certainly rare in the market and a notable point of reflection for any company.

### ***Delivering in the Gaps***

In addition to listening and drawing insights from customers, Colt has also invested heavily in delivering better service on the front end while ensuring complete transparency. Firstly, the company is scaling up staffing to provide each customer with a customer relationship manager. Rather than a generic inbox or chatbot, every customer will receive a named individual serving as their support person and guide. It also made significant software network upgrades, making it much more usable for customers to control the service, such as software defined networking and network function virtualization technologies.

Additionally, by adding artificial intelligence (AI) and software tools for churn prediction, Colt's network, named the Colt IQ Network, now preemptively advises when a customer is close to reaching a bandwidth limit. Instead of risking an outage, the company can proactively reach out to the customer to resolve the issue. Similarly, AI can identify customer frustration and activate a considerate human interaction. The intelligent software and customer listening campaigns lead Colt's product strategy through data, recognizing what customers want to control and what they may need years into the future.

At the outset of a relationship, the Quote-to-Order process comprises a system of checks and balances before the customer signs the contract to ensure complete transparency. This procedure involves verifying the pricing, performance, and product plans for each side of the equation, as well as confirming a shared definition of imprecise terminology - such as "resilience" and "redundancy." The approach slows down the booking process, as it must certify the capacity and details of each component and element of the agreement beforehand. However, Colt recognizes that thoroughness at the beginning prevents more expensive reactive issues later down the line. The Bring to Service Team then double checks that each service is delivered properly.

Moreover, the company has created new teams to bridge the gaps for specific customer needs. For example, Colt established a specialist Capital Market Service Team that follows the sun in local languages (through hubs in China, the United States, and Europe). It serves various capital market customers, e.g., stock exchanges, investment banks, and traders, with distinct needs, such as deterministic latency or specialized products. Furthermore, the Digital Service Desk operates the Colt On Demand service platform, equipping the increasing number of customers buying non-traditional network services. With Colt's On Demand platform, customers can switch services on and off with agility, scale up or down dynamically, and gain flexibility in connecting with cloud providers. This swiftness requires new networking skillsets on the service provider's side, and the Digital Service Desk specialists are available 24/7 to manage the platform. In another example, the Customer Loyalty Team generates ideas to maintain customer fidelity and provide unexpected rewards. Responding to the customer listening programs, the Loyalty Team distributes extra value (in the form of a special services catalog) and positive surprises (in the form of additional free reporting, bandwidth upgrades, or free usage of bonus services) geared to a customer for merely being loyal.

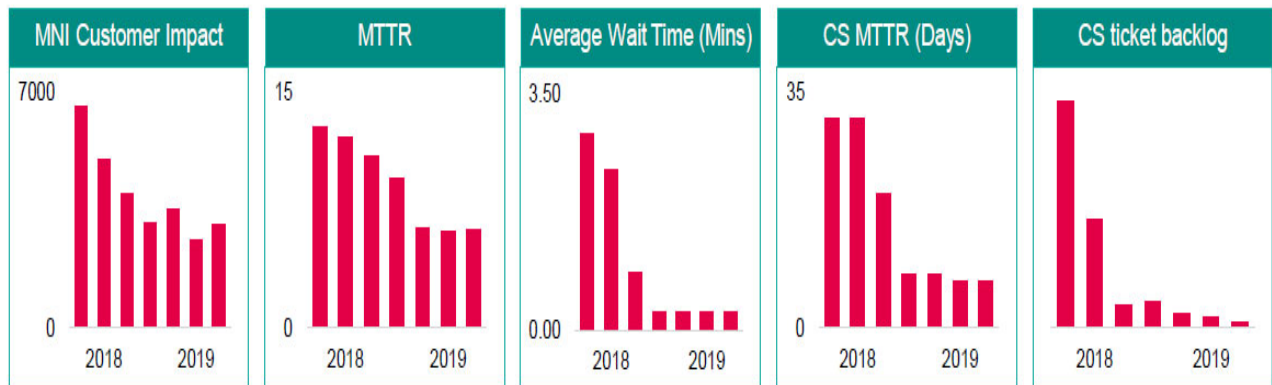
### ***Reengineering the Responses to Service Faults***

Commendably, Colt challenges itself to present an exceptional customer experience amid network faults. By the numbers, since 2018, it has dramatically improved its mean time to repair, average wait time, and ticket backlog. The company is forthright in acknowledging connectivity breakdowns, but it responds differently when faults do happen.

Frost & Sullivan appreciates how Colt has massively simplified its service processes and organization. Rather than sending customers triaging through multiple levels of engineers until finally reaching someone who can resolve the issue, the company will now connect the vast majority of customers directly to second or third-line engineers. Scaling up the number of more skilled engineers in the network operations centers, Colt allocates more resources to reduce the time it takes to resolve customer issues.

In addition, the company has committed to numerous small changes in contact centers. While not attention-grabbling, these adjustments yield clear dividends in how customers experience an outage. Colt brought down average wait times by investing in many more staff people in the contact center area to take the calls and deploying queue management best practices, such as Hunt Groups and a new automated escalation system. Rather than relying on an individual to escalate a thorny situation, the system will detect when a certain time passes without resolution and will automatically escalate to the next layer - so that the manager is aware and can tackle the issue. At each timed interval, the call will escalate until the customer finds resolution; this process and similar contact center management practices have made a significant difference in both discipline and quality.

**Service and Operations Changes Yield Results for Customers**



Source: Colt Technology Services

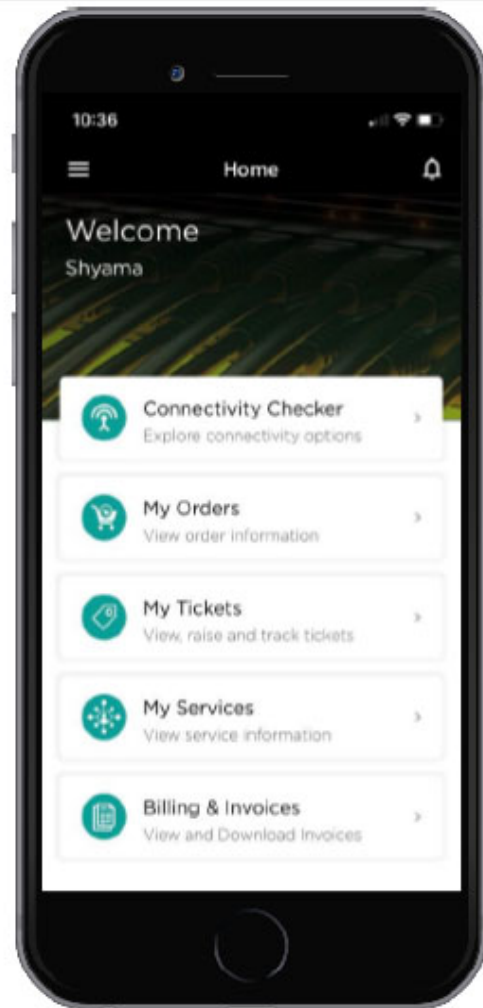
### *Ensuring Customers Feel in Control and Respected*

Colt extends its customer-led philosophy into how it interacts and communicates with customers, empowering them to feel individually valued and in control of their service. Digital channels that connect networks and systems tightly enable customers to get quotes and make transactions, commanding the service delivery themselves rather than an unnerving sense of distance. Customers with robust networks can e-bond (through a machine-to-machine interface) into Colt's system, where they enjoy the full range of services and customization options (raise quotes, make an order, and receive progress updates). However, e-bonding is time-consuming (with no standard application programming interface standards) and requires significant investment from the customer IT department.

Colt has redoubled efforts to make a highly intuitive and useful online platform and mobile application for customers unwilling or unable to go through that process. Through the single portal, customers gain a range of self-service options (getting quotes, making orders, checking connections, and downloading billing and data records). This visibility to measure and manage delivery themselves is essential for many customers who are resellers and integrators.

Overall, Colt impresses Frost & Sullivan in its approach to communicating with customers. The company invested in creating an entire training program, called Be the Difference, to teach all client-facing staff how to talk to customers in the context of its customer-led philosophy. For Colt, superior customer service is not a tagline or even a strategic goal; it is part of the fabric of the company.

### *Enhanced App and Online Platform*



*Source: Colt Technology Services*

*“For Colt, superior customer service is not a tagline or even a strategic goal; it is part of the fabric of the company.”*

**- Nick Baugh, Best Practices Research Analyst**

More impressively, in a network fault situation, merely fixing the proximate problem is not the end goal. Instead, Colt’s team focuses on how the customer will experience the outage. The network operations team dialogues with the customer at regular intervals and every step; even if there is no progress, speaking to the customer hands them back a feeling of immersion and allows them to transmit updates to their downstream clients. If, for example,

construction severs a fiber line, the company seeks to restore service in the fastest means possible. Rerouting network services or installing temporary microwave connections can bring the customer up and running again quickly. Only then will Colt work to repair the fiber line. In each interaction and conversation with customers, the company demonstrates its guiding principle that is committed to easing the customer’s experience and generating value.

### ***Company-wide Initiatives Underline Commitment***

Colt implemented numerous company-wide initiatives, with new investments aimed at long-term value. In line with its years-long evolution, the company elevated its Chief Commercial Officer Keri Gilder to the Chief Executive Officer (CEO) seat, demonstrating its commitment to the customer-oriented operation side. Gilder is one of the few women CEOs leading telecommunications and technology firms worldwide and is committed to holistic, customer-centered changes across the organization.

Indeed, the company is building company-wide targets around customer metrics and not simply functions. For example, Colt launched its Customer Priority Group to prevent siloed decision-making oriented around departmental procedures. The group has become an influential mechanism to gather representatives from across the company (including service delivery, customer service, sales, marketing, and communications) to identify areas and topics collectively, redesign processes, and set priorities to achieve the larger end goal concentrating on the customer’s experience. In another instance, the company created a business-wide Customer Innovation Team with the sole purpose of experimenting with ways to improve customer service. It is truly inspiring to witness collaboration across functions to decide based on the customers’ best interests. Furthermore, it is unique to see executives recognize that customer priorities may change their functional objectives and still be comfortable and willing to move in that direction.

Colt benefits from its private ownership and willingness to think about the long term. While significant capital investments in new systems in recent years may not pay dividends immediately, the company proceeds without delay. Colt has spent hundreds of millions of dollars in the past few years to drive efficiencies by completely changing and upgrading all its systems, i.e., completely changing the order handling systems, completely upgrading the network management system, completely upgrading the customer reporting system, completely upgrading the billing system, and also upgrading the customer relationship management system. Astoundingly, the company undertook all of these efforts and invested enormous amounts of time and effort to introduce all of these wide-ranging and new IT programs simultaneously.



## Conclusion

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*While much of the pipes and hardware on the market are roughly at parity, end consumer expectations (along with bandwidth consumption) are rising fast. Connectivity and network service providers feel pinched - but also risk falling into simple commoditization.*

*Colt Technology Services (Colt) demonstrates a rare willingness for introspection, choosing to build its business around customer-led dialogue, a radical philosophy in the market. Reimagining how it listens, reflects, and acts, Colt has invested awe-inspiring efforts and resources into upgrading systems, creating new customer-oriented metrics, and scaling up customer-facing operations. This customer-led philosophy permeates throughout the organization and in a thousand small changes that make Colt more responsive - and customers feel both empowered and valued.*

*Prioritizing the customer's experience and constantly reimagining how it can create and ensure customer value is an inspiring expression of its overarching philosophy in action, earning Colt Technology Services the 2021 Frost & Sullivan Customer Value Leadership Award.*

## What You Need to Know about the Customer Value Leadership Recognition

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Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

### Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Business Impact*

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

**Customer Acquisition:** Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

**Operational Efficiency:** Company staff performs assigned tasks productively, quickly, and to a high-quality standard

**Growth Potential:** Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

**Human Capital:** Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

#### *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

