



*SugarCRM Recognized for*

**2021**

**Customer Value Leadership**

North American Enterprise Sales

Force Automation 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. SugarCRM excels in many of the criteria in the Enterprise Sales Force Automation (SFA) 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

### ***Optimized Purchase Experience That Focuses on Affordable, Straightforward Pricing and a Growing Portfolio of Impressive Product Capabilities***

*“SugarCRM has a four-part vision of what a successful SFA solution must encompass. Together, these components—its high-definition customer experience, no-touch information management, continuous innovation, and lifelong commitment to customers—lay the groundwork for transformational growth and distinguish SugarCRM in a crowded field of respected contenders. In today’s dynamic and highly competitive sales force automation industry, these goals keep SugarCRM focused on expertly maximizing customer value.”*

***- Jeanine Sterling, Industry Director***

SugarCRM is a privately held CRM (customer relationship management) software provider headquartered in Cupertino, California. It was founded in 2004 and has offices in the United States, Mexico, Europe and Australia. The enterprise customer is a primary target—especially those with 500 to 5,000 sales employees—although SugarCRM successfully sells to all sizes of companies.

SugarCRM deservedly prides itself on understanding and satisfying customer needs, and Frost & Sullivan is impressed with the company’s deliberate and ongoing efforts to gather and address customer feedback. SugarCRM regularly collects current customer input, talks with its enterprise clients, conducts win-loss analyses, and benchmarks against competitor products. This research contributes to shaping the SugarCRM

purchase experience for today's businesses, including the importance of SugarCRM helping customers understand the affordability of its offerings, its specific product capabilities, and its ever-expanding ecosystem of technology and channel partners.

The Sugar Sell sales force automation solution includes the following impressive set of core SFA features:

- Lead management
- Opportunity management
- Account management
- Contact management
- Sales forecasting
- Product catalog and quote management
- SugarBPM (business process management)
- Dashboards
- Reports

The company prices its Sugar Sell sales automation solution on a subscription basis, typically charging an affordable per-user per-month (PUPM) fee that allows the customer to avoid large upfront expenditures. In an effort to keep pricing—and the purchase process—as simple and straightforward as possible, there are no separate tiers of capabilities at this time. For now, the company charges a flat \$80 per-user per-month for its Sell features, which typically places it at or below the price points of comparable competitive offerings. The as-a-service pricing model allows easy scalability as the customer grows. Optional targeted add-ons do exist, including specific integrations of interest. Pricing for these begins at \$15 PUPM.

SugarCRM also optimizes its customers' purchase experience by offering prospects a wide selection of partners and the choice of interacting with the channel they prefer. Mid-market companies—SugarCRM's target market—want a trusted advisor's assistance when purchasing and deploying a sales automation solution. SugarCRM currently has over 200 partners worldwide and is actively recruiting more, including resellers, systems integrators, ISVs, and consultants. In total, channel partners contribute approximately 80% of SugarCRM revenues.

In comparison, SugarCRM's competitors also continue to offer their customers the benefits of a broad ecosystem of channel partners. However, their pricing models tend to be more complex and more expensive.

### ***Responding Quickly to the Evolving SFA Needs of Current Customers***

SugarCRM recognizes the value of maintaining a proactive and positive post-sale relationship with its Sell customers. The company optimizes its customers' ownership experience in multiple ways, including:

*By defining and differentiating on four areas of strategic excellence:*

- **“High Definition” Customer Experience (HD-CX)** -- Providing a thorough historical record of the customer’s every change event and then predicting future outcomes.
- **No-Touch Information Management** – Pursuing a more hands-free approach to the sales professional’s manual work. One of the company’s mottos is “More selling, less clicking.” The objective is to free up sales representatives from “being data entry servants” and use technology to provide reps with more proactive automation and analytics.
- **Continuous Cloud Innovation** – Leveraging SugarCRM’s deep partnership with Amazon Web Services (AWS) to help customers innovate more quickly and easily.
- **Lifetime Commitment to Customers** – Striving to be a trusted partner that prioritizes its customers’ success.

These four themes are woven throughout SugarCRM’s dynamic portfolio of solutions. One of the company’s most recently-introduced capabilities is illustrative – SugarPredict. The SugarPredict AI (artificial intelligence) engine continuously analyzes not only customer data in Sugar Sell but also externally sourced data covering millions of companies. This innovative two-fold approach to predictive analytics is designed to be significantly more accurate than a rules-based approach alone. Recognizing its customers’ need for more AI-driven assistance, SugarPredict is the result of SugarCRM’s August 2020 acquisition of Node.io and its AI-as-a-service platform. Current predictive offerings include lead conversion likelihood, lead fit similarity, and opportunity won likelihood. Additional machine learning-based predictive capabilities are being pursued, including next best actions, call analysis, and predictive forecasting.

Another example of innovating and focusing on enhancing value-add is SugarCRM’s relatively recent entry into the subscription-based business sector. This business segment sells subscription-based services and has a unique set of sales automation needs that had gone largely unfulfilled. In response, SugarCRM has built its Automated Renewal Management product--a set of new capabilities that handle renewals, including creating new sales opportunities when a subscription is expiring, routing the opportunity to the appropriate sales rep, providing all relevant customer history and information, etc. SugarCRM plans to continue expanding these capabilities, including adding AI when and where appropriate.

*By proactively satisfying increased implementation service demand:*

In addition to strategic technology acquisitions like Node.io, SugarCRM has helped to optimize its customers’ ongoing ownership experience by buying companies that provide it with the increased resource capacity its growing customer base is demanding. Two recently purchased companies--W-Systems and Loaded Technologies--had very successful histories as partners managing SugarCRM implementations. Their acquisition brings that talent and capacity in-house and expands SugarCRM’s ability to directly meet increased implementation service demand. These types of acquisitions also expose the SugarCRM management team to new product and service ideas and recommendations.

*By continuing to prioritize mobile access:*

SugarCRM's ongoing mobile-first philosophy is also a key strategic priority. Mobile access comes with each Sugar Sell license, allowing the customer to implement mobility when and how they desire. The HTML5 Sugar Mobile app includes all Sugar Sell features and native iOS and Android device integrations. The Sugar Mobile app is customizable, making it possible for customers to easily add and delete fields as conditions warrant. SDKs allow even more customization.

*By ensuring seamless integrations:*

The company also optimizes the Sell customer ownership experience by prioritizing seamless integration with other components of the SugarCRM platform (including Sugar Market and Sugar Serve) and with key third-party systems such as mobile device management (MDM) solutions.

*"As a leader in enterprise sales force automation solutions, SugarCRM continues to innovate in a number of major areas including product, pricing models, customer engagement, and an aggressive but careful acquisition strategy. The company's plans to expand AI-based capabilities, heighten pursuit of key vertical markets, and leverage its current embedded base for incremental sales promise to accelerate the creation of new opportunities for SugarCRM and an even richer value proposition for its SFA customers."*

*- Jeanine Sterling, Industry Director*

*By creating ongoing customer feedback mechanisms:*

SugarCRM recognizes the importance of giving its customers and partners a voice. Both a customer advisory board and a partner advisory board exist and provide feedback directly to the vendor. SugarCRM also launched SugarClub, an online portal for networking, information exchange, educational forums, product Q&A, news and events, best practices, etc.

*By delivering a high level of customer service:*

SugarCRM prioritizes its customer service commitments and promotes these efforts as a significant differentiator against competitors. The results of this effort are compelling and include low

churn rates and high Net Promoter Scores. The company's strong NPS scores have consistently hovered in the 90s.

SugarCRM's competitors typically do not have as sharp a strategic focus on SFA in general, customer service, or mobile access.

### ***Robust Brand and Significant Financial Resources that Support High-Value Acquisitions and Ongoing Product Development***

SugarCRM enjoys strong brand awareness in the North American CRM marketplace, and its solutions are used by sales professionals in thousands of companies worldwide.

Accel-KKR, a technology-focused investment firm and SugarCRM's main investor since 2018, has encouraged and supported SugarCRM's aggressive acquisition strategy and its focus on both organic and inorganic growth paths.

While current financials are unavailable for privately-held SugarCRM, the Accel-KKR financial resources, a new CMO added in 2020, and strong brand awareness combine to drive significant growth.

### *Growth Opportunities in Artificial Intelligence, Targeted Verticals, and Expansion Within the Current Customer Base*

Mobile sales force automation is forecasted to maintain a strong growth trajectory in North America. Overall customer satisfaction remains high, and Frost & Sullivan decision-maker surveys reveal that over 80% of companies currently using mobile SFA solutions plan to expand their deployments over the near term. SugarCRM thrives by anticipating its customers' interest in new areas of value-add.

SugarCRM has identified a number of growth opportunities in its target market, with a 2021+ focus on:

- **Expanding AI/machine learning capabilities** — SugarCRM plans to continue embedding artificial intelligence capabilities deeply into its products. It also continues to monitor customer preferences and plans in this area.
- **Pursuing specific vertical industries, especially those that were careful about 2020 expenditures but are now ready to buy again** — These include Financial Services, Healthcare and Pharma, Oil and Gas, and the Services Sector (travel, hospitality).
- **Leveraging its current customer base for incremental sales** — The company sees continued revenue growth potential in promoting the synergies between sales, marketing, and customer service automation to customers that currently have deployed only one or two of these solutions.

## **Conclusion**

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The enterprise sales force automation market in North America continues on a strong growth trajectory, and SugarCRM stands out as a leader in optimizing customer value based on its steadily expanding product portfolio, keen focus on simplicity and affordability, strategic technology and resource acquisitions, and careful implementation of AI-based capabilities. The company's definition of its four major differentiators—a high-definition customer experience, no-touch information management, continuous innovation, and a lifelong commitment to customers—keeps product development and go-to-market efforts focused on creating a rich value proposition for SFA customers.

For its strong overall performance, SugarCRM is recognized with Frost & Sullivan's 2021 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

## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create on-going 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 six 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)**

