



CDW Recognized for

2021

Customer Value Leadership

Global Digital Transformation

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. CDW excels in many of the criteria in the Global Digital Transformation 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 |

Industry Challenges

Globally, businesses are on the quest to be more agile and innovative in order to better respond to changing market environments and customer behaviors. According to the 2020 Frost & Sullivan Cloud

“CDW with its Amplified Services portfolio is a significant player in the market for Digital Transformation services. They are a trusted advisor enabling over 4000 customers’ successful digital transformation by providing a full stack of solutions and services across the IT lifecycle.”

- Anisha Vinny, Senior Industry Analyst

User Survey, 51% of organizations listed “improving business process efficiency and quality” as their top strategic goal. “Improving customer experience” and “becoming more innovative than competitors” were the second and third most important priorities in 2020. Digital transformation is seen as a key enabler and is the need of the hour for enterprises worldwide.

However, enterprises are struggling to keep up with the urgency and complexity of their digital transformation efforts and cloud journeys. Hybrid and multi-cloud deployments have grown dramatically: 49% of enterprises have already implemented hybrid and multi-cloud environments, and another 39% plan these implementations in the next two years. Only about half the enterprises surveyed leveraged data and analytics in 2020, but 42% plan to become more data-centric over the next two years.

IT cost management, data security and compliance are constant challenges for enterprises. In addition, enterprise IT also grapples with the rapid pace of technological change, attempting to keep up with the

latest technologies and services being introduced into the market. It is thus crucial for enterprises to find the right digital transformation partner who can help manage their multiple IT environments across public and private clouds, data centers, branch and edge locations in a secure and scalable manner.

Brand Equity

CDW Amplified™ Services is the brand of the services portfolio at CDW, the reputed Fortune 500 corporation and a member of the S&P 500. CDW has over 13,000 employees globally and achieved over \$18 billion USD in net revenues in 2020. The company offers a wide array of products and services from hardware and software to security, cloud, hybrid infrastructure, and digital experience. While it was known as a reseller for many years since its founding in 1984, CDW made its first services acquisition in 2006 entering the world of implementation and managed services. Since then, the services business has been a strategic focus for the company.

Today, CDW is a significant player in the market for Digital Transformation services. The company reports that it has successfully led digital transformation initiatives for over 4000 customers by providing a full stack of solutions and services across the IT lifecycle. The company focuses on bringing digital velocity to its clients, enabling enterprises to transform how they operate and serve their customers. They are a Microsoft Azure and AWS MSP partner and a member of the CNCF Charter. CDW holds 1000+ technical certifications from Microsoft, 300+ AWS and Google Cloud Platform certifications.

Strategy Execution

CDW's Amplified™ Services product line has grown into a billion dollar business over the past few years, helped by its acquisition of 8 companies over the past 8 quarters. Most notably, in October 2021, it acquired Sirius Computer Solutions for \$2.5 billion USD. With a long legacy as an IT solutions integrator, Sirius brings a portfolio of hybrid infrastructure services, 3900 large and mid-sized customers, and 2600 employees to CDW. The Sirius acquisition expands CDW's portfolio by 45%, helping it grow from \$900 million in net sales to \$1.3 billion.

The Sirius acquisition was the latest in a series of acquisitions that bolster CDW's expertise and service portfolio. In August 2021, CDW boosted its cyber-security offerings with its acquisition of Focal Point. In 2020, it acquired IGW, provider of cloud-native services, software development and data orchestration capabilities; and in 2019, the company strengthened its consulting and services expertise through the acquisition of Aprtis, an IT service management solutions provider and ServiceNow Elite partner. The result is that CDW's managed services business is larger than that of many of the incumbents and stand-alone firms operating in this market. It competes for business in this market against other global system integrators.

Strategy Effectiveness

Increasingly, enterprise IT departments start their digital transformation journeys by identifying the business outcomes most important to them, and then working backwards with their IT partners to figure out what cocktail of technologies and capabilities can best help them achieve the business outcomes.

“CDW is uniquely positioned in the crowded digital transformation services market because of the breadth of its services. The company listens to its customers to stitch together different pieces from their broad services portfolio to solve for desired business outcomes.”

- Anisha Vinny, Senior Industry Analyst

CDW is uniquely positioned in the crowded digital transformation services market because of the breadth of its services. The company listens to its customers to stitch together the right components from its broad services portfolio to solve for desired business outcomes. For instance, during the pandemic, CDW partnered with a premier athletics brand to transform its e-commerce platforms as the company shifted entirely to online retailing. CDW’s app modernization efforts and rapid software

development enabled the company to offset the losses they incurred from their physical retail storefronts.

The company provides infrastructure services which includes hybrid, multi-cloud services, networking, SD-WAN, converged infrastructure among others, and is backed by 300+ DevOps engineers. CDW is known for its strength in workspace services and also provides security services and data services fortified by the Focal Point and Sirius acquisitions respectively. CDW provides flexible consulting and staffing options through their development and support services. CDW’s approach helps it achieve higher than industry average NPS scores. For its managed services business, CDW has a 54.1 NPS, its professional services business has a 67.8 NPS.

Conclusion

Since its initial foray into the services space in 2006, CDW has grown into a reputed and noteworthy player in the crowded market for Digital Transformation services. The company enables digital velocity for more than 4000 customers with a global team of 13,000 employees. CDW’s strategic acquisitions over the past 2 years has helped it to fill gaps in its service portfolio and expand the company’s geographic footprint. Today, CDW Amplified™ Services is a \$1.3 billion dollar business, a small and growing part of its \$20 billion parent organization. Yet it is larger than several stand-alone IT service providers that play in this space, and competes against the largest SIs and managed services providers.

For its strong overall performance, CDW is recognized with Frost & Sullivan’s 2021 Global Customer Value Leadership Award in the digital transformation services industry.

What You Need to Know about the Customer Value Leadership Recognition

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

