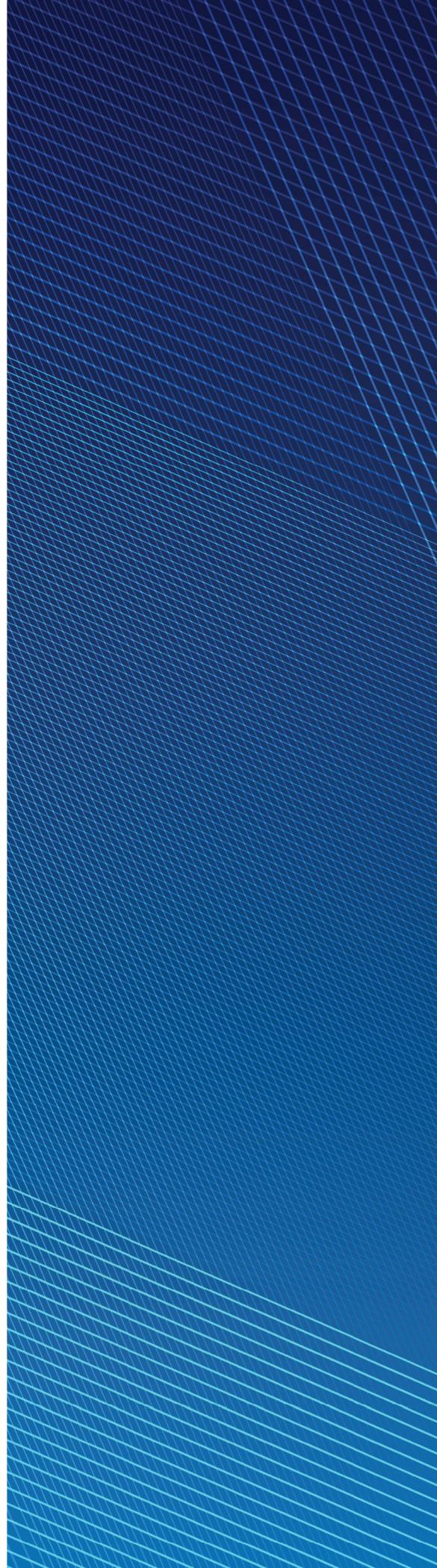# FROST & SULLIVAN

HUGHES RECEIVES THE 2023 CUSTOMER VALUE LEADERSHIP AWARD

Identified as best in class in the
North American managed SD-WAN 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. Hughes excels in many of the criteria in the managed SD-WAN space.

AWARD CRITERIA

Business Impact	Customer Impact
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

As branch and edge strategies gain importance for business operations, enterprises are turning to SD-WAN solutions to improve network flexibility and costs. SD-WAN is a software-based approach to managing branch network technologies that enables the enterprise to direct traffic over the optimal technology (e.g., internet, wireless, Ethernet) based on the application needs.

Enterprises have discovered that optimizing network resources across multiple branch locations is complex, especially given the diversity of vendors offering SD-WAN devices. As such, enterprises are increasingly choosing managed SD-WAN services, in which managed or network service providers procure, install, and manage the branch equipment and management software. However, not all managed services are alike. The most effective SD-WAN management solutions are those that best leverage automation and integration to support rapid deployments as needed.

Hughes Excels at Driving a Positive Customer Purchase and Ownership Experience

As the interface between enterprises and the network, customer portals are an essential part of managed SD-WAN. Portals provide visibility, integration with enterprise IT service management suites, and probes to manage performance and service-level agreements (SLAs). In the complex managed SD-WAN industry, Hughes Network Systems stands out against its competitors for its impressive, automated service implementation system named Onsite Accelerated Service Installation System (OASIS). This system automates installation processes for new or updated services and hardware, including zero-touch provisioning with multiple device partners such as Fortinet, Meraki, Aruba, and Cradlepoint.

In developing its OASIS customer management system, Hughes invested in automation and orchestration tools to accelerate multi-vendor solution onboarding. Hughes interfaces with many element managers, both locally hosted and in the cloud, to create a single network source of truth (NSOT) for the benefit of the customers but also to assist Hughes's operation and engineering departments. Other providers have what the industry calls a single pane of glass but is often a mix of vendor-specific technologies and data lakes. These require clients to know what equipment is installed and at what site versus just searching for the health of the site. Hughes masks the various devices in its NSOT by integrating all the point solutions into an easy-to-use and search-by-site capabilities portal.

> *"As SD-WAN offerings gain prominence, enterprises are increasingly looking to add more virtualized network functions to their remote locations. In response, many providers offer value-added offerings, such as firewalls, at an additional fee. In contrast, Hughes includes a next-gen firewall service as a standard component of its managed SD-WAN service, helping to keep the client's network secure. "*
>
> *- Stephen Thomas,*
> *Sr Research Director—Network Services*

To ensure technicians deliver optimal customer experience, Hughes has implemented additional steps to the process to assess each installation. Called CSTAR, the survey-based application provides feedback and ranks the installer after completing the activities.

Hughes's Operational Efficiency Streamlines Implementation

A successful installation is a key component of any managed network service for both provider and customer. Hughes has focused on a support process that gets the installation done right by avoiding common pitfalls that lead to dissatisfaction.

One pitfall is the lack of documentation. As Hughes's OASIS system is a workflow tool, the devices are identified on the work order, barcoded, and sent with the installation technician; then, as soon as the technician arrives, they start feeding the system with all the barcoded devices. For instance, if there is an SD-WAN device, an LTE module, and a SIM card, all these devices are uploaded into the system for zero-touch provisioning to occur. The smart automated process ensures less time on sites and reduces revisits. Additionally, Hughes takes pictures before and after the installation. These photos help Hughes complete the installation and provide client support teams with pictures for any day 2 support troubleshooting.

Onsite Accelerated Service Installation System (OASIS) from Hughes Network Systems

Source: Hughes

Another customer dissatisfier is not knowing precisely when the technician is scheduled to arrive. To avoid

this, Hughes has deployed an en route system for clients to track or reschedule an arrival. This offering is important for clients that dispatch their own personnel to escort technicians on site.

Many of Hughes's competitors simply wrap services around the device manufacturer's reporting tool. In contrast, Hughes delivers a superior installation process and industry-leading day 2 support by including all devices in the IT service management engine, providing en route updates to the client, and allowing for clear visibility to all devices and attached network circuits post installation.

Hughes has Growth Potential and Highly Trained Human Capital

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- Stephen Thomas,
Sr Research Director—Network Services

Hughes has more managed SD-WAN connections than some of its larger competitors, and Frost & Sullivan believes the company is winning by focusing on customer value and service. Furthermore, Hughes continues year-over-year growth in connections under management and now reports over 52,500 SD-WAN sites deployed globally. This ranks Hughes in the top 5 of the 2022 Frost & Sullivan North American managed SD-WAN report by number of connections while its focus makes it the leader in customer value.

As for its human capital, Hughes has an impressive team of 2,500 service technicians in North America, its primary market. Each technician goes through a rigorous 4-week training program that includes a lab curriculum in 12 different support areas.

Hughes Offers Excellent Performance and Value

As SD-WAN offerings gain prominence, enterprises are increasingly looking to add more virtualized network functions to their remote locations. In response, many providers offer value-added offerings, such as firewalls, at an additional fee. In contrast, Hughes includes a next-gen firewall service as a standard component of its managed SD-WAN service, helping to keep the client's network secure.

"Hughes superior network backup solution and dependable 24/7 customer care gives us the confidence that we can deliver exceptional services to our customers and ensure continuous and reliable operations at our branches." VP from M&T Bank

Hughes also is continually improving its service performance through artificial intelligence operations (AIOps). AIOps is an advanced analytics functionality in which providers use data ingested from the network elements to analyze performance, and proactively monitor, and maintain the network. The AIOps system provides insights regarding anomalies and trends and compares network performance to alert network engineering and operations teams to act before clients notice anything. By providing triage and recommendations, Hughes customer service teams can proactively get clients back up and running quickly from unpredicted incidents or avoid a predicted downtime incident altogether. For instance, SD-WAN has two connections at a site in most cases. If one circuit has poor performance, the traffic can switch to the better one, and Hughes can open a ticket and repair the first circuit. By focusing on the device's health, Hughes can notice anomalies where a reboot of the device would fix the issue and thus schedule the

reboot during off hours without a tech intervention or the customer experiencing an outage. Frost & Sullivan highlights how Hughes offers these experiences that, while provided by competitors in some manner, Hughes provides in a more cost-efficient way.

Hughes as A Well-known Brand

The family of Hughes companies and its owner, EchoStar, bring to market a solid set of well-respected consumer and business communications brands. The company is the leading VSAT and satellite internet provider in the United States. With its strong expertise as a leading enterprise network provider for distributed businesses, Hughes is well-positioned to understand and respond to the unique challenges of ensuring secure, cost-effective, reliable connectivity at branch locations.

Hughes's success as a brand is evidenced by its retention rate: the company has over 100 managed services customers who have stayed with them for over 10 years. Furthermore, Hughes has an impressive 95% customer satisfaction rating and NPS score of 52, far outperforming the average NPS score of 31 for telecommunications providers.[1]

Conclusion

In the active and growing managed SD-WAN market, Hughes has carved out an attractive space: large enough to infuse its offerings with next-generation technology, and small enough to focus on the unique needs of clients. Hughes' top 5 ranking in SD-WAN management connections, next-gen firewall on all connections, and world-class installation process all make it the overall customer value leader. Hughes has leveraged its long history in the satellite business to become a managed services leader through its strong commitment to customer service and continued innovation, thanks to AIOps.

With its strong overall performance, Hughes Network Systems earns Frost & Sullivan's 2023 Customer Value Leadership Award in the managed SD-WAN industry.

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[1] CustomerGauge, Telecom NPS Benchmarks and CX Trends in 2022: NPS in Telecoms

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

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™.

Learn more.

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)