FROST & SULLIVAN

globenet

2018 Latin American Carrier of Carrier Services Company of the Year Award

2018
BEST PRACTICES
AWARDS

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Latin America's demand for Internet capacity and connectivity is exploding, as penetration rates and market sizes are growing each year, while at the same time price per gigabyte is falling. Consumer demand for bandwidth (to run data-intensive applications, stream over the top content, and retrieve cloud services) and expectations are stressing existing network and infrastructure capacity. Advanced network connectivity will be key to service the estimated 2.5 billion connected devices and 590 million Internet users in Latin America by 2025, according to Frost & Sullivan projections.[1]

With the Internet of Things and device proliferation on the horizon, delivering access and connectivity will be vital. Internet Service Providers (ISPs) and Communications Service Providers (CSPs) are feeling the ire of disappointed users, enterprises, and governments. Moreover, these CSPs and telecommunications providers feel the pinch of dwindling revenues from traditional services and the challenge of developing new business and service models for customers. Network connectivity or services providers to the local CSP carriers will need to make new investments in Internet backbone, network capacity, and data center provisioning to keep pace. The geographically underserved regions of Latin America reflect neglected infrastructure spending, in comparison to other regions globally.

Infrastructure services will experience increasing demand for years to come. Frost & Sullivan estimates that revenues will continue to soar, with double-digit growth rates through 2022. Brazil remains the largest portion of the infrastructure market by far, but Mexico, Chile, and Colombia are seeing massive growth in the market. Service providers should expand their portfolio to integrate cloud solutions and services, attracting customers with streamlined propositions.[2]

Undersea cables remain the prime tool for sending large amounts of data between essential points in the Americas (e.g., stock exchanges). Expanding network capacity and upgrading network capabilities will be vital in satisfying skyrocketing demand. While demand is high, Internet backbone operators can differentiate with high network quality assurance, as well as integrated value-added services, and the flexibility to enable new business models or monetization potential. As new technology evolves rapidly in coming years and gains adoption in Latin America, colocation data centers, cloud access, and infrastructure services will become essential for expanding internet penetration and driving innovation as economies in the region recover and grow.

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[1] *Mega Trends in LATAM, Forecast to 2025: Resurgence of the Next-generation Continent through Economic Growth Supported by Digital Inclusion and Technology Innovation* (Frost & Sullivan, February 2017).
[2] *Latin American IaaS Market, Forecast to 2022: New Opportunities are Arising in this $7.42 Billion Market,* (Frost & Sullivan, February 2018).

## Visionary Innovation & Performance and Customer Impact of GlobeNet

Previously recognized in 2017 as a leader in the carrier of carrier services space, GlobeNet continues to deliver top of the line connectivity and expands its offerings and capacity. Providing wholesale infrastructure across the Americas, GlobeNet provisions local and regional carriers and service providers, financial services organizations, video and entertainment content distributors, and educational institutions.

Updating Capacity and Critical Expansion to Southern Cone

Boasting a submarine cable network more than 23,500 kilometers (km) long, GlobeNet delivers needed capacity to carrier-grade customers with exploding demand. GlobeNet's 100G networks, based on dense wave division multiplexing technology, enables 100G connectivity and allow continuous upgrades. Consequently, the company provides direct, low latency routes less than 108 milliseconds between essential financial hubs New York City and São Paulo. In 2017, the company completed capacity upgrades for a total of 4.6 terabytes per second (Tbps). Moreover, the company is currently in process to upgrade its entire submarine fiber system with a packet-optical platform capable of delivering 200G wavelengths, improving capacity and resiliency while reducing latency. GlobeNet's offerings meet the needs of Internet providers, enterprises, and governments in need of transport service and private lines by offering efficient IP transit, direct Internet access, and international Internet exchange. With 19 international points of presence, and cable landing stations in New Jersey and Florida, United States (US); Bermuda; Venezuela; Colombia; and Fortaleza and Rio de Janeiro Brazil, GlobeNet is an entirely neutral provider without geographic boundaries.

With acute understanding for long-range strategy and growth opportunities, GlobeNet is building a 2,500 km submarine cable linking Buenos Aires, Argentina and the southern cone with infrastructure in Brazil and thus to the Americas and the world. The cable will utilize the latest architecture and configuration to accommodate booming data demands. It is the first new route built to the region since 2001, and will come online in early 2020.

Exclusive Low-latency Link between Nasdaq and Bovespa

Source: GlobeNet
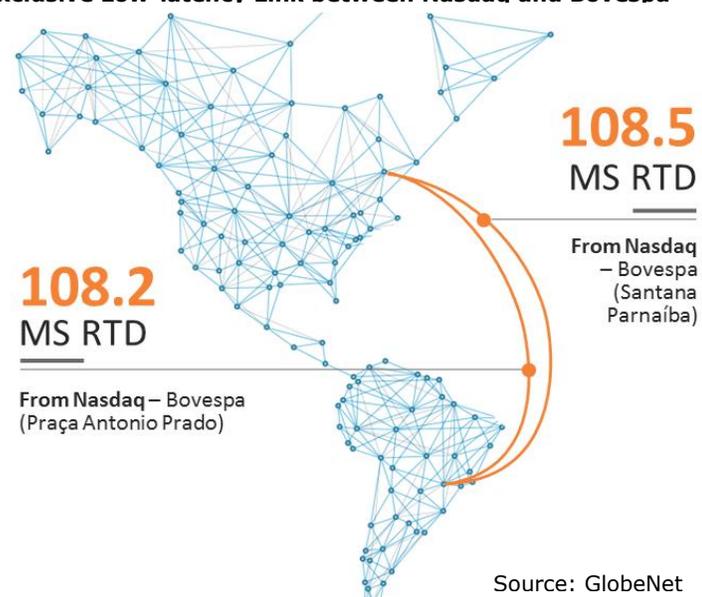
GlobeNet has experience in massive new cable deployments, after building a connection between Miami and Colombia's Atlantic coast in record time.

Infrastructure as a Service Connects New Geographies and Data Center Services

Expanding its portfolio of services, GlobeNet offers infrastructure as a service packages with a family of services including hosting and colocation, first out of data centers in Rio de Janeiro and São Paulo. Expanding an organization's network, with managed colocation, cloud connect, and virtualization solutions, GlobeNet's infrastructure services make a compelling value-added integration for locations seeking efficiency alongside availability and security.

Notably, in 2017, the company opened its tier III designed, International Computer Room Experts Association (ICREA) level IV certified, ICRE Green Seal certified data center in Barranquilla, Colombia. Providing needed infrastructure to northern Colombia and the region, the Barranquilla data center offers secure and reliable wholesale connectivity and data services options alternate to Bogotá. Further, in early 2018, GlobeNet implemented a new central Internet exchange point (IXP) at Fortaleza, Brazil. Chosen by the Brazilian Network Information Center (NIC.br) to host critical national Internet infrastructure for the north and northeastern regions of Brazil, GlobeNet's Fortaleza IXP will be the second most important IXP in the country. Bridging the divide across Brazil's vast geography, GlobeNet's Fortaleza IXP will ensure high reliability and deliver high-quality data center services.

In 2017, GlobeNet brought online its new Cloud Connect Solution, a service allowing operators to connect directly to the Internet through a private connection—achieving greater security, consistency, and scalability. The new turnkey services are ideal for delivering a direct and secure connection to all major cloud providers, i.e., AWS, Azure, and G-Cloud. Moreover, in 2017, the company also launched a networks virtualization solution—for organizations expanding geographically. The solution enables an organization in one country to work in a virtualized environment, as if in another country without building out a deployment. Running on virtualized equipment in GlobeNet's data centers, the virtualization services minimizes operating and capital expenses when expanding beyond a domestic network.

Redundant Core and Customer Support Ensure High-availability

GlobeNet's network exhibits exceptional reliability and is the only dual ring redundant cable traversing the Atlantic Ocean between North and South America. The dual ring-protected architecture of GlobeNet's submarine cable means that in the event necessary diversion, traffic continues on the Atlantic side and does not reroute around to submarine cables in the Pacific—ensuring high availability and minimizing latency for critical applications. The company demonstrates core dedication to future proofing carrier services, upgrading its network optical equipment to a packet-optical Platform which will

scale from 100G to 200G and allow continuing doubling capacity to 400G and beyond before reaching the limit of existing cables. Combining high availability with distributed denial of service (DDOS) protection and carrier-class technical support and network operations center (NOC) locations in Boca Raton, US and Rio de Janeiro, Brazil, GlobeNet displays a notable commitment to backing carriers and enterprise customers with thorough support and management.

Agile and Focused on Latin American Needs

While the Latin America market for carrier infrastructure is booming, the particular needs of the region cannot go underestimated, and GlobeNet's rapid growth and success is a testament to the company's approach and relationships with customers. Without an overburdened bureaucratic process, GlobeNet is lean and able to make decisions quickly and adjust plans quickly in response to changing customer needs and considerations. The company's cable is wholly owned and paid for, not leveraged or awaiting loan repayment, enabling it to operate in a much more flexible business model.

Furthermore, the company focuses solely on connecting Latin America and consequently concentrates on building relationships in the region. Where trust and personal relations inform business processes, GlobeNet's proximity to customers and native understanding facilitate issue resolution between executives and security teams. Working closely and listening to customer needs, GlobeNet can adjust to comply with needs and processes unique to ISPs in the region. While the company experiences impressive growth in Brazil and Colombia with large and small ISPs, it also provides local connectivity services for large global over the top companies.

GlobeNet's Submarine Cable Network Map

Source: GlobeNet

Conclusion

Data and Ethernet connectivity demands are mushrooming as bandwidth intensive use cases skyrocket and Latin America's infrastructure struggles to keep pace. With an astute long-term strategy and an existing highly reliable 23,500 km submarine cable network, GlobeNet delivers exceptional wholesale carrier-grade infrastructure across Latin America. In 2017, the company demonstrated a commitment to addressing unmet needs with vision—opening a top-of-the-line data center in Barranquilla, Colombia and implementing a crucial new Internet exchange point in Fortaleza, Brazil. Moreover, announcing a forthcoming 2,500 km cable to Buenos Aires, Argentina, GlobeNet will build the first new route to the region since 2001. With a portfolio of new cloud-based infrastructure as a service and colocation offerings, the company is responsive to customer needs and helping lower operating and capital expenditures while enabling scalable expansion. Concentrated on providing service to Latin America with native understanding and local proximity, GlobeNet builds collaborative and supportive customer relationships.

With its future-looking investments in infrastructure and offerings, and exceptional network reliability, GlobeNet earns Frost & Sullivan's 2018 Latin America Company of the Year Award for the carrier of carrier services market.

Significance of Company of the Year

To receive the Company of the Year Award (i.e., to be recognized as a leader not only in your industry, but among your non-industry peers as well) requires a company to demonstrate excellence in growth, innovation, and leadership. This kind of excellence typically translates into superior performance in three key areas: demand generation, brand development, and competitive positioning. These areas serve as the foundation of a company's future success and prepare it to deliver on the two criteria that define the Company of the Year Award (Visionary Innovation & Performance and Customer Impact).

Understanding Company of the Year

As discussed above, driving demand, brand strength, and competitive differentiation all play a critical role in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Visionary Innovation & Performance to enhance Customer Impact.

Key Benchmarking Criteria

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated two key factors—Visionary Innovation & Performance and Customer Impact—according to the criteria identified below.

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs
Requirement: Implementing a robust process to continuously unearth customers' unmet or under-served needs, and creating the products or solutions to address them effectively

Criterion 2: Visionary Scenarios through Mega Trends
Requirement: Incorporating long-range, macro-level scenarios into the innovation strategy, thereby enabling "first-to-market" growth opportunity solutions

Criterion 3: Implementation of Best Practices
Requirement: Best-in-class strategy implementation characterized by processes, tools, or activities that generate a consistent and repeatable level of success.

Criterion 4: Blue Ocean Strategy
Requirement: Strategic focus on creating a leadership position in a potentially "uncontested" market space, manifested by stiff barriers to entry for competitors

Criterion 5: Financial Performance
Requirement: Strong overall business performance in terms of revenues, revenue growth, operating margin, and other key financial metrics

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 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.

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts 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	• 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	• Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates	Matrix positioning of all candidates' performance relative to one another
3	**Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• 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	• 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	• 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	• 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	• 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	• 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	• 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 able to share Award news with stakeholders and customers	• 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

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

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

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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 more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.