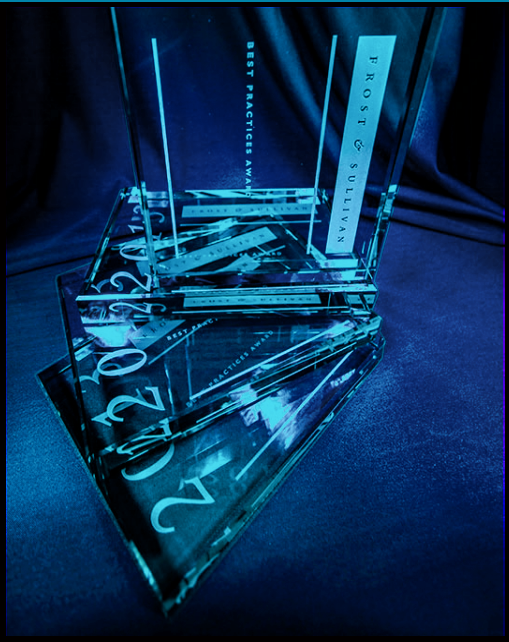




Storm
Telematics

2016 North American Fleet
Optimization and Analytics for Oil & Gas
Customer Value Leadership Award



FROST & SULLIVAN

BEST
2016 PRACTICES
AWARD

NORTH AMERICAN FLEET
OPTIMIZATION AND ANALYTICS FOR OIL & GAS
CUSTOMER VALUE LEADERSHIP AWARD

2016
BEST PRACTICES
AWARDS

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Background and Company Performance

Industry Challenges

Attaining best-in-class results with effective asset management is one of the toughest challenges that most companies are facing in today's business environment. Issues such as increasing competition, shortening product life cycles, and falling return on investment (ROI) rates are plaguing these organizations, irrespective of the business vertical they are in. In the Oil & Gas sector, for instance, most companies are unaware of the kinds of equipment they need to achieve real operational excellence, the best method of distributing equipment, the optimal way to enhance the life span of their assets, and how to optimize ROI for customers.

With this in mind, fleet management solution companies need to offer the right services to customers and tailor their solutions to meet individual customer needs. In line with the understanding that having an efficient and cost-effective in-house fleet network would add to the overall benefit of their business, many of these companies are developing personalized transportation services. However, the bigger the fleet size, the higher the cost of its maintenance; not counting what the company has to spend on fuel, insurance, etc. To address this, integrating telematics for fleet management is the most effective path for true optimization because telematics enable companies to receive in-depth information on engine health, total distance travelled, rate of usage, and the like. Based on these findings, customers can map out their fleet optimization strategies accordingly.

However, telematics providers in North America are facing a number of key challenges when trying to achieve true fleet optimization for their customers. For instance, there is very little difference in the fleet telematics data offered by most original equipment manufacturers (OEMs). Due to this cookie-cutter approach, customers have a hard time gauging the real value offered by these different services. Additionally, most customers in the North American market are not truly aware of the benefits that they might receive by opting for advanced telematics services.

To break away from mediocrity and be truly successful, telematics companies should focus on not just offering standard telematics services, but more importantly, gaining a deeper understanding of customers' unique data needs. Offerings should then be customized to enable customers to design effective fleet strategies. In addition, it is also important to train and educate customers about the benefits that telematics integration with fleet management can offer. With this kind of strategy, telematics companies will not only gain new customers, their customer retention rates will soar. With optimization being a mathematical equation the term "optimization" is often overused by many telematics suppliers except by those that possess deep data analytics capabilities, such as those offered by Storm Telematics.

Customer Impact and Business Impact

Price/Performance Value

Headquartered in Edmonton, Alberta Canada Storm Telematics (Storm) has gained prominence in the North American market since 2011. By working closely and partnering with some of the leading Oil & Gas companies across North America, such as Canadian Natural Resources, Storm has developed a comprehensive suite of fleet optimization and asset management solutions comprised of its Smart-vu Pro, Smart-vu TagNet, and Smart-vu Analytics. In line with competing solutions available in the market, Storm's offerings also provide optimization services focused on fleet, trailer, rig mats, insurance and fluid. **However, what truly differentiates the company from its competitors is its ability to fuse and integrate telematics data and radio-frequency identification (RFID) technology into an analytics engine.** This enables Storm to convert data into actionable intelligence and deliver quantifiable savings, ultimately measuring the cost of inefficiency. Storm analyzes massive volumes of data coming in from multiple sources and formats, and turns them into clear, highly granular information, in order for their client to "measure the true cost of inefficiency".

Storm understands that in order to offer best-in-class customer service, it is important to first create a vast data pool. Performing **algorithm-based** analytics of that data pool then helps customers build an insightful understanding about the current state of their assets, as well as the benefits that they would enjoy by optimizing fleet performance. The cost of inefficiency is trended and pushed down to a "driver" app that then provides insights into rankings, scorecards, compliance and true cost of inefficiency, allowing the operator first hand knowledge where improvements can be made. Aligned to its customer-centric strategy, Storm not only offers its customers an overview of assets in an enterprise fleet, but also offers advanced analytical capabilities like descriptive, diagnostic, predictive, and prescriptive analytics. While descriptive analytics offer fleet managers a detailed understanding of issues that may occur, diagnostic analytics help customers understand the reason behind issue's occurrence. Predictive and prescriptive analytics, on the other hand, preemptively inform customers about the consequences of pending incidents and what measures can be taken to avoid the incident and achieve the best possible results.

Storm's product suite (Smart-vu Pro, Smart-vu TagNet, and Smart-vu Analytics) features the aforementioned analytical capabilities. For instance, Smart-vu Pro is a Global Positioning System (GPS) dispatching tool that meets recent ELD mandates, also functions as a reporting system and can be configured according to specific customer needs. Smart-vu TagNet is a highly advanced visibility solution that assists customers in gaining a complete understanding of their materials and inventory control, including the safety and performance of their respective workforce on job sites. Smart-vu Analytics is an analytical engine comprised of several proprietary algorithms that the company has developed to cite relevant patterns within the Big Data sets. In this way, areas of weakness in fleet asset management or materials handling are identified. For instance, Canadian Natural has chosen Storm for assignments such as deploying satellite tracking

devices and replacing conventional Code-Divisional Multiple Access (CDMA) modems with new HSPA (High Speed Packet Access) ones. After deployment, Canadian Natural recorded remarkable savings regarding fuel cost, a significant increase over the overall ROI (first year 24% and second year 152%), and enhanced safety for the entire Canadian Natural workforce. In addition to data-based visualization, Storm's unique fleet optimization solution also provides customers with accurate data and an actionable plan to best optimize operations.

Customer Ownership Experience

To ensure that customers receive a truly superior ownership experience, Storm conducts quarterly customer surveys to help further improve its products and functionalities. In line with this, the company has employed dedicated implementation specialists for every customer account, facilitating prompt feedback and relevant fleet information. For instance, Storm took the time to gain an in-depth understanding of DynaLIFE DX's needs, and it was able to customize its Smart-vu Pro solution prior to its installation. This custom-tailored approach gave DynaLIFE DX improvements in usability, area mapping, historical route tracking, and in finding new driving routes as well as maintaining its SLA's (service level agreements) as it pertains to real time alerting of temperature, allowing the integrity of blood and biopsy samples traveling through the supply chain back to the main Dynalife DX lab to be maintained.

With a team of dedicated mathematicians, statisticians, and data visualization specialists, Storm creates uniquely flexible algorithms matching each customer's unique needs while also collecting telematics data. Unlike Storm's competitors, which require clients to enter into long term contracts Storm offers no-contract terms and the capability to seamlessly integrate with existing back-end application program interfaces (APIs).

Customer Service Experience

Storm offers an unmatched 'quality of service' experience to its customers. For instance, Storm's dedicated implementation specialist for Canadian Natural entirely focuses on supporting optimized fleet assets in 11 districts. Storm's services for Canadian Natural further include constant training of its fleet managers to help them better understand the reporting system, refine the escalation system through customizable alerts, and it assists them in asset segmentation leveraging the proprietary Hierarchy Engine feature. Storm basically functions as an overall service consultant for its customers, helping solve queries regarding data processing and usage, assisting analytical implementation, clearing up any doubts regarding data interpretation, and it helps in customizing the platform for data visualization.

Brand Equity

In an effort to continue building its brand in the North American fleet optimization and analytics market, Storm believes in directly interacting with its customers. The company's

sales representatives visit customers and offer them free client assessments, highlighting the value proposition that its solutions are capable of delivering. In this way, Storm enables its customers to build a better understanding of the uniqueness of its solutions compared to competing “off the shelf” offerings. The real-world deployment of its solutions by companies such as Canadian Natural and Premiere Van Lines offer a strong endorsement of Storm’s value. Additionally, the company is currently working with one of the largest vehicle insurance companies in order to help it build personalized insurance dashboards.

Operational Efficiency

Storm’s fleet optimization solution assures customers of operational efficiency through real-time performance monitoring and alerts to guarantee safety for drivers and the overall fleet. Canadian Natural chose Storm to carry out the seamless shifting of telematics data it sourced from over 700+ vehicles to a centralized Storm Telematics platform from the software system it was using from a competitor. The company opted for Storm’s proprietary Smart-vu Pro solution, which enabled the creation of a highly scalable fleet management system. This is not only easy-to-use (performance data in three clicks), but also offered technologically superior mapping facilities, that includes all live and dead well sites, private and lease roads, LSD mapping layers.

Premiere Van Lines, on the other hand, wanted Storm to create operational metrics for fleet management in addition to detecting whether or not employees are complying with its internal ‘preventive maintenance program.’ Other requirements included the generation of real-time alerts, creation of a mobile suite for quick accessibility, and a work hour tracking program. After the deployment of Storm’s Smart-vu Pro, Premier Van Lines experienced a transformed work culture along with a rise in customer satisfaction levels, reduced maintenance costs, reduced fleet downtime, better ROI, and enhanced driver safety.

Overall, Storm’s top two customers experienced striking improvement in the total usability of their fleet management system (i.e. the three-click performance data generation mentioned earlier), including the deployment of a dedicated implementation specialist who offers informed, data-based consultation to optimize the fleet assets and round-the-clock assistance in scheduling reports for stakeholders.

Growth Potential

Storm’s strategy of offering the best value for the money has opened the door for numerous growth opportunities in the North American fleet optimization and analytics market; for example, from 2015 to 2016, the Smart-vu Pro platform held a +100,000 installed base in North America. In addition, the company’s collaboration with Canadian Natural for over 9 years has put Storm in a position to further expand its customer base in the energy sector. Based on the above mentioned factors, Storm is expected to maintain a steady growth rate of around 12% to 15% from 2016 to 2019.

Conclusion

Storm has integrated traditional telematics and advanced RFID when designing its proprietary fleet and analytics solution suite. Unlike competing solutions that largely gather telematics data, Storm's solutions intuitively accumulate data sets that are specifically relevant to customers' respective businesses. Owing to this, the company not only offers customers an overview of current fleet status but also helps them identify area in need of improvement to expand business, improve performance efficiency levels, and enjoy maximum ROI. Because of its strong overall performance, Storm Telematics is recognized with Frost & Sullivan's 2016 Customer Value Leadership Award.

Significance of Customer Value Leadership

Ultimately, growth in any organization depends upon customers purchasing from your company, and then making the decision to return time and again. Delighting customers is therefore the cornerstone of any successful growth strategy. To achieve these dual goals (growth and customer delight), an organization must be best in class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by two macro-level categories: customer impact and business impact. These two sides work together to make customers feel valued, and confident in their products' quality and long shelf life. This dual satisfaction translates into repeat purchases and a high lifetime customer value.

Key Benchmarking Criteria

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated two key factors—Customer Impact and Business Impact—according to the criteria identified below.

Customer Impact

- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

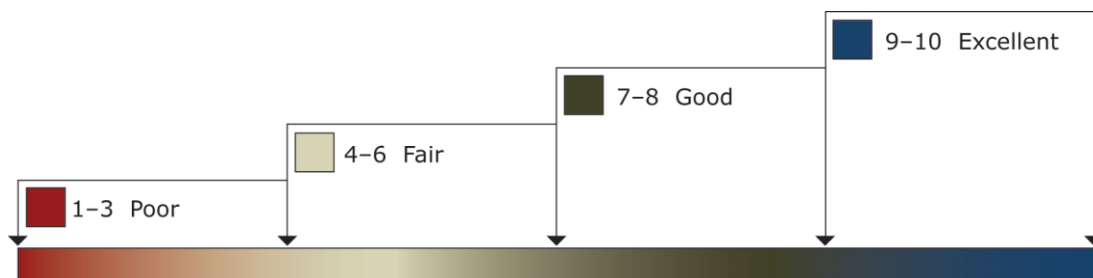
Business Impact

- Criterion 1: Financial Performance
- Criterion 2: Customer Acquisition
- Criterion 3: Operational Efficiency
- Criterion 4: Growth Potential
- Criterion 5: Human Capital

Best Practice Award Analysis for Storm Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

RATINGS GUIDELINES



The Decision Support Scorecard is organized by Customer Impact and Business Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players as Competitor 2 and Competitor 3.

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>			
Customer Value Leadership	Customer Impact	Business Impact	Average Rating
Storm	9.0	9.0	9.0
Competitor 2	8.0	7.5	7.8
Competitor 3	7.5	7.0	7.3

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 like 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

Business Impact

Criterion 1: Financial Performance

Requirement: Strong overall financial performance in terms of revenues, revenue growth, operating margin and other key financial metrics

Criterion 2: Customer Acquisition

Requirement: Customer facing processes support the efficient and consistent acquisition of new customers, even as it enhances retention of current customers

Criterion 3: Operational Efficiency

Requirement: Staff is able to perform assigned tasks productively, quickly, and to a high quality standard

Criterion 4: Growth Potential

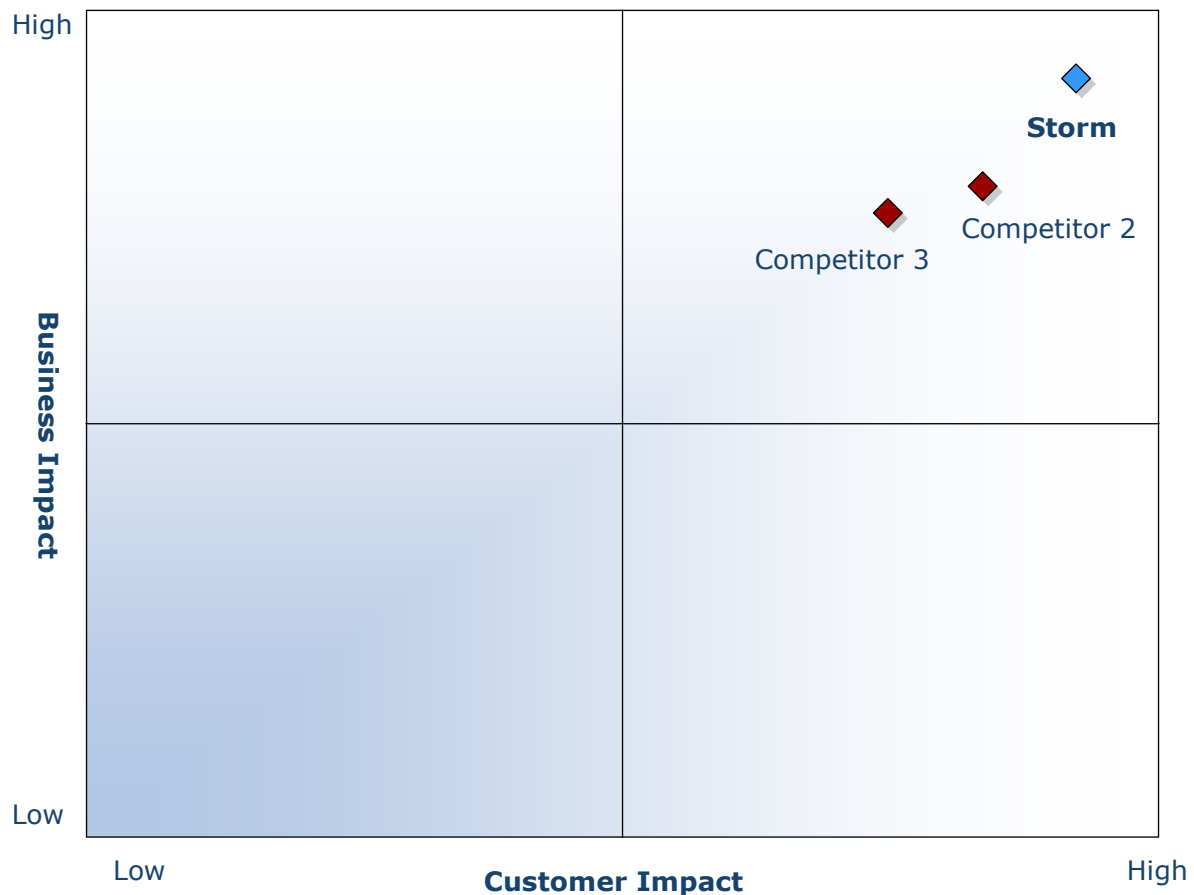
Requirements: Customer focus strengthens brand, reinforces customer loyalty and enhances growth potential

Criterion 5: Human Capital

Requirement: Company culture is characterized by a strong commitment to quality and customers, which in turn enhances employee morale and retention

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.



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

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



performing at best-in-class levels.

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

Frost & Sullivan Awards 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates 	Matrix positioning all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 may share award news with stakeholders and customers	<ul style="list-style-type: none"> • 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

About Frost & Sullivan

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 almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.