



AIRC LIC®

2014 North American Mobile Supply Chain Management
Customer Value Leadership Award



F R O S T & S U L L I V A N



50 Years of Growth, Innovation & Leadership

Customer Value Leadership Award Mobile Supply Chain Management North America, 2014

Frost & Sullivan's Global Research Platform

Frost & Sullivan is in its 50th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The company's research philosophy originates with the CEO's 360-Degree Perspective™, which serves as the foundation of its TEAM Research™ methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2014 North American Customer Value Leadership Award in Mobile Supply Chain Management to Airclic.

Key Industry Challenges

Mobile supply chain management (MSCM) solutions comprise an important and growing portion of the larger supply chain management (SCM) market in North America. Mobilizing access to—and management of—portions of today's supply chain provides increased real-time visibility across multiple companies and a myriad of processes. While the benefits of MSCM applications are becoming clearer, challenges do exist within this industry. Frost & Sullivan's research reveals that the key end user challenges at this time include:

- 1) A fragmented and confusing set of vendors and capabilities
- 2) Concerns regarding the cost of implementation
- 3) The perceived vulnerability of company, partner, and customer data

Mobile supply chain management is a fragmented, and often confusing, market. Prospective customers can be intimidated by the very idea of mobilizing access to their supply chain management process. First, they must determine which parts of supply chain management they wish to mobilize. Second, they must select from an array of providers. Lastly, and possibly most intimidating of all, they must be prepared to spend a substantial amount of time defining the complexity of transactions that occur in their supply chains in order for the MSCM vendor to create the correct software solution. Vendors that wish to enhance the customer value of MSCM solutions will offer products that are focused and easy to understand. This often means having a strong vertical orientation. These vendors will also be willing to work closely (and early) with the customer to understand their business requirements and design accordingly.

Frost & Sullivan finds that when asked to rank the barriers to implementing mobile software applications, North American businesses consistently point to cost as a premier reason not

to adopt. As with other mobile enterprise applications, a variety of expenses can be required for proper MSCM implementation. These include the cost of the software, the necessary mobile devices, and any customization and backend integration expenses. Vendors that focus on providing a high level of value to their customers will look for creative ways to make their solutions affordable. They will also design solutions that provide a hard-dollar return on investment (ROI) that quickly justifies the required upfront and ongoing expense of implementation.

Mobile supply chain management applications collect and transmit a large amount of company, partner, and customer information. Businesses rank worries about the security and privacy of these data as a top reason for not implementing mobile apps. This is especially applicable in the MSCM sphere, which wirelessly extends the communication of proprietary data across a variety of parties both inside and outside of the company, including supply partners and third-party distributors. Best-in-class vendors will ensure that their MSCM solutions offer the highest level of data security, and have the customer references to prove a strong dedication to maintaining information privacy on a 24/7 basis.

Best Practice Award Analysis for Airclic

The Frost & Sullivan Award for Customer Value Leadership is presented each year to the company that has demonstrated excellence in implementing strategies that proactively create value for its customers with a focus on improving the return on the investment that customers make in its services or products. This award recognizes the company's inordinate focus on enhancing the value that its customers receive, beyond simply good customer service, leading to improved customer retention and ultimately customer base expansion.

Airclic's Performance in the Mobile Supply Chain Management Sector

Airclic is headquartered in Pennsylvania and currently has more than 300 large and mid-sized businesses using its supply chain and logistics solutions globally. These customers include top names such as UPS, Cardinal Health, Staples, DB Schenker, and U.S. Foods. Airclic currently competes toe-to-toe with much larger companies that are in the midst of mobilizing their traditional supply chain management desktop software solutions. Unlike many of these traditional desktop vendors, Airclic is a mobile-centric, cloud-based enterprise software company, offering a fresh, streamlined approach to supply chain management and demonstrating a clear customer focus when designing its solutions and interacting with prospective clients.

Key Performance Drivers for Airclic

Frost & Sullivan's analysis indicates that the major factors that have contributed to Airclic's leadership in providing customer value in the MSCM sector are: 1) A quick, clear ROI, 2) Focused, vertical solutions, 3) A cloud-based delivery model, and 4) A highly-configurable,

prepackaged solution design.

Factor 1: Quick, clear ROI

Mobile supply chain management solutions can generate a substantial return on investment when designed and executed properly. Airclic has created a portfolio of electronic proof of delivery (ePoD) solutions that focus upon the transportation/logistics piece of the supply chain, providing real-time visibility as a delivery travels from Point A to B to C, etc. These solutions are offered under the company's "Perform®" brand and are unique in their focus upon lighting up the last mile of the supply chain—especially the cross-dock process—and mobilizing previously all-manual systems.

Electronic proof of delivery results in a long list of benefits, the majority of which directly and positively impact customer ROI. For example, the quantitative impacts from Airclic's Transport Perform solution—which is targeted at third-party logistics providers (3PLs)—include reduced paperwork, fewer delivery mistakes, decreased OS&D (overages, shorts and damage) claims, a drop in calls/complaints from customers, and increased worker productivity. In a representative customer case study for Transport Perform, a major customer deployed the solution across 300 users in eight locations. As a result of being able to more easily track products and drivers, customer non-delivery claims, which had previously totaled more than an anecdotally reported \$100,000 per month, decreased by as much as 80 percent.

Overall, Airclic reports that its customers typically experience a return on investment within six months and currently save an average of \$400 per month per truck.

Factor 2: Focused, vertical solutions

Vertical-specific MSCM solutions are in demand, and Airclic has been unique in the mobile apps industry for its longstanding vertical-specific product design. To work properly, MSCM solutions must incorporate industry-specific workflows, forms, and analytics.

Airclic's portfolio includes products specifically designed for a number of targeted industries, including:

3PLs

Automotive Parts Distributors

Food Distributors

Less Than Truckload (LTL)

Wholesale and Retail Distributors

The design of Aircllic's Transport Perform product resides in a deep understanding of the increasingly strict demands being made of private fleets and 3PLs, which are under pressure to deliver high volumes of product within progressively shorter timeframes. Transport Perform automates and mobilizes previously-manual processes, such as immediately accessing and reconciling ASNs (advanced shipment notices) right on a worker's mobile device instead of depending on paper forms and he-said, she-said claims of non-performance.

This level of industry domain expertise and automation capability is still fairly unique when it applies to today's transport/cross-dock process. Frost & Sullivan's research shows that other vendors addressing the logistics space furnish more simplistic apps—such as load/unload or mapping—or require the customer to first purchase their traditional SCM system. Also, while many competitors have focused upon mobilizing SCM processes that occur behind a company's four walls (manufacturing, for example), Aircllic has looked outward—and uncovered opportunities to significantly improve a vertical's supply chain performance.

Factor 3: Cloud-based delivery model

Aircllic's biggest competitors are the traditional desktop software vendors who furnish on-premise SCM solutions to a large base of customers. These competitors have now realized the benefits of mobilizing portions of their supply chain products, however, on-premise solutions tend to be more expensive and take longer to create. In contrast, Aircllic ePOD solutions were originally architected to run in the cloud. This allows Aircllic to provide its Perform products on a SaaS basis, which results in a number of benefits. Implementation is quicker, resulting in fast time to market for the solution—often within weeks. Maintenance and support are handled on an ongoing basis by Aircllic, ensuring a high level of reliability and security, and allowing customers to devote their internal IT resources to core business needs. Cloud-based applications can also be easily scaled up or down when customers expand or contract their operations. And very importantly, cloud solutions are typically more affordable.

As a cloud-based provider, Aircllic follows the traditional software-as-a-service pricing model. Customers pay for their software on a per-user, per-month basis—thereby avoiding capital expenditures. Upfront professional services, which can include backend integration and training, are charged for separately. Aircllic is also able to address data security concerns by pointing to the fact that it uses a multi-tenant architecture which completely separates one customer's data from another's.

Factor 4: Highly-configurable, prepackaged solution design

Frost & Sullivan notes that while many MSCM vendors continue to provide only expensive wholly customized solutions, customers are demanding a more prepackaged approach. Aircllic's strategy is to have created a core product and then augment with a custom overlay

of functionality. This custom portion usually ends up comprising 20-30 percent of the finished software product, addressing the customer's specific requirements around work flows, languages, mobile device types and operating systems, backend system integration, etc.

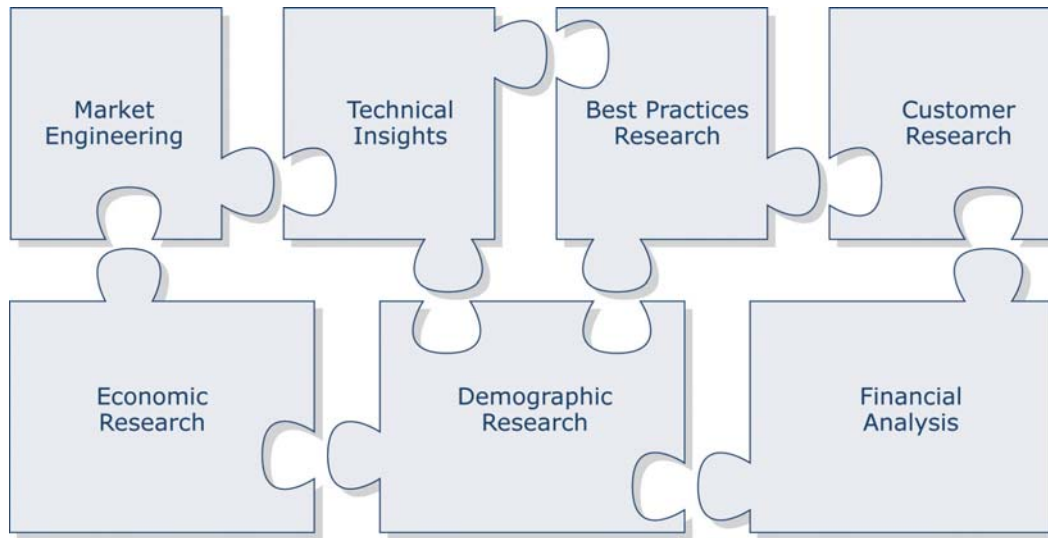
By engaging its sales engineers early in the discussion with a client, Airclic is able to develop an operational assessment which documents initial process improvement recommendations for the customer. This first assessment is followed by in-depth planning sessions working closely with the customer and ensuring their understanding and buy-off at each stage of planning and implementation.

Conclusion

Today's companies are under tremendous pressure to deliver goods as quickly and as inexpensively as possible, which in turn creates a demand for greater visibility and automation across their supply chains. Airclic has designed a set of electronic proof of delivery software products that mobilize a company's ability to track and manage its shipments in real time. Frost & Sullivan's independent analysis of the Supply Chain Management market clearly shows that Airclic's cloud-based products offer customers real value in an often-confusing mobile supply chain management sector--providing affordability, scalability, and a vertical-specific set of capabilities—all designed and in place in a matter of weeks. Based on the aforementioned factors, Frost & Sullivan is proud to present the 2014 Customer Value Leadership Award in Mobile Supply Chain Management to Airclic.

Critical Importance of TEAM Research

Frost & Sullivan's TEAM 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 seven of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

Chart 1: Benchmarking Performance with TEAM Research

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 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.