

SMART[®]

Inspired Collaboration[™]

2014 North American Interactive Whiteboards
New Product Innovation Award



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



50 Years of Growth, Innovation & Leadership

New Product Innovation Award Interactive Whiteboards 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 New Product Innovation Award in Interactive Whiteboards to SMART Technologies.

Significance of the New Product Innovation Award

Key Industry Challenges Addressed by New Product Innovation

The market for business-grade collaboration solutions is becoming increasingly crowded and complex. Traditionally low user adoption and usage rates have compelled many vendors to focus their development resources on improving the user experience. As a result, an expansive array of endpoint products, spanning high-definition multi-touch displays and panels, whiteboards, video walls, and web, desktop and mobile interfaces, and more are at the center of development. In most instances however, the developments have been evolutionary enhancements rather than truly innovative new products.

While it is competitively critical for vendors to maintain feature parity with alternatives, the consequences of the current state of incremental development are multiple. First, it leaves customers little motivation to look beyond checklist features and compels them to shop based on lowest price as they investigate collaboration solutions. Further, incremental rather than visionary development often leads to a painfully slow pace in terms of addressing real customer pain points, some of which are complex and others simple. Finally, it leaves little room for vendors to create true and lasting differentiation needed for long-term success.

Certain vendors rise above the competition, focusing not on checklist features or building a better mouse trap. Rising above the fray is accomplished with a practical approach, whereby the vendor sets aside what the competition is doing and instead listens to the full berth of issues that customers are trying to address. It is that pragmatic, holistic, back-to-basics approach that often spurs innovation. An innovation leadership position is critical to success

in a crowded market. It raises a vendor's visibility, and thus improves its capability to attract customers and partners that want to align with companies that demonstrate the characteristics to excel in the long term.

Key Benchmarking Criteria for New Product Innovation Award

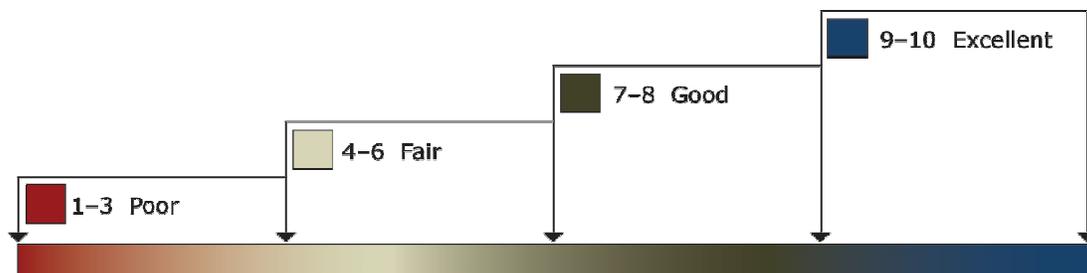
For the New Product Innovation Award, the following criteria were used to benchmark SMART Technologies' performance against key competitors:

- Innovative Element of the Product
- Leverage of Leading-Edge Technologies in Product
- Value Added Features/Benefits
- Increased Customer ROI
- Customer Acquisition/Penetration Potential

Decision Support Matrix and Measurement Criteria

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Matrix (DSM). The DSM is an analytical tool that compares companies' performance relative to each other with an integration of quantitative and qualitative metrics. The DSM features criteria unique to each Award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. Fundamentally, each DSM is distinct for each market and Award category. The DSM allows our research and consulting teams to objectively analyze each company's performance on each criterion relative to its top competitors and assign performance ratings on that basis. The DSM follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are shown in Chart 2.

Chart 1: Performance-Based Ratings for Decision Support Matrix



This exercise encompasses all criteria, leading to a weighted average ranking of each company. Researchers can then easily identify the company with the highest ranking. As a final step, the research team confirms the veracity of the model by ensuring 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.

Chart 2: Frost & Sullivan’s 10-Step Process for Identifying Award Recipients



Best Practice Award Analysis for SMART Technologies

The Decision Support Matrix, shown in Chart 3, illustrates the relative importance of each criterion for the New Product Innovation Award and the ratings for each company under evaluation. To remain unbiased while also protecting the interests of the other organizations reviewed, we have chosen to refer to the other key players as Competitor 1 and Competitor 2.

Chart 3: Decision Support Matrix for New Product Innovation Award

<i>Measurement of 1-10 (1 = lowest; 10 = highest)</i>	Award Criteria					
	Innovative Element of the Product	Leverage of Leading-edge Technologies in Product	Value-added Features/Benefits	Increased Customer ROI	Customer Acquisition/Penetration Potential	Weighted Rating
Relative Weight (%)	20%	20%	20%	20%	20%	100%
SMART Technologies	10	10	9.5	9.7	10	9.8
Competitor 1	9	9	9.5	9.3	8.7	9.1
Competitor 2	8.9	8.5	9.7	9.2	8.5	8.9

Criterion 1: Innovative Element of the Product

SMART Technologies has taken a pragmatic approach to solving a number of shortcomings of the widely popular dry erase board, which had not seen any notable enhancements in decades. In their race to deliver more sophistication on formal collaboration tools like interactive whiteboards, competing vendors overlooked the potential to advance the most basic of informal collaboration tools – the dry erase board. This left legacy feature gaps unaddressed. For example, users need to erase content created on their traditional dry erase boards so they can start a new topic or new session or for privacy purposes, yet they often need to recall content for later use. They also need to share the content with remote participants. While organizations do have modern alternatives available to them, such as web-connected interactive whiteboards, PC-based online tools, and video conferencing systems, these alternatives typically come at a premium price that is unrealistic for many budgets, or too complex for their users.

Enter SMART kapp, an interactive digital capture board that preserves all the wanted features of traditional dry erase boards while eliminating its shortcomings. Truly a balance of simplicity and advanced functionality, SMART kapp maintains the basic free-form collaboration features associated with the familiar and reliable dry erase board while enabling content capture, and one click secure remote sharing.

Criterion 2: Leverage of Leading-edge Technologies in Product

SMART kapp retains and updates the essential form factor of the conventional dry erase board. The first model in the SMART kapp line replaces the traditional resin surface with smooth glass, which means ink is easier to erase from the board, leaving no ink residue or staining over time. Inking is performed with standard dry erase markers—all of which preserve the user experience of traditional dry erase boards. The thin, lightweight SMART kapp unit can be wall or stand-mounted and requires no IT integration. SMART retained the familiar user experience that has made dry erase boards so popular and widely adopted and yet has greatly enhanced their collaborative capabilities.

And while the form factor remains largely familiar, SMART Technologies recognized critical elements that limit the use of dry erase boards for today's collaboration sessions: the lack of ability to capture and store content, and the inability of remote users to participate. SMART kapp addresses these gaps through leading-edge technology.

A QR code (or NFC tag) embedded in the tool tray at the foot of the SMART kapp digital capture board is the key to content capture and remote participation. These technologies allow users to easily connect to their board with a single click and harness the power of the mobile device. Users simply scan the QR code/NFC tag with a reader on their mobile device and share a secure link to the session with remote participants. Those remote participants

can use any Web browser on any device to view content in real time. All session participants can save content files directly to their devices.

The SMART kapp tool tray also includes a snapshot button that users tap or press to save content either as PDF or JPEG files sent to PCs, mobile devices or to USB drives that can be inserted in the SMART kapp unit itself.

Criterion 3: Value-added Features/Benefits

Unlike more complex alternatives, SMART kapp's familiar form factor and dry erase features will promote utilization and adoption. If users know how to use a dry erase board (which almost anyone does), they know how to use SMART kapp. Furthermore, and just like conventional dry erase boards, no localization is required—session participants simply collaborate in the language or industry jargon that best suits their needs. All of those attributes are inherent value-added benefits that cannot be discounted, particularly as utilization is a real concern for more complex alternative collaboration tools.

There is additional value in SMART kapp's capture and share capabilities. For privacy and security reasons, the content on conventional dry erase boards is routinely wiped clean. In order to save content on dry erase boards the users typically must limit access to the actual board. The other option is to capture it with a photo—a clumsy and disjointed process in the overall work flow and user experience. SMART kapp overcomes these limitations by easily capturing and saving everything written on the board in common file formats that can be easily shared and worked on after the meeting.

SMART kapp also integrates with Evernote, a popular note-taking tool that enables users to effectively organize their saved content. Evernote integration, sharing content out to PCs and mobile devices, as well as saving content to USB drives provides users with the flexibility and convenience of choosing the best option for them while also allowing them to adhere to their organization's policies for information storage and sharing.

Criterion 4: Increased Customer ROI

SMART kapp lists for only \$899, comes with a mounting bracket, plugs into any AC outlet, is supported by free iOS and Android apps, and works with any dry erase marker. Because user familiarity with the basic design and feature set will drive utilization, there is little risk that organizations will not get their money's worth from their purchase.

Further, SMART kapp weighs around 35 pounds and can be mounted on a VESA-compatible floor stand or wall-mounted with the included hardware. If utilization is of any concern, SMART kapp, like a conventional dry erase board, can easily be moved to different rooms or workspaces.

Criterion 5: Customer Acquisition/Penetration Potential

SMART kapp takes an existing office tool and revolutionizes the value-add of the dry erase board. It is appropriately priced both for budget-conscious organizations as well as for those that would want to deploy it widely across their meeting spaces. In terms of applicability, SMART kapp is a viable option for any conference, board or meeting room or cubicle where collaboration takes place on conventional dry erase boards or paper flip charts today. The innovative product has high potential in all business environments as well as in the education vertical.

We can fully expect SMART kapp to become commonplace in a wide and diverse array of environments. The potential can be substantially multiplied as SMART Technologies begins to deliver SMART kapp units in different sizes. SMART Technologies plans to release a larger landscape size later this year, making it even more appealing for larger collaboration spaces, classrooms and even residential spaces.

Conclusion

True innovation is when a company recognizes a need, and then immediately creates a solution to meet that need. SMART Technologies has demonstrated its vision to improve upon a much loved collaboration tool and reinvent it for the modern day. A practical human approach and an in-depth understanding of everyday collaboration requirements have enabled SMART Technologies to maintain its pioneering and market-leading status in the collaboration market. Frost & Sullivan is delighted to recognize SMART Technologies' SMART kapp with the 2014 New Product Innovation Award in the Interactive Whiteboard Market.

The CEO 360-Degree Perspective™ - Visionary Platform for Growth Strategies

The CEO 360-Degree Perspective™ model provides a clear illustration of the complex business universe in which CEOs and their management teams live today. It represents the foundation of Frost & Sullivan's global research organization and provides the basis on which companies can gain a visionary and strategic understanding of the market. The CEO 360-Degree Perspective™ is also a “must-have” requirement for the identification and analysis of best-practice performance by industry leaders.

The CEO 360-Degree Perspective™ model enables our clients to gain a comprehensive, action-oriented understanding of market evolution and its implications for their companies' growth strategies. As illustrated in Chart 5 below, the following six-step process outlines how our researchers and consultants embed the CEO 360-Degree Perspective™ into their analyses and recommendations.

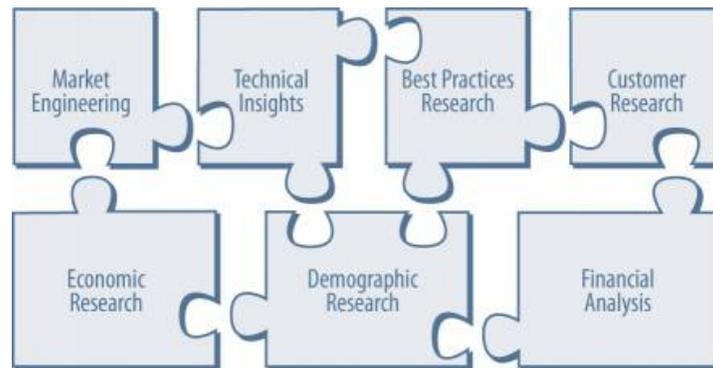
Chart 4: How the CEO's 360-Degree Perspective™ Model



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 5: 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>.