# FROST & SULLIVAN INSTITUTE

## 2022 Frost & Sullivan Institute
## **Enlightened Growth Leadership Award**
### Excellence in Best Practices

**RingCentral**

![Frost & Sullivan Institute logo]

Congratulations!

Frost & Sullivan Institute, in partnership with Frost & Sullivan, is proud to present RingCentral with the Enlightened Growth Leadership Award, 2022

Frost & Sullivan's global team of growth pipeline experts continuously identifies and evaluates growth opportunities across multiple industries, technologies, and regions of the world. As the world emerges into the new norm disrupted and accelerated by the COVID-19 pandemic, it is becoming increasingly important for companies to leverage opportunities to shed old ways of thinking, build value chains that leave no stakeholders behind, and create foundations for stable growth to thrive in these new environments. We identify companies that demonstrate the commitment to embrace emerging technologies and protocols and generate opportunities for all while sustaining continued growth and highlighting best practices for sustainable development. This approach involves deep strategic deliberation around best practices and the development of core analytics across the entire value chain of specific products and services. Against the backdrop of these analytics, Frost & Sullivan Institute, in partnership with Frost & Sullivan, recognizes RingCentral for its valuable achievement.

Frost & Sullivan strictly reserves this recognition to companies at the innovation to zero and growth forefront in their respective industries. These companies demonstrate proactivity in utilizing business practices to 'innovate to zero' and address global priorities while securing sustainable growth. These companies also uniquely leverage technology and boost their industry partner ecosystem to serve ever-evolving customer needs in a way that facilitates environmental initiatives and supports the planet's well-being. Moreover, by combining business sense with a moral imperative, these companies demonstrate aspirational ideals beyond the simple goal of generating profits.

This recognition is the result of many individuals (employees, customers, partners, and investors), making critical decisions every single day to support the organization and meaningfully contribute to its own future in a sustainable and socially responsible way. Frost & Sullivan in partnership with Frost & Sullivan Institute enthusiastically acknowledges and celebrates their contributions.

Once again, congratulations on your accomplishments, and we wish you great success in the future.

Sincerely,

David Frigstad
Chairman, Frost & Sullivan and Executive Director, Frost & Sullivan Institute

# Best Practices Criteria for World-Class Performance

Frost & Sullivan Institute leverages Frost & Sullivan's 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 for each nominated company. RingCentral excels in multiple criteria.

## AWARD CRITERIA

**Enlightened Growth Leadership Attributes**

'Innovating to Zero' on Global Priorities

Growth Excellence

Customer Value Chain

Integrated Coopetition - Industry Partner Ecosystem

Technology Leverage/Innovation

## Introduction

Challenges presented by scarcity of resources, unavailability of human talent, increased competition, and saturating economies pose tough questions to business leaders on how to achieve growth. In a world where climate change and resource shortage is rampant, it is apparent that not all organizations can achieve a balance between growth and sustainability. Those organizations that make strategic use of their resources to tackle not only growth but also make strides to 'innovate to zero' will have a clear path to resilience and responsible growth.

RingCentral is a cloud computing solutions provider that looks to tackle these problems with a clever mix of technology, innovation, and a commitment to global causes. RingCentral "is reimagining the world of communications by breaking down barriers and empowering businesses across the globe to work as one." RingCentral's products help small business grow by consolidating all their business communication needs on one platform and enabling a modern workforce with seamless communication.

## 'Innovating to Zero' on Global Priorities

RingCentral has put sustainability and innovation at the core of its business activities. The company is extremely self-aware about the impact it has on its stakeholders and is always striving to have a positive and a lasting impression on the communities that it operates in. The company's efforts to tackle homelessness, reduce greenhouse gas emission, promote diversity and inclusion along with their commitment to mental health has been exemplary.

RingCentral bases all its corporate social responsibility (CSR) activities off three key pillars: environmental sustainability, social impact, and responsible governance. There is an "Employee Resource Group," a platform where employees are encouraged to celebrate each other's uniqueness while providing significant inputs to key business decisions. Further, the company has actively ensured that people from traditionally underprivileged backgrounds are hired, heard, and represented within their company and their suppliers. As a part of this effort, the company publishes the racial breakdowns of its employees every year. Furthermore, RingCentral's programs like affirmative action plan, Transition N2 Tech, and outreaches to Historically Black Colleges and Universities (HBCUs) have all contributed towards increased diversity in RingCentral. These initiatives are a part of RingCentral's long-term strides towards zero inequality and discrimination.

RingCentral realizes the importance of the Sustainable Development Goals set out by the United Nations and is actively working to address four of the seventeen goals: good health and well-being, gender equality, responsible consumption and production, peace, justice, and strong institutions. RingCentral's products have prevented the emission of 39,000 kg of greenhouse emission gases in 2019[1]. Over nine thousand electric vehicle charging sessions along with ten charging stations inside the company headquarters will further aid the journey towards zero emission by encouraging employees to adopt electric mobility.

RingCentral takes data privacy and security of its customers very seriously and has designed its IT policy with customer data integrity at the heart of the process. Its processes have earned it the ISO 27001 and the SOC 2, ensuring that the company goes through an annual third-party audit. The company actively trains its employees on business ethics and has put mechanisms in place to ensure that they can ask questions or file activity reports in a safe manner. These strides are a part of RingCentral's efforts to innovate to a world with zero data leaks and security breaches.

Frost & Sullivan Institute lauds RingCentral's efforts in leveraging its technology, influence, and expertise to align itself with global priorities and go above and beyond in their efforts to improve the world. Their active and firm approach towards diversity and inclusion, emission reduction, data privacy and security, has set the gold standard which other companies in the cloud computing business will do well to imitate.

### *Growth Excellence*

RingCentral is a cloud-based communications solutions provider for businesses. It further offers collaboration, task management, and file sharing solutions. Since its inception in 1999, the company has managed to achieve sustained growth over the past 20 years because of its constant drive for innovation. RingCentral's biggest strength is its ability to marry old technology with new developments, a prime example being their service which allows fax to be sent over the internet without the use of a fax machine or dedicated phone lines.

---

[1] RingCentral. (2022). *2020 Impact Report.* Retrieved from
http://netstorage.ringcentral.com/report/csr_report_2020.pdf

RingCentral has dedicated products to suit businesses of all kinds, ranging from small businesses and start-ups to large corporations, governments, and even non-profits. The company employs a dual sales strategy, engaging in direct selling as well as sales via its partners to maximize reach and increase customer acquisition and retention. It combines modern marketing efforts like search engine optimization, content leads and affiliate marketing with tried and tested traditional means like radio and billboard advertising, tradeshows and expositions, and sports sponsorship to boost brand recognition and generate high value leads in the market.

RingCentral's growth is driven in no small part by its ability to form important partnerships with other companies and create synergy to meet customer demands. Partnerships with companies like Frontier Communications and Deutsche Telekom has enabled RingCentral to strengthen its operations and increase returns.

RingCentral's ability to offer tailor-made solutions for businesses has yielded excellent results for the company. It has experienced a 35% increase in year-on-year revenue from 2020 to 2021, primarily driven by an increase of 36% on subscription-based revenue[2]. It has successfully convinced businesses to form long term partnerships with companies for all their cloud-based communications and task management needs. RingCentral MVP, the company's flagship product, acts as a one-stop-shop for all business communications needs, including features like call routing, high-volume SMS, video conferencing, and collaboration. Products like these, honed by years of expertise, experience, and listening to customer feedback has ensured a strong monthly customer retention rate of 99.4% and has been a key factor to drive the company's growth[2].

RingCentral is increasingly establishing its presence in rapidly developing economies like India, Philippines, and China. Further, acquisition of DeepAffects, an AI driven company speech recognition company, and Kindite, a cryptographic data-protection service provider illustrates RingCentral's commitment to drive growth by consolidating complementary technologies and services. By leveraging these organic and inorganic methods, RingCentral has demonstrated growth excellence.

### Technology Leverage

With over 774 patents and a further 135 applications pending approval in the United States and in other countries, RingCentral is an industry leader in technology innovation in the Software as a Service (SaaS) domain[2]. RingCentral successfully leverages its vast array of intellectual property to improve its quality of service, with a special emphasis on mobile applications. Additionally, Ring Central invests in various start-up to ensure that its innovation pipeline remains active[3]. It has resulted in a portfolio of impressive start-ups like Airmeet, TaskHuman, CloudEagle, and Crossbeam. Integrations with these companies has enabled RingCentral to provide bundled services and helped drive growth in the Software as a Service (SaaS) market for small businesses.

[2]RingCentral. (2022). *RingCentral, Inc.* Retrieved from
https://s24.q4cdn.com/639777509/files/doc_financials/2021/ar/d70a5012-30de-4271-a8f2-778056fd68b5-(1).pdf
[3]RingCentral. (2022). RingCentral Ventures. Retrieved from https://www.ringcentral.com/ca/en/ventures.html

RingCentral realizes the importance of innovation to mitigate disruptive megatrends and ensure survival in an increasingly volatile business environment. It has doubled down on its commitment by increasing its R&D expenses form 15% of its total revenue in 2019 to 19% of total revenue in 2021[2]. This spending increase has helped fund subsidiaries like RingCentral India, a strategic move to ensure its presence in the worlds' fifth largest economy.

Frost & Sullivan Institute commends RingCentral's commitment to providing a seamless customer experience by reinforcing its commitment to managing both internal and external innovation in the extremely crowded and competitive sector of business communications and cloud integration. The Institute further commends the company's ability to leverage technology to answer the challenges posed by ever evolving customer needs.

## Conclusion

RingCentral excels in its continued journey of providing businesses with state-of-the-art communications and cloud-based solutions while reinforcing their commitment to good governance, reduced emissions, a, and fostering diversity and inclusion within their offices and beyond.

RingCentral has struck the right balance between service expansion and geographical expansion to drive their growth. Its strategic usage of foreign subsidiaries along with strategic acquisition of other companies, and a commitment to invest in new start-ups has resulted in sturdy growth figures backed by strong customer retention numbers.

Frost & Sullivan Institute Awards the "2022 Enlightened Growth Leadership Award" to RingCentral for their ability to accomplish sustained growth while aligning themselves with critical SDGs and establishing themselves as stalwarts of innovation.

## What You Need to Know about the Enlightened Growth Leadership Recognition

Frost & Sullivan Institute's Enlightened Growth Leadership Award recognizes the company that addresses the global priorities as identified by the Institute and demonstrates sustainable growth in the industry.

## Best Practices Award Analysis

For the Enlightened Growth Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

**'Innovating to Zero' on Global Priorities:** The company demonstrates proactivity in 'Innovating to Zero' in terms of one or more of the following global priorities that form the seven pillars of the Frost & Sullivan Institute:

i)    **Environment:** Environmental initiatives can include climate change, vulnerable groups, behavioral change, international governance, waste management, or others.

ii)   **Education:** Education can encompass equal access, gender parity, EdTech, quality education, education resources, vocational training, or others.

iii)  **Infrastructure:** Infrastructure can incorporate infrastructure as a basic right, technology and infrastructure, environment and infrastructure, urban infrastructure, and financing models, among others.

iv)   **Healthcare:** Healthcare can comprise healthcare crisis, mental health, finance, healthcare systems, advanced healthcare, and technology and healthcare, among others.

v)    **Security:** Human security can refer to transnational governance, human security, food security, or others.

vi)   **Human Rights:** Human rights can involve governance, special group rights, justice, or other such elements.

vii)  **Economics:** Economics can pertain to inequality, new economic regime, FinTech, behavioral change, or others.

**Growth Excellence:** The company demonstrates healthy growth over a span of 10 years. It focuses on short-term and long-term growth strategies to maintain a superior industry position. The executive team's vision aligns with the company's growth strategy, effectively translating this vision into growth. The socially responsible organization enforces strategies to increase its share of the customer wallet, successfully differentiating itself from competitors and positively impacting its market share. It also adopts strategies to build upon achieved growth and sustain continued growth while highlighting best practices for sustainable development.

**Customer Value Chain:** The company pays heed to the planet's well-being and addresses environmental initiatives such as climate change, carbon footprint reduction and elimination, waste management, or clean energy production. Its key value proposition is refined by building on client feedback and continuously improving products and services. The organization prioritizes its customers' needs and provides significantly greater value for the price. It offers exceptional customer value by providing the best purchase experience to customers, placing importance on providing a high degree of satisfaction amongst existing and potential clients, or ensuring the best and differentiated service experience.

**Integrated Coopetition - Industry Partner Ecosystem:** The company makes use of unique business models such as corporate partnerships and public-private collaborations to boost the industry partner ecosystem. By combining business sense with a moral imperative, the company demonstrates aspirational ideals beyond the simple goal of generating profits. The organization's efforts to cooperate with competitors reveal its cognizance of a broader vision and endeavors towards positively impacting the overall industry.

**Technology Leverage/Innovation:** The company incorporates or uniquely leverages technology, standing out among the competition. The technology addresses key future needs and applications and is disruptive to or supersedes existing technologies. The company's technology or technology leverage can be diversely applicable or has created new markets or applications where none existed before. It has introduced creative features and functionality by jumping through hoops to convert its vision into a reality. The organization has a structured process or best practices to incubate new technologies developed internally or through strategic partnerships. The company's innovations or technology incorporation has the potential to become an industry standard.

## About Frost & Sullivan Institute

Frost & Sullivan Institute (FSI) is a non-profit organization dedicated to utilizing business practices to address global priorities. The genesis of the institute goes back to our vision of either creating or becoming part of a solution that addresses threats to humanity. Frost & Sullivan Institute has identified strategic imperatives for transformation and believes that by using a Socratic approach, we can truly accelerate innovation to zero. The Institute works in collaboration with leading analyst teams, its internal research team, industry experts, and other partners. It works closely with Frost & Sullivan Inc. to leverage in-house thought leadership in order to identify opportunities for transformation that will arise from innovation, disruptive technologies, and overarching megatrends that will alter the world as we know it today. To learn more about FSI, visit https://www.frostandsullivaninstitute.org/.

## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

### 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™.

**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 six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

*to Zero*
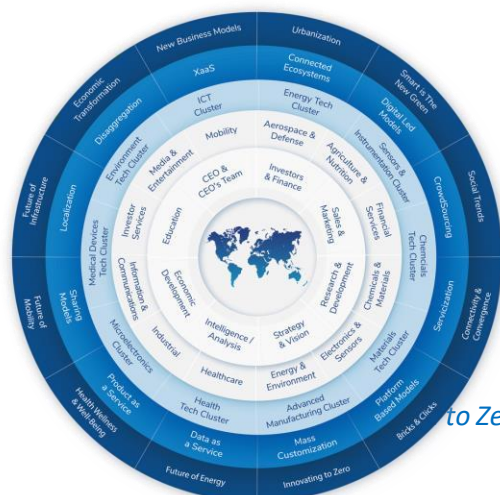
**Analytical Perspectives:**

- ■ Mega Trend (MT)

- ■ Business Model (BM)

- ■ Technology (TE)

- ■ Industries (IN)

- ■ Customer (CU)

- ■ Geographies (GE)

## Copyright

This intellectual property (IP), encompassing our research, thought leadership, methodology, analytics, branding, and approach, is fully owned by Frost & Sullivan. No part of this IP may be disclosed to external parties without formal written permission from Frost & Sullivan. Furthermore, no part may be reproduced, stored in a retrieval system, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the written permission of Frost & Sullivan.