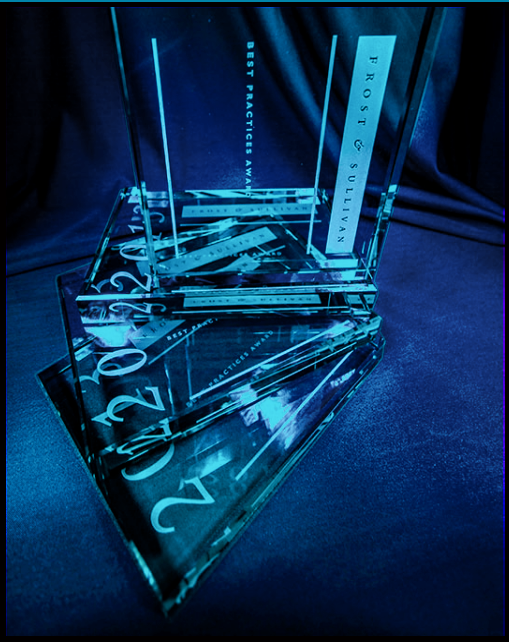




ASTOR

technology meets
people

2016 Polish Industrial Automation Customer Value Leadership Award



FROST & SULLIVAN

BEST
2016 PRACTICES
AWARD

POLISH INDUSTRIAL AUTOMATION
CUSTOMER VALUE LEADERSHIP AWARD

2016
BEST PRACTICES
AWARDS

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Background and Company Performance

Industry Challenges

One of the major challenges in Poland's industrial automation market is to select such industries to grow and automate as there are high change dynamics to manage at the industry levels. Automation can cause some industries that received external funding for many years to lose funding, while others rise as export champions and grow rapidly through automation or grow quickly but struggle to automate. Therefore, automation providers must target the right industries. Another external challenge is to choose appropriate sources for financing these investments, as it determines future revenue expectations.

Another significant challenge is the strong supplier consolidation in the automation market, changing the overall market structure. There are many small businesses and influential companies dictating market conditions. The issue ahead is to learn to work in this challenging environment and consolidate the market of suppliers, integrators, end users, and customers. The significant changes in the products market make it increasingly difficult to operate. Understanding and implementing the Industry 4.0 Standards is critical to success in the automation market.

Industrial automation equipment sales expect to increase, but at a slow rate. The slowdown is the result of falling oil and raw materials prices and weakening demand from some emerging economies. The improved economic performance in the United States (US), European Union (EU), Japan, and India will contribute to the sales increase. The market growth of industrial automation equipment (IAE) will be limited by the economic slowdown in China and recessions in Brazil and Russia. Reduced capital investment in sectors based on oil and gas and in other areas based on raw materials will influence the IAE product sales in these segments in 2016. However, this decline will be offset by the growth in other industries, such as automotive, food and beverage, packaging, and robotics.

The rapid economic development combined with its earlier technological development resulting from the long-term planned economy policy causes the high demand for products and industrial automation systems. Many manufacturing companies perceive investments in automation as one of the most important competitive advantages and a key factor in overall company development. Firms are looking to modernize their production lines, making the industrial automation market in Poland highly favorable. Many companies will benefit from the favorable market conditions that complement their product offerings related to automation, industry, or maintenance. Such actions are particularly noticeable among electronic companies, as extending automation is both natural and easy-to-implement.

Customer Impact and Business Impact of ASTOR

ASTOR, founded in 1987, is an innovative company that creates the most productive solutions for its customers to achieve excellence and support the goals of boosting productivity and competitiveness by supplying knowledge and technology solutions. Both small plants and large manufacturing plants use ASTOR's solutions across almost all industries.

ASTOR values loyalty, honesty, responsibility, and transparency in its market interactions with customers, suppliers, and partners. The company commits to educational projects in new technologies and in initiatives forming a link between science and industry.

ASTOR's expertise lies in the following sectors:

- Fast-moving consumers goods (FMCG)
- Discrete Manufacturing
- Heating industry
- Municipal infrastructure
- Power industry
- Education



Source: ASTOR.

Overall, the company's mission is to expand the positive reputation of the Polish-based engineering and managerial expertise to broader areas of Europe and beyond—with a passion and commitment to developing all the people the company works; helping them to achieve their goals.

Product and Service Reliability Exceeding Customers' Expectations

ASTOR supports an increase of process efficiency in the industry, manufacturing, and infrastructure, supplying components for industrial automation, robotics, IT systems, and business and technical knowledge in the form of training and consultations. The company supports more than 4,000 companies in Poland, delivering more than 21,000 control systems, over 12,000 Wonderware industrial software licenses, more than 14,000 communication systems as well as over 2,000 drive systems and power supplies.

ASTOR's offer includes nearly 30 years' knowledge and experience in the distribution of superior products. The company is unique in the Polish market, providing customers with access to proven solutions. ASTOR represents such brands as GE Intelligent Platforms, Horner APG, SATEL, Wonderware, Kawasaki, Epson, Astraada, and Comodis. It supplies components for the creation of small, medium, and large control systems, SCADA systems, performance management systems, MES systems, monitoring and wireless transmission, and robotic systems. The company offers a range of professional solutions and services that facilitate the choice, implementation, and utilization of complete automation systems of production and industrial processes.

ASTOR's products exceed customers' expectations. From the infrastructure management level, standardization, and integration of IT systems automation, ASTOR has products and services that stand out from the competition. ASTOR evaluates the potential challenges that a potential customer may have within the next five years and offers solutions to address those forecasted challenges—building customers' confidence in the future.

In a case of services, ASTOR largely exceeds customers' expectations in such areas as technical support, knowledge, and connection with ASTOR employees, not only supporting engineers but also vendors. ASTOR's overall customer commitment remains above the industry average.

Delivering on Critical Factors to Help Customers Succeed

Product reliability is one of the most important quality dimensions for ASTOR. It is of utmost importance, especially in control and implementation systems, and ASTOR seeks to meet the customer's highest reliability expectations. Yet, ASTOR strives to balance reliability and quality with efficiency (speed), to help optimize return on investments and lower the total cost of ownership (TCO). ASTOR designs products and systems to last for many years, thus ensuring that its products' services cost less to customers in the long-term. ASTOR backs its reliable and high-quality products with a team of qualified specialists to address any customers' needs.

ASTOR Innovation Room

The ASTOR Innovation Room (AIR) is an interactive exhibition of robotics and IT technologies, located in Cracow, Poland, at ASTOR's headquarters. AIR is a place, in which modern production systems operate, based on the Kawasaki and EPSON's robots, supervised by the GE Intelligent Platforms drivers as well as SCADA and MES software from Wonderware.



Source: ASTOR.

ASTOR Innovation Room is more than a demo application or a lab. AIR reveals the real production processes performed by robots, such as robotic welding, palletizing, and packaging. Manufacturing companies cannot only observe automated production, but they can also perform robotic processes tests in their plants—allowing verification of the solution and analyzing its details.

Together with its partners (research centers, equipment suppliers, and technologists), AIR is a unique place in Europe, where advanced, modern technical solutions are available for everyone: professionals, scientists, integration companies, manufacturing plants, universities, and schools, as well as passers-by. People can see robots at AIR's window and run them independently by sending a simple short message service (SMS). They can also arrange a visiting tour with an organized group. All in all, AIR has three functions: training, demonstration, and raising awareness.

A Strong Reliance on Customer Feedback to Improve the Overall Customer Service Experience

ASTOR places a great emphasis on providing high customer satisfaction levels. The company measures all the main processes with the use of net promoter scores, with scores as high as 70%. Customers provide information on what actions it should take to improve the company's performance, and the company acts upon customers' suggestions.

ASTOR uses an electronic survey system after completed projects to automatically send a request to customers for their participation. The company shares and analyzes its results internally and establishes a rapport with them to learn what further improvements are necessary.

The company aims to provide the highest level of its services. Therefore, it leads the dialogue with its customers, and examines their needs and wants, as well as their satisfaction levels, applying the strategy of constant improvement implementation that customers require.

People as a Key Component of ASTOR's Competitive Advantage

Organizational culture distinguishes ASTOR through the company's investments in its employees, continuous skills development, and opportunities to stay and grow with the company for many years. ASTOR believes that long-term employees translate into value and quality relationships with its customers, creating a key competitive advantage for the company since excellent customer service and product quality are the top priorities.

Brand Recognition

ASTOR's brand is well-recognized in particular market segments while building its brand position in other segments. ASTOR continually works on its brand recognition reinforcement taking up many initiatives that include widening its presence in press, publications, social media, business environment, and also engaging salespeople to meet with customers. The company publishes such magazines as Business and Production and Automated Technology newsletter. Therefore, ASTOR undertakes many initiatives to bring benefits in the long term.

ASTOR's plans include a focus on the three top aspects. Firstly, ASTOR aims to do a great job and to take care of its established customer relationships and look for new growth areas domestically. Secondly, the company also aims to coordinate project investments in certain areas and to compete directly with Western European companies. Thirdly, ASTOR looks for new growth opportunities abroad.

Conclusion

The industrial automation market in Poland experiences some challenges in a certain selection of industries with growth potential and difficulty switching to automation.

ASTOR bravely overcomes market challenges, providing top-quality products and services in this challenging environment. The company's goal is to provide the most reliable solutions for its customers to enable them to accomplish excellent results. ASTOR focuses on establishing long-term, promising relationships with its customers that lead to the company's growth and increased customers satisfaction. This focus aligns with the company's mission is to expand the positive reputation of the Polish-based engineering and managerial expertise to broader areas of Europe and beyond.

With its strong overall performance, customer-oriented approach, and advanced technologies, ASTOR earns Frost & Sullivan's 2016 Customer Value Leadership Award in the industrial automation market in Poland.

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

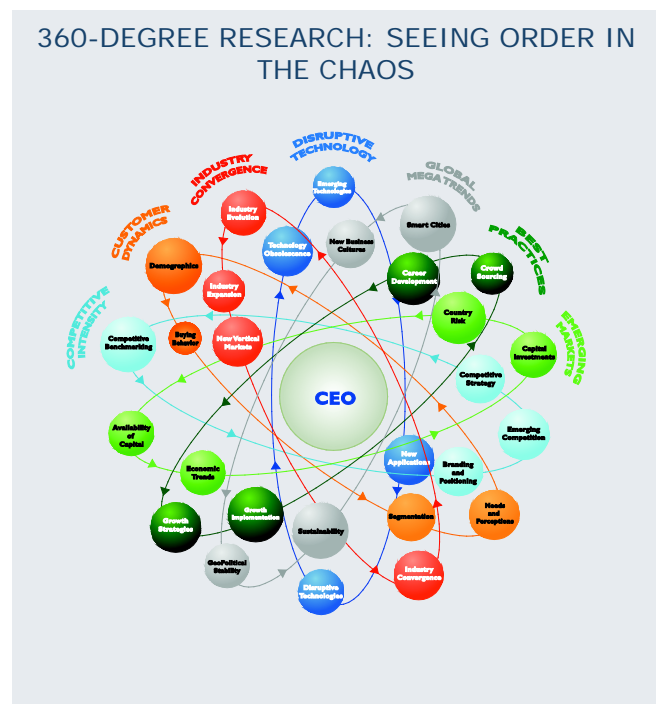
Business Impact

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

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.



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>.