

Customer Value Enhancement, Building Automation Systems North America, 2010

Frost & Sullivan's Global Research Platform

Frost & Sullivan is entering 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 in turn 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 2010 North American Customer Value Enhancement Award in the building automation systems industry to Control Technologies, Inc. (CTI)



Significance of the Customer Value Enhancement Award Key Industry Challenges Addressed by Enhancing Customer Value

The building automation systems industry faces a number of key challenges, which can be effectively addressed by excellence in client value enhancement.

- Integration issues – End users are challenged around incompatibility between their hardware and software components. Many large-scale building owners have a number of systems and protocol layers that suffer from the inability to communicate and intelligently manage large amounts of data.
- End-user awareness – With the U.S. economy gradually showing signs of recovery, end users are extremely careful in vendor selection. Rather than experimenting with new products and vendors, they prefer to select proven performers. There is no scope for failed endeavors; hence, vendors are selected

- on the basis of proven return on investment (ROI), scalability, and added value recognition.
- Single product suppliers - There is an economic model that keeps companies as single product suppliers, due to the proprietary nature of the communication protocol inherent in some product lines and the business model that goes along with it. Each product line requires product-specific training associated with an extensive training budget and fulfilling the needs and requirements of multiple vendors.

CTI's has introduced a clear breakaway from most products and technologies in the industry, which tend to impose varying degrees of proprietary restrictions within their solutions. By offering diversified product knowledge combined with innovative Web-based automation solutions, CTI has successfully introduced a cost-effective integrated suite of solutions that is vendor-neutral and future-adaptable.

Best Practice Award Analysis for Control Technologies, Inc.

The Frost & Sullivan Award for Customer Value Enhancement is presented each year to the company that demonstrates 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.

CTI's Performance in the Building Automation Systems Industry

CTI is one of the largest system integrators in North America, providing innovative Web-based building automation and control solutions. The company is a knowledge-based business, valuing its intellectual property as one of its most important assets. CTI represents more product lines than any other independent representative and this enables the company to provide non-biased technology and product-neutral solutions.

Leveraging its advanced engineering expertise, sophisticated Web-based innovation platform, and more product lines provides CTI with an edge over its competitors, and provides customers with options and functionalities at cost levels never before possible. Unlike other solutions that require costly and unsustainable retrofits, CTI's Open Protocol software model is future-adaptable to anticipate and respond to new technologies, with minimal physical modification.

Key Performance Drivers for CTI**Integration**

CTI's integration model enables seamless convergence between operational and mechanical systems, such that performance is enhanced by facilitating the exchange of information. The company scores significantly above competitors in offering diversified product knowledge combined with innovative Web-based automation solutions - a clear breakaway from most products and technologies in the industry, which tend to impose varying degrees of proprietary restrictions within their solutions. By consolidating the traditionally isolated aspects of building controls, the company has successfully introduced a cost-effective integrated suite of solutions that is vendor-neutral and future-adaptable.

CTI's groundbreaking integration model enables clients to transition out of an existing proprietary relationship and into a standards-based relationship. As a result of this unique business model, CTI has broken pertinent cost barriers to assess the proprietary and legacy data from different systems in a facility, resulting in a coordinated multi-disciplinary solution yielding significant reduction in cost and time of deployment.

In addition, CTI's integrated automation solution enables a high level of connectivity over a number of buildings to allow managers and operators to monitor and control each building from a central location. In this sense, the company's solution provides optimized energy efficiency and maximized cost savings, with relative ease-of-expandability and scalability.

Products

While competitors provide product-based building automation solutions by specializing in only one or two control systems, CTI's key differentiator is that it is one of the nation's largest system integrators, providing non-biased knowledge-based automation solutions. CTI represents more product lines than any other independent representative in the United States, which enables the company to deliver solutions from an array of innovative and top-selling controls manufacturers. This allows CTI to be in a position to install complementary best-in-class equipment in existing building automation systems, with the benefit of future ease-of-expandability and scalability.

Life Cycle Cost

CTI can provide a highly scalable and vendor-neutral energy analytics platform designed to interface with any building energy management system to provide automatic data collection and diagnostics. By taking into consideration the entire life cycle of a building and its assets, CTI has demonstrated how building owners and managers can implement their automation strategy in a cost-effective manner achieved through scalability needed to reduce life-cycle costs.

Expertise

CTI offers a unique blend of skill sets, which includes expertise in IT, control systems, and mechanical and electrical systems - all blended together in varying degrees to produce a solution that can control and monitor the operation of all digital control systems in a Facility, campus or factory.

CTI's intellectual property, in essence, the knowledge on how to operate and optimize energy in a building, has become more important than the contracting and control system implementation skill set that fostered the company's growth in earlier years. The company's extensive engineering expertise coupled with strong innovation in software and Web tool capabilities has positioned its automation solution as highly responsive to emerging market requirements.

Green

From an environmental standpoint, CTI enables building owners to provide detailed accounts on energy performance and GHG emissions. Building owners can report favorably on their CSR reports and provide transparent reports, with accurate and reliable data on the building's performance.

CTI's coordinated and integrated response strategy can also be automated with demand response programs to leverage the special rate structures offered by utilities and obtain credits under the Leadership in Energy and Environmental Design (LEED) criteria.

About Control Technologies, Inc.

Control Technologies, Inc. is one of the largest Systems Integrators in New England and Southern California, with offices in Vermont, New Hampshire, metro Boston, metro New York, and Los Angeles. CTI provides clients with innovative solutions for web-based facility automation, control of building environments, multi-site facilities management, and energy and operational costs reduction. And now selling HVAC parts online! www.controltechinc.com

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 over 45 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.