



Kyndryl Recognized for

2021

Enabling Technology Leadership

Global Managed Enterprise

Resource Planning Industry

Excellence in Best Practices

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a 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 across two dimensions for each nominated company. Kyndryl excels in many of the criteria in the Managed ERP space.

AWARD CRITERIA	
<i>Technology Leverage</i>	<i>Customer Impact</i>
Commitment to Innovation	Price/Performance Value
Commitment to Creativity	Customer Purchase Experience
Stage Gate Efficiency	Customer Ownership Experience
Commercialization Success	Customer Service Experience
Application Diversity	Brand Equity

Managed Application Services Helps Digital Transformation of Legacy ERP Systems

As businesses undertake more strategic cloud initiatives, they are starting to tackle the massive task of modernizing legacy applications like Enterprise Resource Planning (ERP). This includes migrating them to the cloud, to achieve benefits such as greater scalability, ease of updates, and cost-effectiveness. But such migrations can be fraught with challenges. Among businesses surveyed by Frost & Sullivan globally, 75% cite “challenges migrating workloads or data” as hindering their cloud initiatives in 2020, while 65% said that application performance concerns impeded their move to the cloud. The stakes are higher for ERP deployments than many other business apps: the sensitive data contained or generated by such programs requires the highest security, both during the migration and while in the cloud, something that many businesses still struggle with. Seventy-seven percent of businesses surveyed by Frost & Sullivan cite security concerns or unauthorized access to data or applications as a cloud hindrance.

With such high stakes, many businesses turn to a trusted partner to help with the migration of critical, legacy workloads like ERP. Businesses considering using a partner to manage their ERP deployments or ongoing ERP application function, need the greatest help with planning the migration (72%), implementation (73%), and verification of application function (61%).

Kyndryl, the recent services spin-off from IBM, has launched an excellent suite of managed ERP services that offer customers the best mix of technology, expertise, and systematic processes that enable businesses to successfully migrate and manage their legacy ERP systems.

New Kyndryl Management Committed to Expertise, Agility, and Innovation

Kyndryl, at its launch, was in the unique position of having more than a decade of experience in the design, modernization, and management of the cloud infrastructures and services that businesses rely upon for core operational functions. While part of IBM, despite providing strong and solid services, Kyndryl lacked the agility and speed-to-service necessary to offer fast implementation of application modernization and digital transformation for customers. The newly spun-off business is committed to agility, technology innovation, and team expertise, to drive faster value for its customers. The company has flattened its management structure and reduced the amount of decision points within the company, enabling it to make faster decisions and implement new solutions for customers faster.

The company is also launching with a culture of innovation. Its ties to IBM afford it a unique relationship with the IBM Labs organization, a relationship that will continue in Kyndryl. But, the separated model also enables Kyndryl to forge similar relationships with other technology partners.

Another area of innovation is in Kyndryl's new automation platform. The company recently rolled out, and continues to develop, a managed services automation platform that enables automated management of ERP, among other services. The platform includes robotic process automation capabilities as well as artificial intelligence (AI) and machine learning (ML), to enable the highest levels of application optimization and management, with cross-platform consistency. Kyndryl is leveraging this technology within its own organization, and then exposing the learnings from their own usage to help clients transform and modernize in similar ways.

Kyndryl Technology and Expertise Merge to Create Successful ERP Services

The ethos Kyndryl is building as a new organization is one of innovative technology and intellectual property, plus finely honed expertise. Today, Kyndryl holds approximately 3,000 technology patents, many for its work in data, AI, and cloud. Kyndryl has curated a data lake of IT patterns with applied AI that generates predictive insights, with decades of operational data patterns and IP, to add to the total body of knowledge. This data is available to help ERP customers optimize their ERP applications in the cloud.

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- Karyn Price, Industry Principal, ICT

The company is also committed to increasing the collective body of knowledge for its employees. Of the company's more than 90,000 employees, 96% are continuously enrolled in skills certifications and

learning programs to expand skills. Kyndryl CEO Martin Schroeter stated in recent remarks that the company was also investing heavily in innovation, ideation, and co-creation of new products and services that will help the company deliver enhanced managed services to customers.

Despite its very recent launch, the company comes with a built-in stable of customers, demonstrating the success of its commercialization model and services. Its more than 4000 customers represent more than 50% of the Fortune 500 and 75% of the Fortune 100.

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Businesses Give Kyndryl High Satisfaction Marks

Frost & Sullivan recently surveyed global businesses regarding their managed ERP services. Of those using Kyndryl services (formerly IBM cloud managed services), 97% cited high satisfaction with their overall experience across the “purchase” or subscription process, the deployment, and the ongoing ownership and service experience. Numerous customers have

already cited their high satisfaction in the form of customer case studies and success stories, including Mitsubishi, Fuji Television Network, Inc., and Broadridge Financial.

Conclusion

Kyndryl is building a new, agile operational style that drives significant intellectual property development and expertise that enables it to successfully manage complex ERP modernization for a wide variety of global customers. The company’s ongoing commitment to innovation and new technology development—as evidenced by its new automation platform and massive, curated data lake—are enabling the company to use its technology to improve customer experiences and outcomes. With its strong overall performance, Kyndryl earns Frost & Sullivan’s 2021 Global Enabling Technology Leadership Award in the managed ERP industry.

What You Need to Know about the Enabling Technology Leadership Recognition

Frost & Sullivan's Enabling Technology Leadership Award recognizes the company that applies its technology in new ways to improve existing products and services and elevate the customer experience.

Best Practices Award Analysis

For the Enabling Technology Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Technology Leverage

Commitment to Innovation: Continuous emerging technology adoption and creation enables new product development and enhances product performance

Commitment to Creativity: Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

Stage Gate Efficiency: Technology adoption enhances the stage gate process for launching new products and solutions

Commercialization Success: Company displays a proven track record of taking new technologies to market with a high success rate

Application Diversity: Company develops and/or integrates technology that serves multiple applications and multiple environments

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

