FROST & SULLIVAN

Shure Stem Ecosystem

2022
TECHNOLOGY INNOVATION LEADER

Global Audio Conferencing Rooms Industry

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. Shure Stem Ecosystems excels in many of the criteria in the global audio conferencing rooms space.

AWARD CRITERIA

Technology Leverage	Customer Impact
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

Remote and Hybrid Work Models Spur Growth

The COVID-19 pandemic and associated social distancing protocols disrupted and revolutionized the world of work. As organizations embrace remote and hybrid work models to ensure business continuity and resiliency, the reality of distributed teams across industries ignites new technology expectations. The modern workforce demands the best collaboration tools for seamless, inclusive information sharing, enabling them to connect in a natural and productive meeting environment, whether working from home or at company office locations. Because employees increasingly depend on informed, contextual decisions, it expedites the need for better quality audio and video communications to optimize user experiences, reduce meeting fatigue, and improve the speed of operations. Moreover, staff expects better technology in the office than at home; therefore, businesses face the challenge of providing enhanced experiences that transform the workplace into the collaboration hub where employees want to be.

"Finding the gap between all-in-one devices collaboration devices and high-end systems that require professionals for installation and programming, Shure's Stem Ecosystem™ of network-connected audio devices presents the best of both worlds. Moreover, connecting to a network for device management and power is a key differentiator for Stem, as most meeting rooms are already equipped with Ethernet cabling."

- Riana Barnard,
Best Practices Research Analyst

Throughout the last several years, cloud audio, video, and web conferencing services have become pivotal to enterprises' digital transformation and a cornerstone of hybrid work. Leading vendors have responded to the demand increase by expanding their product portfolios to offer comprehensive solution suites that integrate tightly with popular enterprise video conferencing platforms.

> *"Committed to innovation and developed with the IT manager in mind, the tabletop Stem Control device provides easy, one-touch access to the platform's software and tools (i.e., RoomDesign, RoomCheck, and RoomAdapt) designed to simplify the process of adopting new technology. Stem Ecosystem™ purposefully addresses critical areas such as room design, installation, configuration, customization, management, and user adoption."*
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> *- Riana Barnard,*
> *Best Practices Research Analyst*

Despite the potential to accelerate productivity and increase performance, hybrid and remote work models sometimes result in heavy workloads for information technology (IT) departments that struggle to manage the complications created by the new work environment. Specific organizations, particularly small and medium-sized businesses, often lack the skill sets and technology expertise to deploy, integrate, and manage complex cloud-based unified communications-as-a-service deployments.

IT teams are looking to support their cloud conferencing services investments with modern audio devices with monitoring and management capabilities that can improve the user experience. As such, the audio/video (AV) device market continues to grow. Hence, Frost & Sullivan forecasts that the global tabletop audio conferencing endpoint market will reach total revenues of $563.6 million in 2026, with a compound annual growth rate of 6.3% from 2021 to 2026.[1] Driven by the need to connect distributed workforces, the market's revenue generation is increasingly shifting towards universal serial bus audio devices, which are gaining traction in meeting rooms due to the ease and flexibility of deployment.

Delivering Effortless Deployment, Flexibility, and Scalability

Shure's Stem Ecosystem™ portfolio provides flexible and scalable conferencing solutions for modern meeting rooms. Specialized Stem Ecosystem audio endpoints work seamlessly with each other and integrate nimbly with leading meeting platforms and room controls to meet the needs of any room size. Customers can mix and match Stem devices to design a complete audio ecosystem without the expense of contracting AV integrators. For example, a customer can deploy a wall-mounted Stem Wall speakerphone and add tabletop Stem Table speakerphone and microphone arrays that can be networked together through Hub and Stem Ecosystem Platform for even audio coverage across rooms of various dimensions. Its advanced technology (i.e., RoomDesign, RoomCheck, and RoomAdapt) customizes each device's performance to the room's acoustics and occupancy. The robust Stem Ecosystem™ software platform and intuitive visual interface, supported by intelligence and automation, enable rapid deployment to transform meeting rooms into high-impact collaboration spaces that help companies improve the effectiveness, productivity, and participant equity required for more meaningful meetings.

Stem Ecosystem™ uniquely leverages its products to meet its user's needs for high-performance meeting

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[1] *Growth Opportunities in the Global Tabletop Audio Conferencing Endpoints Market – Forecast to 2026: Remote and Hybrid Work will Spur Growth in the New-Normal* (Frost & Sullivan, July 2022)

room audio that can be deployed with or without the assistance of professional AV integrators. It is well-positioned to capitalize on new growth opportunities, cementing Shure's leadership in the audio conferencing rooms market.

Leveraging Customer Feedback and Industry Knowledge in Technology Development

Stem Ecosystem™ provides audio solutions that are easy to install, use, and manage, helping organizations to connect resourcefully with team members, clients, and partners in collaboration spaces of various sizes and configurations. Finding the gap between all-in-one collaboration devices and high-end systems that require professionals for installation and programming, Shure's Stem Ecosystem™ of network-connected audio devices presents the best of both worlds. Moreover, connecting to a network for device management and power is a key differentiator for Stem, as most meeting rooms are already equipped with Ethernet cabling.

At the bedrock of the Stem Ecosystem offering is the insight that the simplicity and intuitiveness of consumer devices are lacking in conference room audio solutions. In 2018, the Stem development team surveyed thousands of individuals (i.e., users, IT professionals, consultants, designers, and architects) about what they would like to see in next-generation products. Based on this global survey, the Stem team identified specific pain points and uncovered customers' preferences and requirements. The six main pain points uncovered were:

- there was no easy way to spec' a room properly
- difficulty of installation (wiring, powering, and programming a room)
- there was no objective way to easily test a room and verify a successful install
- solution customization was complex
- difficulty of day-to-day management for guaranteed reliability on large installs
- training people to use new technology

As a result, Shure has taken the best attributes of Stem Ecosystem, enhanced them and added further capabilities. The system now offers the following features:

- a dedicated controller and control apps with critical interfaces
- scheduled maintenance and remote manageability (i.e., automatic testing with usage and performance reports)
- flexible design (i.e., multiple units allowing a mix-and-match approach) supported by an installation assistant for room mapping and coverage feedback
- elegant and functional device placement (tabletop, wall, and ceiling) in a range of color options (white, black, and silver)
- standard connectors for networking and bring-your-own-device (user laptop PC or MacBook) support

Committed to innovation and developed with the IT manager in mind, Shure took the primary pain points and developed the hardware and the software platform to create the tools that IT managers needed.

Today, the tabletop Stem Control device as well as iOS and Android apps provide easy, one-touch access to the platform's software and tools (i.e., RoomDesign, RoomCheck, and RoomAdapt) designed to simplify

the process of adopting new technology. Stem Ecosystem™ purposefully addresses critical areas such as room design, installation, configuration, customization, management, and user adoption.

Specifically, Stem Ecosystem's proprietary analytical tools uniquely address room configuration and customization:

RoomDesign enables administrators to visually design their rooms by informing Stem Platform about the room dimensions, furniture arrangement, and audio device placement. **RoomAdapt** calculates the room's acoustic signature and allows **RoomCheck** to adjust the audio settings more accurately by utilizing a heat map of audio coverage and quality based on a 5-second audio recording. System software updates are pushed from the cloud automatically at midnight (at the installment's local time); however, the remote management capability allows customers to schedule firmware upgrades manually if required.

Other advanced features include a mute function for individual speakers and microphones and the option to join two physically separate rooms into one or split large rooms into two smaller spaces—all with full audio coverage.

Frost & Sullivan recognizes that Shure's technology development processes empower it to stay ahead of the competition by launching advanced solutions that address customer needs skillfully and quickly.

Customer Service Excellence: The Rosetta Stone

With its customer-centric corporate philosophy, Shure operates Stem Ecosystem™ on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices. Shure's Customer Happiness Advocates manage the end-to-end customer journey, providing white-glove service to all stakeholders, including prospective and existing customers, distributors, resellers, dealers, and system integrators. At no charge, the Shure Customer Happiness team allows customers the freedom to buy what they want while supporting them throughout the purchase, deployment, and management processes. Although the Shure product portfolio is priced at a premium compared to certain tabletop or soundbar devices sold individually, it delivers the high value and clutter-free setup of a custom meeting room solution at less expense than a traditional AV integrator installation. Moreover, Customer Happiness staff members facilitate direct feedback between customers and the appropriate departments, while the Consumer Market Insights team conducts market research and collects actionable data to further innovate and tailor development roadmaps for seamless ownership and user experiences. With this foundational approach, the company establishes ongoing trust and cultivates long-lasting relationships throughout the product lifecycle.

Positioned for Growth

In November 2020, Shure, a global leader in audio technology, acquired Stem Audio (a Midas Technology, Inc. brand), contributing valuable benefits, such as global infrastructure and support capabilities, to strengthen the Stem Ecosystem™ portfolio. Combining Stem's fresh energy and agility with Shure's knowledge and history of unmatched performance and quality presents customers with innovative and robust solutions at the right time. For this reason, Frost & Sullivan anticipates rapid, widespread technology adoption and growth for the Stem Ecosystem™.

Conclusion

Technology integration is a critical success factor for the audio conferencing rooms market. Yet, with many options available, market stakeholders need to leverage the most appropriate and best technology-based solutions to optimize their market impact. With Stem Ecosystem™, Shure transforms meeting rooms into high-impact collaboration spaces that help organizations improve their performance and strengthen their outcomes. Because Stem Ecosystem is designed with the information technology manager in mind and embraces the end-user's perspective in its development process, deployment is effortless. Its advanced technology (i.e., RoomDesign, RoomCheck, and RoomAdapt) customizes each device's performance to the acoustics, configuration, and occupancy of a room through intuitive, one-touch access to the management platform. Shure stands out from competitors based on its commitment to innovation, creativity, and ability to launch new solutions with far-reaching impact and application. By identifying and addressing specific customer pain points, Shure's portfolio of network-connected audio devices finds the sweet spot between all-in-one collaboration devices and high-end systems requiring installation and programming professionals. The company pairs its technology focus with customer-centric values, thus earning a solid reputation in the audio conferencing rooms market.

With its strong overall performance, Shure Stem Ecosystem earns Frost & Sullivan's 2022 Global Enabling Technology Leadership Award in the audio conferencing rooms market.

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

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™.
Learn more.

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 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)**