



Shunra Software Ltd: Recipient of the
2006 Global Frost & Sullivan
Growth Strategy Leadership of the Year Award



“Partnering with clients to create innovative growth strategies”

I. Market Overview/Key Challenges

The network performance monitoring and management solution for enterprises market continues to grow steadily. This market has made immense progress in terms of quality and features over the past several years. However, it still faces a number of challenges including increased network security measures and convergence.

Since the end of 2004, awareness in regards to network performance monitoring and management applications has increased. This awareness has been driven particularly by the evolution toward a more integrated approach to monitoring, managing, and service assurance.

Since this industry is experiencing steady growth, more applications are emerging in the market. Convergence becomes a key area of focus for testing and monitoring vendors, as end-users prefer one test solution that supports all their testing needs.

Competitive Landscape

Extensibility and comprehensiveness in terms of network performance monitoring and management across all the seven layers of the OSI model are the most important competitive factors for this market. Customers today prefer end-to-end solutions rather than multiple products from various vendors to perform different tasks.

With the demand for wireless networks, application networks, and new technologies increasing steadily, it is very essential to create cutting-edge solutions in order to stay competitive in this marketplace. The other important competitive factors are scalability, cost effectiveness, vendor awareness, and corresponding customer satisfaction.

There are many communication test companies involved in the network monitoring and management solutions market for enterprises. However, the top participants include Spirent Communications, NetScout Systems, Network General, Network Instruments and Fluke Networks.

II. Award Categories and Relevance

The network performance monitoring and management solutions market for private enterprises is currently at its growth stage. It is also characterized by a high degree of competition with a number of industry participants aiming at increasing their market share. Penetrating new markets, strategic partnerships, and technological innovation are the major strategies implemented by market participants to gain market share.

A major challenge for vendors in this market is to create integrated and easy to use products. As a result, both product and technological innovation are very important for growth in this market. A strategic analysis of these factors has not only aided Frost & Sullivan in identifying a set of Best Practices followed, but also companies that have been leaders in some of these initiatives.

Award Description

The Frost & Sullivan Award for Growth Strategy Leadership is presented each year to the company that has demonstrated an exceptional growth strategy within the industry.



Research Methodology

A recipient is chosen to receive the Frost & Sullivan Award for Growth Strategy Leadership based on specific criteria. Through primary and secondary research methods, all companies' market revenues are tracked and those exhibiting significant growth are noted for their strategy implementation. Revenues are then compared year to year to monitor growth patterns. When a company continues to show high growth rates, it is a candidate for the Frost & Sullivan Award for Growth Strategy Leadership.

Measurement Criteria

This Award is given to the company that has bolstered their position in the market during the base year and whose strategy will have a lasting impact on the market. The Award criteria is based on the following:

- Ability to grow in a saturated or maturing market
- Implementing a unique sales strategy
- Technological innovation and leadership
- Discovering new venues for an established product
- Effective Internet strategy
- Strategic mergers, acquisitions, or joint ventures to penetrate new markets

III. 2006 Global Frost & Sullivan Award for Growth Strategy Leadership



Frost & Sullivan presents the 2006 Growth Strategy Leadership Award to Shunra Software, Ltd (Shunra), in recognition for its exceptionally strong growth in the network performance monitoring and management market for enterprise networks in 2005. In comparison to 2004, the company's revenue grew by more than 40 percent in this space.

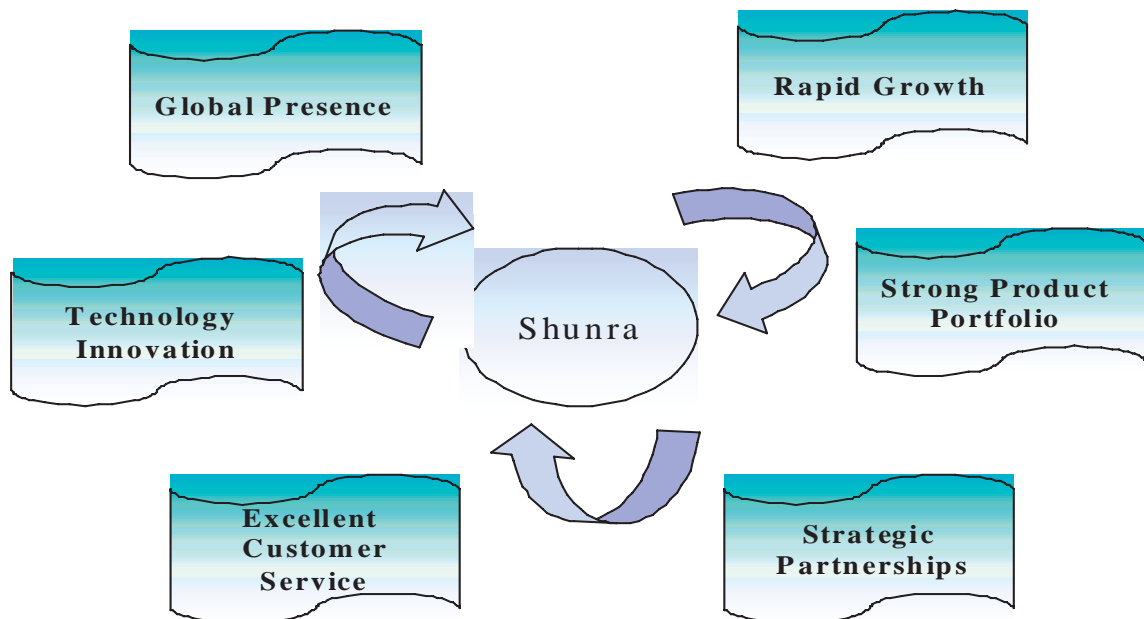
Shunra is a significant participant in the network performance monitoring and management market for enterprises. As networks become increasingly more and more complex, Shunra's innovative products and solutions help companies predict application service levels, and reduce the risks of network upgrades- all before actual deployment in production. Furthermore, its unique predictive testing capabilities enable companies to make sound infrastructure investment decisions.

Strong Customer Base

Shunra's products have been acknowledged and are being used by approximately 1,700 customers worldwide. Shunra serves a wide range of enterprise customers including financial institutions, manufacturing, retail, healthcare, pharmaceutical, industry publications, government agencies, and the military. Companies such as 3M, Boeing, Cisco, FedEx, General Motors, JPMorgan Chase, Kelly Services, Merrill Lynch, Motorola, Mitsubishi Electric, Toyota, Ford, Yamaha, Shell Oil, Bellsouth, Toshiba, and Nestle are among many Shunra's customers. Shunra's customer base continues to grow every day.

Chart 1 represents Shunra's competitive growth strategy in the network performance monitoring and management solution market for enterprises in 2006.

Chart 1
Network Performance Monitoring & Management Solution Market for Enterprises: Shunra's Growth Strategy (World), 2006



Source: Frost & Sullivan

Shunra's Product Portfolio

Shunra's key product in the network performance monitoring and management market for enterprises is the Shunra Virtual Enterprise (Shunra VE). Shunra VE is a network simulation solution for pre-deployment application testing. It includes the network itself, remote locations, and the number of local and remote end users. With Shunra VE users can test the functionality, performance, scalability, and strength of any distributed technology (applications or network services) under the current or future corporate production environment conditions, but before rollout into production.

Shunra VE is known for its ease of use and fast return on investment. These two factors, combined, drive the company's continuous growth in the world network performance monitoring and management arena. Shunra VE is receiving wide recognition within testing and performance labs due to the success of the new VE Profiler and VE Predictor applications. These particular applications automatically profile and predict performance compliance with service-level objectives and include integration with load testing technologies.

In September 2006, Shunra introduced the next-generation network appliance, the VE Network Appliance STN model. This product has new features that support enterprise-scale Voice over IP (VoIP) solutions. With Shunra VE, users can fully assess VoIP platform performance and call quality, as well as any enterprise application or service, under current and future real-time conditions in the pre-deployment stage.

The Network Appliance STN model is a network simulator providing bridge functions such as switching and routing. It adjusts network traffic speed across the local area network, thereby exposing data packets to the same conditions and network impairments that they are subjected on the wide area network. The VE Network Appliance STN model automatically detects every lab environment and integrates within it.

Use of Partnerships to Penetrate More Markets

Shunra uses partnerships in order to access more markets and increase its revenues. Shunra realizes that partnerships bring increased value to its customers as well. Providing integrated solutions rather than a component or a stand-alone product has been an increasing market trend in this industry. In an effort to better position the company in this market, Shunra partners with technology vendors, infrastructure software vendors, system integrators, and different IT consulting organizations. Companies such as HP, IBM, Microsoft, Oracle, and Borland are among many of Shunra's partners.

Conclusion

The Best Practices that led to Shunra's significant revenue growth are an extensive product portfolio, high-value and easy to use products, technological innovation, excellent customer service, and strategic partnerships.

Shunra has many of the competitive factors needed to be successful in the network performance monitoring and management solution market for enterprises. The company has vast experience in this market, and it knows about changing customer needs and requirements. Shunra exhibits strong profitability and margin controls, and its products meet enterprise, ISV/IHV and carriers' requirements, including technology. It is clear that Shunra's spectacular growth is a result of business skill and strategy, and Frost & Sullivan expects this company to continue to succeed in this market in the coming years as well.

As a result, Shunra is conferred the 2006 Frost & Sullivan Award for Growth Strategy Leadership in the world network performance monitoring and management solution market for enterprises.

About Frost & Sullivan

Frost & Sullivan, a global growth consulting company founded in 1961, partners with clients to create value through innovative growth strategies. The foundation of this partnership approach is our Growth Partnership Services platform, whereby we provide industry research, marketing strategies, consulting and training to our clients to help grow their business. A key benefit that Frost & Sullivan brings to its clients is a global perspective on a broad range of industries, markets, technologies, econometrics, and demographics. With a client list that includes Global 1000 companies, emerging companies, as well as the investment community, Frost & Sullivan has evolved into one of the premier growth consulting companies in the world.