

2019 Frost & Sullivan Malaysia
HR Technology
Company Of The Year



SWINGVY

ASIA PACIFIC
BEST PRACTICES
AWARDS

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Letter Of Congratulations

I am proud to present you with this year's award for Company of the Year in the Malaysia HR Technology industry.

Frost & Sullivan's global teams of analysts and consultants research a wide range of markets in multiple industries and regions, and identify companies that are true industry leaders, delivering best practices in growth, innovation, and leadership. These companies have a keen eye on the future and drive innovation that meets upcoming needs before they become commonly visible, often being first to market with new solutions. They focus on delivering the best products at optimal prices to maximize customer value and experience. Identifying these companies involves extensive primary and secondary research across the entire value chain of specific products and/or markets. Against the backdrop of this research, Frost & Sullivan is pleased to recognize Swingvy as the 2019 Malaysia HR Technology Company Of The Year.

Delivering excellence worthy of the Company of the Year recognition is never an easy task, and it is made even more difficult considering today's competitive intensity, customer volatility, and economic uncertainty—not to mention the difficulty of innovating in an environment of escalating challenges to intellectual property. In this context, your receipt of this award signifies an even greater accomplishment.

Moreover, Frost & Sullivan recognizes that this accomplishment is the result of many employees, customers, and investors making daily choices to support the organization and contribute in a meaningful way to its future.

I enthusiastically acknowledge and celebrate these achievements, and wish you great success in the future. Frost & Sullivan is here to support you on any future endeavor.

Sincerely yours,



David Frigstad
Chairman
Frost & Sullivan

Industry Challenges

By definition, the human resources (HR) department manages employee data, recruitment, payroll, and employee benefits. While Malaysia's technology industry has been growing quickly over the past several years, Malaysian companies are still reluctant to adopt digital change. The Malaysian market predominantly consists of small and medium enterprises (SMEs), which constitute almost 98.5% of all businesses in the country. According to the Department of Statistics Malaysia (DOSM), the SME market's contribution to the nation's gross domestic product (GDP) growth was about 7.2% in 2017, which exceeded non-SMEs' contribution of only 5.1% in the same year.

However, a key challenge in the Malaysian HR technology market is the lack of adoption of automation and digitalization in core HR processes, such as expense tracking, performance management, and employee feedback, wherein HR employees still conduct these processes manually, primarily through paperwork.

With digital adoption among Malaysian SMEs only at approximately 20% in 2018, the SME sector constantly faces a lack of competition because of operational inefficiencies. For example, SMEs fall short in their awareness of digitalization benefits, where expensive investments in technology, in addition to a slow return on investment, are driving these companies away.

Visionary Innovation & Performance and Customer Impact

Addressing Unmet Needs

SMEs have phenomenal revenue and customer base growth rates; however, this growth comes with the challenge of keeping track of all HR functions, including processing paperwork. Instead of spending time recruiting and retaining talent, HR administrators are often bogged down with administrative duties, such as producing monthly pay slips for employees and administering tax forms.

Incorporated in mid-2016, Swingvy offers the first cloud HR platform that automates the entire HR process using a software solution that can be fully controlled through a single dashboard. This platform eliminates cumbersome spreadsheets that have been the bane of HR administrators' tasks and addresses the unmet need of automating key HR processes, such as payroll, where employees can access their salary slips through the dashboard. Swingvy emphasizes the full control of these processes and provides detailed customization options that are well above competing solutions.

Implementation of Best Practices

Realizing enterprises' huge concern for affordability when considering technology investments, Swingvy introduced a freemium model that includes ancillary HR services for free, such as a calendar, vacation and evaluation forms, and an employee directory, while charging a premium for core HR services, such as payroll, benefits, and insurance.

Swingvy offers industry-specific content in HR management through workshops for SMEs and drives strong brand awareness and customer acquisition by participating in industry events, such as SME BizNet 2018 and MyPerintis events. In recognition of its best practices in the HR technology industry, Swingvy was named the Best HR Start-up Company in the HR Vendors of the Year awards program in 2018, which is one of the largest award programs dedicated to HR service providers in Asia.

Blue Ocean Strategy

Swingvy raised \$7 million in Series A funding from several investors in 2018, led by Samsung Venture Investment. These funds have allowed Swingvy to accelerate its product development growth and market expansion activities, starting with the development of local teams in Taiwan. Another key investor in this fundraising activity is UK-based Aviva Ventures, which was attracted to Swingvy's ability to transform HR technology for SMEs in Southeast Asia. According to Managing Director Fernand Lendoye at Aviva Ventures, "Swingvy has created a compelling and scalable platform that helps business owners and entrepreneurs accelerate their transition into the digital economy."

Shortly after receiving financing from Aviva Ventures, Swingvy launched a new employee insurance benefit (EIB) feature, thus expanding its portfolio to include corporate group insurance management. Swingvy's EIB management feature allows for the full automation of the corporate insurance plan, where employees can submit and manage their claims anywhere and anytime through the company's mobile app. Swingvy's key differentiator in this employee insurance benefit function is its ability to automate the entire employee benefits process, whereas competitors act only as purchasers and aggregators of corporate insurance.

Unique Customer Experience

With a mobile-first approach, Swingvy ensures a seamless user experience on its mobile app, where non-HR employees can manage their own HR processes, such as applying for leave and submitting claims. To ensure the continuous improvement of its overall HR platform, Swingvy constantly incorporates feedback from user testimonials through the app store, such as Google Play and iOS App Store.

The Malaysian HR technology market mainly constitutes monopolistic competitors that provide similar yet non-identical products. A critical aspect in this monopolistic competitive landscape is product differentiation, wherein Swingvy excels by offering both HR administration tasks and payroll-as-a-service, all accessible on a single platform and dashboard, which competitors in Malaysia typically offer separately. Therefore, Swingvy enhances the customer purchase experience by offering the most optimal solution.

Furthermore, Swingvy's HR platform encrypts customer data at bank-level security with 256-bit secure socket layer (SSL) encryption to minimize risks of data leaks and hacking. This unique selling proposition shows how Swingvy quickly capitalized on the market's unmet needs, gained customer trust, and achieved significant growth in its customer base and revenue over a short period of time, all as a relatively new provider in the Malaysian HR technology industry.



Financial Growth

Swingvy's client base grew from 2,000 companies in 2017 to more than 5,000 in 2018. More impressively, the company experienced a year-over-year (YoY) revenue growth of 387% in 2018, attributed to the significant value provided by its software platform, which starts off as a freemium for customers and then charges for any additional features.

Swingvy's standard model includes a wide variety of core HR services, such as leave management, an employee directory, employee self-service, medical benefit administration, and performance management, all for free. The company stands out in the industry by offering this unlimited freemium version that contains the widest range of services and HR modules to allow small businesses to adopt and start enjoying the benefits of HR automation.

Conclusion

With immense growth in SMEs throughout Malaysia, Swingvy stands out as a top provider of a cloud-based integrated HR management system that combines payroll, benefits, and HR administrative services in one agile platform, which is both user and mobile friendly. The company's unique value proposition includes making typical HR paperwork redundant, while providing cost savings by automating all HR processes.

With its strong overall performance, Swingvy has earned Frost & Sullivan's 2019 Malaysia HR Technology Company Of The Year Award.



To receive the Company of the Year Award (i.e., to be recognized as a leader not only in your industry, but among your non-industry peers as well) requires a company to demonstrate excellence in growth, innovation, and leadership. This kind of excellence typically translates into superior performance in three key areas: demand generation, brand development, and competitive positioning. These areas serve as the foundation of a company's future success and prepare it to deliver on the two criteria that define the Company of the Year Award (Visionary Innovation & Performance and Customer Impact).

Demand

- Acquire competitor's customers
- Increase renewal rates
- Increase upsell rates
- Build a reputation for value
- Increase market penetration

Brand

- Earn customer loyalty
- Foster strong corporate identity
- Improve brand recall
- Inspire customers
- Build a reputation for creativity

Competitive Positioning

- Stake out a unique market position
- Promise superior value to customers
- Implement strategy successfully
- Balance price and value
- Deliver on the promised value proposition

Understanding Company of the Year



As discussed above, driving demand, brand strength, and competitive differentiation all play a critical role in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on Visionary Innovation & Performance to enhance Customer Impact.

Key Benchmarking Criteria

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated two key factors—Visionary Innovation & Performance and Customer Impact—according to the criteria identified below.

Visionary Innovation & Performance

- Criterion 1: Addressing Unmet Needs
- Criterion 2: Visionary Scenarios through Mega Trends
- Criterion 3: Implementation Best Practices
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Financial Performance

Customer Impact

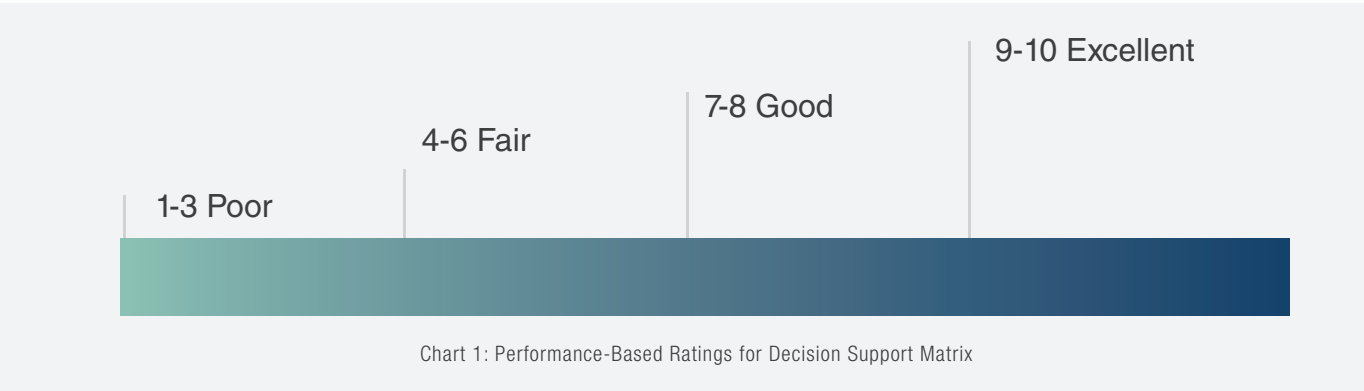
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance,

according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Ratings guidelines are illustrated below.

RATINGS GUIDELINES



The Decision Support Scorecard is organized by Visionary Innovation & Performance and Customer Impact (i.e., these are the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard.). The research team confirms the veracity of this weighted scorecard through sensitivity analysis,

which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies. The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key participants as Competitor 1 and Competitor 2.

DECISION SUPPORT SCORECARD FOR COMPANY OF THE YEAR

Measurement of 1–10 (1 = lowest; 10 = highest)	Company of the Year		
	Visionary Innovation & Performance	Customer Impact	Average Rating
SWINGVY	9.6	9.6	9.6
Competitor 1	8.0	7.5	7.75
Competitor 2	8.0	8.0	8.0

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs

Requirement: Implementing a robust process to continuously unearth customers' unmet or under-served needs, and creating the products or solutions to address them effectively

Criterion 2: Visionary Scenarios through Mega Trends

Requirement: Incorporating long-range, macro-level scenarios into the innovation strategy, thereby enabling "first-to-market" growth opportunity solutions

Criterion 3: Implementation of Best Practices

Requirement: Best-in-class strategy implementation characterized by processes, tools, or activities that generate a consistent and repeatable level of success.

Criterion 4: Blue Ocean Strategy

Requirement: Strategic focus on creating a leadership position in a potentially "uncontested" market space, manifested by stiff barriers to entry for competitors

Criterion 5: Financial Performance

Requirement: Strong overall business performance in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Impact

Criterion 1: Price/Performance Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience

Requirement: Customers feel they are buying the most optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience

Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience

Requirement: Customer service is accessible, fast, stress-free, and of high quality.

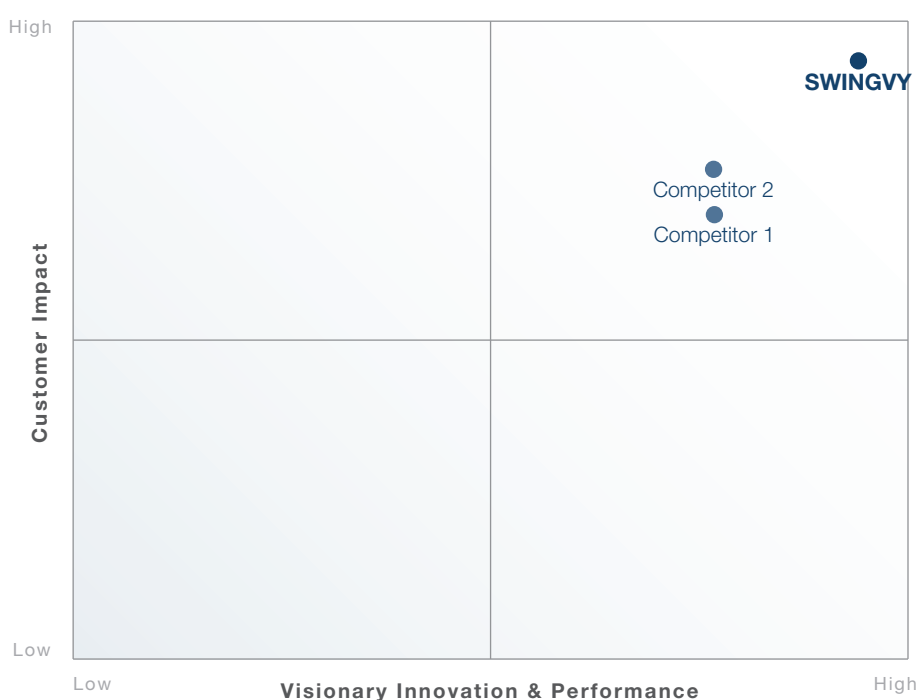
Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

DECISION SUPPORT MATRIX
FOR COMPANY OF THE YEAR
AWARD (ILLUSTRATIVE)



Best Practices Recognition: 10 Steps To Researching, Identifying, And Recognizing Best Practices

Frost & Sullivan analysts 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
 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
 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
 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
 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
 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
 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
 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
 Assemble board of advisors	Finalize the selection of the best-practice award recipient	<ul style="list-style-type: none"> • Present candidates to a Board of Advisors • Build consensus • Select winner 	Decision on which company performs best against all best-practice criteria
 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
 Take strategic action	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

The Intersection Between 360-degree Research And Best Practices Awards



360-degree research: seeing order in the chaos

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.

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About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, works in collaboration with clients to leverage visionary innovation that addresses the global challenges and related growth opportunities that will make or break today's market participants. For more than 50 years, we have been developing growth strategies for the Global 1000, emerging businesses, the public sector and the investment community.

Is your organization prepared for the next profound wave of industry convergence, disruptive technologies, increasing competitive intensity, Mega Trends, breakthrough best practices, changing customer dynamics and emerging economies?

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