

F R O S T & S U L L I V A N

2024 COMPETITIVE STRATEGY LEADER

*IN THE SINGAPOREAN
SMART FACILITY
OPERATIONS INDUSTRY*

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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. Certis Integrated Facilities Management Pte Ltd excels in many of the criteria in the smart facility operations space.

| AWARD CRITERIA | |
|-----------------------------|-------------------------------|
| <i>Strategy Innovation</i> | <i>Customer Impact</i> |
| Strategy Effectiveness | Price/Performance Value |
| Strategy Execution | Customer Purchase Experience |
| Competitive Differentiation | Customer Ownership Experience |
| Executive Team Alignment | Customer Service Experience |
| Stakeholder Integration | Brand Equity |

Strategic Trends in the Smart Facility Operations Industry

The rise of technology adoption, sustainability requirements, and customer expectations drives a rapid transformation in the facility operations industry. These demands significantly shifted the global market towards integrating the Internet of Things (IoT), artificial intelligence (AI), and cloud technologies, which optimize building operations and enhance user experiences.¹ These technologies enable predictive maintenance, energy management, and real-time data analysis, making facilities more efficient, safe, and sustainable. Integrating next-generation advanced solutions improves operational efficiency and tackles the growing industry need for sustainability and compliance, especially as operation regulations tighten globally.

The Asia-Pacific (APAC) facility management (FM) market, valued at \$89.80 billion,² shows a strong inclination toward adopting smart facility operations. Technology-based solutions gained traction during the COVID-19 pandemic as companies adjusted to the stringent safety, hygienic, and operational protocols. Consequently, businesses put emphasis on value-added services, including energy management and data analytics, which are the defining competitive edges for FM companies.

¹ Global Homes and Buildings Industry Outlook, 2024 (Frost & Sullivan, April 2024)

² Frost Radar™: Facility Management in Asia-Pacific, 2023 (Frost & Sullivan, May 2023)

Singapore, as a leading hub in APAC, stands at the forefront of this transformation. Frost & Sullivan estimates that the FM market in Singapore will grow at a compound annual growth rate of 2.6% from 2021 to 2027, reaching approximately \$2.2 billion in revenue by 2024.³ However, despite the growth, the Singapore FM industry faces several challenges, including a shortage of manpower. This shortage prompted a push towards technology adoption to complement operations and reduce dependence on manual labor. The market also shows a noticeable trend towards longer FM contract durations, ranging from six to ten years.⁴ This shift reflects a growing recognition of the value of technology investments, as longer contracts enable companies to invest more substantially in innovative solutions. Subsequently, the Singapore FM market increasingly invests in IoT and AI-driven platforms to enhance stability and foster innovation in meeting the evolving customer expectations.

This market evolution presents significant opportunities for companies to develop advanced, technology-supported FM solutions. As the market matures, companies are increasingly forming partnerships and collaborations to expand their capabilities and address the growing complexity of facility operations. These developments highlight the critical importance of innovation in driving growth and maintaining competitive advantages in the smart facility operations market.

A Leader in Smart Facility Operations: Certis' Strategic Innovation

Certis started as a Guard & Escort Unit of the Singapore Police Force in 1958, corporatized in 2005 as CISCO Security Pte Ltd and expanded its operations internationally from 2006 onwards, establishing offices in Hong Kong, Qatar, and Australia. In 2010, Certis began its foray into non-security businesses, such as business process outsourcing and facilities management, to be a one-stop solution provider for various service offerings.

Today, Certis stands as a leading integrated security and facility services provider renowned for its innovative use of advanced technologies, including AI, automation, and data analytics. Expanding its focus beyond traditional security services, the company offers comprehensive smart facility solutions that substantially enhance operational efficiency, safety, and sustainability across various sectors. This commitment to adopting cutting-edge technology and forward-thinking strategies positions the company as a strong force in the industry, continuously setting the standards for excellence and innovation in smart FM.

Since its establishment, Certis has evolved from a security company to becoming a frontrunner in integrated FM (IFM). This development reflects the company's strategic alignment with the growing market demand for a single partner capable of delivering a full suite of FM services, seamlessly integrated with advanced technology. In 2021, Frost & Sullivan recognized Certis for its excellent, market-ready operations-technology (ops-tech) solutions. This recognition highlights the impact of the company's strategic shift towards integrating advanced technology with its core services, paving the way for its continued growth in the FM sector.

³ Asia-Pacific Facility Management (FM) Growth Opportunities (Frost & Sullivan, April 2022)

⁴ Frost & Sullivan's Interview with Certis (August 2024)

In 2016, Certis strategically acquired Synergy FMI (Synergy), a facilities management company, to enhance its capabilities in delivering a comprehensive and integrated facilities management approach. This acquisition has enabled the company to offer a seamless blend of services, including:

- **Security Services:** Ensuring the safety and security for clients' premises through advanced surveillance systems and highly trained personnel.
- **Hard FM:** Managing the maintenance and operation of building systems, including heating, ventilation and air conditioning, electrical, and plumbing, to ensure optimal functionality and prolong systems life cycles.
- **Support Services:** Offering front-end concierge services and administrative support to enhance clients and visitors experience.

By integrating these services, Certis delivers a holistic facilities management solution that exceeds clients' expectations. This approach optimizes operational efficiency, reduces costs, and provides a comfortable

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Best Practices Research Analyst

and well-maintained environment that benefits all stakeholders.

Through its 2023 acquisition of ARAS Pte Ltd (ARAS), a company with over 15 years of experience in cleaning and pest control, Certis strengthened its integrated offering to deliver a more holistic approach to facilities management. Leveraging ARAS' capabilities in smart cleaning services and pest control, the company expanded its portfolio, cementing its leadership in smart facility operations. This strategic move positioned Certis as a comprehensive one-stop solution provider in the FM industry.

Expanding its capabilities, Certis pioneers several key innovations through a well-orchestrated combination of technological integration and client-centric strategies. The company's focus on cutting-edge technology, such as IoT and AI-driven platforms, strategically revolutionizes facilities operation and monitoring. These advancements enable real-time data collection and analysis, facilitating proactive maintenance and operational changes that significantly enhance efficiency and reduce costs. By seamlessly integrating these advanced solutions into its service portfolio, Certis consistently meets and anticipates the needs of its clients, ensuring its leadership in the smart facility operations market. This revolutionary approach underscores the company's commitment to drive operational excellence.

Certis' competitive edge lies in its Mozart platform, an in-house developed orchestration tool with a user-centric focus. The platform allows the integration of various systems across facilities, enhancing coordination and real-time visibility while addressing the common issue of fragmented data from different vendors. Mozart's ability to provide a comprehensive, 100% overview of the client's facilities demonstrates its unparalleled value in providing leading solutions.⁵ This platform is a direct extension of Certis' broader strategic goals, maintaining industry leadership with its technological

⁵ Ibid.

proWess.Complementing Mozart is Argus, a mobile application designed to streamline operational processes by replacing manual communication methods with automated task management and incident reporting. This integration increases productivity and efficiency while amplifying the effectiveness of Mozart, supporting real-time data collection and analysis from over 5,000 sensors and 800 closed circuit television (CCTV) cameras across complex sites like Jewel Changi Airport.⁶ The Mozart platform brings real-time insights that reduce security response times by 67% and manpower requirements by 15%.⁷ These measurable benefits highlight the company's ability to deliver exceptional value to its clients while reinforcing its strategic execution capabilities. The synergy between Mozart and Argus enhances operational visibility and response times, strengthening Certis' technological edge.

The acquisitions of Synergy and ARAS allowed Certis to leverage its technological strength to provide a diversified range of smart facilities management services. These services span both hard and soft areas, including energy optimization in air conditioning and mechanical ventilation systems, smart cleaning and disinfection services, office support, and more.

In the IFM space, versatility is paramount. By incorporating Synergy and ARAS' expertise, Certis expanded its portfolio to offer specialised services that cater to diverse sectors. From commercial establishments to residential estates, Certis demonstrates the agility needed to meet the unique demands of various industries. This flexibility sets the stage for the provision of tailored solutions that ensure address clients' specific requirements effectively.

To accommodate the needs of various industries, ARAS transforms routine cleaning into an opportunity for innovation. Traditionally viewed as a mundane chore limited to removing dirt and clutter, ARAS' concept of 'Creativity and Beyond Cleaning' redefines cleaning to drive innovation, efficiency, and environmental consciousness. This forward-thinking approach revolutionizes training programs by focusing on customer service enhancements and operational efficiency.

From smart toilet systems and sensor-equipped bins to electronic audit systems and feedback panels, these innovations improve operational efficiency and support data-driven decision-making. By integrating smart technology, Certis ensures it remains at the forefront of the rapidly evolving IFM landscape.

Customer-centric Strategies for Enhanced Operational Efficiency

Certis' strategic approach centers on its Operational-Design First principle, prioritizing collaborating with clients to co-create tailored solutions that integrate technology and operations seamlessly. This approach ensures that its solutions are effective and meet the immediate needs of clients, enhancing overall system operation while avoiding silos.

Through its Business Process Re-engineering and Operations (BPRO[®]) framework, Certis redesigned operational processes across various IFM projects, overcoming challenges related to change management, upskilling, and technology adoption. This approach enables the company to deliver client-centric solutions as a trusted partner, fostering superior value with customers.

⁶ Smarter solutions for stress-free efficiency (The Business Times, July 2024)

⁷ Frost & Sullivan's Interview with Certis (August 2024)

The Certis BPRO® Advantage



Source: Certis

Certis’ bespoke ops-tech solutions further distinguish it from competitors, breaking down traditional silos and integrating operations across various functions. By combining security, FM, customer service, and IoT into a seamless service package, the company meets the needs of stakeholders with scalable and customizable solutions. This integrated approach enhances operational efficiency and provides a more holistic service experience. For instance, Certis has implemented robotics technology for patrolling and cleaning. The company developed three-in-one sensors for monitoring comfort temperature, air cleanliness, and preventing condensate water overflow from fan coil units.⁸ These solutions reduce the need for preventive maintenance, leading to more efficient operations and cost savings.

Certis’ focus on operational design and bespoke solutions underscores its commitment to providing outstanding service quality. The company addresses industry challenges by seamlessly integrating advanced technologies and adopting a client-centric approach, offering exceptional customer value while maintaining a strong competitive advantage. Its innovative approach highlights the company’s ability to enhance operational effectiveness, strategically positioning itself for future growth.

Sustainability Leadership in Facility Operations

Certis demonstrates a strong commitment to environmental sustainability through its innovative resource management and energy efficiency initiatives. Its initiative towards sustainability reflects a strategic vision that integrates environmental responsibility into its core operations. The company places a strong emphasis on making smart decisions that deliver quality outcomes and value for the future. Focusing on its “Our People, The Environment, Our Community, and Our Customers” commitment, Certis strives to build a safe, inclusive, and future-ready workforce that cares for the planet.

For example, the company endorses responsible consumption through waste sorting, recycling, and the digitalization of contracts, showing its strategic vision to integrate environmental responsibility into its

⁸ Frost & Sullivan’s Interview with Certis (August 2024)

core operations.⁹ Through this initiative, Certis aims to lead by example, creating a positive, inclusive society and sustainably addressing customers' needs with ethical and compliant methods. This dedication exemplifies the company's dedication in realizing its sustainability goals, ensuring its services help the planet positively.

A notable example of this commitment is evident in the company's solution at Jewel Changi Airport, where the company implemented a holistic Water Efficiency Solution and Smart Connected Chiller Management system. These initiatives are expected to contribute to the renewal of its Green Mark GoldPlus certification and save the airport over \$70,000 in annual cost.¹⁰

Certis' Operational-Design First approach strengthens its commitment to delivering sustainable, efficient solutions further. Through deep understanding of client operations, it develops solutions that optimize long-term performance. This approach enables businesses to streamline workflows, automate tasks, and allocate resources effectively, leading to faster response times, reduced energy consumption, and overall operational excellence. The focused operational analysis and tailored solutions enable the company to enhance efficiency and sustainability, reflecting its commitment to delivering impactful results for clients.

The success of Certis' sustainability solutions underscores the company's ability to deliver long-term value through innovative and environmentally responsible approaches. This commitment positions Certis as a leader in the smart facility operations market, setting a high standard for sustainability in the industry.

Customer Satisfaction and Strategic Growth: Certis' Success Story

"The company especially benefited from the acquisition of new contracts and the renewal of existing contracts, achieving a 100% contract renewal rate in 2023. Certis maintains its market presence by securing extensions with key clients such as Jewel Changi Airport, Lee Kong Chian Natural History Museum, Infocomm Media Development Authority, Assisi Hospital and Kwong Wai Shin Hospital."

- Ain Sarah Aishah
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Certis' commitment to strategic excellence shines through its high customer satisfaction rates. In a bi-annual customer feedback survey, the company achieved an 88% satisfaction rate, with improvements noted across all six stages of client engagement, from the enquiry and decision stage to ongoing business relations.¹¹ This high percentage reflects the company's dedication to delivering exceptional service and value to its clients. This continuous improvement process underscores Certis' dedication to meeting client needs and its ability to adapt and innovate in response to user experiences.

The company mirrors its ability to adapt and innovate in response to user experiences through its strategic use of technology to enhance service delivery. By integrating cutting-edge tools like the Hygiene Service Index (HSI) and enhancing the Mozart platform, Certis maintains consistently high customer satisfaction rates. The HSI, an AI-driven tool, provides real-time data on cleanliness and facility conditions, enabling proactive maintenance and high standards. Additionally, the Mozart platform offers clients operational

⁹ <https://www.certisgroup.com/Portals/0/Download/annual-review/Certis-Group-AR2023.pdf>

¹⁰ Frost & Sullivan's Interview with Certis (August 2024)

¹¹ Ibid.

visibility through dashboards, fostering transparency and collaboration, which is key to building trust and ensuring long-term client satisfaction.

This customer-focused and technology-driven approach plays a pivotal role in driving the company's exceptional growth and resilience in the FM market. The company especially benefited from the acquisition of new contracts and the renewal of existing contracts, achieving a 100% contract renewal rate in 2023.¹² Certis maintains its market presence by securing extensions with key clients such as Jewel Changi Airport, MHA (2 bundles), National Health Group Polyclinics, Lee Kong Chian School of Medicine HQ, Infocomm Media Development Authority, Assisi Hospital and Kwong Wai Shin Hospital.¹³ This high retention rate highlights clients' strong confidence in the company's solutions and the commitment to long-term client relationships. Certis also demonstrates strong profitability, with earnings before interest and taxes improving by 7.2% from 2022 to 2023.¹⁴ The company drives this improvement through cost optimization and developing projects for better profitability.

With its strong profitability, cost optimization, and technological advancements, Certis lays a solid foundation for strategic focus on securing larger, IFM contracts. Moving forward, the company set an ambitious goal, aiming for at least 30% revenue growth in the next two years.¹⁵ Certis holds a clear vision to expand its market presence and secure bigger, more integrated contracts, centering its strategic roadmap on doubling its revenue in the next five years.¹⁶ It considers industrial and manufacturing sectors as the potential areas for its future expansion.¹⁷ The company's ability to adapt to changing market dynamics, continuous innovation, and strong client relationships, coupled with strategic acquisitions, positions it to achieve its ambitious growth targets and sustain its leadership in the FM industry.

Conclusion

Frost & Sullivan believes that innovation and growth opportunities drive future success; many factors contribute, yet having a competitive strategy is critical. Certis understands this core concept and is leading the smart facility operations market due to its focused technological and customer-centric strategies helping it to outpace competitors. Through its cutting-edge platforms like Mozart and Argus, the company leads the industry with optimized operational efficiency and customer satisfaction. Certis' commitment to sustainability and its proactive approach to integrating advanced technologies underscore its position as an industry leader. Its strong focus on continuous improvement bolsters impressive growth and profitability, setting the stage for continued expansion. Overall, Certis successfully showcases its ability to adapt and deliver exceptional value, securing its position as a trusted partner and market leader.

With its strong overall performance, Certis earns Frost & Sullivan's 2024 Singapore Competitive Strategy Leadership Award in the smart facility operations industry.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

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

