



OUTPERFORM THE FUTURE™

2014 European Integration Platforms for Business Applications New Product Innovation Leadership Award



FROST & SULLIVAN



50 Years of Growth, Innovation & Leadership

New Product Innovation Leadership Award Integration Platforms for Business Applications Europe, 2014

Frost & Sullivan's Global Research Platform

Frost & Sullivan is in its 50th year of business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The company's research philosophy originates with the CEO's 360-Degree Perspective™, which serves as the foundation of its TEAM Research™ methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation, and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2014 European New Product Innovation Leadership Award in Integration Platforms for Business Applications to Magic Software Enterprise Ltd.

Significance of the New Product Innovation Leadership Award

Key Industry Challenges

Business applications such as Salesforce.com, SugarCRM, SharePoint, SAP, Microsoft Dynamics, Sage, and Oracle JD Edwards measure productivity and performance for an enterprise. Most enterprises use multiple applications and services together to meet different business needs. Using varied applications and systems, however, leads to several challenges:

Lack of Connectivity

Organizations using various platforms, such as enterprise resource planning (ERP) and customer relationship management (CRM) solutions are developed using different technologies and platforms and they are meant to address different business problems. Thus, incompatibility between applications creates a gap in connecting business processes and it hinders effective transparent communications in an enterprise.

Need for Flexibility

It is common to spread business functions across various applications to manage an organization's different departments. For best results, however, several applications need to be integrated, which currently is not a reality.

Cumbersome Manual Integration Process

Manual point-to-point integration of applications requires complex coding, is highly time-consuming, and it is often prone to errors in setting up connections. This integration also increases the cost of maintaining a technical team for handling issues with integration adapters.

Need for Speed

The rapid growth in the adoption of cloud computing, social media, and mobile devices has greatly increased data transactions in recent years.

However, technologies to handle this immensely scalable architecture are missing in conventional business management platforms.

Key Benchmarking Criteria for the New Product Innovation Leadership Award

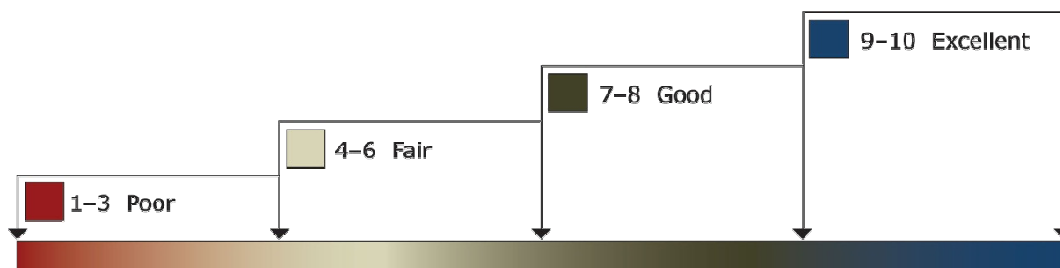
For the New Product Innovation Leadership Award, the following criteria were used to benchmark Magic Software's performance against key competitors:

- Innovative Element of the Product
- Leverage of Leading-Edge Technologies
- Value Added Features/Benefits
- Increased Customer ROI
- Customer Acquisition/Penetration Potential

Decision Support Matrix and Measurement Criteria

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Matrix (DSM). The DSM is an analytical tool that compares companies' performance relative to each other with an integration of quantitative and qualitative metrics. The DSM features criteria unique to each Award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. Fundamentally, each DSM is distinct for each market and Award category. The DSM allows our research and consulting teams to objectively analyse each company's performance on each criterion relative to its top competitors and assign performance ratings on that basis. The DSM follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are shown in Chart 1.

Chart 1: Performance-Based Ratings for Decision Support Matrix



This exercise encompasses all criteria, leading to a weighted average ranking of each company. Researchers can then easily identify the company with the highest ranking. As a final step, the research team confirms the veracity of the model by ensuring 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.

Chart 2: Frost & Sullivan’s 10-Step Process for Identifying Award Recipients



Best Practice Award Analysis for Magic Software

The Decision Support Matrix, shown in Chart 3, illustrates the relative importance of each criterion for the New Product Innovation Leadership Award and the ratings for each company under evaluation. To remain unbiased while also protecting the interests of the other organizations reviewed, we have chosen to refer to the other key players as Competitor 1 and Competitor 2.

Chart3: Decision Support Matrix for the New Product Innovation Leadership Award

Measurement of 1–10 (1 = lowest; 10 = highest)	Award Criteria					Weighted Rating
	Innovative Element of the Product	Leverage of Leading-Edge Technologies	Value Added Features/Benefits	Increased Customer ROI	Customer Acquisition/Penetration Potential	
Relative Weight (%)	20%	20%	20%	20%	20%	100%
Magic Software Enterprise Ltd.	9.5	9	8.5	9	9	9.0
Competitor 1	8	7	8	8	7	7.6
Competitor 2	8	7	7	7	7	7.2

Criterion 1: Innovative Element of the Product

Magic Software has come up with a solution known as Magic xpi™ Integration Platform for effective information sharing in an integrated business application environment.

Magic Software's solution delivers a robust, user-friendly interface for users to automate business processes and gain a real-time view of a complex business network. Vis-à-vis competing solutions, Magic xpi™ Integration Platform adopts a code-free metadata approach that enables data to be synchronized and information to be shared among business functions in a simpler, more cost-effective way. The solution manages the underlying technology for integrating applications and offers a simple, visual drag-and-drop facility for users to integrate along with comprehensive system management capabilities.

The solution's uniqueness is also in its in-memory data grid architecture, which enables it to process voluminous data coming from various application sources while concomitantly ensuring high availability with elastic scalability. The in-memory architecture also incorporates out-of-the box seamless clustering, failover and automatic-recovery functionality, guaranteeing business continuity 24 × 7.

Criterion 2: Leverage of Leading Edge Technologies

The Magic xpi server, which handles data processing, incorporates in-memory data grid technology that enables the handling of numerous working nodes while also providing an automatic load-balancing facility for high-runtime performance and guaranteed message delivery. The server boasts several services, such as rule-based and policy-based routing, service mapping and protocol transformation, a full process transaction management tool, and synchronous as well as asynchronous protocols, to achieve true business process management in an integrated environment.

Magic Software's Magic xpi monitor and management tool provides real-time visibility into all the operations in a business' processes. It also provides several options for viewing data, such as a server view, log view, and grid view, which enables users to track individual processes, troubleshoot failures, and maintain uninterrupted process flow.

Criterion 3: Value Added Features/Benefits

The solution offers over 50 technology adaptors for easy integration into a wide range of databases, operating systems, Web services, file transfer protocols, directories, .NET platforms, and Java platforms. This centralized tool for integration provides significant benefits over its competitors in both interoperability and connectivity.

Another value-added benefit offered by Magic xpi Integration Platform is its ability to connect with on-premise and cloud systems using the provided adaptors. In addition, the Magic xpi platform can also be deployed in the cloud, thereby taking advantage of the benefits of the cloud's scalability and easy connectivity, not to mention its low cost of

deployment.

A further benefit of the Magic xpi Integration Platform is the fact that it runs on the same technology stack as Magic's multi-channel application platform enabling enterprises to easily mobilize business processes from backend enterprise systems to any mobile operating system and device.

Criterion 4: Increased Customer ROI

For a company to remain competitive in the market, creating value for customers is vital. The Magic xpi solution offers return on investment through:

Faster Time to Market

The built-in library of certified adaptors and connectors enables quick establishment of the integrated platform for users. The solution provides connections for all major enterprise systems, such as SAP, Microsoft Dynamics, SharePoint, Syspro, Google, SugarCRM, Salesforce, and Oracle JD Edwards.

Cost-Effective

The simple code-free user interface provides utmost flexibility for business users to manage enterprise applications through simple drag-and-drop actions. This, in turn, helps reduce the cost of maintaining the integrated platform. Companies, to integrate their systems, no longer need to hire qualified coders to write complex programs. In addition, Magic Software's cloud deployment facility also helps significantly reduce the cost of ownership for users.

Reliability

Magic Software's in-memory technology architecture ensures delivery of context around the clock without failure. To make connections even more reliable, the solution also provides secured connectivity through standard and native protocols incorporated within the platform. The monitoring tool makes process flows visible in real-time, helping clients pinpoint failed connections with ease.

Criterion 5: Customer Acquisition/Penetration Potential

Magic Software's Magic xpi Integration Platform enables clients to focus on developing the right business processes for their enterprise applications rather than investing time to develop the underlying technology for integration. The automated integration process, easy-to-use code-free user interface, and quick deployment model add value to this solution for management information system (MIS) workers.

The ability to handle any number of work nodes by using an 'in-memory data grid architecture' enables the solution to meet the demand for not only small and medium enterprises, but also large corporations with huge data transactions.

A NASDAQ company, operating in more than 50 countries across the globe, with 15 branch offices distributed in Europe, North America, Asia, and Africa, Magic Software ensures close collaboration with clients to accelerate business performance.

Conclusion

Magic Software Enterprise, Ltd. has developed its Magic xpi™ Integration Platform, which is based on in-memory data grid architecture that enables business applications to easily connect major enterprise management solutions such as SAP, Oracle JD Edwards, Microsoft SharePoint and Dynamics, Salesforce.com, Sage and SugarCRM. The code-free metadata approach with drag-and-drop functionality enables data to be synchronised and information to be shared among business functions in a simpler, cost-effective manner. More than 50 built-in technology adaptors, along with facility for cloud deployment, ensure faster time to market and considerably reduce the cost of deployment. Based on Frost & Sullivan's independent analysis of Integration Platforms for Business Applications, Magic Software Enterprise Ltd. is recognized with the 2014 European New Product Innovation Leadership Award.

Critical Importance of TEAM Research

Frost & Sullivan's TEAM 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 seven of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

Chart4: Benchmarking Performance with TEAM Research



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best-practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.