

Award Description

The Frost & Sullivan Technology Leadership Award is bestowed each year upon the company that has demonstrated excellence in technology leadership within their industry. The recipient company has demonstrated technology leadership by excelling in all stages of the technology life cycle—incubation, adaptation, take-up, and maturity—to ensure a continuous flow of improvements. By innovating leading-edge concepts, the company has pioneered client applications.

Research Methodology

To choose the recipient of this Award, the analyst team tracks all emerging technologies and ongoing research and development projects within the industry. This process includes interviews with all the market participants and extensive secondary and technology research. The technologies and research projects are then compared according to customer base demands. Also considered are elements such as feasibility of product launch, likelihood of customer acceptance and acceptance rates, and estimated time to market. Competitors are then compared and ranked for relative position. The company chosen to receive the Award received the number one industry ranking.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used in determining the final ranking of competitors in this industry. The recipient of this Award has excelled based on one or more of the following criteria:

- Significance of the technology in the industry
- Number of competitors having similar industry technology (competitive factor)
- The technology refinement process meets changing end-user needs (addresses research and development efforts by vendors)
- Value-added technology and services to the customers
- Adoption rate by each of the industry participants (denotes responsiveness of the vendors)
- New product innovation
- Time to market

2007 North American Fire & Smoke Detection Devices Technology Leadership of the Year Award

Award Recipient: AxonX LLC

The 2007 Frost & Sullivan Technology Leadership of the Year Award in the North American Fire and Smoke Detection Devices Market is presented to axonX LLC (axonX) for its SigniFire™ detection system. With this new product line, axonX successfully recognized a growing market requirement and delivered innovation to a highly mature fire and smoke detection industry. SigniFire™ is a first of its kind video- based detection system with advanced detection algorithms and original design features to meet and exceed end-user detection requirements.

Technology as Key Differentiator - The Winning Edge

axonX is a leading manufacturer of innovative early warning video based detection systems. The company's breakthrough technology incorporates Digital Video Recorders (DVRs) and IP (Internet Protocol) cameras along with patented artificial intelligence (AI) to provide reliable and extensive detection capabilities.

axonX has made its mark in the industry through its unique and innovative CCTV (Closed Circuit Television Network) systems, which are the first to use video as a means for flame, smoke and motion detection. Another unique selling proposition for SigniFire™ is that it can reduce the response time to detect potential hazards and hence significantly reduces property loss and business interruption. axonX has demonstrated excellence by successfully addressing the diverse challenges faced in many commercial structures to ultimately facilitate and provide a more effective method for fire and smoke detection where there is none today.

As a leader in the video based early warning systems, axonX is a pioneer in new generation digital security systems, which include image analysis, artificial intelligence, and patented signal processing technologies. The vision contributed by axonX is driving the industry towards the direction of video detection technology for more reliable and efficient resource utilization. Since the evolution of vision based fire detection systems in 2000, the company has successfully identified markets that can utilize video detection whereas before, these markets had no effective detection technology available to them.

Using IT Standards to Build Intelligence

The manufacturers of fire and smoke detectors and video surveillance systems are moving towards the use of Information Technology (IT) standards to facilitate convergence and interoperability among separate sub-systems. The concept of interoperability is fundamentally based on the ability to efficiently and cost-effectively bring together Information Technology and Physical Security. Building engineers and vendor technicians are able to use IT infrastructure to monitor performance and receive other diagnostic information on the facility. The interest level among end-users for remote monitoring and control is already high and is still likely to continue to grow with advancing technological capabilities.

From the video detection standpoint, convergence is aimed at replacing existing standard cameras with highly equipped IP cameras for better detection capabilities. The systems offered by axonX make use of such IP cameras, which can be on the network round-the-clock and facilitate monitoring a facility from a remote location. axonX is well positioned to evolve with current and potentially nascent IT technology in the fire, smoke and motion detection realm, which for the company translates into staying ahead of the competition.

Defeating the Stereotypes – The Significance of SigniFire™

Today, end-users demand intuitive navigation along with easy to use features and added detection capabilities to be incorporated in the building systems. This implies more sophisticated methods of detection without compromising on reliability. While conventional technologies in the smoke and fire detection market are designed to address one of several potential hazards including fire, smoke, or intrusion, SigniFire™ was designed to detect all three. Further, SigniFire™ has received highest detection rates with fewer false alarms than all other video or spot-type detection systems.

To accomplish its vision, axonX incorporated patented Artificial Intelligence (AI) algorithms embedded on an IP network camera to provide advanced detection capabilities. For instance, in the event of a fire breakout within a facility, the video analytics facilitates the system to generate an alarm along with an image identifying smoke, fire and/or motion. In the event of an alarm, a window will pop up to indicate the exigency. The system can detect flames in complete darkness and has a constant sensitivity across the entire field of view.

SigniFire™ proved to be the first of its kind as a solution to collectively detect fire, smoke and intrusion. From an end user's perspective, this works out to be the most simple and cost effective solution requiring minimum monitoring and limited manpower. The End-User is gaining credibility about the technology and the adoption rate has been high because of its utility. To protect its technology from imitations, axonX owns two patents with three patents pending on its primary product (SigniFire™). axonX also has the artificial intelligence embedded on a DVR if the end-user already has an existing CCTV infrastructure they do not want to replace. To monitor a 50,000 square foot facility, the end-user could need as little as 4 IP network cameras and an NVR running axonX's SpyderGuard remote monitoring software to provide complete coverage.

A Unique Value Proposition

Meeting all the complex challenges of real-world hazards and system integration is a major concern to building managers. The last thing the industry needs is making systems less vigilant and connectivity more complex. axonX LLC has initiated the move to address these challenges of the building owners and facility managers in the entire industry and has created a unique value proposition for itself by introducing SigniFire™ to the market.

axonX has proved to be a company that actively seeks long-term customer relationships and responds to customer input. axonX offers its unique video based solution to an array of end user applications including warehouses, utilities, petrochemical and power plants, marine, manufacturing, schools, aircraft hangars, commercial buildings, data centers, and museums among others.

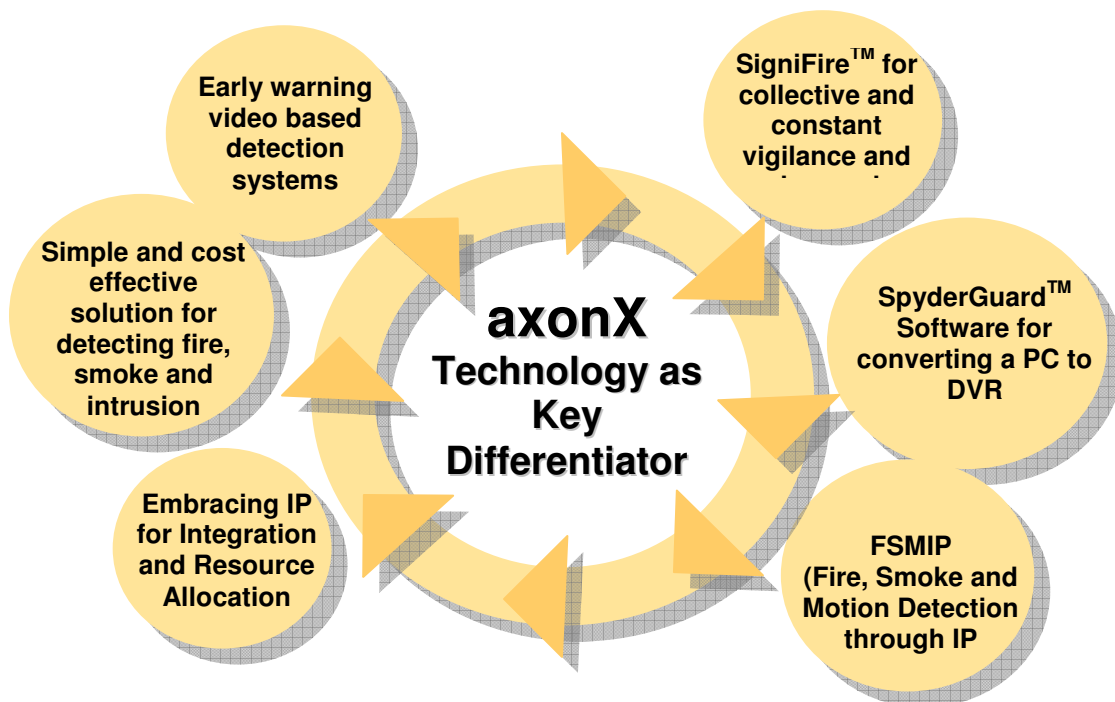
From an end user standpoint, the investment in SigniFire™ serves to maintain and keep vigil of high value assets. For instance, the costs associated with a fire in a

commercial or industrial facility can include property damage, inventory loss and productivity loss due to business interruption, which can mount up to many times the costs associated with an early warning detection system. In terms of risk analysis, the annual risk can be calculated to be the probability of fire in a facility multiplied by the total loss associated with the fire. The use of SigniFire™ reduces the annual risk associated with a facility and leads to a high return on investment.

Further, end-users tend to select axonX because of the support provided in developing new technology and its ability to conceptualize industry activities behind the idea of video based motion and detection technology while successfully addressing customer needs. axonX LLC, as a technology leader, focuses on technologies that are tangential to the basic Artificial Intelligence and Video Analytics. By doing so, the company addresses the changing end-user needs with its unique technology refinement process. Further, the company's remote monitoring software package called SpyderGuard™ which is included in the purchase of SigniFire™, can convert a personal computer (PC) into a Digital Video Recorder (DVR) upon installation with the use of an IP camera. The End-Users get a high flexibility and an extra option to monitor a particular facility from a remote location by installing this software unto a PC.

The chart below illustrates some of the company's technology and product innovations.

AxonX LLC: Technology Leader in Vision Based Detection Systems



Source: Frost & Sullivan

Creating a Market for Innovative Video Based Detection Technology

axonX's vision and understanding of the market has enabled it to deliver a new product that is more efficient and provides constant vigilance with early warning benefits. The video based detection systems market is poised for exponential growth by 2010, particularly in large volume structures and warehouses. The 2007 National Fire Protection Association (NFPA) amendment approved and recognized video based detection as an acceptable standard for fire detection. Also, axonX has received the Factory Mutual (FM) approval in March 2007, making the SigniFire™ the first video based flame and smoke detection system to be FM approved. The FM approval implies that the technology is tested and is an effective means for fire detection providing axonX the competitive advantage by gaining such recognition. All these factors, plus the continued convergence of Physical Security and Information Technology and the growth in new construction and system retrofits are expected to promote the trend towards video based detection technology and create new opportunities and growth. The technology innovation and the company's leadership in the vision based detection domain have resulted in new partnerships and alliances across various geographical regions.

axonX LLC has been at the forefront of video based detection technology and has managed to be a step ahead of the competition by successfully anticipating the direction of application and market trends. The company's high involvement in the industry and expertise has enabled it to spot trends and use the right information to be inventive and update its technology. All these cumulative factors make axonX LLC the deserving recipient for the 2007 Frost and Sullivan Technology Leadership of the Year Award in the North American Fire and Smoke Detection Devices Market.

About Best Practices

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

About Frost & Sullivan

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