

FROST & SULLIVAN

BEST PRACTICES

AWARDS

FROST & SULLIVAN

2020 BEST PRACTICES AWARD

THRIO

**2020 NORTH AMERICAN CONTACT CENTER
COMPANY OF THE YEAR AWARD**

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Background and Company Performance

Industry Challenges

The contact center market has transformed remarkably since its inception almost four decades ago. Yet, it's no different from many new markets that followed the trajectory of initially solving one issue (customer support), and then changing to encompass a much broader perspective fueled by technological innovation (customer experience).

Initially seen as a cost center with agents fielding phone calls for support, or out dialing to sell goods or collect payments, the industry quickly adapted to a more customer-centric perspective with multiple channels added, including the email, web, mobile, social and messaging. At the same time, the industry embraced workforce and performance management and analytics to improve performance and customer experience (CX).

As the customer contact landscape grew more complex, the industry then made several architectural pivots, each with its own opportunities and challenges. Chief changes include the movement to the cloud from premises-based deployments, the switch from siloed multichannel service to omnichannel customer care, global expansion, and most recently, the infusion of AI to add intelligence to channels and applications.

These pivots occurred in response to customer demand for more flexible, scalable platforms that allowed for easier innovation and creativity, and to allow businesses to improve the experience of a more demanding consumer and worker base.

Each of these also brought challenges for vendors and customers. For instance, initial cloud offerings weren't as feature-rich as their premises counterparts. Privacy, and security were additional concerns. Core contact center functionality, such as outbound dialing, interactive voice response (IVR), and call recording were often siloed, slowing omnichannel service delivery as well as transition to the cloud.

The industry added new offerings and re-architected platforms to address these requirements, creating a very complex array of providers in varying stages of change. Standing out in this environment requires a balancing act between addressing fundamental architecture design and functionality that caters to emerging industry trends.

Visionary Innovation and Performance/Customer Impact of Thrio

Some talented professionals have spent much of their careers within the contact center industry, developing new ideas and capabilities, and spinning off new companies. Each of them has contributed to building the feature-rich, expanding journey customers now experience. In fact, Thrio, Inc. was brought to market by a team of contact center industry veterans, all of whom have successfully developed and sold contact center companies of their own.

The founding and management team is a roster of contact center pioneers. CEO Ed Marguiles (40 years in the industry) has participated in high profile startups. These include SoCoCare (sold to Five9), Telephony@Work (sold to Oracle), Telecom Library, (sold to CMP Media), Dialogic and Contel. CTO Ran Ezerzer (22 years in the industry) also was a founder of SoCoCare and Telephony@Work, as well as MediaSoft Canada. COO Rose

Sinicrope (22 years in the industry) was a founder in four start-ups, including SymThera Canada Inc. and Telephony@Work. VP of Product Development, Pierre St. Cyr (27 years in the industry) was a founder in three start-ups, including SymThera Canada Inc., Telephony@Work, and K2 Geospatial. Finally, Thrio's Chief Security Officer, Gerry Holly (24 years in the industry) worked at Telephony@Work and Ericsson. CMO Lance Fried (22 years in industry) was a co-founder of SoCoCare and an early employee at Telephony@Work, in addition to founding two other successful startups and working at Enghouse (Syntellect) and Verizon Business (MCI).

Addressing Unmet Needs

This group of industry luminaries founded Thrio in late 2017 and formally launched its CCaaS platform at Enterprise Connect in March 2019. The company, headquartered in Calabasas, CA has rapidly gained market attention, grown its customer base, and closed substantial seed financing since launch.

One of the reasons the company has attained substantial financing is that Thrio is not just another cloud contact center start-up. Thrio represents a fresh look at the contact center, and was designed specifically to take advantage of all the development done before it. For instance, in step with two of the dominant trends in the industry, Thrio has been engineered since day one with the twin goals of infusing AI throughout the core platform and leveraging best of breed cloud technology. The company calls out its core products as Thrio Digital, Thrio Voice, and Thrio Native Process Automation (NPA). Thrio also positions itself as "Smart, Secure, Flexible."

Thrio's CCaaS platform features leading native process automation capabilities, inbound and outbound voice engines, a complete suite of digital channels (email, chat, SMS, social), and a range of built-in AI tools.

The platform offers fully containerized deployment, management, scaling, and redundancy with near 100% uptime. Built with business continuity in mind, it is secure and utilizes an active/active topology. For work-at-home agents, the platform can take advantage of WebRTC, but also enables agents to log on through mobile devices and accept calls when connectivity options are limited. The platform comes pre-integrated with key CRM providers, and offers hundreds of open APIs for extensibility.

Frost & Sullivan believes that the design of the platform enables customers to skip over many of the hassles and challenges described above, saving them time, money and energy for more creative pursuits, such as building out new interaction channels or infusing intelligence into applications to drive efficiencies and enhance CX.

As an example, when the movement to the cloud started to gain momentum, legacy premise-based providers launching cloud offerings, and new cloud entrants typically would hitch their cloud wagons to one cloud provider, such as AWS. However, customers have many reasons for wanting more cloud options, such as expanding into geographic regions not supported by specific providers. In contrast, Thrio is not tied to any specific public cloud provider and can be deployed in AWS, GCP, or Microsoft Azure depending on

customer needs. The platform can also run with a remote database provided by customers in order to minimize syncing needs. Thrio also offers hybrid cloud configurations to satisfy data residency or compliance requirements.

Customer Purchase Experience

Customers are choosing Thrio because of its flexible design, ease of use, speed to deployment, and ability to innovate on the platform.

Thrio's CCaaS platform is comprised of three core components: Thrio Digital, Thrio Voice, and Thrio NPA. NPA enables complex, customizable, multi-step omnichannel interactions to occur with a few clicks or even fully independent of agents/end users. Thrio's IO Action Matrix can deliver AI-powered scripting and insights based on tone, personality, and customer intent. Proactivity is built in across the platform, with event or time-based triggers launching events or automation. A current Thrio customer (an ISP/cable/phone company), for instance, uses these proactive tools to automatically notify customers of outages in their area on the customer's channel of choice.

Frost & Sullivan believes that being able to innovate to specifically address a customer's unique needs is a key strength, and the use of AI and process automation has been an attractive draw for customers since Thrio was launched. Thrio NPA is the heart of the platform, as every phone call, SMS, chat, email, and social post passes through two powerful, interconnected tools: the IO Workflow Engine and the IO Action Matrix. The IO Workflow Engine handles a vast array of automated tasks, from basic IVR functions to multi-step processes that may include pulling and pushing data via an API. These tasks may never touch an agent or end user directly, even though they enable interactions that involve those agents or customers. For example, a current Thrio customer in health care uses Thrio's Situation Routing within the Workflow Engine to balance the case count of its telehealth practitioners. This ensures that each has close to the enterprise's optimal number of active patients. This is an innovative variation on routing to agents, rather than more traditional use cases such as routing based on language or agent skills, and ensures an even distribution of cases, which in the end, positively impacts the patient experience.

Thrio, residing on Google Cloud, reads and writes to the healthcare provider's private, HIPPA-compliant solution that is running on Microsoft Azure. When a call gets transferred to an agent it will have grabbed the current case count of all practitioners in the queue and the solution routes based on available nurses that don't have enough cases. Evening out case count improves work-life balance for nurses and at the same time, enhances the patient experience as well, as the practitioner has more time to individually spend with them.

Visionary Scenarios through Mega Trends

Thrio embraces several key Mega Trends. For example, it is very much aligned with designing for the cognitive era with its flexible architecture that enables the incorporation and AI and social media. The Thrio platform also plays to the trend of developing smart products supporting green initiatives. For instance, for utility companies that use smart meters in the home, the Thrio platform can be integrated with monitoring systems. This

way, when a certain threshold is met, it can trigger Thrio to send out proactive customer service notifications to remind customers to reduce their energy consumption and provide tailored offers to encourage them to do so.

Customer Ownership Experience

Since inception Thrio has been keenly attuned to the needs of its customers. With management having built numerous companies in the past, embracing customer-led development is second nature and it shows. As an example, Cedar Financial has been with Thrio since day one. As a financial services firm rooted in the accounts receivables market, Cedar Financial has stringent requirements in the area of compliance and TCPA. Working with Thrio, the company went from an operation that lacked finite visibility into agent's compliance adherence to one with complete visibility as to what is happening historically and in real-time. As Cedar Financial's president, Amir Erez, stated, "I've never had such an experience before where we bring in ideas for a feature, and they listen, write it down, see if it's not working, and then fix it." Most recently during the COVID-19 pandemic when Cedar's agents suddenly had to work at home, Thrio quickly addressed the issue of PCI compliance by not just masking a customer's payment information in the call recording, but rather, shifting payment processing over to the IVR application. While this capability isn't new to customer contact, it wasn't in Thrio's immediate capability stack. However, this feature quickly became part of it because of this need. This is just one example of how the company is very responsive to customer needs.

Moreover, Thrio has continuously enhanced both the performance and breadth of capabilities for Cedar Financial. Traditionally, debt collection has been based on pushing outbound calls to customers and hoping for a response. But increasingly, consumers do not want to engage with outbound calls and would prefer to engage through self-service channels. In keeping with its plans to improve customer experience and customer engagement, the company wanted to expand its self-service capabilities. Prior to Thrio, the company did have a chat and an email, but these channels were not integrated into the workflow. After the initial Thrio implementation, Thrio added a chat bot as an option, which will soon be deployed to allow the consumer to work with a bot on collections rather than an agent. This gives consumers more control of how they want to interact with the Cedar Financial.

Price/Performance

Frost & Sullivan believes that price/performance is an important differentiator for Thrio. Customers have reported that they were very surprised at how inexpensive a Thrio implementation is compared to their prior contact center infrastructure. Once again, Cedar Financial exemplifies this. Prior to engaging with Thrio, the company had 7 different providers supplying contact center components, including an outbound dialing, speech analytics, international calling, and least-cost routing. With Thrio, this was all integrated into one greatly reducing complexity and cost. In fact, not only did this allow Cedar to considerably grow its services, excluding growth, the company estimates that it has saved approximately 28% in hard costs as a result.

Customer Support Experience

Frost & Sullivan believes that companies that are customer-led, and provide forums or sessions with key executives and development staff to help drive their development roadmaps, set them apart from the competition. In the case of Thrio, Frost & Sullivan feels that it has done a solid job in providing well thought out customer service options that reflect a maturity many start-up companies do not have.

For example, Thrio's standard support is free. It also offers two optional services: a premium support model as well as an innovation lab. This provides subscribers with an accelerated development of priority features for a flat monthly fee (as opposed to unpredictable professional services charges).

Thrio's Innovation Lab is a service that is an acceleration of road map items. Essentially, it enables Thrio to speed its development of features and enhancements that customers want. In fact, key marketing partners have lauded Thrio for its efforts in this regard, as opposed to many other providers. A key piece of the lab is the offer for customers to participate in ideation sessions with senior leaders, along with access to engineering. While these interactions don't countermand Thrio's product roadmap, depending upon input it can accelerate the development of new products and features.

For customers that do not need premium support and a dedicated technical account representative, Thrio also provides hands-on feature demos to ensure that customers get the most out of the platform.

Thrio also convened a customer advisory board in Q1'20, filled with customer stakeholders and run by Ed Marguiles, Thrio's CEO, and also hired a VP of Customer Success.

Finally, the company provides flexible pricing options, with four distinct options for how customers pay for access to Thrio. These include traditional per user per month pricing as well as three usage-based models: connected time, agent logged-in time, and per interaction.

Conclusion

Thrio entered the highly competitive contact center industry with a completely reimagined platform that addresses the diverse needs of a complex industry. Supplementing a broad array of capabilities with ultimate customizability and flexible deployment options, with rapid return on investment has net Thrio a solid place amongst mature market players. It's for these reasons, and its consultative partnership approach with customers, that has earned Thrio Frost & Sullivan's 2020 Company of the Year award in the contact center industry.

Significance of Company of the Year

To receive the Company of the Year Award (i.e., to be recognized as a leader not only in your industry, but among non-industry peers) requires a company to demonstrate excellence in growth, innovation, and leadership. This excellence typically translates into superior performance in three key areas—demand generation, brand development, and competitive positioning—that serve as the foundation of a company’s future success and prepare it to deliver on the 2 factors that define the Company of the Year Award: Visionary Innovation and Performance, and Customer Impact).



Understanding Company of the Year

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

Key Benchmarking Criteria

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated each factor according to the criteria identified below.

Visionary Innovation and Performance

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

Customer Impact

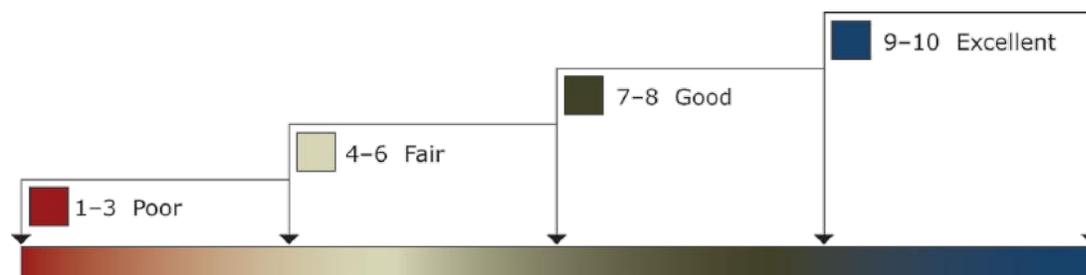
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practices Award Analysis for Thrio

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 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 considers Visionary Innovation and Performance and Customer Impact (i.e., 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, Frost & Sullivan has chosen to refer to the other key participants as Competitor 1 and Competitor 2.

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>			
Company of the Year	Visionary Innovation & Performance	Customer Impact	Average Rating
Thrio	10	9	9.5
Competitor 1	8.5	8	8.25
Competitor 2	8	7.5	7.75

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs

Requirement: Implementing a robust process to continuously unearth customers’ unmet or underserved 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 revenue, 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 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

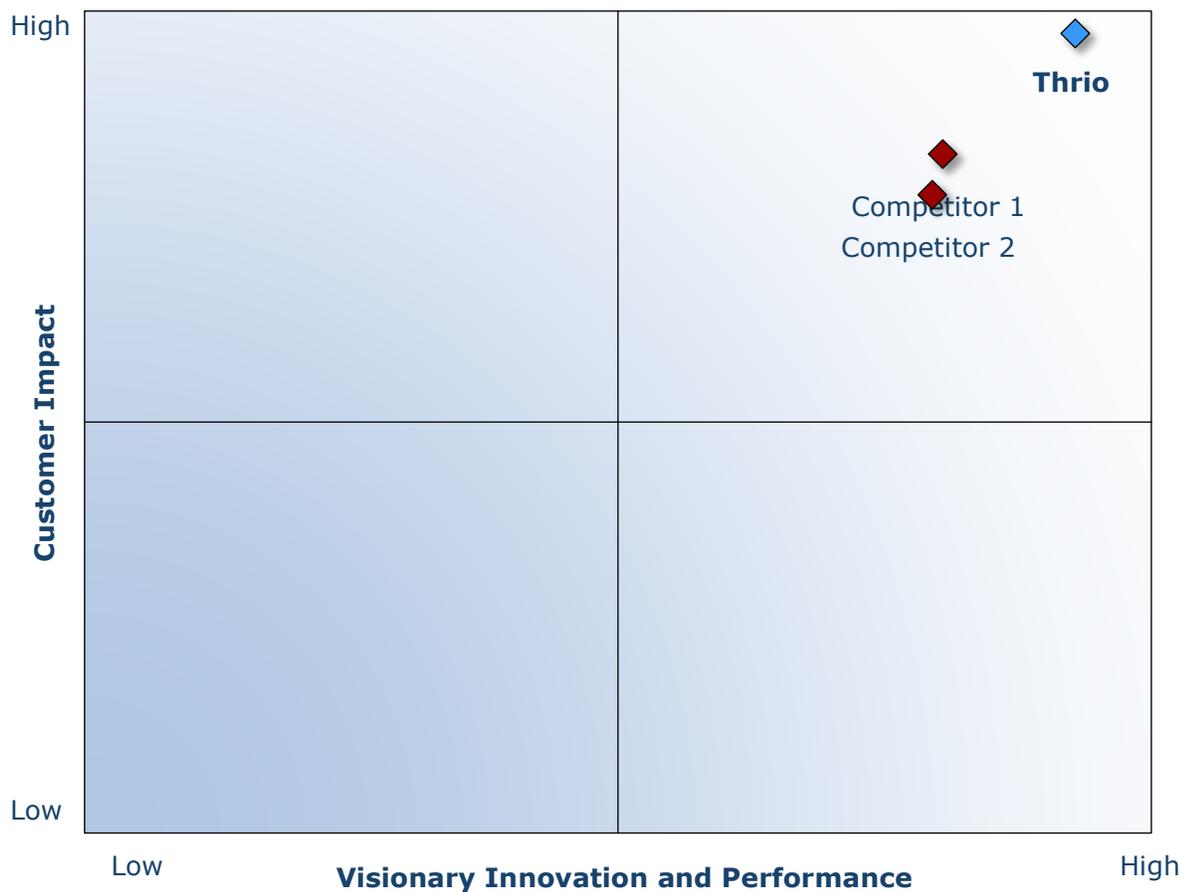
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

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.



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
1 Monitor, target, and screen	Identify award recipient candidates from around the world	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging industries • Scan multiple regions 	Pipeline of candidates that potentially meet all best practices criteria
2 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 practices criteria • Rank all candidates 	Matrix positioning of all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • Confirm best practices criteria • Examine eligibility of all candidates • Identify any information gaps 	Detailed profiles of all ranked candidates
4 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 practices positioning paper
5 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
6 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
7 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
8 Reconnect with panel of industry experts	Finalize the selection of the best practices award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select winner 	Decision on which company performs best against all best practices criteria
9 Communicate recognition	Inform award recipient of recognition	<ul style="list-style-type: none"> • Announce 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
10 Take strategic action	Upon licensing, company able to 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 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

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the 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, resulting in 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 participants and for identifying those performing at best-in-class levels.



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients 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 practices models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit <http://www.frost.com>.