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2020 BEST PRACTICES AWARD

NICE inContact

**2020 EUROPEAN CONTACT CENTER
AS A SERVICE COMPETITIVE STRATEGY
INNOVATION AND LEADERSHIP AWARD**

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Background and Company Performance

Industry Challenges

Cloud-based contact center solutions already stand out as a significant market in Europe and it is growing at a fast pace. Cloud has become the deployment model of choice for new and upgraded contact centers in Europe, replacing on-premises and hosted deployment. Moreover, multi-tenant cloud deployment is rapidly gaining traction. Organizations using Contact Center as a Service (CCaaS) solutions are able to harness numerous benefits. In addition to cost advantages, CCaaS vendors deliver improved access to state of the art contact center functionalities; rolling updates are provided to ensure that customers have access to the latest features and capabilities. Other benefits include greater speed and flexibility when starting up and scaling operations and the simplicity of implementing seats in non-traditional functions and departments.

The European CCaaS market is becoming increasingly sophisticated, with new capabilities enabled by cloud, digital channels (e.g., mobile and social media), machine learning (ML), artificial intelligence (AI), WebRTC and big data. These innovations along with richer integrations between CX solutions, is unleashing new demand, promoting the emergence of new suppliers and driving user-base expansion. In this context, CCaaS vendors are adjusting to the frenetic pace of the industry and are developing product strategies that push customer care beyond the traditional contact center environment. However, extreme competition and an unprecedented rate of technology change create challenges for providers. For instance, vendors have to work on breaking the channel silos that can fracture customer experience (CX) and accelerate the provision of omnichannel service delivery.

CCaaS vendors are putting significant effort and technology investments into improving the CX. However, many organizations are challenged to find the right solutions and partners – both from technology and customer care perspectives. Along the same line, vendors are seeking ways to differentiate their solutions. To enhance their product offerings, many vendors target the development of similar platform functionalities and features. To be successful in this highly fragmented market, providers need a strong focus on R&D and solid implementation capabilities to provide an edge over competitors and develop effective platforms that meet customer needs.

Non-European vendors face additional difficulties in the European market. Language, culture and local business practices are major factors that promote the emergence and development of European home-grown vendors and limit the potential of global vendors. Few large non-European vendors are gaining relevant market share.

To improve the CX and the agent experience (AX), solution providers need to embed cutting-edge technologies to offer differentiated functionality, find a way to eliminate siloed channels, and streamline the way organizations engage with end-users. Vendors that help organizations implement effective CX services based on innovative technologies, go-to-market strategies and customer services will gain customer mindshare in the European CCaaS market.

Strategy Innovation and Customer Impact

Founded in 1997, Salt Lake City-based inContact was one of the first providers of cloud-based contact center solutions. The company is now part of NICE, after it was acquired in 2016. NICE is an Israeli-based company, specializing in telephone voice recording, data security, surveillance, and systems that analyze the recorded data. CXone is the company's cloud platform that helps organizations of all sizes to deliver better customer experience. The acquisition of inContact gave NICE a broad range of cloud contact center capabilities and a bigger presence in the global CX industry. Today, NICE serves 85% of Fortune 100 companies; it has 35 global offices and 6,800 employees, including 2,100 in R&D.

Digital-first approach and advanced functionality for better CX

As has been the case with many other global CCaaS providers, NICE inContact initially found it challenging to expand its business in the European market. Prior to becoming part of NICE in 2016, inContact offered a multitenant cloud contact center platform since 2005. Now the company is rapidly expanding with the best combination of NICE customer journey analytics, workforce engagement management (WEM) functionality, and inContact's contact center omnichannel platform. In 2017, NICE inContact set out to ensure that its products and strategy were aligned with market needs to achieve the objective of reinventing customer service. Following this exercise, the entire cloud product portfolio was rebranded and expanded as NICE inContact CXone, one of the industry's most complete, unified cloud customer experience platform.

The value-driven product portfolio created around CXone, together with a complementary, targeted sales and marketing strategy, has positioned NICE inContact as one of the most innovative and rapidly-growing vendors in the European market. The company recorded extraordinary revenue and sales performance in 2019, and has established a brand that resonates deeply with customers across multiple sectors.

CXone is a pioneering cloud contact center platform that unifies best-in-class customer analytics, omnichannel routing, workforce engagement management (WEM), automation, and AI – all built on Open Cloud Foundation. NICE inContact is highly attuned to the industry goal of adding new sources of data to improve CX and AX, embracing seamless omnichannel service delivery and new digital channels. To this end, it has been refining its product portfolio through internal R&D and strategic acquisitions, and by adding third-party applications via partnerships with a myriad of software vendors.

To support its well-established technology roadmap, in 2019 NICE inContact acquired Brand Embassy, a Czech company offering an omnichannel cloud-based customer service platform integrating social media (e.g, Facebook, Twitter, LinkedIn), messaging (e.g, WhatsApp), live chat, and an AI-powered chatbot service. NICE inContact integrated Brand Embassy's functionality into the CXone platform, enabling it to incorporate digital channels that are popular in Europe. Today, NICE inContact covers all of the most popular voice and digital interaction channels. It also offers the possibility to integrate with a broad portfolio of complementary solutions: AI & Virtual Assistants, CRM Extensions, Web/Mobile Applications, Workflow and more. Frost & Sullivan believes that this valuable digital-first omnichannel management proposition delivers a level of differentiation relative to many of its competitors.

NICE inContact offers best-in-class integration capabilities through a set of tools that allow customers to incorporate a multitude of capabilities from a single user interface. This makes the CXone offering one of the most comprehensive CCaaS suites in the market and aligns with the company's objective of reinventing customer service. NICE inContact offers more than 100 pre-built integrations through its DEVone developer program; this features a large network of ecosystem partners, including leading CRM systems such as Salesforce, Microsoft, Zendesk and Oracle, and UCaaS and collaboration applications including RingCentral, Zoom, Microsoft Teams, Fuze, and Verizon Business. To help customers and partners create their own custom integrations, the company publishes the same RESTful APIs used to build its own applications, and provides an interactive developer community. NICE inContact makes this extensive collection of integrations available to customers through CXexchange, a state-of-the-art online marketplace where customers can select the functionality they need.

Furthermore, NICE inContact's keen focus on machine learning and other forms of AI allows it to continually enrich its product offering and combine solutions to differentiate customer service. The company has made significant investments in AI; today, it provides solutions that add intelligence to all segments through its open architecture and APIs that support internal and external development. In the area of contact center management, NICE inContact applies AI to forecasting and scheduling, automated QA, and automatic topic categorization. With regards to customer engagement, it offers native and third-party voice and chat bot solutions, smart routing, frustration and root cause detection, and authentication and fraud prevention with the use of voice biometrics. The company also provides one of the industry's most advanced predictive behavioral routing solutions. NICE Nexidia Predictive Behavioral Routing for CXone is an AI-powered routing product that intelligently connects customers with the best agent based on personality, communication preferences, and behavioral characteristics. In addition to working with Google, Microsoft, and IBM, it also maintains a strong network of AI solution partners including Jacada, Interactions, SmartAction, Kore.ai, and Inbenta.

Frost & Sullivan notes that, besides offering a complete and best-in-class omnichannel solution infused with AI, NICE inContact is positively perceived in the market due to its reliable performance and service guarantees. The company assures 99.99% uptime (including maintenance windows) and MOS scores of >3.9 for voice quality, which bolsters customers' business continuity strategies. Additionally, CXone delivers protection for critical company data and ensures high system-wide availability, meeting the needs of today's global businesses. The NICE inContact Trust Office delivers security across CXone through a meet-and-exceed approach to audits for FedRAMP, PCI DSS, HITRUST, SOC2, GDPR, Cyber Essentials, IRAP, and more. The platform is rigorously tested through regular penetration and intrusion detection exercises, all proactively monitored by two network operations centers (NOCs) on a 24/7 basis.

Strong partnerships and regional initiatives underpin an effective strategy

In addition to NICE inContact's focus on delivering best-in-class product engineering, the organization has diversified its business model and customer approach in the European market. The new go-to-market and marketing strategy that accompanied the launch of

CXone is being efficiently and consistently executed, supporting the transformation of the company into an industry benchmark.

NICE inContact has been very active in the European market, forging new partnerships that have enabled it to reach hundreds of new customers across Europe in the last two years. The company signed a 5-year strategic partnership with Atos; NICE inContact will be a preferred CCaaS provider and bring CXone to Atos' contact center agents and new customers through an integration with Circuit, Atos's Unified Communication and Collaboration platform. NICE inContact has signed further agreements with Orange Business Services and Vodafone Spain to integrate CXone into their telecoms stacks. Additionally, as part of the European expansion of the company, CXone is available through direct sales teams and through Verizon, AT&T, Salesforce, Microsoft, RingCentral, Fuze, Business Systems (UK) Ltd, Telarus and other partners. These partnerships with top players across the telecom, CRM and unified communication industries, reinforce the strength of the NICE inContact brand and position the company as one of the leaders in the cloud-based contact center solutions market. Indeed, NICE inContact has extended its networks so rapidly in recent years that the company now provides one of the largest partner ecosystems of the industry. This assures sales, builds brand equity, and lays the foundation for the development of new capabilities.

NICE inContact has also focused on adapting the solution to local preferences and client expectations regarding data residency and data sovereignty. In addition to making CXone available in Europe through AWS data centers in Dublin and Frankfurt and its own redundant data centers in Frankfurt and Munich, NICE inContact is opening two new points of presence (PoP) in the United Kingdom. By making this move, NICE inContact is showing high resilience, adapting rapidly to the post-Brexit landscape. Frost & Sullivan research reveals that it is also a strategic step to get new customers in key and increasingly demanding sectors of cloud-solutions such as the public and financial services sectors in the United Kingdom. Along the same line, the company has established direct sales teams in the United Kingdom, France and Germany. It has also opened offices in more than 11 countries to reinforce its sales capacity and ensure that clients located across Europe have full access to the suite of onboarding, education and technical consulting customer services that the company provides.

Conclusion

NICE inContact has become one of the market leaders in Europe due to its differentiated product offering and specialized approach to innovation. The company excels at executing its strategy, which spans its customer-centric services, innovative software, an extensive ecosystem of valuable partnerships, and global experience. NICE inContact has positioned itself as a leader in the CX industry that effectively helps its customers to overcome their customer services challenges. Resilient, innovative and open to new partnerships, NICE inContact is likely to continue to grow rapidly and gain market share.

For its strong overall performance, NICE inContact is recognized with Frost & Sullivan's 2020 Competitive Strategy Innovation and Leadership Award.

Significance of Competitive Strategy Innovation and Leadership

Any successful approach to achieving top-line growth must take into account what competitors are and are not doing; meet customer demand; and establish a brand that resonates deeply with customers and stands apart from other providers. Companies must succeed in these 3 areas—brand, demand, and positioning—to achieve best-practice levels in competitive strategy.



Understanding Competitive Strategy Innovation and Leadership

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

Key Benchmarking Criteria

For the Competitive Strategy Innovation and Leadership Award, Frost & Sullivan analysts independently evaluated Strategy Innovation and Customer Impact according to the criteria identified below.

Strategy Innovation

Criterion 1: Strategy Effectiveness

Requirement: Strategy effectively balances short-term performance needs with long-term aspirations and vision for the company.

Criterion 2: Strategy Execution

Requirement: Adoption of best-in-class processes supports the efficient and consistent implementation of business strategy.

Criterion 3: Competitive Differentiation

Requirement: Unique competitive advantages with regard to solution or product are clearly articulated and well accepted in the industry.

Criterion 4: Executive Team Alignment

Requirement: The executive team is aligned with the organization's mission, vision, strategy, and execution.

Criterion 5: Stakeholder Integration

Requirement: Strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees.

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.

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 practices 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 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 recipient 	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 may 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.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



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>.