



Teleperformance Recognized as the

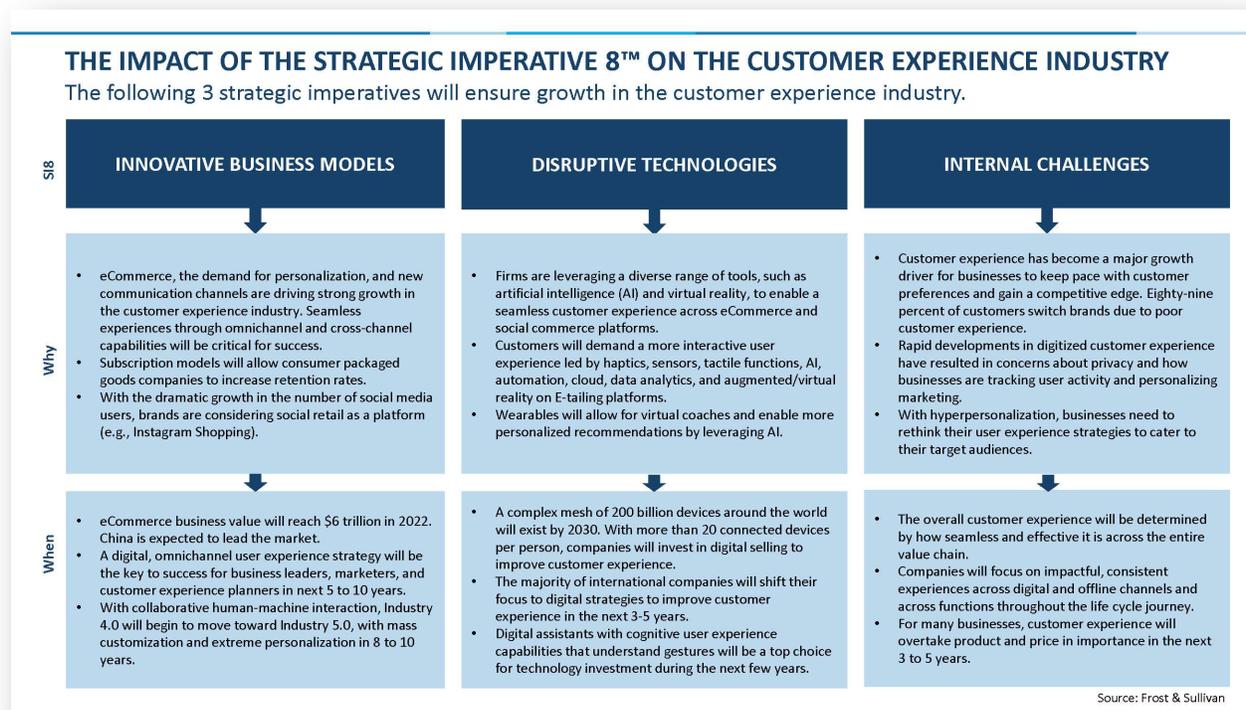
2021

Company of the Year

Latin American Nearshore Customer
Experience Outsourcing Services Industry
Excellence in Best Practices

Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the customer experience industry: innovative business models, disruptive technologies, and internal challenges. Every company that is competing in the customer experience space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan’s recognition of Teleperformance is a reflection of how well it is performing against the backdrop of these imperatives.



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 companies. Teleperformance excels in many of the criteria in the customer experience outsourcing services space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Implementation of Best Practices

Nearshoring (i.e., providing services to US customers from delivery centers located in Latin America and the Caribbean (CALA)) has become the main growth engine in the CALA customer experience (CX) outsourcing services market. According to Frost & Sullivan independent research¹, the nearshore segment has been outgrowing the overall CALA market for close to a full decade, accounting for 31.1% of the total revenue in 2019 (it was 16.6% in 2013). Teleperformance (TP) holds the highest market share in this market segment (16.7% in 2019) and outpaced the overall market’s growth rates in 2019, compared to a year ago. The company attributes this performance to having the most diversified geographical footprint in CALA, with operations in Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Guyana, Jamaica, Mexico, Peru, and Suriname.

TP has consolidated long-term partnerships with some of the most renowned Fortune 200 brands in the United States, which has set a solid growth path for the company, especially in Mexico, Colombia, Central America, and the Caribbean. Furthermore, TP leverages subject matter experts or “solutions architects”, as the company calls them, to support its commercial efforts by developing tailor-made solutions. The company has shifted from merely providing a service to becoming a specialized partner offering consultancy and technology adoption services. As a result, nearshoring revenues grew by 40.8% during the last three years, surpassing TP’s revenue growth rate in Latin America for the same period.

Effectively Tapping a Limited Talent Pool

Intensive growth presents a number of challenges for successful companies of any kind, and is especially true in the CX outsourcing services market. As the size of operations grow, it is challenging to keep the same level of quality and simultaneously recruit the necessary talent to expand headcount. Moreover, finding available bilingual workers is a significant barrier for outsourcers looking to grow their nearshore operations. TP has risen to the challenge on both fronts. On the one hand, the company assures

¹ Frost & Sullivan. "Growth Opportunities in the Customer Experience Outsourcing Services Market in Latin America and the Caribbean, Forecast to 2026."

consistency by deploying global best practices standards for every new operation, including Teleperformance Operational Processes and Standards (TOPS), the Baseline Enterprise Standard for Teleperformance (BEST), and Technology, Analytics, and Process Excellence (T.A.P.). Also, it creates a constant flow of middle-management personnel such as managers, team leaders, and supervisors by leveraging its in-house “Jump!” and “TP University” educational programs.

TP has substantially enhanced its recruitment process by leveraging a myriad of technologies such as Big Data analytics and artificial intelligence (AI). By generating new efficiencies and effectively segmenting the talent pool, TP can reach potential employees with the right job offer at the right time, and by the most suitable medium of contact (whether digital or voice-based). The company also leverages existing employees’ social networks to find new workers that might join TP. By expanding this practice throughout its operations in CALA, TP passed from hiring 100 bilingual agents weekly two years ago, to more than 600 in mid-2020. During that same time period, the company even successfully hired more than 500 bilingual agents in Lima, Peru. In the last decade, competitors have failed to recruit these types of workers whereas TP has developed a sizeable nearshore business in Lima.

Spotting High-growth Opportunities

Since the emergence of the COVID-19 pandemic in March 2020, a company’s capacity to grow in CALA’s CX outsourcing services market has been conditioned by how solid and widespread its work-at-home agent (WAHA) program was. According to Frost & Sullivan research, in May 2020, 65.3% of outsourced agents in the region were working remotely. TP not only surpassed this figure, but also leveraged its pre-COVID-19 WAHA capabilities (i.e., processes, technologies, and people) to allow for a rapid and seamless customer transition. While most providers had little-to-no experience with WAHA and struggled to set up massive remote campaigns, TP generated no major disruptions in its service, thus benefiting its customers with business continuity.

Currently, TP is leveraging its WAHA capabilities to geographically expand the labor pool. In the pre-COVID-19 era during which less than 1% of agents were working remotely, providers were limited to hiring employees close enough to commute to their facilities. WAHA has removed this boundary and allowed providers to recruit from virtually anywhere with an adequate telecom infrastructure. TP is leveraging this advantage to expand its headcount, and has expanded more than any other market participant in CALA. As a result, one-third of new hires are coming from cities where the company does not have facilities. Moreover, TP is strengthening its remote operations by providing Cloud Campus facilities which allow remote employees to meet in person for creativity sessions, trainings, coaching, and other activities that may require face-to-face interactions.

Leadership Focus

Identifying growth opportunities in their early stages is the cornerstone of a growing business. TP’s regional leadership was able to prematurely assess the potential of born-digital companies, subsequently creating structures, processes, and dedicated teams to win these types of clients and be part of their explosive growth. Frost & Sullivan research shows that this market segment is by far the fastest-growing vertical in CALA, with a forecasted compound annual growth rate of 17.7% for the 2019–2025 period. TP has paved the way for sustained growth by partnering with born-digital

companies in spaces such as FinTech, delivery, transportation, and travel and hospitality. As a matter of fact, born-digital companies represent an increasing portion of TP's business in CALA and are forecast to represent close to 50% of TP Colombia's revenue, while the TOP 3 nearshore customers of TP Mexico belong to this vertical.

TP's success with high-growth startups not only derives from its regional focus, but also from having a physical footprint in these companies' native land: Silicon Valley. The Teleperformance Innovation Experience Center in Santa Clara, California, functions as a showroom in which prospects can experience TP's CX approach and its entire value proposition. In the words of TP's chairman and CEO, Daniel Julien: "Being geographically closer allows [TP] to be more integrated in helping these companies find the best and new ways to make their customer experiences simpler, faster, safer". Moreover, many of these start-ups lack solid internal processes in areas such as accounting, operations, and training. As a company specialized in developing efficient processes, TP leverages its expertise to help customers create or reform internal workflows. Similarly, due to a lack of formal processes, some start-ups have significant security gaps. TP plays a fundamental role in assisting such companies by running risk assessment analysis and then developing and implementing the necessary processes and technology to

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secure their operations end-to-end. By providing such robust support for processes that exceed CX, TP becomes a strategic partner and ultimately paves the way for solid, long-term relationships.

Serving as a Digital Business Transformation Partner

TP's performance is not only driven by winning new customers, but by growing within existing ones. To do this, the company acts as a digital business

transformation partner instead of just a contact center provider. To that end, it supports customers in their own digital transformation initiatives. One recent example of this is a major US retailer. In the midst of the COVID-19 pandemic, the company shifted part of its business to food delivery. Such a move required an enormous transformation for the retailer in several departments, such as sales, customer service, accounting, operations, and logistics. TP supported many of these fronts.

First, TP streamlined the sales process by leveraging optical character recognition (OCR), embedded with AI. Recognizing that many US consumers write down their grocery needs, the initiative allowed users to simply take a photo of their list and send it to the retailer. AI-supported OCR not only allowed for efficient, effortless, and asynchronous customer engagement during the chat-based sales process, but also provided an opportunity for the retailer to run cross and up-sales based on consumers' past preferences and purchase history.

Moreover, as consumers during the pandemic doubled-down on using food delivery services, demand for this particular retailer grew exponentially. The company faced the challenge of dealing with an enormous flow of interactions without compromising the customer experience. The use of chat allowed

TP to serve consumers in a timely manner without the need to hire a much larger number of agents, generating significant costs savings for the retailer. Moreover, TP increased the efficiency of its chat agents by implementing its home-grown and proprietary TP Writing tool. TP Writing leverages machine learning to gradually develop a list of limited, pre-established responses to frequently asked questions. The chat agent can choose from this short list to save time and energy, increase productivity, and minimize errors, thus generating significant client savings.

Nevertheless, as the campaign was mostly supported by WAHA agents and encompassed financial transactions such as the use of credit cards, the security of the operations arose as a challenge. The retailer did not have the infrastructure or the systems in place to ensure the security of its digital sales. Therefore, TP updated and implemented its proprietary TP Wallet, a tool that allows consumers to enter credit card information without sharing it with the agent. Yet, securing the transaction was not enough as the US retailer needed to comply with GDPR regulations to make sure consumer data would not be hosted outside of the United States. TP consequently leveraged US data centers to manage the transactions within the country, while still interacting with the consumers from Latin America.

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Conclusion

While many competitors struggle to deal with the challenges emerging from the COVID-19 pandemic, Teleperformance (TP) has thrived by leveraging its robust work-at-home agent program, strong recruiting practices, proprietary technological tools, operational best practices, and futuristic vision to enter high-growth verticals in a timely matter. As a result, TP has developed many long-term relationships with US customers, functioning as their digital business transformation partner and supporting them in their effort to completely transform the customer experience.

With its strong overall performance, Teleperformance earns the 2021 Frost & Sullivan Company of the Year Award in the Latin American nearshore customer experience outsourcing services industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends: Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first to market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

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

