

F R O S T & S U L L I V A N

BEST PRACTICES

AWARDS

F R O S T & S U L L I V A N

2020 BEST PRACTICES AWARD

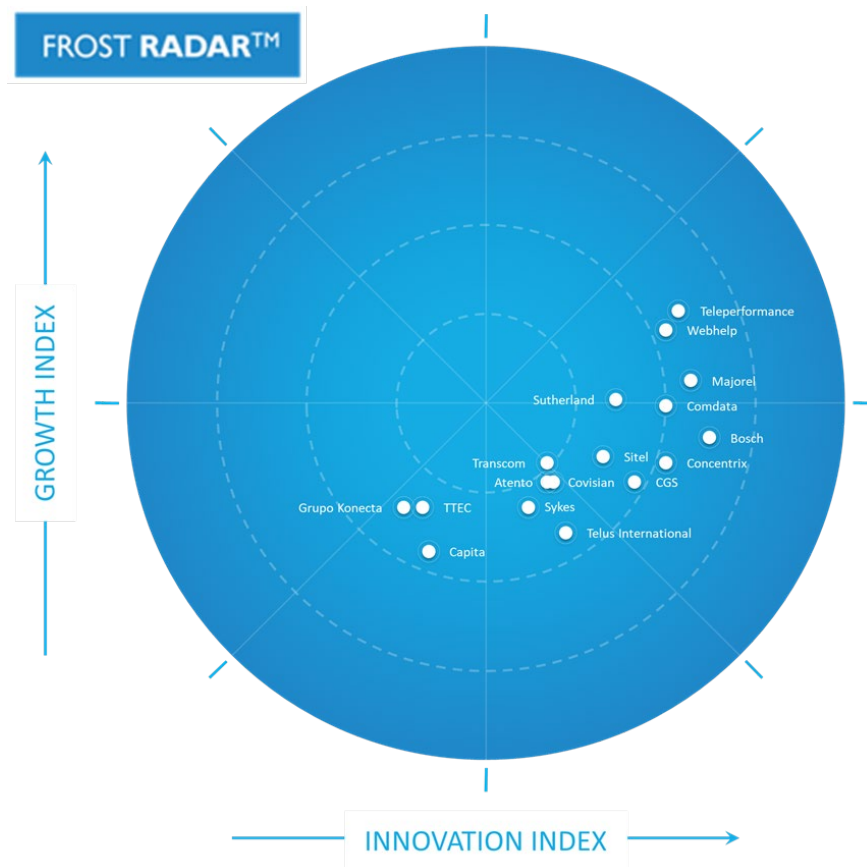


Teleperformance
each interaction matters

**2020 EUROPEAN
CUSTOMER EXPERIENCE OUTSOURCING SERVICES
GROWTH, INNOVATION, & LEADERSHIP FROST RADAR AWARD**

The Frost Radar™

The European Customer Experience Outsourcing Services Market, 2020



Source: Frost & Sullivan

In a field of more than 300 global industry participants, Frost & Sullivan has independently ranked the top 17 companies in the above Frost Radar™ analysis.

The key parameters independently analyzed by Frost & Sullivan include:

- Innovation Scalability
- R&D
- Product Portfolio
- Mega Trends Leverage
- Customer Alignment
- Growth Pipeline
- Vision and Strategy
- Sales and Marketing
- Revenue Growth
- Market Share Growth

Frost & Sullivan studies related to this independent analysis:

- *Europe Contact Center BPO Market, Forecast to 2024*
- *Digital Transformation of Customer Experience in the European BPO Industry, 2020*

The Growth Environment

In an industry constantly challenged by commoditization, outsourcers are deploying advanced technology-enabled solutions and working with partners across the ecosystem to differentiate. The focus is on moving beyond cost and labor arbitrage to customer experience (CX) enhancement. Clients and outsourcers are relying on technology to meet the evolution in customer demand. The change is primarily driven by the growing prevalence of digital-first customers.

Advanced technologies such as Big Data and analytics (BDA), Internet of Things (IoT), artificial intelligence (AI), and machine learning (ML) enable outcomes including robotic process automation (RPA), behavioral and predictive analytics, and image and speech recognition. These create exciting new opportunities for agents to add value in every customer interaction.

Considering that the industry is in growth stage, Frost & Sullivan points out that it is an extremely competitive landscape. The European BPO market is highly fragmented due to the presence of a number of global and local outsourcers. Europe's unique requirements—driven by high demand for onshore/nearshore solutions and the need for support in multiple languages—create opportunities for smaller local market participants and the global leaders.

Frost Radar™ Growth, Innovation & Leadership Award Teleperformance

Teleperformance is the global leader with presence in 80 countries, more than 300,000 employees speaking 265 languages and dialects, and more than 850 clients. Its brand identity emphasizes innovation and technology. The company's leadership position in the Frost Radar reflects the steady and continuous pace of innovation and growth that the company has managed to achieve.

Growth

- The company's organic growth plans focus on integrated digital and omnichannel customer interactions, enhanced capabilities, geographic expansion, and the penetration of high potential sectors.
- With an average growth of approximately 12% in the last 4-5 years, the company beats the industry average by a significant margin.
- Teleperformance's revenues are expected to increase due to its recent acquisition of Intelenet. Going forward, the company considers inorganic growth a critical part of its expansion strategy.

Innovation

- In 2018, the company established Teleperformance Digital Integrated Business Services upon acquiring Intelenet, further expanding its market and capabilities.

- The acquisition enabled inclusion of AI-augmented services, to improve agent performance over time.
- Teleperformance's innovation philosophy is not restricted to technology alone, but includes security and process improvements to improve operational excellence and overall brand.
- The company's "High Tech and High Touch" positioning resonates with clients as it continues to transform from a CX company to a broader business services firm.

Next Steps

- Teleperformance can leverage its close association with clients to test solutions that enhance CX. Global companies can particularly benefit from the company's extended service portfolio.
- Teleperformance should expand its suite of specialized services to augment the value of core offerings by integrating capabilities such as data analytics.

What is the Frost Radar™?

Companies to Action – Benchmarking Future Growth Potential

What is it?

A robust analytical tool that benchmarks companies' innovation focus and growth performance in a given market.

How is it built?

Through in-depth analysis built on Frost & Sullivan's 360-degree research methodology (primary and secondary research) and objective rating of companies in a given market.

Why do you need it?

To understand how companies benchmark against each other in their ability to innovate and grow against a backdrop of industry transformation.

What will it accomplish?

Companies can gain an objective, independent perspective of their innovation and growth strategies, including their robustness, effectiveness, relative competitive strength, and implications for their long-term success.

How to use it?

The Frost Radar™ is a dynamic tracking tool that offers frequent rating and positioning of companies that are leading the industry in growth, innovation, or both. Because of changes in the operating environment and internal organizational changes, their positioning in the Frost Radar™ will change over time. It is important to leverage the Frost Radar™ to ensure that companies are aware of changes to their ecosystem and their relative positions to it.

What does it mean to be on the Frost Radar™?

Companies have been chosen to be in the Frost Radar™ because they have proven themselves to be worthy by demonstrating excellence in growth, innovation, or both, and are able to translate that into proven solutions that benefit their clients.

Growth, Innovation & Leadership Award

The Growth Innovation Leadership (GIL) best practice Award is bestowed on companies that are market leaders at the forefront of innovation. These companies consolidate or grow their leadership position by continuously innovating and creating new products and solutions that serve the evolving needs of the customer base. These companies are also best positioned to expand the market by strategically broadening their product portfolio.

Frost Radar™ – Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

Vertical Axis – The Growth Index

Growth index is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline system; and effective market, competitor, and end-user focused sales and marketing strategies. The elements of this index include:

- **GI1: Market Share (previous 3 years):** This is a comparison of a company's market share relative to its competitors in a given market space for the previous 3 years.
- **GI2: Revenue Growth (previous 3 years):** This is a look at a company's revenue growth rate for the previous 3 years in the market/ industry/category that forms the context for the given Frost Radar.
- **GI3: Growth Pipeline:** This is an evaluation of the strength and leverage of a company's growth pipeline system to continuously capture, analyze and prioritize its universe of growth opportunities.

- **GI4: Vision and Strategy:** This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments the company is making in new products and markets consistent with the stated vision?
- **GI5: Sales and Marketing:** This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

Horizontal Axis – The Innovation Index

Innovation index is a measure of a company's ability to innovate products/services/solutions (with a clear understanding of disruptive Mega Trends) that are globally applicable, are able to evolve and expand to serve multiple markets, and are aligned to customers' changing needs. The elements of this index include:

- **II1: Innovation Scalability:** This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.
- **II2: Research and Development:** This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.
- **II3: Product Portfolio:** This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.
- **II4: Mega Trends Leverage:** This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline.
- **II5: Customer Alignment:** This evaluates the applicability of a company's products/ services/ solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.