



*Teleperformance Recognized for*

**2021**

**Enabling Technology Leadership**

Southern Cone Customer Experience

Outsourcing Services Industry

*Excellence in Best Practices*

## 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 company. Teleperformance excels in many of the criteria in the Sothern Cone Customer Experience Outsourcing Services space.

AWARD CRITERIA	
<i>Technology Leverage</i>	<i>Customer Impact</i>
Commitment to Innovation	Price/Performance Value
Commitment to Creativity	Customer Purchase Experience
Stage Gate Efficiency	Customer Ownership Experience
Commercialization Success	Customer Service Experience
Application Diversity	Brand Equity

### ***Commitment to Innovation***

The customer experience (CX) landscape is changing rapidly. Organizations across the board are realizing the importance of delivering excellent customer service as a competitive differentiator. The market is

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***- Sebastian Menutti, Industry Principal***

becoming much more tech-intensive as emerging tools are able to create a seamless and effortless CX while also significantly reducing costs across front- and back-office operations. The adoption of artificial intelligence (AI), advanced analytics, omnichannel capabilities, natural language processes (NPL), and streamlined security tools plays a vital role in this competitive and dynamic marketplace. Frost & Sullivan observes that many top-tier CX service providers are moving forward to successfully

incorporate more technology into their processes and services. Yet, not all of them achieve a similar level of success. Teleperformance (TP) is one of those few companies in the Southern Cone that managed to transform itself while obtaining solid financial results in the process.

The company leverages its Digital Integrated Business Services (D.I.B.S.) division to integrate digital transformation services into its core offering. To be clear, TP does not sell technology. It provides technology as a service developed as part of its front & back office interaction management services. This enables companies to avoid incurring the high costs of acquiring technologies whose licenses are expensive (e.g., Robotic Process Automation (RPA) licenses). By partnering with TP, companies also avoid periodic management of its maintenance and development, and use the most appropriate technology for each use case to be solved in a pay-per-use scheme. Moreover, organizations that purchase a license to develop RPA in-house end up automating processes that are not fit for automation (as they want to amortize the high price paid for the license) and ultimately detrimental to its business.

Nevertheless, organizations do not partner with TP only for its technology stack, but also for its consultancy, process thinking, and innovation capabilities. Often, clients want to adopt a particular technology or tool, but it might not be optimal. In those cases, TP exercises its advisory role to determine the right approach for each organization and redesigns the CX-related processes to make the customer journey smooth and frictionless. By delivering highly complex services and assuming a trusted advisor and long-term partner position, TP also builds long-lasting relationships with its clients and avoids price-based competition, as many competitors are not able to replicate its innovation capabilities.

### ***Commitment to Creativity***

Organizations across the board are trying to maximize the use of automation, self-service, and AI-based tools to deflect traffic from the contact center. They are looking to save costs, win efficiencies while avoid jeopardizing their CX. While this trend might seem detrimental to any CXSP's business at first glance, TP deliberately supports their clients in this quest. This is achieved by automating customer interactions and mapping the processes facing the customer, identifying friction points, and redesigning those processes to avoid unnecessary customer contacts. TP also leverages solid operational methodologies, including Teleperformance Operational Processes and Standards (TOPS), the Baseline Enterprise Standard for Teleperformance (BEST), and Technology, Analytics, and Process Excellence (T.A.P.), and Lean Six Sigma to deliver continuous process improvement and to realize efficiencies through the entire operation.

While strengthening the back-office processes, TP also guides companies to embrace a digital omnichannel approach and meet customers when, where, and how they want to contact brands. Frost & Sullivan has identified omnichannel capabilities as imperative to providing easy, frictionless, and memorable customer experiences. The push for omnichannel customer engagement is a multi and cross-channel interaction strategy organizations use to ensure a consistent and seamless high-quality customer experience. Moreover, while many organizations still plan and design their customer service strategy based on each interaction channel, customers perceive all the channels they use as one conversation or engagement. Yet, while most organizations in the Southern Cone engage their customers through multiple contact channels, most of them do not have a unified cross-channel contact management strategy. TP helps close this gap by orchestrating a back and front-end strategy, including digital channels and intelligent virtual assistants.

### **Commercialization Success**

Although the pandemic has affected people and economies worldwide, the CXO services landscape has benefited from this situation. Frost & Sullivan identified two factors that are crucial to understanding this positive trend. Firstly, as social distancing measures limited physical encounters, relationships between brands and consumers became primarily digital or on the phone, driving demand for contact centers and remote CX services. Secondly, the pandemic brought about new in-house contact center operations challenges, including managing major remote operations, orchestrating several technologies to facilitate an efficient work environment, and mobilizing investments needed to provide a high-quality CX. Therefore, a growing number of companies began to outsource a more significant portion of their customer interactions and CX practices, which opened up considerable growth opportunities for BPOs. In particular, the Born Digital segment increased its usage of CX outsourcing over the past year and is forecast to continue to drive new business for this market.

However, this robust growth pipeline also brought renewed challenges for service providers and organizations across the board. They needed to respond to a growing number of customer interactions more efficiently. TP demonstrated its ability to manage such a challenge and successfully respond to customers by generating efficiencies and intensively leveraging several technologies such as AI, RPA, NLP, Machine Learning, and Virtual Assistants. Consequently, TP grew its overall business in the Southern Cone, increasing its market share by two percentage points, attaining the market leadership position in Argentina, experiencing double-digit revenue growth, and going from 1,300 to 2,000 agents in Chile. Moreover, due to local challenges in onboarding new employees during the pandemic in both countries, TP relied on its remote work platform, Cloud Campus, and its extensive regional footprint to offshore part of the new work to other countries such as Colombia, Mexico, and Peru.

### **Application Diversity**

TP enjoys a highly diversified client portfolio in the Southern Cone, giving the company the opportunity and the challenge to digitize CX in different industries, such as e-tailing, retail, banks, and financial services, telcos, healthcare, insurance, utilities, government, and automotive. TP is actively engaged in digitally transform customer-oriented processes, as showed below:

- A car manufacturer in Argentina needs to reach out to many customers during one week every month to notify them of upcoming events. The company previously conducted these interactions through voice calls, as it needed to record the conversation. TP developed a voice-based cognitive virtual assistant powered by NLP technology to make outbound calls and maintain live conversations with the customers. The solution constantly improves its understanding of customers' words and problems, increasing its effectiveness. Over 90% of the interactions are now completely resolved without human intervention. As a result, the average handle time (AHT) was reduced by 85% percent while saving the company 29 hours of agent time monthly, allowing it to allocate them to more creative and collaborative tasks. In conjunction with this client, TP established an "annual automation plan" to extend the use of virtual assistants and RPA through its back and front-end processes of adjacent services.

- A large global bank in Chile with over 3.5 million customers needed to notify a segment of them about their early-stage debt with the bank and establish a commitment to pay. This was a costly activity for the company, including over 200 live agents, so TP developed a voice-based cognitive virtual assistant generating a 25% cost reduction, reducing the AHT from 180 to 60 seconds, and achieving a 97% effectiveness.
- In Argentina, a global oil and fuel distributor employed back office agents to manually enter data for a major client that ordered oil every week. TP developed an RPA to automate this data entry task with a 99% effectiveness rate and a 50% cost reduction for the client.
- An Argentinean major beer manufacturer wanted to add WhatsApp as a new channel of contact for their customers. However, being an alcohol distributor, WhatsApp would not grant access to an enterprise account, which would have allowed the company to leverage this platform to chat with end customers. TP developed a QR code and distributed it among the beer manufacturer's major distributors to guide customers to a dedicated chat built by TP to establish a conversation with a live agent or a chat bot. This approach not only permitted costs savings for the client but allowed for a significant increase in the number of customer interactions spurring cross and up-sell opportunities.

### *Customer Service Experience*

While deflecting calls from the contact center, and therefore reducing costs, is an imperative for most organizations, many of them are concerned that automating too much of their customers interactions might jeopardize its overall CX and customer satisfaction (CSAT) levels, as customers might get frustrated if they are unable to interact with the brand in the way that they want. Hence, many of these organizations are looking for a trusted partner that can help them find the right balance between technology and the human touch. Frost & Sullivan observes that companies must move forward with the centralization of data and the automation of tasks and interactions through self-service tools, wherever possible; but human agents must be available for when intuition, emotional intelligence, and the empathy are required to positively impact customer outcomes. TP is aware of this balance and runs a CSAT survey after every automated interaction. The company established that those individuals that would rather speak to a live human are never routed again to a virtual assistant, but directly connected to a live agent the next time they call. This approach avoids customer frustration and provides each customer with its preferred alternative.

Although deflecting calls to reduce costs is imperative for most organizations, many are concerned that automating too many customer interactions will jeopardize its overall CX and customer satisfaction (CSAT) levels. Customers may become frustrated if they cannot interact with the brand in the way they want. Hence, many of these organizations are looking for a trusted partner to help them find the right balance between technology and the human touch. Frost & Sullivan observes that companies must move forward with centralizing data and automating tasks and interactions through self-service tools, wherever possible. Still, human agents must be available when intuition, emotional intelligence, and empathy are required to positively impact customer outcomes. TP is aware of this balance and runs a CSAT survey after every automated interaction. The company established that individuals that would

rather speak to a live human are never routed again to a virtual assistant but instead, directly connected to a live agent the next time they call. This approach avoids customer frustration and provides each customer with its preferred alternative.

Many customers in the Southern Cone are reluctant to engage with a virtual assistant. Over the last five years, some companies implemented inefficient chat-bots, which generated customer frustration as they could not find fast resolutions. Moreover, due to the slower development of virtual assistants' Spanish language capabilities, companies in Spanish-speaking countries have adopted this technology less widely. These two challenges generate a hassle for most organizations looking to leverage virtual assistants to automate customer interactions. TP has overcome both challenges by self-developing chat and voice-based cognitive virtual assistants, which can learn from experience and continuously improve based on lessons learned in past interactions. The high effectiveness attained by TP's virtual assistants brings peace of mind to organizations. They also benefit from at least a 40% cost reduction (compared to the traditional live agent approach).

### **Brand Equity**

TP enjoys substantial brand name equity and considerable mindshare among organizations in the Southern Cone. However, the company must consistently monitor its image and performance to remain relevant. During the COVID-19 pandemic, most CX service providers were challenged to maintain their operations uninterrupted. They had to massively and abruptly send their agents to work at home in a market where remote work was not common. As a result, many providers struggled to keep business continuity, and therefore jeopardized their clients by losing a high amount of customer interactions during this timeframe. On the other hand, TP leveraged its global financial strength to make the necessary investments to smoothly transition 90% of its agents to a secured and tech-intensive remote work environment. As such, it did not lose a single day of operations, and TP strengthened its brand equity during this process. This allowed the company to grow not only with existing clients, but also with new logos.

## **Conclusion**

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Amidst a market demanding emerging technology to streamline the customer journey, Teleperformance (TP) successfully transformed its value proposition to leverage AI-based automation capabilities to win efficacies, reduce costs, and improve the overall customer experience. While guiding its partners to digitize their customer-oriented processes, TP exhibited solid financial results that allowed the company to attain the first position in the Argentinean market and grow exponentially in Chile. With its strong overall performance, Teleperformance earns Frost & Sullivan's 2021 Southern Cone Enabling Technology Leadership Award in the customer experience outsourcing services industry.

## What You Need to Know about the Enabling Technology Leadership Recognition

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Frost & Sullivan's Enabling Technology Leadership Award recognizes the company that applies its technology in new ways to improve existing products and services and elevate the customer experience.

### Best Practices Award Analysis

For the Enabling Technology Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Technology Leverage*

**Commitment to Innovation:** Continuous emerging technology adoption and creation enables new product development and enhances product performance

**Commitment to Creativity:** Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

**Stage Gate Efficiency:** Technology adoption enhances the stage gate process for launching new products and solutions

**Commercialization Success:** Company displays a proven track record of taking new technologies to market with a high success rate

**Application Diversity:** Company develops and/or integrates technology that serves multiple applications and multiple environments

#### *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

## About Frost & Sullivan

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## The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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### Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



## The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

