

FROST & SULLIVAN

AEC

2022
COMPANY
OF THE
YEAR

BRAZILIAN
CUSTOMER SERVICE
OUTSOURCING SERVICES INDUSTRY

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. AeC excels in many of the criteria in the customer service 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

A Market Snapshot

Customer experience (CX) is a critical factor and differentiator in market reputation and customer loyalty. Demand for CX outsourcing (CXO) services has grown steadily in the consumer-centric marketplace as customers demand a more personalized, relevant, proactive, and engaging experience. Frost & Sullivan

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- Samantha Fisher
Best Practices Research Analyst

research finds that a superior end-to-end CX journey builds loyalty and provides upselling opportunities; thus, CXO providers must foster long-term relationships with its clients to gain market trust and earn more business. Moreover, the ongoing push toward digital transformation continues to increase customer needs in the areas of innovation, data management, and cybersecurity. As a result, traditional CX (i.e., person-to-person communication)

and early wave digital solutions (e.g., chat bots) are no longer acceptable.

Automation and artificial intelligence (AI)-based tools are transforming the CXO services landscape, and their relevance in the market is likely to increase in the coming years. Ultimately, driving brand positioning and messaging around innovation and digital transformation will be crucial to vendor success going forward in a market that has not always rewarded change and transformation in the past.

Frost & Sullivan estimates the Brazilian CXO services market will reach \$3,249.10 million USD in 2027, with a compound annual growth rate of about 3.5% from 2019 to 2027.¹ Banks, financial institutions, and telecommunications companies constitute the predominant segments during the forecast period.

Demonstrated Leadership through Continuous Product Innovation

Traditional call center services often require end-users to wait on hold due to lack of a self-service strategy, operator inefficiency, outdated technology, and unmanageable call volumes. In recent years, companies have adopted digital customer contact solutions, such as live chat, to offer improved experiences through automated and efficient responses. However, such solutions still fall short. As more customer service technology trends toward a digital and human response convergence, more companies see the value in outsourcing their customer service and support to third parties designed to handle the increasingly relevant client interactions. Thus, a CXO vendor must harmonize the digital and real worlds to meet businesses' needs, enabling organizations to resolve customer issues efficiently and successfully.

"AeC demonstrates thought leadership and innovative excellence on various fronts, well-positioning it for further growth and opportunities in the near future."

- Juan Manuel González
Research Director

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Founded in 1992 and headquartered in Belo Horizonte, Minas Gerais, Brazil, AeC is a top local provider of CXO services to various industry verticals and segments. AeC offers game-changing CX management services and solutions for front-office and back-office that enable clients to transform their service-related processes digitally. The company differentiates from the competition by assembling solutions based on the customer's maturity level and needs. AeC views these sophisticated and homespun products as a rope with many fibers, with each technology playing a role in a holistic solution. Once tied together, these fibers provide a robust solution that outperforms competing one-size-fits-all products, well-positioning AeC as a pioneer in the market. The company demonstrated strong innovation during 2020 and 2021, allowing it to thrive during the pandemic. Some of its key innovations include Agente em Casa (work-from-home solution), Digital AeC Platform (CX digitalization product), and Speech Analytics and Automation. Moreover, the company continues to capitalize on its flagship product, the Robbyson Platform, a people management platform that eliminates siloed processes via communication and visualization between managers and their teams. Frost & Sullivan applauds AeC for its key strength in product innovation, as the company continues to deliver best-in-class solutions to customers' specific needs.

A Customer-centric Approach Driving Unmatched Client Experience

AeC's collaborative spirit goes beyond its extensive expertise and best-in-class capabilities, with customer value as a strategic imperative. Through the years, the company has earned a sterling reputation supporting its customers throughout their journeys. Unlike many of its competitors, AeC focuses on being a true partner rather than just a vendor. To this end, the company engages directly with the customer to forge a long-term relationship, which is a challenge in the industry. Many enterprises look for a CX company that will do more than provide bare-minimum representatives and occasionally engage with the client. These enterprises look for operational efficiency, financial stability, and governance capabilities.

¹ *Customer Experience Outsourcing Services Market in Brazil* (Frost & Sullivan November 2021)

AeC excelled on all three fronts during 2021, and it continually seeks to grow with its customers, engage regularly, and challenge them to improve their chain of service.

To be successful, AeC trains and delivers superb representatives that become a part of the customer's team. The company achieves this by leveraging AI and machine learning to identify key traits and characteristics of future employees. AeC also provides continuous training and retraining as determined by the Robbyson Platform. These CX teams must reflect the customer's brand while operating as employees of AeC and engaging with end-users.

Since the Brazilian market is highly competitive, AeC leverages its key strengths, such as seamlessly managing large-scale and small boutique operations, flexible pricing, and an innovative product portfolio, to remain competitive. Also, the company's keen customization for each customer's needs is a significant differentiator. AeC believes companies must integrate CX into every facet of their business; it must be a habit. As a result, the company created a new department at the end of 2021, helmed by a director responsible for CX and employee experience (EX). This individual assembles all the ropes in a cross-section with every vertical the company addresses, designing solutions for each client. The goal is to unite critical facets of CX and EX, such as transparency, seamless and collaborative work environments, organization, and engagement, thus aligning with the client's and end-user's needs. The director of this department collaborates with clients to develop a CX strategy built on forecasted trends, current technologies, and customer needs. This strategy enables the client to stay one step ahead of their consumers, resulting in agility for quick adaptation and responsiveness. Frost & Sullivan finds that AeC's seamless and frictionless approach and close relationships position it as a partner of choice.

Achieving Financial Success through a Customer-centric Approach

AeC is at the forefront of the Brazilian CXO services market with a solid footprint of 17 sites in 11 cities within the country and more than 40,000 employees. With a deep-rooted history of purpose-fit innovation, the company shapes the industry's trends, impacting its role in the outsourcing arena.

AeC recorded a 23% growth rate in 2021, exceeding its initial 21% projection. The company also saw growth in terms of customers, with 42 new client acquisitions. AeC experienced significant internal growth, as it reports almost 4,000 promotions in its team. By promoting internally, the company recognizes the strength of its employees and rewards performance. Furthermore, it differentiates from many competitors by maintaining a light corporate structure as it does not have regional positions that oversee a group of countries. With the 23% growth in 2021, AeC reports its leadership structure continues to lighten further.

Additionally, AeC is well-positioned in traditional markets (such as banks and telecommunications) because it is competitive and efficient in cost and productivity, enabling it to gain market share with large clients. Moreover, the company is also gaining share with born-digital organizations that are experiencing explosive growth in Brazil, specifically as the world recovers from the COVID-19 pandemic. As a result, AeC has grown into a first-choice position for new customers seeking outsourced CX services. The firm's agility enables it to have new projects available for clients with 30 days' notice. Its operations are also scalable depending on the client, as it is capable of working with boutique operations and enterprises with

7,000 employees. Frost & Sullivan finds AeC demonstrates thought leadership and innovative excellence on various fronts, well-positioning it for further growth and opportunities in the near future.

Conclusion

Customer service solutions continue to evolve as more industries digitally transform. The headwinds of change that gripped customer care in 2020 and 2021 created plenty of customer experience growth opportunities, further accelerating key trends, and highlighted the importance of the end user satisfaction. Overall, AeC addresses these unmet needs with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practices implementation. The company excels as a True Partner to its customers, working closely with them throughout their journey and empowering them with best-in-class technology and representation.

With its strong overall performance, AeC earns Frost & Sullivan's 2022 Brazil Company of the Year Award in the customer service 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

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

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)**

