FROST & SULLIVAN

2024

PRODUCT
LEADER

*IN THE FRENCH
AI INNOVATION
INDUSTRY*

diabolocom

FROST & SULLIVAN

2024 **BEST
PRACTICES
AWARD**

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. Diabolocom excels in many of the criteria in the AI Innovation space.

AWARD CRITERIA

Product Portfolio Attributes	Business Impact
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

Addressing the Needs of the Market

Companies across the globe are faced with growing customer experience challenges. Customers expect excellent and personalized interactions with businesses. According to a recent Frost & Sullivan 2023 customer contact leader survey, the number of customer interactions, especially digital, continue to increase. Ninety-three percent of customer contact centers saw an increase or the same level of customer interactions in 2022 than the previous year. Companies are turning to artificial intelligence (AI) to better manage the higher number of customer interactions and to deliver improved CX. This is clearly resonating with customers as over 94% of businesses also indicated that the benefits of AI include enhanced CX.

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>
> - Bernie Arnason
> Industry Principal, ICT

As a leading contact-center-as-a-service (CCaaS) provider in Europe, Paris-based Diabolocom recognizes the value of AI can bring in addressing the twin challenges of handling the complexities of increased interactions against a backdrop of higher customer expectations and has developed a product portfolio to address it. Rather than relying on third-party large language models (LLMs) providers and infrastructure, Diabolocom chose to develop its own. Diabolocom has complete control over its AI roadmap and can design applications that are focused on improving CX for its customers. Its current AI-infused CX applications are multi-lingual-

capable and include automated interaction transcription and summarization, voice bots, sentiment analysis, agent assist co-pilot, quality monitoring, and advanced analytics. The solution can be deployed on any underlying CCaaS platform, including non-Diabolocom platforms, with application programming interfaces (APIs).

Positioning Diabolocom AI in the Marketplace

By developing its own AI portfolio and LLMs, Diabolocom has taken a proprietary approach to its AI solution. Leveraging its 18-year experience as a CCaaS provider, it trains its AI models with its own data and open source datasets. The company is not depending on outside LLM development from companies such as Google and OpenAI. This allows Diabolocom to host its AI platform on a sovereign European cloud, meeting an important requirement for European-based cloud offers. The company is actively pursuing differentiated AI-powered solutions such as automation of some next step actions across a customers' CX journey.

Innovative by Design

An area of innovation focus that the company aims to exploit is increased automation. Using a low code/no code environment, Diabolocom AI enables automation on the platform itself and through integration of third-party applications via API. One example includes dynamic ticketing through a ServiceNow API. In this example, if a customer reports a service problem through voicemail, Diabolocom's AI will listen to that voicemail and automatically create a service ticket in ServiceNow without any human interaction. Currently, the company supports native integrations for this type of automation for Zendesk, Microsoft Dynamics, Salesforce, Oracle CX Cloud, and SAP. Other integrations work through APIs. "The Diabolocom AI solution has enhanced our customer experience and increased staff productivity by reducing the need for manual voicemail handling," reports Diabolocom customer Culligan. This same automation capability can be applied to other channels, including email and chatbots.

> "Diabolocom has implemented a specific growth strategy for its AI platform that should help drive overall growth for the company. The company markets its AI solution as natively integrated with its own CCaaS platform, but also markets it as an AI solution for other CCaaS platforms through APIs, expanding its AI reach."
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Another example of this automation innovation includes the ability to address individual interactions that suffer from a low CSAT score. Through sentiment analysis, Diabolocom AI can detect a low CSAT interaction and automatically place that customer into a company-defined automated response that addresses the reasons for the low CSAT interaction without any human intervention. One Diabolocom customer, Carrefour, has identified this feature as helping to improve its NPS. "We have found a perfect correlation between Diabolocom sentiment analysis and the post-interaction customer evaluation providing the NPS," the company reports.

Creating Value with AI

One benefit of developing its own AI offering is Diabolocom's ability to control pricing and other value factors. Because it uses its own LLMs, Diabolocom does not incur any token or API costs associated with

the use of third-party LLMs like those from OpenAI and can pass on this lower cost AI production to its customers.

More value through increased productivity is a shared goal for companies that deploy AI solutions. Diabolocom is achieving this value goal with its AI platform. For instance, Culligan reports that the use of Diabolocom's automated voicemail ticketing system has resulted in a 50% increase in voicemail handling productivity.

Growth Potential

Diabolocom has implemented a specific growth strategy for its AI platform that should help drive overall growth for the company. The company markets its AI solution as natively integrated with its own CCaaS platform, but also markets it as an AI solution for other CCaaS platforms through APIs, expanding its AI reach. In addition to selling APIs directly to potential customers, Diabolocom is leveraging an integrator channel partner network that also markets the API option, expanding Diabolocom's reach well beyond France. The company will soon release a marketplace for API adds-on where integration partners will be able to develop or publish bespoke applications integrated with Diabolocom APIs. Diabolocom has over 350 customers across 60 countries and reports that dozens of its customers have already adopted its AI solution, leaving considerable room for growth. At €23 million in annual revenue, the company achieved 25% growth in 2023.

Leaning on its Human Capital for an Innovation Culture

With 150 employees across 8 global office locations, Diabolocom relies on its people and its culture to drive innovation. Across its 18-year lifespan the company has a legacy of developing its own technology roadmap including its globally available telecom network and private cloud infrastructure. The company's culture blends entrepreneurship and engineering to create products that are laser focused on improving its customer's CX. Two-thirds of its team hold engineering degrees including several Ph.Ds.

Conclusion

The introduction of AI into the CX ecosystem has raised the bar for innovation. It's no longer enough to just launch AI solutions. Companies must leverage their AI capabilities to introduce new innovations in the market that help them to differentiate their product portfolio and drive incremental growth. Diabolocom has achieved this mission with its AI platform thanks to its unique approach and its initial automation innovation. With its strong overall performance, Diabolocom earns Frost & Sullivan's 2024 AI Innovation in French Product Leadership Award.

What You Need to Know about the Product Leadership Recognition

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

Best Practices Award Analysis

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

Product Portfolio Attributes

Match to Needs: Customer needs directly influence and inspire the product portfolio's design and positioning

Reliability and Quality: Products consistently meet or exceed customer expectations for performance and length of service

Product/Service Value: Products or services offer the best value for the price compared to similar market offerings

Positioning: Products serve a unique, unmet need that competitors cannot easily replicate

Design: Products feature innovative designs, enhancing both visual appeal and ease of use

Business Impact

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

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

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™.

Learn more.

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)