

FROST & SULLIVAN  
BEST PRACTICES



2026

NORTH AMERICAN  
CUSTOMER EXPERIENCE  
MANAGEMENT

**TECHNOLOGY INNOVATION  
LEADERSHIP**

**Transcom**

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## Best Practices Criteria for World-class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each recognition category before determining the final recognition recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Transcom excels in many of the criteria in the customer experience management space.

RECOGNITION CRITERIA	
<i>Business Impact</i>	<i>Technology Leverage</i>
Financial Performance	Commitment to Innovation
Customer Acquisition	Commitment to Creativity
Operational Efficiency	Stage Gate Efficiency
Growth Potential	Commercialization
Human Capital	Application Diversity

### The Transformation of North America’s CXM Market

The North American customer experience management (CXM) market is entering a period of structurally constrained growth, defined less by volume expansion and more by productivity, technology intensity, and delivery optimization. Frost & Sullivan forecasts the market to grow from \$35.4 billion in revenue in 2024 to \$38.9 billion by 2030, representing a 1.6% compound annual growth rate.<sup>1</sup> While this headline growth remains modest, it masks a significant underlying transformation as enterprises reassess customer engagement delivery, measurement, and monetization. Persistent price compression, rising service complexity, and increasing expectations for measurable outcomes are forcing buyers to move beyond traditional labor-based CX models toward more technology-enabled, insight-driven engagements. At the same time, workforce dynamics underscore the urgency of this shift. Frost & Sullivan projects the total North American CXM labor pool to decline at a -0.7% CAGR through 2030, decreasing from approximately 1.67 million full-time equivalents (FTEs) in 2024 to 1.59 million FTEs by the end of the forecast period.<sup>2</sup> This contraction is the result of accelerating automation, productivity gains, and the reconfiguration of work across offshore, nearshore, and digitally augmented delivery models.

Work-at-home agent roles continue to decline sharply, while brick-and-mortar and offshore models consolidate around higher efficiency and tighter cost control. As a result, enterprises face the dual

<sup>1</sup> *Customer Experience Management in North America, Forecast to 2030* (Frost & Sullivan, November 2025)

<sup>2</sup> *Ibid.*

challenge of sustaining service quality with fewer frontline resources while simultaneously extracting greater value from every interaction.

These market conditions are reshaping competitive advantage in CXM. Buyers increasingly favor partners that can combine artificial intelligence (AI)-enabled productivity, pragmatic automation, advanced analytics, and global delivery flexibility to offset labor constraints and margin pressure. Within this environment, service providers that successfully integrate AI into people-led CX, enhancing agent performance, accelerating insight generation, and enabling scalable execution, are best positioned to lead. It is against this backdrop of modest growth, declining FTE availability, and rising performance expectations that Transcom has advanced a technology innovation strategy designed to redefine value creation in the North American CXM market.

### Pragmatic AI Innovation Anchored in Real CX Outcomes

*“Through this execution-first innovation model, Transcom demonstrates that technology leadership in CXM relies on deploying AI at scale across geographies and verticals while delivering consistent, measurable outcomes. The company pairs this pragmatic approach with an embedded CX Advisory practice that integrates directly into its core CX services rather than operating as a standalone consulting layer, enabling continuous, insight-led optimization.”*

**- Manuel Albornoz**  
**Best Practices Research Analyst**

Transcom defines its technology innovation strategy through pragmatism, focusing on applying AI where it delivers measurable operational and customer impact rather than pursuing experimentation detached from real-world CX environments. In a market increasingly saturated with generic AI claims, Transcom clearly differentiates itself by grounding innovation in clearly defined use cases across automation, agent enablement, and analytics. This approach reflects a deliberate shift from technology as a showcase to technology as an operational asset: one that improves efficiency, consistency, and decision-making across large-scale CX operations.

At the core of this strategy is a structured AI solution framework that segments innovation into auto-pilot, co-pilot, and analytics and data capabilities. Auto-pilot solutions target repetitive, high-volume tasks through intelligent automation, reducing handling time and operational friction while maintaining service continuity. Co-pilot solutions are designed to augment customer experience teams by providing real-time guidance, contextual knowledge, and decision support during live interactions. Analytics and data solutions convert vast volumes of interaction data into actionable insights that clients can operationalize, addressing a persistent market gap between insight generation and execution. This modular structure enables Transcom to tailor deployments based on client maturity, risk tolerance, and business objectives.

Importantly, direct exposure to client challenges shapes Transcom’s innovation philosophy, particularly the growing skepticism around AI return on investment (ROI). Many North American enterprises initially overestimated AI’s ability to fully displace people, only to encounter service degradation, regulatory concerns, or limited cost savings. Transcom responds to this reality by positioning AI as a productivity and quality multiplier. By embedding AI into frontline workflows (such as language translation, real-time agent assistance, and conversational analytics), the company helps clients stabilize performance while

extracting greater value from a constrained labor pool. This emphasis on-led, AI-enabled CX directly addresses unmet customer needs for reliability, compliance, and sustained experience quality.

The company further reinforces its technology innovation through an advisory-led deployment model. Transcom leverages its CX advisory and solutions teams to assess process readiness, data quality, and change management requirements before implementation. This approach reduces adoption risk and accelerates time to value by embedding innovation into day-to-day operations rather than isolating it within pilot environments. As a result, clients benefit from AI solutions that integrate tightly with existing platforms and commercial models, including outcome-based pricing structures that align incentives around resolution quality and total cost of ownership.

Through this execution-first innovation model, Transcom demonstrates that technology leadership in CXM relies on deploying AI at scale across geographies and verticals while delivering consistent, measurable outcomes. The company pairs this pragmatic approach with an embedded CX Advisory practice that integrates directly into its core CX services rather than operating as a standalone consulting layer, enabling continuous, insight-led optimization. This combination establishes a solid foundation to address labor constraints, pricing pressure, and rising service complexity.

#### **Anticipating the Human–AI CX Model Shift**

The CXM industry is undergoing a recalibration in how AI shapes service delivery. Early enthusiasm around fully autonomous CX models has given way to a more measured, experience-driven perspective that recognizes the enduring importance of human judgment, empathy, and contextual decision making. While automation and digital channels continue to expand, enterprises increasingly exercise caution around over-automation in high-stakes or emotionally complex interactions. In this environment, CX innovation leadership depends less on replacing involvement from people and more on enabling it effectively.

Transcom addresses this shift by using AI-based training as a practical mechanism to strengthen human performance on a scale. Rather than treating training as a one-time onboarding activity, the company embeds AI-driven learning directly into live CX operations. AI analyzes real customer interactions, automates quality evaluation, and continuously feeds insights into agent coaching, role play, and performance improvement workflows. Training evolves in real time through interaction analysis, automated quality monitoring, scenario-based simulation, and integrated multilingual capabilities. Accent normalization, transcription, and language translation connect seamlessly with training and quality assurance systems, allowing agents to learn from authentic multilingual interactions while improving clarity, tone, and compliance across markets.

This execution model connects directly to buyer priorities around reliability, compliance, and trust. By grounding training in actual customer behavior rather than scripted scenarios, and by extending multilingual support beyond literal translation to include cultural and contextual understanding, Transcom aligns its technology roadmap with the realities of regulated and global CX environments. This approach carries particular relevance in North America, where enterprises face heightened scrutiny around data privacy, bias, and transparency, and where onshore delivery remains critical in certain industries. By embedding governance, explainability, and multilingual AI-driven training into day-to-day workflows,

Transcom reduces operational and reputational risk while strengthening execution discipline across complex CX operations.

Megatrends shaping this shift include declining frontline labor availability, rising interaction complexity, and increasing demand for outcome-based commercial models. As interaction volumes stabilize and FTE growth slows, enterprises must extract more value from every engagement. Transcom's leadership recognizes that AI's most transformative role lies in augmenting decision quality, accelerating insight

*"Clients increasingly associate the Transcom brand with responsible AI adoption, disciplined execution, and consistent delivery at scale. By converting AI-enabled CX capabilities into margin expansion, client acquisition, sector leadership, and financial resilience, the company aligns innovation with business performance."*

**- Sebastian Menutti**  
**Industry Director**

generation, and reducing cognitive load on agents. This vision reframes CX operations from cost centers into intelligence engines that generate real-time customer insight to inform marketing, product design, and retention strategies.

Transcom also anticipates a growing bifurcation in AI adoption maturity across clients. While digitally native organizations push advanced use cases, many regulated or legacy enterprises require staged adoption paths. By acknowledging this reality, Transcom avoids the common industry pitfall of over-promising AI readiness. Its leadership approach emphasizes flexibility, optionality,

and client-specific pacing, ensuring that innovation remains aligned with organizational culture and risk tolerance. This adaptability reinforces trust and strengthens long-term client relationships, even as technology capabilities evolve.

### **Use Case: People-Led AI Enablement without New Technology Spend**

A leading visual discovery and social curation platform partnered with Transcom to consolidate CX operations and improve efficiency across regions. Rather than recommending new platforms, Transcom advised the client to better leverage its existing technology stack by aligning internal teams, improving AI literacy, and embedding CX and Digital Advisory support. This approach enabled redesigned training programs, multi-market chat deployment, and gradual volume consolidation from incumbent providers.

Through this future-oriented lens, Transcom's technology strategy articulates a credible vision for how CX organizations will operate in a low-growth, high-complexity environment. By anticipating the shift toward people-led, AI-augmented service models, the company demonstrates visionary leadership that aligns megatrends, customer expectations, and technology evolution into a coherent roadmap for sustainable differentiation.

### **Executing Innovation at Scale through Best Practices**

Technology leadership in the CXM industry ultimately depends on execution. While many providers articulate compelling AI visions, few successfully operationalize innovation across geographies, verticals, and client maturity levels. Transcom distinguishes itself by pairing its technology roadmap with a structured execution model that emphasizes governance, scalability, and integration into core service delivery.

A central element of Transcom's execution strength is its CX advisory-led implementation framework, anchored in the CX Compass structure. This framework adapts to each client's growth stage, whether start-up, mid-market, or enterprise, and rests on three core pillars. Strategic planning tailors roadmaps to operational maturity, human-centered design applies design thinking to understand real user needs and friction points, and intelligent integration embeds AI and automation as complements to people expertise. Before deploying AI-enabled solutions, Transcom conducts a diagnostic assessment that combines experience mapping with interviews with frontline teams to surface issues that data alone often misses. This disciplined approach is particularly critical in North America, where regulatory complexity, unionized labor environments, and brand risk sensitivity demand careful execution.

Transcom further embeds best practices through tight integration between technology teams and frontline operations. Advisory teams analyze and redesign workflows to drive process excellence and improve agent performance before introducing automation. Operational leaders co-develop and validate AI solutions based on real-world CX constraints, ensuring relevance and usability. Data and technology selections follow a structured evaluation of business objectives and data infrastructure to maximize ROI.

AI advisory services then define practical transformation roadmaps, including use cases such as automated translation and sentiment-based insight generation. This cross-functional governance model ensures that automation logic, agent assist tools, and analytics outputs align with service level agreements, quality frameworks, and compliance standards, improving consistency and predictability across delivery environments.

Scalability is reinforced through standardized deployment playbooks and phased implementation. Following discovery and design, Transcom executes building and deployment with full transparency. Once solutions demonstrate value, the company codifies implementation steps, performance benchmarks, and change management practices, enabling replication across clients and regions without reengineering. This repeatability is critical, as it allows Transcom to scale innovation without proportional increases in cost or operational complexity. Clients benefit from faster time to value as AI becomes embedded into day-to-day CX delivery.

Equally important, Transcom applies continuous optimization to keep innovation aligned with evolving business conditions. Interactive dashboards track operational metrics such as handle time, resolution quality, agent productivity, and customer satisfaction. Feedback loops between analytics teams, operations leaders, and client stakeholders support ongoing refinement.

#### **Use Case: A fashion subscription service achieved a smooth CX Carve-Out with Day-One Continuity**

A fashion subscription service required a complete separation from its former parent organization's CX and technology environment, with uninterrupted service from day one. Transcom's CX Advisory team led the transition through a phased execution model that separated training, processes, and key performance indicators (KPIs) while establishing an independent operating baseline. The team introduced and benchmarked relevant third-party CX platforms, supported requirements definition and integration, and deployed AI Agent Assist, enhanced routing logic, and chatbot optimization.<sup>3</sup> The engagement resulted in

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<sup>3</sup> F&S Discussion with Transcom (December 2025)

a fully independent, scalable CX operation launched on schedule, demonstrating Transcom's ability to execute high-risk carve-outs through disciplined, tech-agnostic execution.

Through disciplined governance, advisory-led deployment, and repeatable execution, Transcom converts strategic intent into measurable impact, strengthening its position as a reliable transformation partner in the North American CXM market.

### Converting Technology Leadership into Business Impact

In a North American CXM market defined by modest topline growth and structural labor constraints, Transcom maintains revenue stability while improving profitability, an outcome that underscores the effectiveness of its technology-led operating model. The company generated €743 million in full-year 2025 revenue, representing 1.2% organic growth year-over-year, while expanding margins through productivity gains, delivery optimization, and a higher-value service mix.<sup>4</sup>

Profitability improvements clearly show that the company embeds innovation into core operations. earnings before interest, taxes, depreciation, and amortization (EBITDA) reached €100 million for full-year 2025, with margins expanding to 13.5% from 12.4% in 2024 — a 1.1% point improvement that reflects the operating leverage embedded in Transcom's AI-enabled delivery model.<sup>5</sup> These results demonstrate the company's ability to decouple performance from linear labor growth by embedding automation, agent augmentation, and analytics into day-to-day CX delivery. In this context, innovation functions as a durable lever for margin resilience.

In 2025, Transcom secured 174 client wins, including 60 new client relationships, demonstrating sustained competitiveness as enterprises become more selective in choosing CX partners. Digital and AI penetration with existing clients reached 56%, up from 43% in Q4 2024, while AI and digital components featured in over 80% of new business pipeline activity — up from 32% in Q4 2024 — signaling that AI-enabled delivery is becoming a baseline buyer expectation.<sup>6</sup> This performance reflects the company's ability to clearly articulate and deliver measurable outcomes tied to AI-enabled productivity, quality improvement, and operational transparency. A growing sales pipeline further reinforces its position as a trusted transformation partner rather than a commoditized service provider.

Delivery optimization further contributes to business impact. Nearshore and offshore operations account for more than half of Transcom's revenues and represented 68% of 2025 client wins (46% of which were fully offshore) allowing the company to balance cost efficiency with service consistency at scale.<sup>7</sup> This delivery mix enhances scalability and reduces exposure to localized labor shortages, reinforcing Transcom's ability to deliver predictable outcomes in a volatile operating environment. At the same time, Transcom maintains strong onshore execution capabilities for engagements that demand heightened regulatory compliance, data sensitivity, or client-mandated delivery models.

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<sup>4</sup> Transcom Q3 Report 2025 (October 2025)

<sup>5</sup> Ibid.

<sup>6</sup> F&S Discussion with Transcom (December 2025)

<sup>7</sup> Ibid.

### **Use Case: A Leading American Multinational Medical Devices and Health Care Company Drove Rapid Automation Under Regulatory Constraints**

A leading American multinational medical devices and health care company engaged Transcom to support multiple United States-based healthcare operations under strict regulatory and onshore delivery requirements. Shortly after the July 2025 launch, Transcom established a joint center of excellence and embedded process and technology specialists into the program. Within six to eight weeks, the team implemented targeted automation that reduced manual documentation, improved data accuracy, and increased agent efficiency.<sup>8</sup> These early actions delivered measurable operational improvements while maintaining full healthcare compliance, with additional insight-driven optimization initiatives planned.

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## **Conclusion**

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Transcom's technology strategy demonstrates how pragmatic AI adoption can deliver sustained value in a CXM market defined by modest growth, pricing pressure, and tightening labor dynamics. By embedding AI into live operations, aligning innovation with people-led service models, and executing with discipline at scale, the company improves productivity, protects margins, and strengthens commercial performance without sacrificing service quality or trust. Its ability to convert technology into measurable outcomes across financial performance, client acquisition, and delivery optimization reflects a mature, execution-driven approach to innovation. In doing so, Transcom positions itself as a resilient and forward-looking CX partner capable of navigating complexity while delivering consistent business impact.

With its strong overall performance, Transcom earns the 2026 Frost & Sullivan North American Technology Innovation Leadership Recognition in the customer experience management industry.

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<sup>8</sup> Ibid.

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

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Frost & Sullivan's Technology Innovation Leadership Recognition is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

### Best Practices Recognition Analysis

For the Technology Innovation Leadership Recognition, 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:** 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

#### Business Impact

**Financial Performance:** Strong overall business performance is achieved in terms of revenue, 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:** Leveraging innovative technology characterizes the company culture, which enhances employee morale and retention

## Best Practices Recognition Analytics Methodology

### Inspire the World to Support True Leaders

This long-term process spans 12 months, beginning with the prioritization of the sector. It involves a rigorous approach that includes comprehensive scanning and analytics to identify key best practice trends. A dedicated team of analysts, advisors, coaches, and experts collaborates closely, ensuring thorough review and input. The goal is to maximize the company’s long-term value by leveraging unique perspectives to support each Best Practice Recognition and identify meaningful transformation and impact.

STEP		VALUE IMPACT	
		WHAT	WHY
1	<b>Opportunity Universe</b>	Identify Sectors with the Greatest Impact on the Global Economy	Value to Economic Development
2	<b>Transformational Model</b>	Analyze Strategic Imperatives That Drive Transformation	Understand and Create a Winning Strategy
3	<b>Ecosystem</b>	Map Critical Value Chains	Comprehensive Community that Shapes the Sector
4	<b>Growth Generator</b>	Data Foundation That Provides Decision Support System	Spark Opportunities and Accelerate Decision-making
5	<b>Growth Opportunities</b>	Identify Opportunities Generated by Companies	Drive the Transformation of the Industry
6	<b>Frost Radar</b>	Benchmark Companies on Future Growth Potential	Identify Most Powerful Companies to Action
7	<b>Best Practices</b>	Identify Companies Achieving Best Practices in All Critical Perspectives	Inspire the World
8	<b>Companies to Action</b>	Tell Your Story to the World (BICEP*)	Ecosystem Community Supporting Future Success

\*Board of Directors, Investors, Customers, Employees, Partners

