![Everest Group Research]

Contact Center Outsourcing (CCO) Market for the Healthcare Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2017

Contact Center Outsourcing (CCO)
Market Report: January 2017 – Preview Deck

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Subscription information

- The full report is included in the following subscription(s)
  - **Contact Center Outsourcing (CCO)**
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Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Background and scope of the research

Background of the research

The healthcare CCO market continued its growth trajectory at 8-10% in 2015-2016, above the market rate of the global CCO market to reach an overall size of US$7.0-7.5 billion. Compared to the last few years which witnessed a period of high-growth triggered by favorable healthcare policies and government regulations in U.S. market, growth came down a bit in 2015. Over the last two years, consumerism has increased within the healthcare industry which has given rise to the need for year-round healthcare support. This is expected to be a core driver of future growth in the global healthcare CCO market. CCO service providers also look to diversify buyer portfolios of healthcare CCO clients with more pharmaceuticals and life sciences players, who are looking to leverage the expertise of these CCO service providers to enhance their customer service quality. Hence, a third category of buyers belonging to pharmaceuticals and life sciences buyers is also included in this study alongside payers and healthcare providers.

In this research, we analyse the CCO market across several dimensions:
- Market overview and buyer adoption trends
- Healthcare CCO PEAK Matrix 2017
- Key insights on PEAK matrix dimensions

The scope of analysis includes:
- More than 2,500 active CCO deals (as of December 2015) tracked annually by Everest Group
- Global coverage across all major languages, geographies, channels, and industries
- Coverage across 13 CCO service providers including, Aegis, Alorica, Concentrix, Conduent, Conduit Global, Convergys, Dell, HGS, iQor, Teleperformance, Teletech, Sutherland, and Wipro

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Overview and abbreviated summary of key messages

This report provides an overview of the Contact Center Outsourcing (CCO) market for the healthcare industry. The analysis includes market size and growth (up to 2016), buyer adoption & scope trends, service provider landscape, service provider positioning on the Everest Group PEAK Matrix, and assessment of the service provider delivery capabilities

Some of the findings in this report, among others, are:

Healthcare CCO market overview and buyer adoption trends	● The global healthcare CCO market currently stands at US$7.0-7.5 billion in revenue, and grew at 8-10% CAGR in the last 12-18 months ● Payers contribute to the highest volumes and revenue in the industry, but new growth is being driven from other segments in the market such as pharmaceuticals, providers, and medical devices ● Voice remains the most preferred channel for healthcare CCO, driven by demographics constituting older generation consumers and the urgency of information involved while seeking healthcare support

Service provider landscape and PEAK Matrix 2017	● Everest Group's PEAK Matrix categorizes healthcare CCO service providers into Leaders, Major Contenders, and Aspirants, based on their market success and overall MSP delivery capability
	● Based on Everest Group's 2017 CCO PEAK Matrix for healthcare, the 13 established service providers evaluated are segmented into three categories:
	  – **Leaders:** Alorica, Conduent, and Teleperformance
	  – **Major Contenders:** Concentrix, Convergys, Dell, HGS, iQor, Sutherland Global Services, TeleTech, and Wipro
	  – **Emerging Players:** Aegis and Conduit Global

Healthcare CCO service provider commentary	● Everest Group delineates each of the 13 service provider's strengths and areas of improvement ● The in-depth commentary is intended to help service providers, enterprise buyers and other stakeholders to understand the current situation and possible future direction of the provider landscape

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Everest Group's CCO research is based on multiple sources of proprietary information

1

- Proprietary database of **2,500+ CCO contracts** (updated annually)
- The database tracks the following elements of each CCO contract:
  – Buyer details including industry, size, and signing region
  – Contract details including Total Contract Value (TCV), Annualized Contract Value (ACV), term, start date, service provider FTEs, and pricing structure
  – Scope including buyer geography and functional activities
  – Technology including Customer Relationship Management (CRM) technology, communication technology, and enabler technology ownership & maintenance
  – Global sourcing including delivery locations and level of offshoring
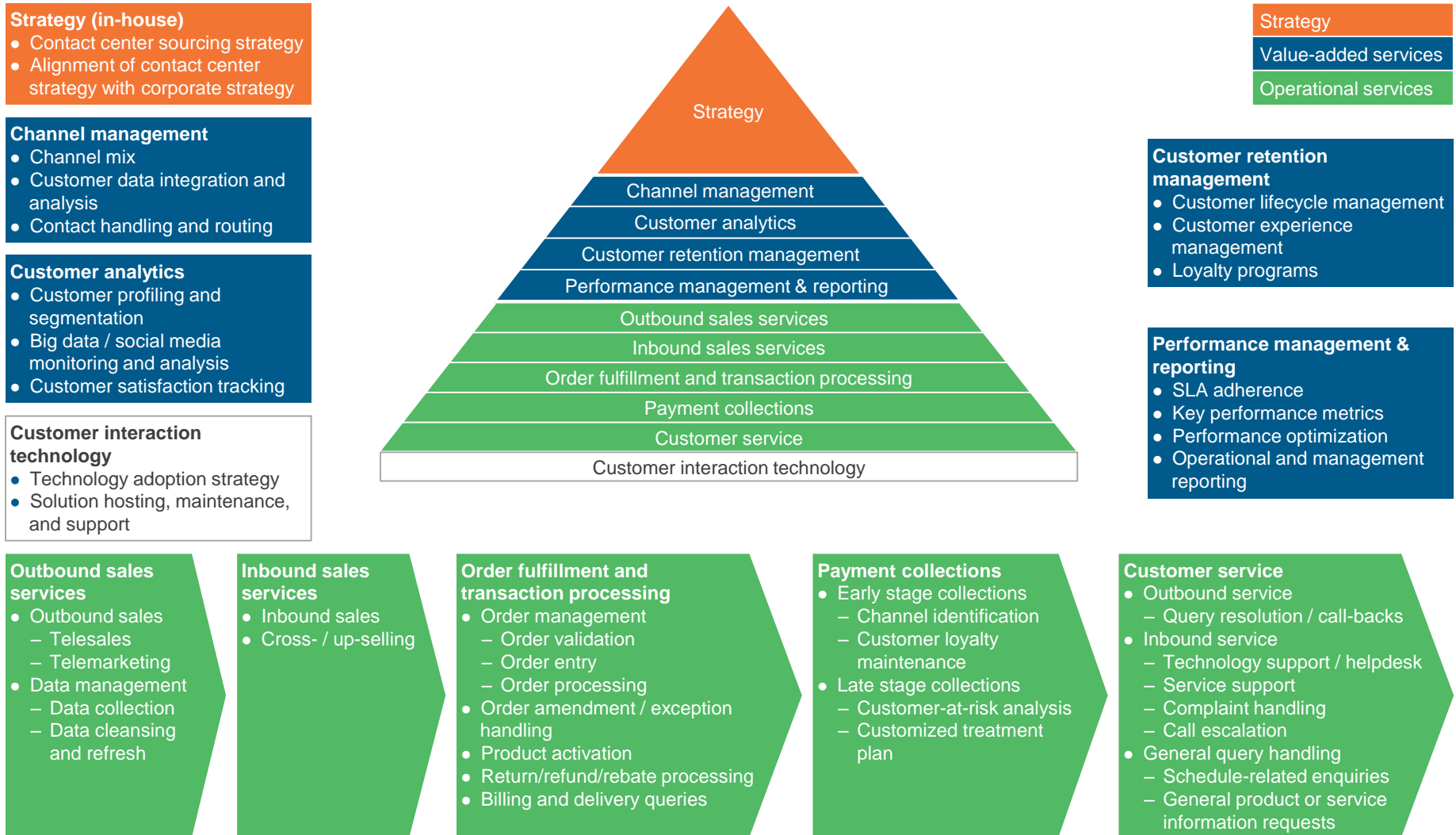
2

- Proprietary database of **operational capability of 30+ CCO service providers** (updated annually)
- The database tracks the following capability elements for each service provider
  – Key leaders
  – Major CCO clients and recent wins
  – Overall revenue, total FTEs, and contact center employees
  – Recent contact center-related developments
  – CCO revenue split by geography, industry, and client size
  – CCO delivery locations
  – CCO service suite
  – Contact center-related technology capability

Service providers covered in this analysis of the healthcare CCO market

AEGIS   alorica

CONDUENT   CONDUIT GLOBAL

CONCENTRIX   CONVERGYS Outthinking Outdoing

DELL   HGS HINDUJA GLOBAL SOLUTIONS   iQor

Teleperformance Transforming Passion into Excellence   TeleTech

SUTHERLAND GLOBAL SERVICES   WIPRO Applying Thought

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information we collect, will only be presented back to the industry in an aggregated fashion

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We break each element into subprocesses of the customer interaction value chain

Strategy (in-house)
- Contact center sourcing strategy
- Alignment of contact center strategy with corporate strategy

Channel management
- Channel mix
- Customer data integration and analysis
- Contact handling and routing

Customer analytics
- Customer profiling and segmentation
- Big data / social media monitoring and analysis
- Customer satisfaction tracking

Customer interaction technology
- Technology adoption strategy
- Solution hosting, maintenance, and support

Legend:
- Strategy
- Value-added services
- Operational services

Pyramid (top to bottom):
- Strategy
- Channel management
- Customer analytics
- Customer retention management
- Performance management & reporting
- Outbound sales services
- Inbound sales services
- Order fulfillment and transaction processing
- Payment collections
- Customer service
- Customer interaction technology

Customer retention management
- Customer lifecycle management
- Customer experience management
- Loyalty programs

Performance management & reporting
- SLA adherence
- Key performance metrics
- Performance optimization
- Operational and management reporting

Outbound sales services
- Outbound sales
  - Telesales
  - Telemarketing
- Data management
  - Data collection
  - Data cleansing and refresh

Inbound sales services
- Inbound sales
- Cross- / up-selling

Order fulfillment and transaction processing
- Order management
  - Order validation
  - Order entry
  - Order processing
- Order amendment / exception handling
- Product activation
- Return/refund/rebate processing
- Billing and delivery queries

Payment collections
- Early stage collections
  - Channel identification
  - Customer loyalty maintenance
- Late stage collections
  - Customer-at-risk analysis
  - Customized treatment plan

Customer service
- Outbound service
  - Query resolution / call-backs
- Inbound service
  - Technology support / helpdesk
  - Service support
  - Complaint handling
  - Call escalation
- General query handling
  - Schedule-related enquiries
  - General product or service information requests

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This study offers three distinct chapters providing a deep dive into key aspects of the Healthcare CCO service provider landscape; below are four charts to illustrate the depth of the report

Global Healthcare CCO market size

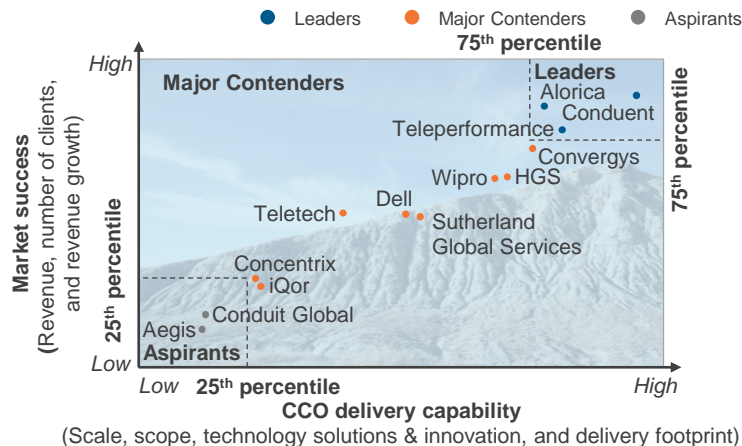**CCO market for the healthcare industry over time**
US$ billion

xx% CAGR

Expected

2012	2013	2014	2015	2016E

Capability assessment

CCO assessment dashboard

- ● Best in Class
- ◐ Very High
- ◑ High
- ◐ Medium High
- ◑ Medium
- ◔ Medium Low
- ◔ Low
- ◔ Not Matured

| Service provider | Delivery capability | | | | | Market success |
	Scale	Scope	Technology solutions & innovation	Delivery footprint	Overall	
Service provider 1	◔	◔	◔	◔	◔	◔
Service provider 2	◑	◑	◑	◑	◑	●
Service provider 3	◑	◑	◑	◑	◑	◑
Service provider 4	◔	◔	◔	◑	◔	◔
Service provider 5	●	◑	◑	◑	◑	●

Everest Group PEAK Matrix for Healthcare CCO market

- ● Leaders
- ● Major Contenders
- ● Aspirants

75th percentile

Market success (Revenue, number of clients, and revenue growth)

Major Contenders — Leaders: Alorica, Conduent, Teleperformance, Convergys, Wipro, HGS, Dell, Teletech, Sutherland Global Services, Concentrix, iQor, Conduit Global, Aegis

Aspirants

CCO delivery capability
(Scale, scope, technology solutions & innovation, and delivery footprint)

Everest Group's remarks on service providers

Provider	Strengths	Areas of improvement
Logo 1		
Logo 2		

Source: Everest Group (2017)

CCO research calendar

Topic	Release date
Contact Center Outsourcing (CCO) – Service Provider Compendium 2016	August 2016
Automation: The Next Big Disruptor in Contact Center Outsourcing (CCO)	November 2016
Contact Center Outsourcing (CCO) Market for the Healthcare Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2017	January 2017
Dynamics of growing APAC CCO market - Focus on China	Q1 2017
Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2017	Q2 2017
UK CCO market & impact of Brexit	Q2 2017
SDA in Business Process Services (BPS) – Service Provider Landscape	Q2 2017
SDA in BPS - Service Provider Profile Compendium 2017	Q2 2017
Contact Center Outsourcing (CCO) – Annual Report 2017	Q3 2017
Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2017	Q3 2017
Technology in BPS – Annual report 2017	Q3 2017
Technology in BPS – Service Provider Compendium 2017	Q3 2017
Analytics BPS – Service Provider Landscape with PEAK Matrix™ Assessment 2017	Q3 2017
Analytics BPS – Annual Report 2017	Q3 2017
Analytics BPS – Service Provider Profile Compendium 2017	Q3 2017
Automation in CCO: Assessing the Business Impact	Q4 2017

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Additional CCO research references

The following documents are recommended for additional insight into the topic covered in this report. These documents either provide additional details or complementary content that may be of interest

1. **Automation: The Next Big Disruptor in Contact Center Outsourcing (CCO)** (EGR-2016-1-V-1988); 2016. Automation is emerging as one of the disruptive forces in the CCO market, which is set to change the operating models of key stakeholders in the industry. This study draws insights from Everest Group's existing research and combines them with recent service provider and buyer interactions to deep dive into automation adoption in CCO, analysing the current scenario and implications for stakeholders

2. **Contact Center Outsourcing Annual Report 2016: The Rise of Digital Contact Centers – Clear Evidence that Real Change is Underway** (EGR-2016-1-R-1823); 2016. The CCO market grew at ~4% in 2015 to reach US$75-78 billion. This report provides an overview of the CCO market, including market size & adoption trends, key solution characteristics, service provider landscape, and areas of service provider investment

3. **Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2016** (EGR-2016-1-R-1878); 2016. This report provides comprehensive, fact-based snapshots of 25+ major CCO service providers. Each profile highlights a service provider's delivery capability, market strategy, key organizational developments, delivery footprint, and client portfolio along various dimensions such as geography and industry. In addition, each profile provides the positioning of the service provider on the Everest Group PEAK Matrix with an insightful analysis of its capabilities

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About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empowers clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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