Everest Group
RESEARCH

Topic: Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2013

Contact Center Outsourcing (CCO)
Market Report: November 2013 – Preview Deck

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Corporate Headquarters
Office: +1-214-451-3000
info@everestgrp.com

European Headquarters
Office: +44-207-129-1318
unitedkingdom@everestgrp.com

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1 Banking, financial services, and insurance

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Background and scope of the research

Background of the research

The third-party contact center spend has grown steadily at 7-8% in 2012 to reach US$65-70 billion. Being a mature, highly fragmented, and competitive market, organic growth is slow and there are increased instances of mergers and acquisitions indicating a shift towards consolidation. Also, buyers are looking for value beyond labor arbitrage. The conversations are now increasingly targeted at business outcomes and buyers look to evaluate service providers more holistically. Service providers are therefore focused on creating value-added solutions that include social media channel, customer analytics, and skill development & training to drive better customer experience management.

In this research, we analyze the CCO market across various dimensions

- CCO service provider landscape overview
- CCO PEAK Matrix 2013
- Key insights on PEAK Matrix dimensions
- Emerging service provider trends

The scope of analyses includes:

- More than 750 CCO deals signed as of December 2012
- All languages, geographies, and industries
- Coverage across 20+ CCO service providers, including Aditya Birla Minacs, Aegis, Capita, Cognizant, EGS, FirstSource, Genpact, HCL, HP, Infosys, Serco, Sitel, Sutherland Global Services, Sykes, TCS, Tech Mahindra, Teleperformance, Teletech, Transcom, Webhelp TSC, WNS, and Xerox

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This report is based on two key sources of proprietary information

1

- Proprietary database of **750+ 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 Cumulative Value (TCV), Annualized Contract Value (ACV), term, start date, service provider FTEs, and pricing structure
  - Scope including buyer geography and functional activities
  - Technology including core contact center and Customer Relationship Management (CRM) technology, service provider-owned tools (if any), ownership, and maintenance
  - Global sourcing, including delivery locations and level of offshoring

2

- Proprietary database of **operational capability of 20+ 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 the analysis

Aditya Birla minacs, AEGIS, CAPITA, Cognizant, EGS, firstsource, GENPACT, HCL, hp, Infosys, serco, SITEL, SUTHERLAND GLOBAL SERVICES, SYKES, Tech Mahindra, TeleTech, TATA CONSULTANCY SERVICES, Teleperformance, Transcom, webhelp, WNS, xerox

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

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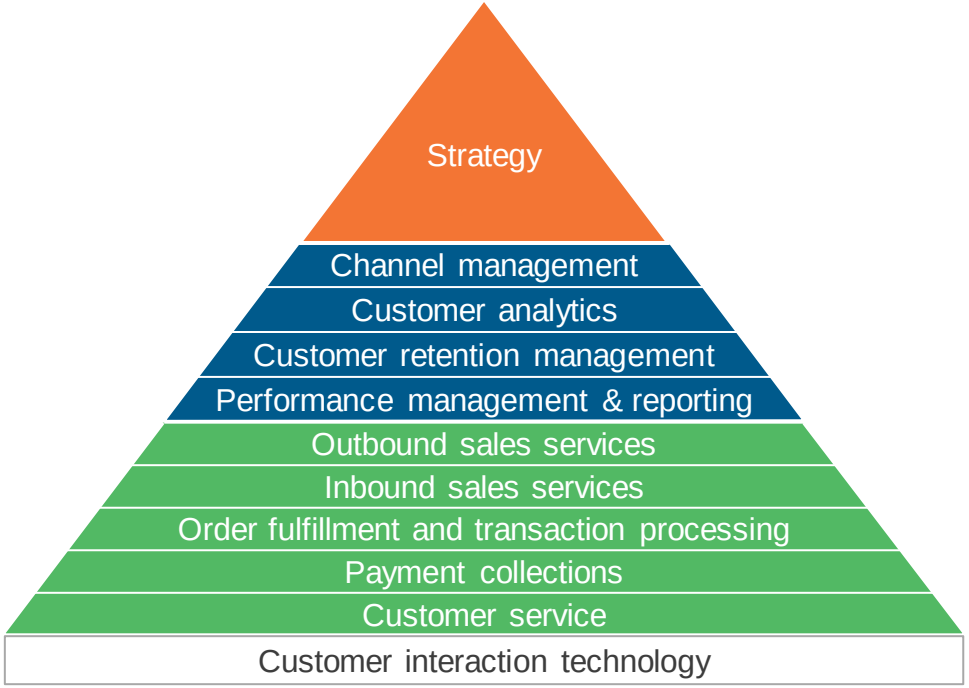
We break each element into subprocesses of the customer interaction value chain

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



Strategy
Value-added services
Operational services

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

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Overview and abbreviated summary of key messages

This report examines the global CCO service provider landscape and its impact on the CCO market. It focuses on service provider positioning in the CCO market, changing market dynamics and emerging service provider trends, and assessment of service provider delivery capabilities.

Some of the findings in this report are:

CCO service provider landscape and CCO PEAK Matrix 2013

- CCO service providers can be divided into three categories – CCO specialists, BPO pure-plays, and IT+BPO players. The CCO market is currently dominated by CCO specialists
- The CCO market is fairly competitive, with leading service providers varying across geographies and industries
- Everest Group classifies 20+ CCO service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories of Leaders, Major Contenders, and Emerging Players. The PEAK Matrix is a framework to assess the relative market success and overall capability of service providers

Key insights on PEAK Matrix dimensions

- Top quartile performers across each PEAK Matrix dimension were compared with others to identify differentiating strategy and operational capability across the dimensions of market success, scale, scope, technology, and delivery footprint

Emerging service provider trends

- The high competitive intensity and fragmentation in the market saw service providers making investments in mergers and acquisitions, customer analytics and social media channel, agent skill development and training, and in shifting towards a balanced shoring approach

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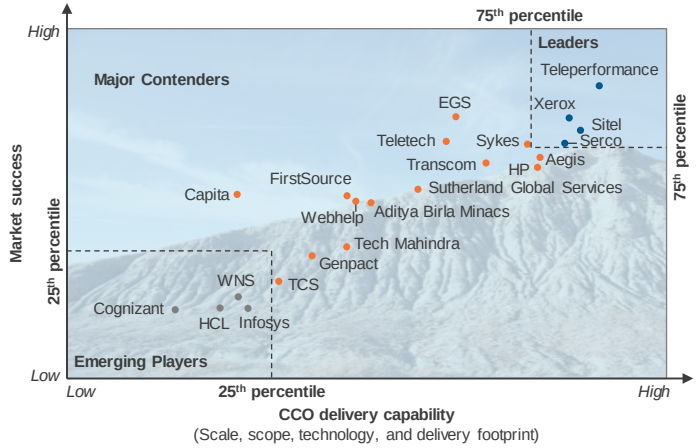
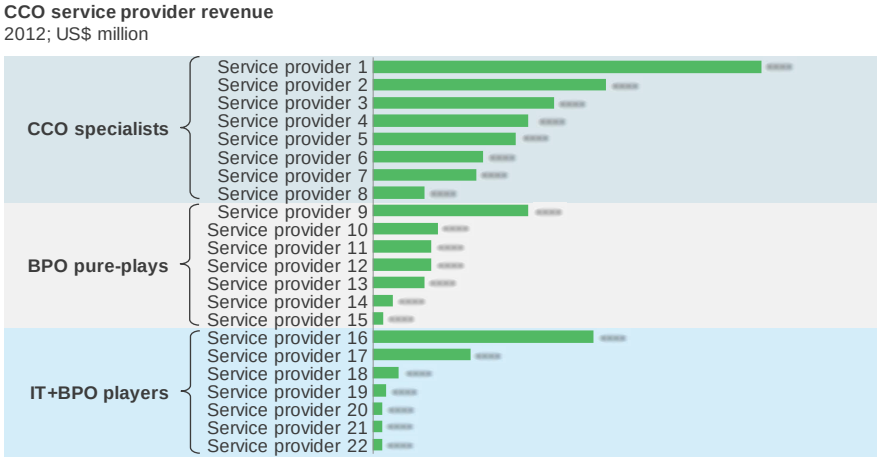
This study offers three distinct chapters providing a deep dive into key aspects of the CCO service provider landscape; below are four charts to illustrate the depth of the report

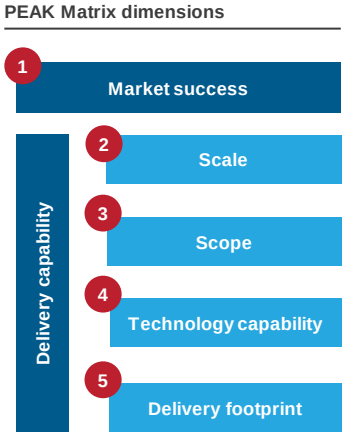
Everest Group PEAK Matrix for CCO



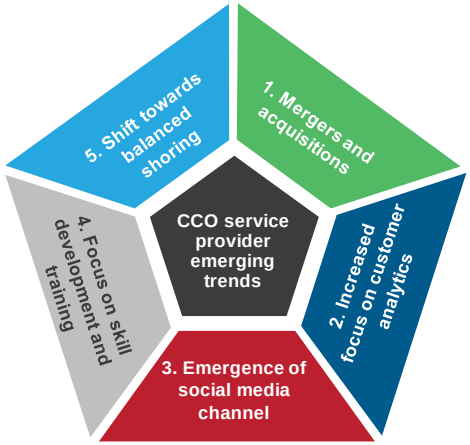
Global CCO service provider market share



Service provider assessment on PEAK Matrix dimensions



Emerging service provider trends



Source: Everest Group (2013)

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CCO research calendar

Released | Current

Topic	Release date
Contact Center Outsourcing (CCO) – Annual Report 2013: Focus on Customer Experience Management	July-2013
Defining and Discussing Contact Center Attrition	July-2013
SYNNEX Aquires IBM Contact Center Business: Canary in the Coal Mine for the CCO Market?	September-2013
Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2013	November-2013
CCO Service Provider Profile Compendium	Q4-2013
Business Impact of Attrition	Q4-2013
Industry-specific CCO service provider landscape for telecom industry	Q4-2013

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Additional CCO research references

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

1. **Contact Center Outsourcing (CCO) – Annual Report 2013: Focus on Customer Experience Management** (EGR-2013-1-R-0906b); 2013. This report provides comprehensive coverage of the global CCO market including detailed analysis of market size and growth, buyer adoption trends, CCO value proposition and solution characteristics, and service provider landscape

2. **Defining and Discussing Contact Center Attrition** (EGR-2013-1-V-0905); 2013.This viewpoint explores the shifting dynamics around contact center attrition rates. Buyers and providers of contact center outsourcing services are looking at management mechanisms to better link attrition patterns with the overall performance of contact centers

3. **SYNNEX Acquires IBM's Contact Center Business – Canary in the Coal Mine for the CCO Market?** (EGR-2013-1-V-0942); 2013. This viewpoint document analyses the acquisition of IBM customer care business by SYNNEX Corporation to identify the key drivers behind the development, implications for the market, and the future outlook

For more information on this and other research published by Everest Group, please contact us:

Katrina Menzigian, Vice President: katrina.menzigian@everestgrp.com
Abhishek Menon, Practice Director: abhishek.menon@everestgrp.com
Skand Bhargava, Senior Analyst: skand.bhargava@everestgrp.com
CCO Team: CCOresearch@everestgrp.com

Everest Group
Two Galleria Tower
13455 Noel Road, Suite 2100
Dallas, TX 75240

Phone: +1-214-451-3110
Email: info@everestgrp.com

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Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-647-557-3475

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Delhi
india@everestgrp.com
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