



Topic: Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2014

Contact Center Outsourcing (CCO)
Market Report: July 2014 – Preview Deck

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Background and scope of the research

Background of the research

The third-party contact center spend grew steadily at ~7% in 2013 to reach US\$70-75 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 and customer analytics. These in turn require enhanced 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 2014
- Key insights on PEAK Matrix dimensions
- Emerging service provider trends

The scope of analyses includes:

- More than 1,000 CCO deals signed as of December 2013
- Global coverage across all major languages, geographies, channels, and industries
- Coverage across 20+ CCO service providers, including, Aegis, Alorica, CGI, EGS, EXL, Firstsource, Genpact, HCL, HGS, HP, Infosys, Minacs, Serco, Sitel, Sutherland Global Services, TCS, Tech Mahindra, Teleperformance, Transcom, Wipro, Webhelp UK, WNS, and Xerox

Everest Group's CCO research is based on multiple sources of proprietary information (page 1 of 2)

- 1**
- Proprietary database of **1,000+ 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 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



Note: Notwithstanding the acquisition of Aegis USA Inc. by Teleperformance, both service providers are analyzed separately in this report as it is based on the data collected in 2013

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

Everest Group's CCO research is based on multiple sources of proprietary information (page 2 of 2)

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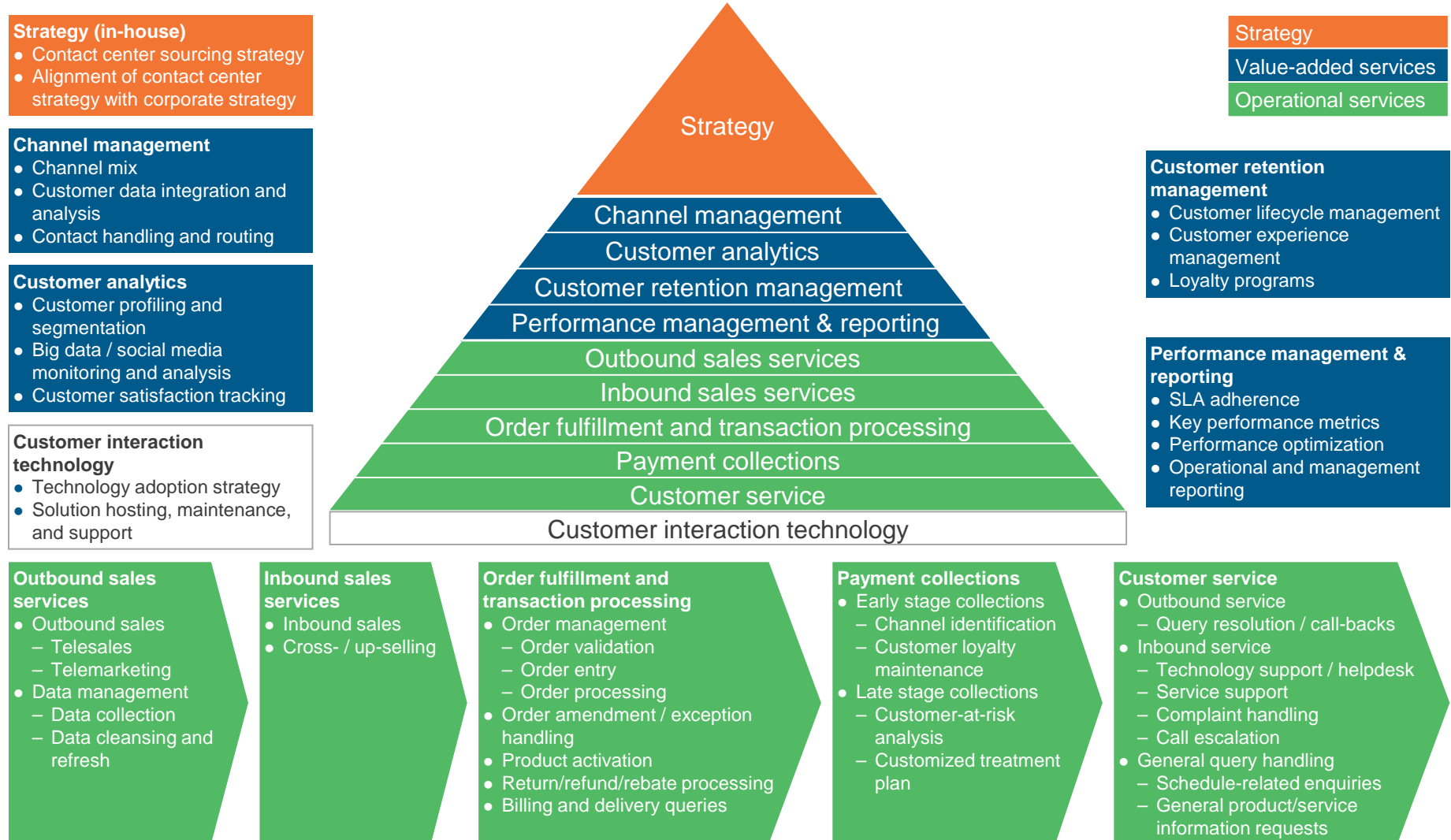
Buyer surveys and interactions

Global surveys and one-on-one executive-level interviews are undertaken to understand how organizations perceive performance of their CCO provider. The survey/interviews focus on different aspects of an outsourcing relationship including:

- Key drivers for outsourcing CCO
- Contract details (including process scope, signing year, and duration)
- Overall performance of the service provider including key strengths and improvement areas
- Detailed assessment of service provider performance across different elements, such as:
 - Performance against key CCO metrics
 - Performance across various contact center processes
 - Performance during the implementation and transition phases
 - Governance and relationship management

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



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 2014

- CCO service providers can be divided into three categories – CCO specialists, BPO pure-plays, and IT+BPO players. Though the CCO market is currently dominated by CCO specialists, other players are aggressively building scale.
- 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

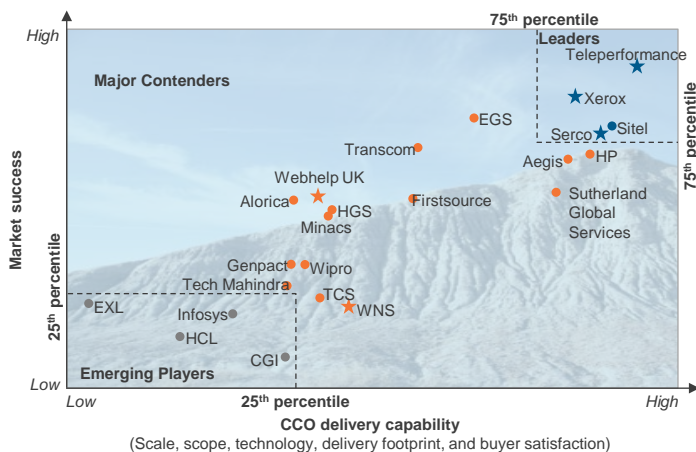
- The PEAK Matrix Leaders, Major Contenders, and Emerging Players were compared to identify differentiating strategy and operational capability across the dimensions of market success, scale, scope, technology, delivery footprint, and buyer satisfaction

Emerging service provider trends

- To build a competitive advantage in a crowded CCO market, service providers are building presence in nascent buyer geographies, adopting Social media, Mobility, Analytics, and Cloud (SMAC) solutions, establishing customer experience labs, popularizing multi-channel solutions, and developing industry-specific solutions

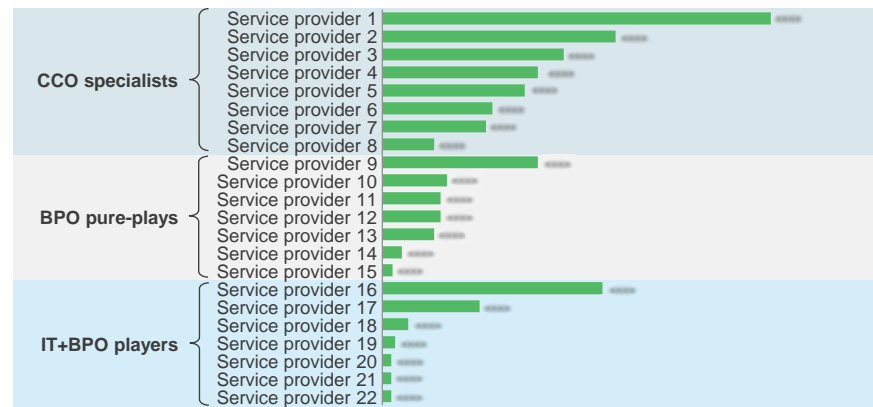
This study offers three distinct chapters providing a deep dive into key aspects of the CCO service provider landscape; below are four charts to illustrate the depth of the report

Everest Group PEAK Matrix for CCO

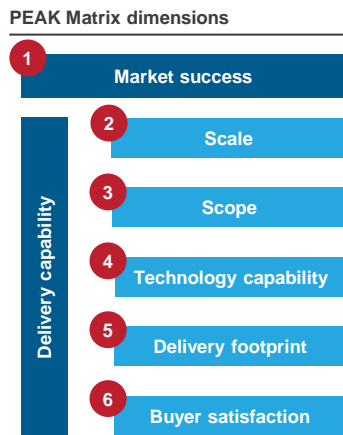


Global CCO service provider market share

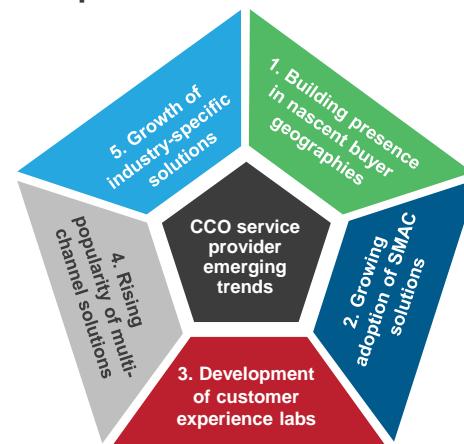
CCO service provider revenue
2013; US\$ million



Service provider assessment on PEAK Matrix dimensions



Emerging service provider trends



Source: Everest Group (2014)

CCO research calendar

Published
 Current

Topic **Release date**

CCO – Service Provider Landscape with PEAK Matrix Assessment 2013 November 2013

CCO – Service Provider Profile Compendium 2013 December 2013

The Business Impact of Contact Center Attrition January 2014

Convergys to Acquire Stream January 2014

Pushing the Vertical Limit April 2014

Contact Center Outsourcing Annual Report 2014: Changing Times, Evolving Value Proposition June-2014

CCO – Service Provider Landscape with PEAK Matrix Assessment 2014 July-2014

CCO – Service Provider Profile Compendium 2014 Q3-2014

Healthcare industry-specific CCO Service Provider Landscape Q4-2014

BFSI industry-specific CCO Service Provider Landscape Q4-2014

Additional CCO research references

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

1. **Contact Center Outsourcing (CCO) – Annual Report 2014: Changing Times, Evolving Value Proposition** ([EGR-2014-1-R-1124](#)); 2014. 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. **Pushing the Vertical Limit: Industry-specificity in Contact Center Outsourcing** ([EGR-2014-1-R-1092](#)) 2014. This study looks at the trends shaping the growing interest in industry-specific CCO, and explores what market stakeholders need to know, in order to maximize the opportunities offered by this increasingly important shift in the market
3. **The Business Impact of Contact Center Attrition** ([EGR-2014-1-R-1056](#)); 2014. This report develops a framework for studying the business impact of attrition in contact centers and establishes that attrition not only drives up specific operational costs but also results in lost revenue opportunities

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At a glance

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