



Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2015

Contact Center Outsourcing (CCO)
Market Report: August 2015 – Preview Deck

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▶ Transaction Intelligence

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- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Subscription information

- The full report is included in the following subscription(s)
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Corporate Headquarters

Office: +1-214-451-3000

info@everestgrp.com



European Headquarters

Office: +44-207-129-1318

unitedkingdom@everestgrp.com

¹ Banking, financial services, and insurance

Background and scope of the research

Background of the research

The global CCO market grew at ~5% in 2014 to reach US\$70-75 billion, with deal activity on a steady growth path in the last four to five years. 2014 witnessed lower renewal rates as buyers looked beyond service performance and expected service providers to successfully manage changing business needs. Buyers are cautious and tend to start with a smaller scope at the beginning of an engagement that grows over time, as depicted by bigger sizes of the renewed contracts. The changing landscape of buyer requirements has had an impact on the solution characteristics that exist in the CCO market currently – higher onshore delivery, increased adoption of multi-channel solutions, emphasis on value-added services, and targeted investments to drive innovation through technology

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

- CCO service provider landscape overview
- CCO PEAK Matrix 2015
- Key insights on PEAK Matrix dimensions
- Service provider comments

The scope of analyses includes:

- More than 1,000 CCO deals signed, as of December 2014
- Global coverage across all major languages, geographies, channels, and industries
- Coverage across 25+ CCO service providers including, Aegis, Alorica, Atento, CGI, Concentrix, Contax, Convergys, Dell, EXL, Firstsource, Genpact, HCL, HGS, HP, Infosys, Minacs, Serco, Sitel, Sutherland Global Services, Sykes, TCS, Tech Mahindra, Teleperformance, TeleTech, Transcom, Webhelp, Wipro, WNS, and Xerox

Note: Some assessments may exclude service provider inputs, and are therefore based on Everest Group estimates, which leverages our proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage, public disclosures, and interaction with buyers

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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 & maintenance
 - Global sourcing including delivery locations and level of offshoring

2

- Proprietary database of **operational capability of 25+ 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: Assessment for Atento, Contax, Convergys, and Transcom excludes service provider inputs on this particular study, and are therefore based on Everest Group estimates, which leverages our proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage, public disclosures, and interaction with buyers

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

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

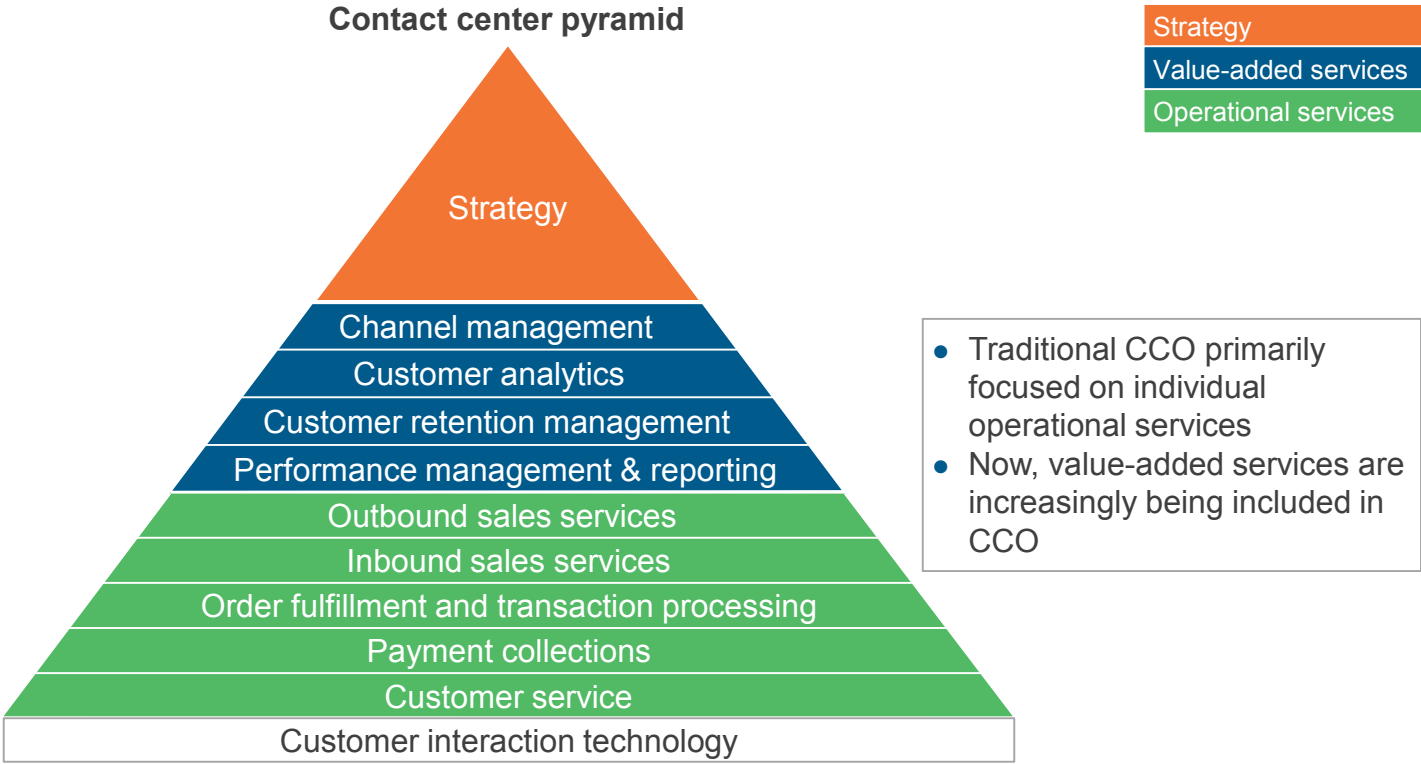
3

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:
 - Key CCO metrics
 - Across various contact center processes
 - During the implementation and transition phases
 - Governance and relationship management

Everest Group's definition of the CCO market is centered on the delivery aspects of customer interaction



- Everest Group defines the CCO market to include engagements that primarily support all forms of direct and indirect (or in support of direct) interactions with customers, external and internal to the buyer organization, involving a structured multi-channel and remote communication environment
- CCO does not include contact center services embedded within the scope of outsourcing engagements targeting processes other than customer care, such as IT Outsourcing (ITO) or Human Resources Outsourcing (HRO)

Source: Everest Group (2015)

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 2015

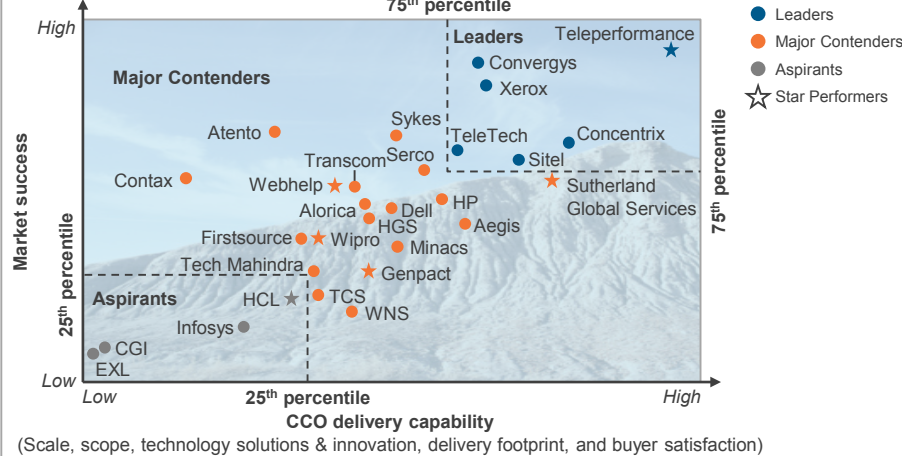
- CCO service providers can be divided into three categories – CCO specialists, BPO pure-plays, and IT+BPO players. Though the CCO market is currently dominated by CCO specialists, other players are aggressively building scale.
- Though most service providers are present across geographies, no player holds a dominant position in all markets. Similarly, apart from Teleperformance, no other service provider is a leading player across industries
- Everest Group classifies 25+ CCO service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework to assess the relative market success and overall capability of service providers

Key insights on PEAK Matrix dimensions

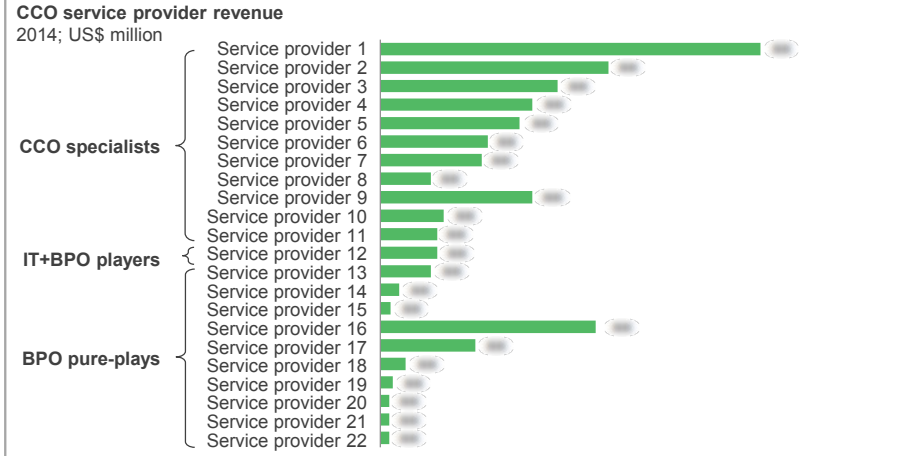
- The PEAK Matrix Leaders, Major Contenders, and Aspirants were compared to identify differentiating strategy and operational capability across the dimensions of market success, scale, scope, technology solutions & innovation, delivery footprint, and buyer satisfaction

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

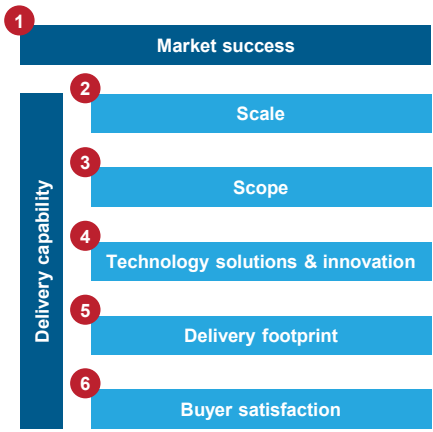
Everest Group PEAK Matrix for CCO



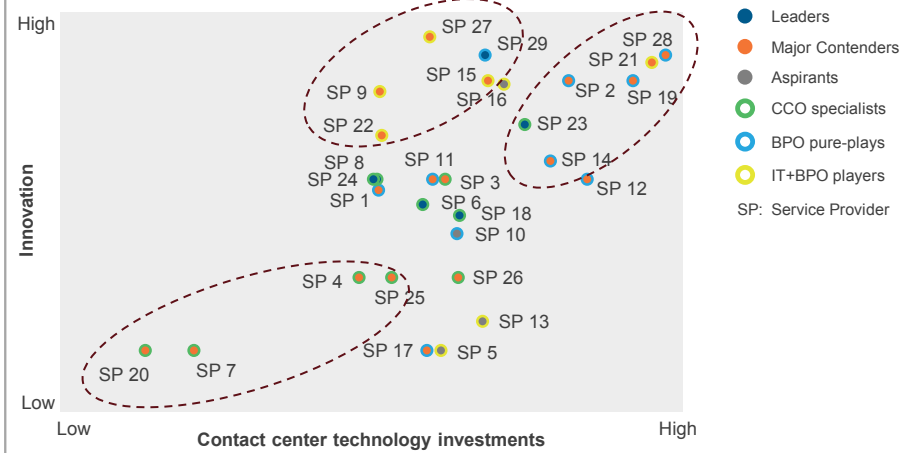
Global CCO service provider market share



Service provider assessment on PEAK Matrix dimensions



Emerging service provider trends



Source: Everest Group (2015)

CCO research calendar

■ Published
 ■ Current

Topic	Release date
Alorica To Acquire West Corporation’s Agent Services Businesses: Tell-tale Signs of a Changing Industry	January 2015
Analytics Business Process Services (BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2015	February 2015
Reinventing Business Process Services (BPS) – Leveraging Technology to Deliver on New Expectations	March 2015
Cultural Affinity, Cost Savings, Coordinates – 3 C’s of Targeting UK Contact Center Market	March 2015
Technology in BPS – Service Provider Compendium 2015	June 2015
Contact Center Outsourcing Annual Report 2015: Incumbents Beware – There’s No Place for Complacency	June 2015
Social Media Analytics – Growth Engine for Next-Gen Customer Care	June 2015
Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2015	August 2015
CCO – Service Provider Profile Compendium 2015	Q3 2015
Service Provider Technology Landscape – The Pecking Order	Q3 2015
Driving Value from Differentiation – How Service Provider are Tackling Key Value Levers	Q4 2015
Outcome-Based Pricing in CCO	Q4 2015

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 2015: Incumbents Beware – There’s No Place for Complacency** ([EGR-2015-1-R-1470](#)); 2015. 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. **Alorica to Acquire Major Portion of West Corporations Agent Services Business: Tell-tale Signs of a Changing Industry** ([EGR-2015-1-V-1361](#)), 2015. This view point analyses the acquisition of West Corporation’s agent services business by Alorica to identify the key driver behind the development, its impact of the CCO market, and Everest Group’s view on potential issues for Alorica
3. **Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2014** ([EGR-2014-1-R-1195](#)), 2014. This report provides comprehensive, fact-based snapshots of 20+ 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 Everest Group PEAK Matrix with an insightful analysis of its capabilities

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

Katrina Menzigian, Vice President:
Skand Bhargava, Senior Analyst:
Sharang Sharma, Analyst:
CCO Team:

katrina.menzigian@everestgrp.com
skand.bhargava@everestgrp.com
sharang.sharma@everestgrp.com
CCOresearch@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



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 and research.everestgrp.com.

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
+91-124-284-1000

Stay connected

Websites

www.everestgrp.com
research.everestgrp.com



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