Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2016

Contact Center Outsourcing (CCO)
Market Report – May 2016 – Preview Deck

Our research offerings for global services

▶ **Market Vista™**
Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

▶ **BFSI[1] Information Technology**

▶ **BFSI[1] Business Process**

▶ **Healthcare & Life Sciences**

▶ **Application & Digital**

▶ **Cloud & Infrastructure**

▶ **Global Sourcing**

▶ **Locations Insider™**

▶ **Service Optimization Technologies**

▶ **PricePoint™**

▶ **Finance & Accounting**

▶ **Procurement**

▶ **Human Resources**

▶ **Recruitment & Talent Acquisition**

▶ **Contact Center**

▶ **Transaction Intelligence**

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

Subscription information

● This report is included in the following subscription(s)
  – **Contact Center Outsourcing (CCO)**

● In addition to published research, a subscription may include analyst inquiry, data cuts, and other services

● **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**

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

Everest Group
RESEARCH

Table of contents

Everest Group
RESEARCH

Background and scope of the research

Background of the research

The global CCO market continued its growth trajectory at ~4% in 2015 to reach an overall size of US$75-78 billion. The year 2015 witnessed a shift towards digital within contact center outsourcing contracts, as more buyers looked towards leveraging analytics, robotic process automation, and omnichannel solutions within their contact center operations. The focus within CCO has shifted from labor arbitrage to value-based proposition and this is reflected in the the solution characteristics being offered by service providers in the industry. As service providers look towards the future, they are focusing on meeting the new-age buyer requirements and staying relevant in the market.

In this research, we analyse the CCO market across various dimensions:
- CCO PEAK Matrix 2016
- Analysis of service providers' market shares
- Observations and comments on individual service providers

The scope of analyses 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 30+ CCO service providers including, Aegis, Alorica, Atento, Capita, CGI, Concentrix, Conduit Global, Contax, Convergys, Dell, EGS, EXL, Firstsource, Genpact, HCL, Hexaware, HGS, HPE, Infosys, Intelenet, Knoah Solutions, Minacs, 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

Everest Group
RESEARCH

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

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 the analysis

AEGIS | alorica | ATENTO: | CGI

CONCENTRIX | CONDUIT GLOBAL | contax contact center | CONVERGYS Outthinking Outdoing

DELL | EGS Expert Global Solutions | EXL | firstsource | GENPACT

HCL | Hexaware TECHNOLOGIES | HGS HINDUJA GLOBAL SOLUTIONS | Hewlett Packard Enterprise

Infosys | intelenet IMPACT your world | Knoah | minacs | SITEL

SUTHERLAND GLOBAL SERVICES | SYKES | TATA CONSULTANCY SERVICES

Tech Mahindra | Teleperformance Transforming Passion into Excellence | TeleTech | Transcom

WIPRO Applying Thought | webhelp | WNS Extending Your Enterprise | xerox

Note: Assessment for Atento, Capita, Contax, Convergys, and Sykes 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
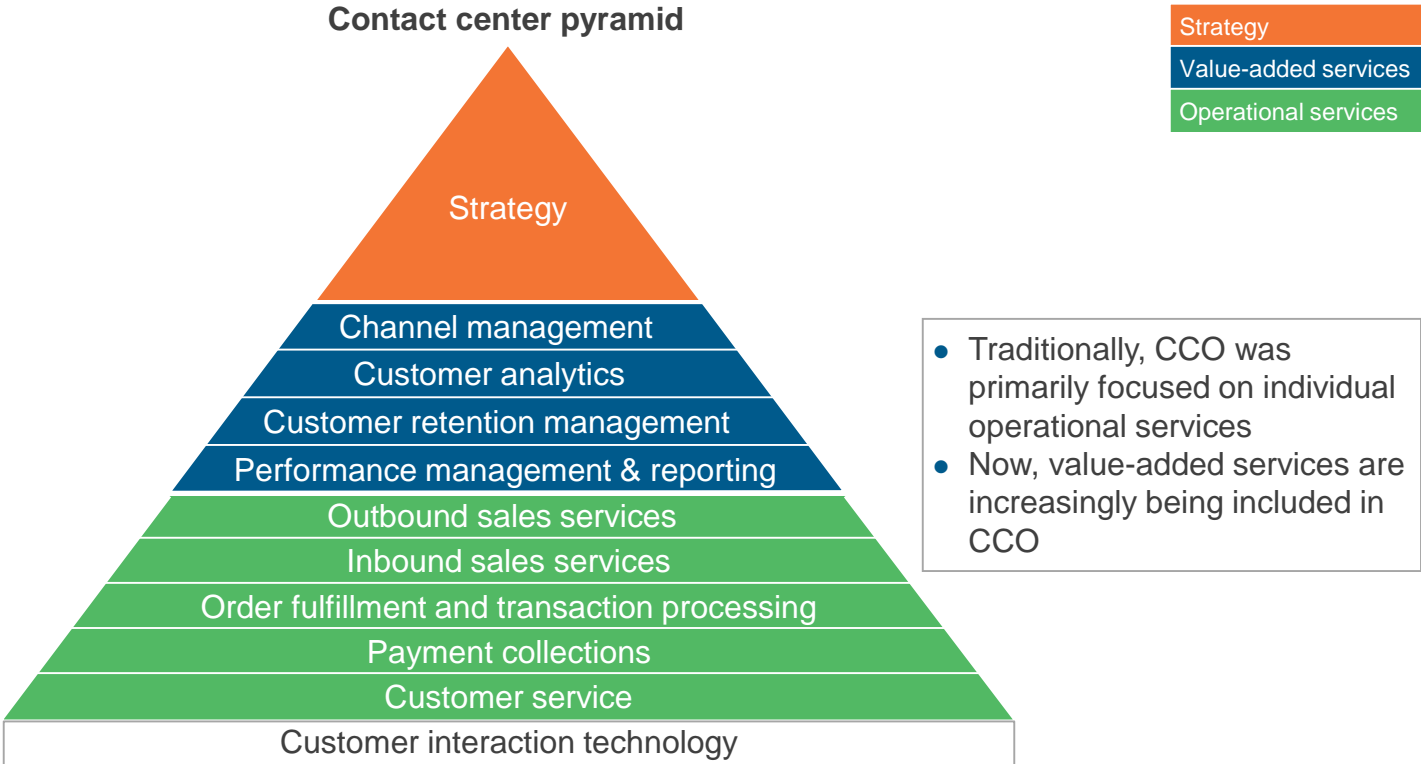
3 **Buyer surveys and interactions**
Global surveys and one-on-one executive-level interviews are undertaken to understand how organizations perceive the performance of their CCO provider. The surveys/interviews focus on different aspects of an outsourcing relationship including:
- Key drivers for outsourcing CCO
- Contract details (including process scope, year of signing, 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
  - Various contact center processes
  - 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

Contact center pyramid

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

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

- Traditionally, CCO was primarily focused on individual operational services
- Now, value-added services are increasingly being included in CCO

- 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 (2016)

Everest Group
RESEARCH

The service provider landscape for CCO includes CCO specialists, integrated IT+BPO players, and BPO pure-plays

NOT EXHAUSTIVE

CCO specialists

alorica   ATENTO:

CONCENTRIX   CONDUIT GLOBAL   contax contact center

CONVERGYS Outthinking Outdoing   EGS   Knoah Responsive, Innovative and Award-Winning Outsourcing Services

SiTEL   SYKES   Teleperformance Transforming Passion into Excellence

TeleTech   Transcom   webhelp

- Predominantly focused on contact center outsourcing
- Do not have a significant play in other BPO/ITO segments

IT+BPO players

CGI   DELL

HCL   Hexaware TECHNOLOGIES   Hewlett Packard Enterprise

Infosys   Tech Mahindra

TATA CONSULTANCY SERVICES   WIPRO Applying Thought

- Integrated players that provide services across ITO and BPO
- Have a significant ITO portfolio beyond BPO

BPO pure-plays

AEGIS   CAPITA   EXL

firstsource   GENPACT

HGS HINDUJA GLOBAL SOLUTIONS   intelenet IMPACT your world

minacs   SUTHERLAND GLOBAL SERVICES

WNS Extending Your Enterprise   xerox

- Have significant presence across BPO segments (e.g., FAO, PO, and HRO) beyond CCO
- Do not have a significant ITO play

Everest Group
RESEARCH

Overview and abbreviated summary of key messages

Contact center outsourcing continues to grow and expand its scope with more clients deriving higher value from it beyond labor arbitrage and driving the push towards digital services. This report uses Everest Group's proprietary PEAK Matrix to assess and rate service providers on various dimensions of their capabilities. It also includes market share analysis of service providers and Everest Group's remarks on service providers highlighting their key strengths and development areas

Some of the findings in this report, among others, are:
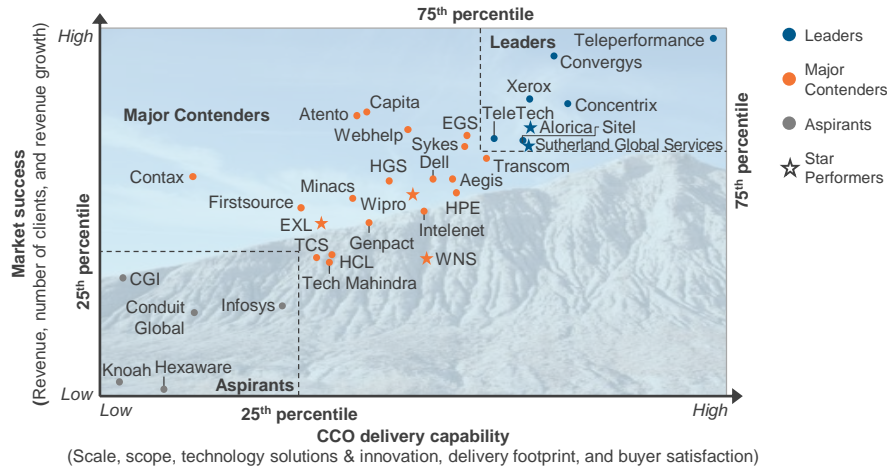
**Everest Group
PEAK Matrix for CCO**

- Everest Group classifies 34 CCO service providers on Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into the three categories of Leaders, Major Contenders, and Aspirants
- Alorica, Concentrix, Convergys, Sitel, Sutherland Global Services, Teleperformance, TeleTech, and Xerox emerged as Leaders
- Aegis, Atento, Capita, Contax, Dell, EGS, EXL, Firstsource, Genpact, HCL, HGS, HPE, Intelenet, Minacs, Sykes, TCS, Tech Mahindra, Transcom, Webhelp, Wipro, and WNS emerged as Major Contenders
- CGI, Conduit Global, Hexaware, Infosys, and Knoah Solutions are Aspirants on the PEAK Matrix for CCO
- Alorica, EXL, Sutherland Global Services, WNS, and Wipro have been identified as "Star Performers" on the CCO PEAK Matrix, based on their strong performance during the last 12-18 months ended December 2015

**Key insights on
CCO market shares**

- Teleperformance, Convergys, and Atento are the three largest CCO service providers by revenue
- Service providers such as Alorica, Capita, and Webhelp registered strong growth by acquiring other CCO firms to expand inorganically
- Except for Teleperformance, no service provider is a top player across all the major geographies. Teleperformance also dominates the market across key industries

Everest Group
RESEARCH

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
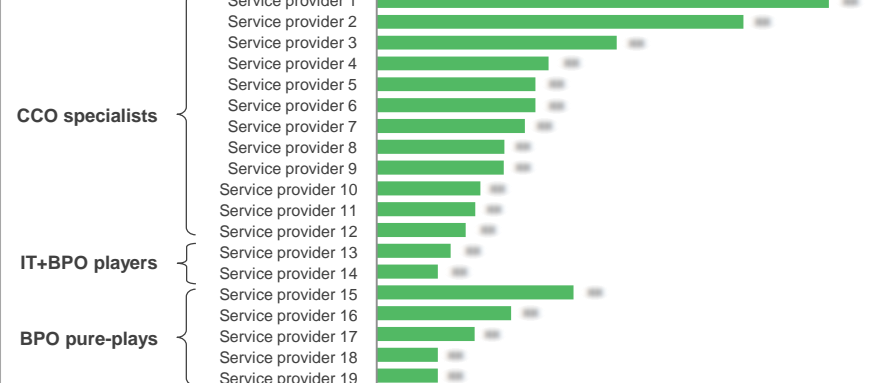
CCO PEAK Matrix

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

High / Low

75th percentile / 25th percentile

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

25th percentile / 75th percentile

Leaders: Teleperformance, Convergys, Xerox, TeleTech, Concentrix, Alorica, Sitel, Sutherland Global Services

Major Contenders: Atento, Capita, Webhelp, EGS, Sykes, Dell, HGS, Transcom, Aegis, Minacs, Wipro, HPE, Contax, Firstsource, EXL, Intelenet, TCS, Genpact, HCL, WNS, Tech Mahindra

Aspirants: CGI, Conduit Global, Infosys, Knoah, Hexaware

- ● Leaders
- ● Major Contenders
- ● Aspirants
- ★ Star Performers

Capability assessment

Measure of capability: ● Best-in-class ◕ Very high ◓ High ◑ Medium high ◐ Medium ◔ Medium low ◔ Low ○ Not mature

Service provider	Scale	Scope	Technology solutions & innovation	Delivery footprint	Buyer satisfaction	Overall	Market success
Service provider-1	◑	●	◑	◑	◕	◕	●
Service provider-1	◕	●	◑	◕	◕	◕	◕
Service provider-3	●	●	◑	●	◕	◕	◑
Service provider-4	●	●	◑	◕	●	◕	◑
Service provider-5	◐	◕	●	●	●	◕	◑
Service provider-6	●	●	◑	●	●	●	●
Service provider-7	●	●	◑	◑	◑	◑	◑
Service provider-8	●	●	◑	●	●	●	●

Delivery capability

Market success

CCO service provider revenue
2015; US$ million

- CCO specialists: Service provider 1–12
- IT+BPO players: Service provider 13–14
- BPO pure-plays: Service provider 15–19

Everest Group's remarks on service providers

Provider	Strengths	Areas of improvement
Service provider 1	• XYZ is an Aspirant on the CCO PEAK Matrix, a smaller-scale player with growing operations • As a long-standing specialist in chat services, XYZ derives a significant portion of its revenue from the channel • It has a major portion of its workforce based in India, allowing it to pass on the cost benefits to its clients • XYZ also offers targeted consulting services around quality assurance and agent training • Buyers cite flexibility and quality of agents as its key strengths	• Applying additional analytics capabilities to its chat services would enable XYZ to create significant value and further target its existing specialization • In addition, it's strong focus on non-voice services can position it to bundle value-added services that drive incremental client engagement • XYZ can further benefit from leveraging third-party technologies that enhance its existing technology portfolio especially in the case of enabler technologies
Service provider 2	• With appreciable revenue from non-voice channels and value-added services, XYZ is a Major Contender on the CCO PEAK Matrix • Leveraging its acquisition of an analytics specialist firm, XYZ is offering predictive and prescriptive analytics capabilities in the contact center space • Using analytics and automation, the firm has also managed to reduce churn and improve agent learning times • A strong delivery presence in North America allows XYZ to offer voice-based services with a native touch	• It can consider expanding its delivery presence in medium-cost locations to offer a more balanced delivery mix to its clients and drive higher satisfaction • Expanding its nascent presence in emerging industries such as travel & hospitality, healthcare, and retail, will enable XYZ to maintain a healthy growth momentum • By expanding its language capabilities to cover languages from Europe and Latin America in greater depth, XYZ will be better positioned to acquire new clients from these regions

Source: Everest Group (2016)

Everest Group
R E S E A R C H

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) – Identifying the Differentiators of High Growth CCO Providers** (EGR-2015-1-R-1636); 2015. This viewpoint provides coverage of service providers that have expanded at a higher pace than the market growth rate and the growth strategies adopted by them that have allowed them to expand at such pace. It looks at how these new areas of focus being pursued by these service providers are shaping up in the contact center space and are driving growth in the industry.

2. **Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2015** (EGR-2015-1-R-1579), 2015. 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

3. **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

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

Katrina Menzigian, Vice President:	katrina.menzigian@everestgrp.com
Skand Bhargava, Practice Director:	skand.bhargava@everestgrp.com
Sharang Sharma, Analyst:	sharang.sharma@everestgrp.com
CCO Team:	CCOresearch@everestgrp.com

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

Everest Group

From **insight** to *action*.

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

Twitter

@EverestGroup

Blog

SHERPAS
IN BLUE SHIRTS

www.sherpasinblueshirts.com