

F R O S T & S U L L I V A N

BEST PRACTICES

AWARDS

F R O S T & S U L L I V A N

2020 BEST PRACTICES AWARD



**2020 EUROPEAN
CUSTOMER EXPERIENCE OUTSOURCING SERVICES
NEW PRODUCT INNOVATION AWARD**

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Background and Company Performance

Industry Challenges

When a device or appliance malfunctions, the end-user (which could be a consumer or operator) usually has to endure a complex and often frustrating process. This may involve contacting the device manufacturer, waiting for an agent to become available, and finally discussing the problem. At the other end of the communication chain, the agent taking the call may have no clear understanding of what the end-user perceives; the agent is limited to obtaining information by asking questions, supported by any data that might be available through the systems at hand.

If the agent can properly identify the malfunction, he or she can begin guiding the user through the necessary steps that must be taken. If this process doesn't deliver the required outcome, corrective actions may be needed – in some cases, the process may need to be restarted. This trial-and-error is time consuming and could even be harmful to the device and unsafe for the people involved.

At a larger scale, for example, this could affect a fixed-Internet provider that has several thousand routers and modems scattered around its service area or a vending machine provider that has hundreds of machines installed across the world. The scenario might even reach critical levels when a massive outage happens and large numbers of end users reach out to their providers at the same time.

Moreover, agents must receive intensive training to learn how every machine or device works. To improve efficiency, CX outsourcing service providers mitigate complexity for agents through intelligent call routing (to ensure the call reaches the most appropriate agent), informative support systems (to help agents obtain the information they need for each particular situation), and the deployment of a broad mix of emerging technologies (such as machine learning and natural language processing).

Some providers take a more innovative approach. Harnessing the strength of its partners and aligning with current industry trends, CGS spearheads an approach based on an augmented reality (AR) core.

In its most basic form, AR is a video feed taken through a camera with a computer vision layer on top that allows the system to recognize objects from different points of view. Consequently, the system acknowledges the three-dimensional characteristics of the studied object and its distinctive features, giving the agent access to relevant data (such as weight, energy supply requirements, dimensions, and maintenance requirements).

The application has another information layer on its user interface (UI) that helps the user recognize what he or she sees through the camera's lenses. This layer adapts to the point of view that the camera takes and, for example, might show an overlay with assembly instructions and/or relevant contextual information.

New Product Attributes and Customer Impact

Increasing value through the combination of AR, self-guidance, and outsourcing scale

CGS's solution, called Teamwork AR™, adds a self-guidance component and scaling possibilities to the augmented reality. Based on CGS's partnerships with Twilio and ServiceNow, Teamwork AR resides as an app on the end-user device: this could be a smartphone, laptop, or tablet. Once the device in need of repair is identified (detected by using the camera of the user's device), a series of pre-defined options are shown to the user. These could include the most common malfunctions that this particular appliance might experience. With a question and answer game-based approach, the user provides information to the app, performs the required steps, and the solution itself recognizes if the necessary steps have been taken to solve the problem.

This approach means that any malfunctions or procedures that need to be covered by the solution must first be translated into a series of required and alternative steps, possible workflows, and visually animated representations. This set of elements allows the user to take advantage of Teamwork AR's full potential.

A series of partnerships and CGS's CX outsourcing capabilities allow the user to easily take the problem to a qualified agent when the self-guided approach reaches a dead-end. In this way, the app turns into a communication channel with a human agent at the other end that ensures adaptability and responsiveness while adding a human layer to the AR-powered self-guided process.

Moreover, the solution has a crowd-sourced self-improvement process in place: as users work with Teamwork AR, innovative and new solutions can be added to a bank. These new and different ways of troubleshooting can be easily retrieved and used by another user, and even taken into account by companies when seeking to improve machine design, assembly/disassembly processes, UI, CX, or training.

The quality and reliability of the solution is also backed up by adjustable bandwidth capabilities (for fixed and mobile use adaptation) and it is ISO 27001 compliant to ensure safe data handling.

Wide-ranging use cases

Teamwork AR targets self-guided and remote tech support, help desk, and training. For example, an operator in a factory could be guided – with or without real-time human assistance – through a maintenance procedure (e.g. a belt substitution). The applications are endless and not restricted to a particular vertical, as every machine, device, or appliance varies considerably.

Teamwork AR can also be used in a training environment, where a particular device is virtually presented to the trainee. This removes the need for physical contact with the machine and takes full advantage of the self-paced or guided approaches. This scenario also allows education to easily and inexpensively scale to a large work group, as training occurs completely in a digital environment.

Finally, Teamwork AR can be used by sales teams as salesmen and saleswomen can complement phone calls, emails, documents, and linear video with virtual demonstrations that enormously enrich the experience.

Teamwork AR alleviates multiple client pain points

Teamwork AR delivers a number of positive outcomes, including:

- **Deflecting voice to digital channels:** Following industry trends and current end-users demands, CGS's solution takes what years ago would have been a voice call and turns it into a fully digital inquiry with a potential full digital resolution.
- **Promoting self-service:** Teamwork AR delivers a self-service approach that allows the user to solve problems without the support of a human agent.
- **Pursuing a digital-first approach:** As the solution is the first system met by the user when they attempt to solve a problem, the human agents who would have normally been required to support the client can focus on higher value tasks.
- **Enhancing the agent experience:** The fully-digital, self-paced, machine-first approach means that agents are only involved when problems cannot be solved by Teamwork AR. This means that easy-to-solve troubleshooting tasks do not reach the agents.
- **Reducing costs for the enterprise user:** As the number of calls routed to agents is reduced, the direct associated costs (pay per minute or pay per call costs) also go down. Teamwork AR's costs are offset by the outcomes it delivers, including downtime reduction, call elimination, and productivity increases.
- **Improving first call resolution (FCR):** What in the past could have involved sending a field technician to solve a particular issue can now be handled by the end user and solved with the guidance of Teamwork AR.
- **Reducing machine, device, and appliance downtime:** Enabling end users to tackle and solve problems on the spot reduces the time that a machine is out of commission. Furthermore, if the failure happens again, the user will already be trained to solve it.
- **Accelerating technology adoption:** Involving the user with the solution decreases downtime and allows the end user to understand his/her work tools in a deeper and more holistic way. This accelerates new knowledge adoption.
- **Reducing returns:** The most frequent issues suffered by devices can be solved on-premises, as they happen. Solving issues quickly and efficiently means devices, machines, and appliances can be used for their intended purpose and not be returned to the manufacturer.
- **COVID-19 scenario:** Field technicians can be kept safe and more easily work remotely by relying on the virtual models and video conferencing capabilities provided by Teamwork AR.

- **Reducing training time and investment:** Teamwork AR allows manufacturers and end-users enterprises to deliver training directly into the solution, therefore reducing travel times, events organization, and associated costs.
- **Transforming CX outsourcers into revenue centers:** Aligning with another current trend in the CX outsourcing industry, Teamwork AR can be used to support business development activities to deliver new potential revenue opportunities.

Since its launch in November 2019, 6 Fortune 500 companies have already implemented Teamwork AR, including GE Healthcare, McDonald's, and Toshiba. Teamwork AR positions CGS as an innovative outsourcer that is implementing emerging technologies to deliver new revenue streams and enhance the customer experience.

Conclusion

The combination of AR, self-guidance, outsourcing scale, and human/machine convergence translates into several powerful outcomes: reduced costs, reduced downtime, enhanced training options, reduced return volumes, and accelerated technology adoption. These benefits strongly align with current CX outsourcing trends, such as promoting self-service, applying digital-first solutions to low-value contacts, and deflecting voice interaction to digital. Teamwork AR can be used to deliver remote support, enhanced training, and more interactive sales engagement. Initial market response has been very good, as its client presence proves.

With its strong overall performance, CGS's Teamwork AR has earned Frost & Sullivan's 2020 New Product Innovation Award.

Significance of New Product Innovation

Ultimately, growth in any organization depends on continually introducing new products to the market and successfully commercializing those products. For these dual goals to occur, a company must be best in class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding New Product Innovation

Innovation is about finding a productive outlet for creativity—for consistently translating ideas into high-quality products that have a profound impact on the customer.

Key Benchmarking Criteria

For the New Product Innovation Award, Frost & Sullivan analysts independently evaluated 2 key factors—New Product Attributes and Customer Impact—according to the criteria identified below.

New Product Attributes

- Criterion 1: Match to Needs
- Criterion 2: Reliability
- Criterion 3: Quality
- Criterion 4: Positioning
- Criterion 5: Design

Customer Impact

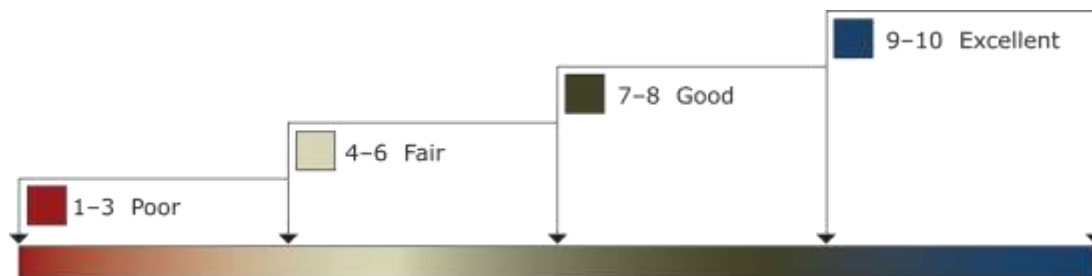
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practices Award Analysis for CGS

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows research and consulting teams to objectively analyze performance according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Ratings guidelines are illustrated below.

RATINGS GUIDELINES



The Decision Support Scorecard considers New Product Attributes and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, Frost & Sullivan has chosen to refer to the other key participants as Competitor 1 and Competitor 2.

<i>Measurement of 1–10 (1 = poor; 10 = excellent)</i>			
New Product Innovation	New Product Attributes	Customer Impact	Average Rating
CGS	9	9	8.5
Competitor 1	7	8	7.5
Competitor 2	6	8	7

New Product Attributes

Criterion 1: Match to Needs

Requirement: Customer needs directly influence and inspire the product's design and positioning.

Criterion 2: Reliability

Requirement: The product consistently meets or exceeds customer expectations for consistent performance during its entire life cycle.

Criterion 3: Quality

Requirement: Product offers best-in-class quality, with a full complement of features and functionalities.

Criterion 4: Positioning

Requirement: The product serves a unique, unmet need that competitors cannot easily replicate.

Criterion 5: Design

Requirement: The product features an innovative design, enhancing both visual appeal and ease of use.

Customer Impact

Criterion 1: Price/Performance Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience

Requirement: Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience

Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience

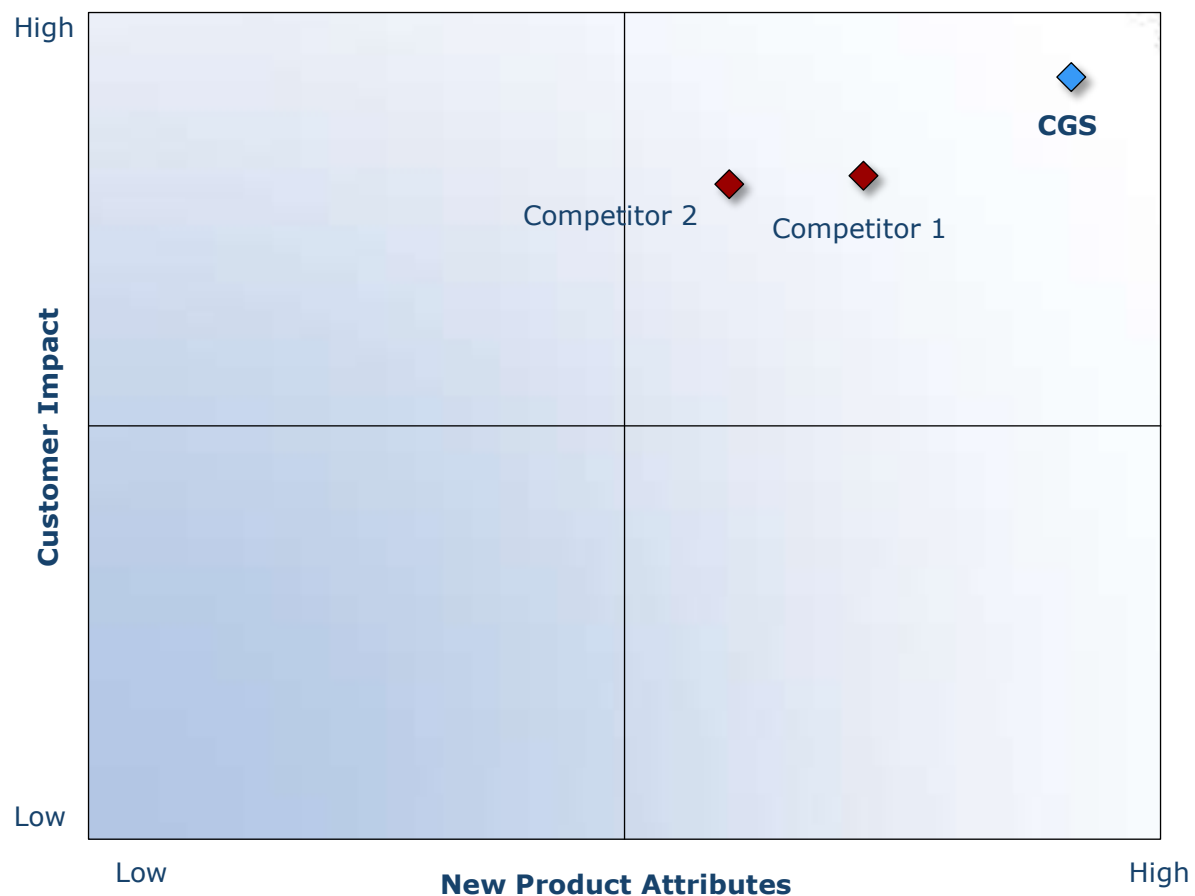
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.



Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best practices criteria. The reputation and integrity of the awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 Monitor, target, and screen	Identify award recipient candidates from around the world	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging industries • Scan multiple regions 	Pipeline of candidates that potentially meet all best practices criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best practices criteria • Rank all candidates 	Matrix positioning of all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • Confirm best practices criteria • Examine eligibility of all candidates • Identify any information gaps 	Detailed profiles of all ranked candidates
4 Initiate research director review	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles 	Final prioritization of all eligible candidates and companion best practices positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> • Share findings • Strengthen cases for candidate eligibility • Prioritize candidates 	Refined list of prioritized award candidates
6 Conduct global industry review	Build consensus on award candidates' eligibility	<ul style="list-style-type: none"> • Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates 	Final list of eligible award candidates, representing success stories worldwide
7 Perform quality check	Develop official award consideration materials	<ul style="list-style-type: none"> • Perform final performance benchmarking activities • Write nominations • Perform quality review 	High-quality, accurate, and creative presentation of nominees' successes
8 Reconnect with panel of industry experts	Finalize the selection of the best practices award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select recipient 	Decision on which company performs best against all best practices criteria
9 Communicate recognition	Inform award recipient of recognition	<ul style="list-style-type: none"> • Announce award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance 	Announcement of award and plan for how recipient can use the award to enhance the brand
10 Take strategic action	Upon licensing, company is able to share award news with stakeholders and customers	<ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess award's role in strategic planning 	Widespread awareness of recipient's award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients accelerate growth and achieve best-in-class positions in growth, innovation, and leadership. The company's Growth Partnership Service provides the CEO and the CEO's growth team with disciplined research and best practices models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit <http://www.frost.com>.