



Everest Group PEAK Matrix™ for CCO Service Providers

Focus on Alorica
June 2017



Introduction and scope

Everest Group recently released its report titled “[Contact Center Outsourcing \(CCO\) – Service Provider Landscape with PEAK Matrix™ Assessment 2017](#)”. This report analyzes the changing dynamics of the CCO landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 35+ service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for CCO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix™ is a framework that provides an objective, data-driven, and comparative assessment of CCO service providers based on their absolute market success and delivery capability. Everest Group also identified five service providers as the “2017 CCO Market Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix™ year-on-year.

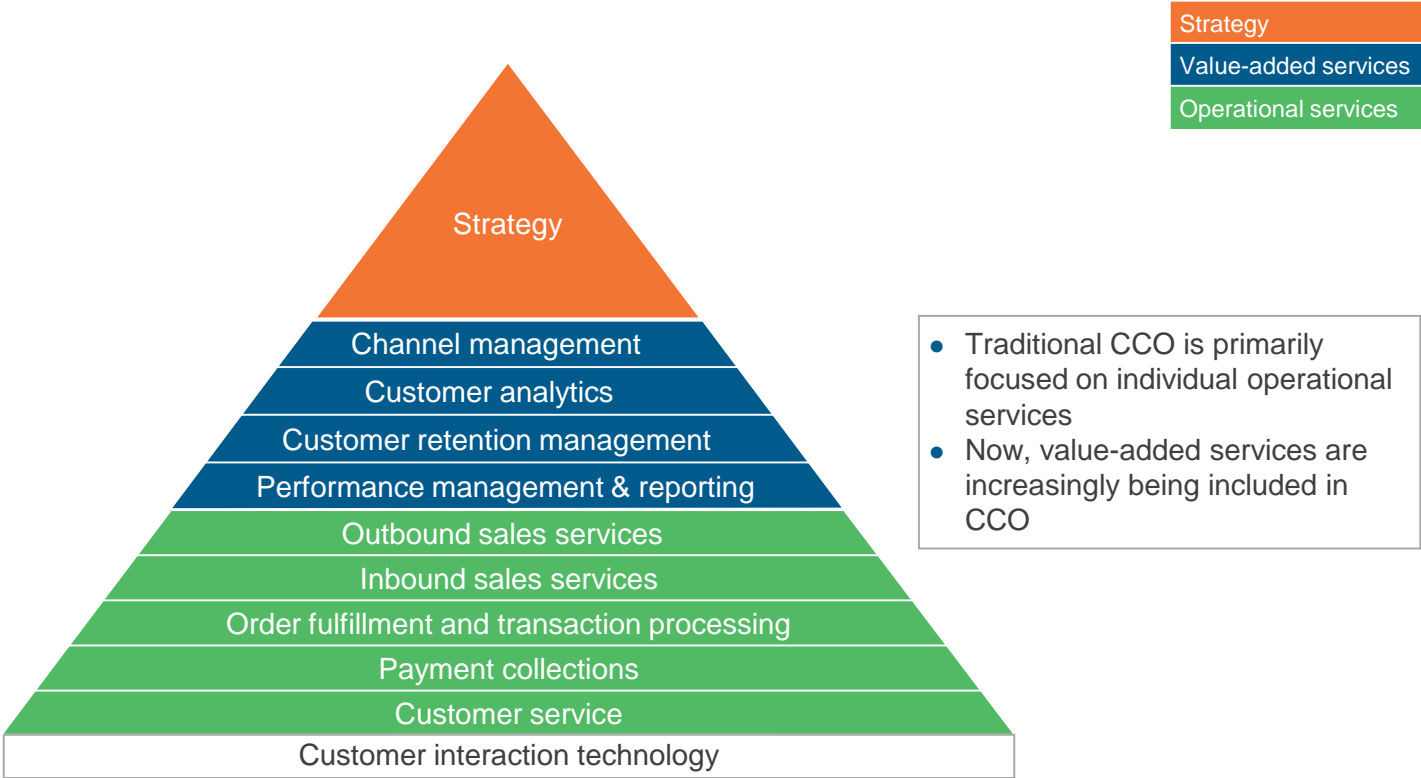
Based on the analysis, **Alorica emerged as a Leader**. This document focuses on Alorica’s CCO experience and capabilities and includes:

- Alorica’s position on the CCO PEAK Matrix
- Alorica’s year-on-year movement on the CCO PEAK Matrix
- Detailed CCO profile of Alorica

Buyers can use the PEAK Matrix™ to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix™ is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

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

Contact center pyramid



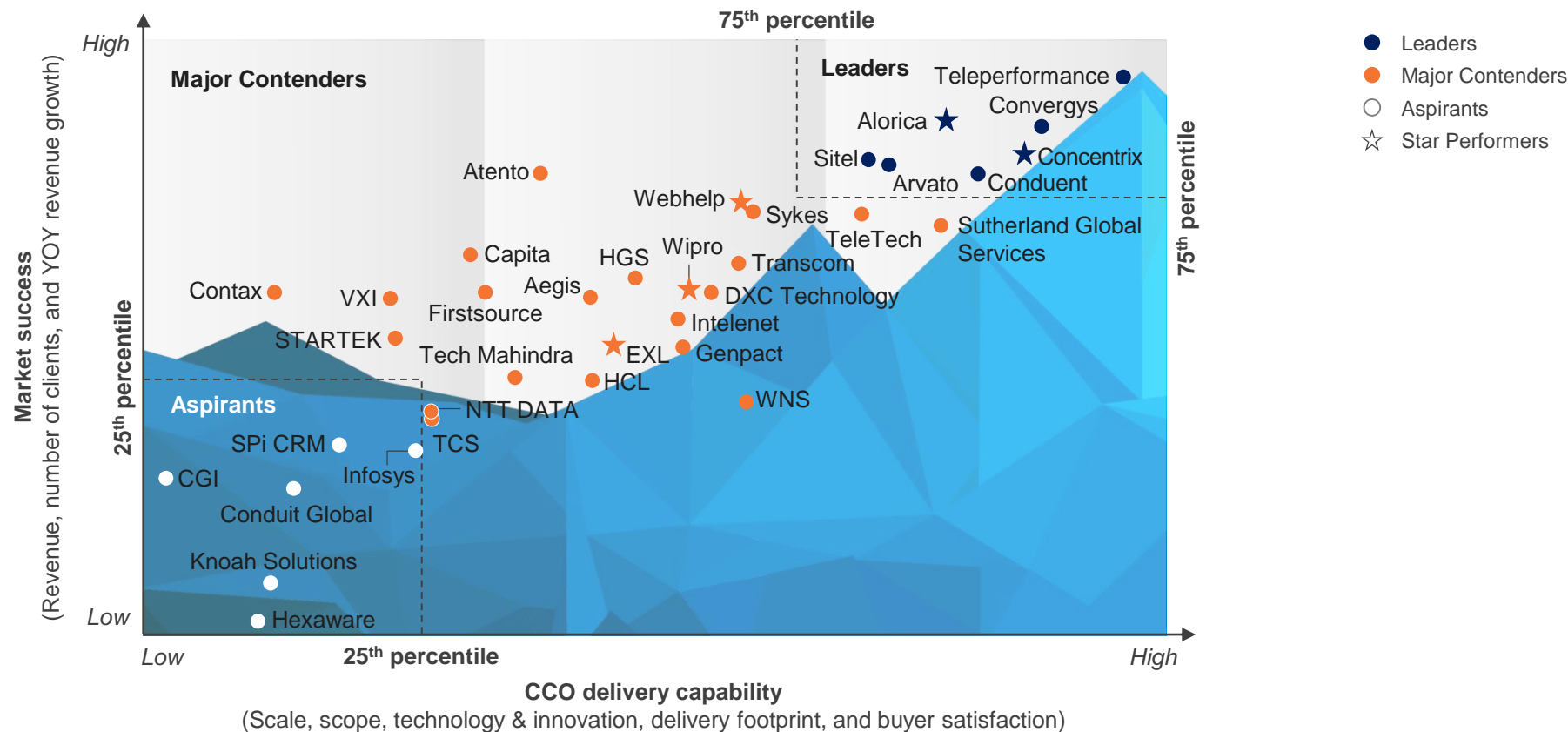
- Everest Group defines the CCO market to include engagements that primarily support all forms of direct and indirect (or in support of direct) interactions with customers, external and internal to the buyer organization, involving a structured multi-channel and remote communication environment
- CCO 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 (2017)

Everest Group PEAK Matrix™ – 2017

CCO market standings

Everest Group PEAK Matrix™ for CCO



1 Service providers scored using Everest Group's proprietary scoring methodology given on page 14

Note Assessment for **Atento**, **Capita**, **Contax**, **DXC Technology**, **Intelenet**, **Sykes**, and **TCS** excludes service provider inputs on this particular study, and are based on Everest Group estimates, which leverages our proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage, public disclosures, and buyer interactions

Source: Everest Group (2017)

Alorica is a Leader and Star Performer on the CCO PEAK Matrix™ based on strong forward and upward movement over the last one year

Change in Alorica's position on the Everest Group PEAK Matrix™ for CCO



Alorica (page 1 of 5)

CCO overview

Company overview

Founded in 1999, Alorica is a business process outsourcing provider of customer management solutions spanning the entire customer life cycle. From customer acquisition & sales, customer care & support, logistics & fulfillment, to social CRM & mobile, Alorica offers an integrated customer experience across all service channels. The company serves nine core verticals that includes communication & media, retail / e-commerce, technology, travel, transportation, utilities, government, financial services, and healthcare.

Key leaders

- Andy Lee, Founder, Chairman and Chief Executive Officer
- James Molloy, Executive Vice President and Chief Financial Officer
- Art DiBari, Executive Vice President and Chief Operating Officer
- Chris Crowley, Executive Vice President, Chief Commercial Officer
- Greg Hopkins, Executive Vice President and Chief Client Officer

Headquarters: Irvine, California, United States

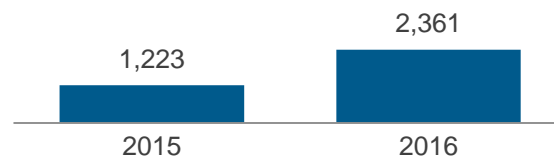
Website: www.alorica.com

Recent developments

- 2017: Dedicated healthcare innovation hubs; patient-centric sites for healthcare advocates with ergonomic workstations, natural lighting, relaxation areas with outdoor eating & garden areas, and decompression rooms with games & senior citizen activities
- 2016: Completed the acquisition of Expert Global Solutions (EGS) to become largest customer experience business process outsourcer servicing the United States, and third largest globally

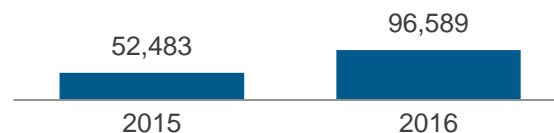
CCO revenue

In US\$ million



Scale of CCO

Number of FTEs



CCO client base

Number of clients



Source: Everest Group (2017)

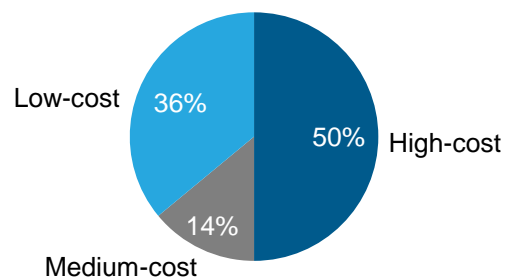
Alorica (page 2 of 5)

CCO capabilities

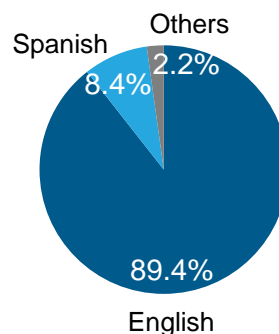
Split of CCO FTEs

Number of FTEs

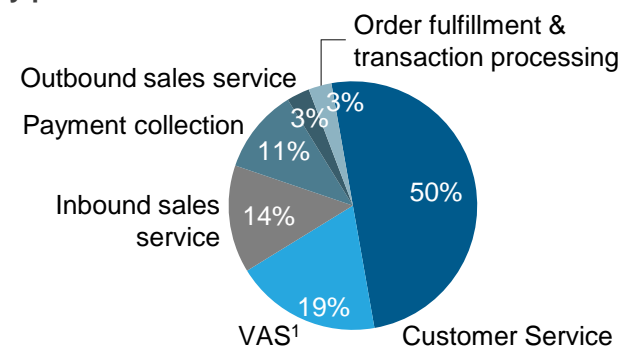
By location



By language



By process



Key CCO investments

Description	Investment type	Year of investment	Comments
Spectrum	Proprietary	N/A	Workforce management system that provides services such as forecasting, multi-skill scheduling, reporting, real-time adherence, and multiple system integrations (ACD, HR system, and payroll)
Customer experience transformation	Internal	2016	A dedicated team of engagement consultants using statistical, observational, and experiential data to improve the customer experience and reduce costs by identifying and resolving “breakage” points in the customer journey
Customer experience management portal	Proprietary	N/A	Modular CRM solution that integrates multiple systems into a single interface capable of generating data-driven insights and recommendations for process improvements

1 Includes channel management, customer analytics, customer retention management, and performance management & reporting

Note High-cost regions include North America, Western Europe, Japan, Singapore, and Australia & New Zealand; medium-cost regions are Latin America, Central Europe, and Middle East & Africa, while low-cost regions are India, the Philippines, and Rest of Asia

Source: Everest Group (2017)

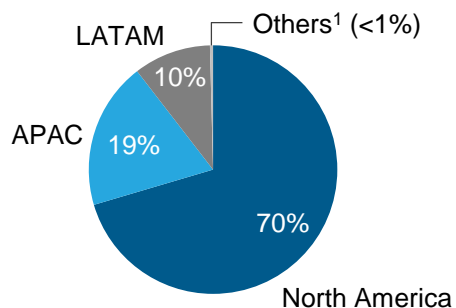
Alorica (page 3 of 5)

CCO client portfolio

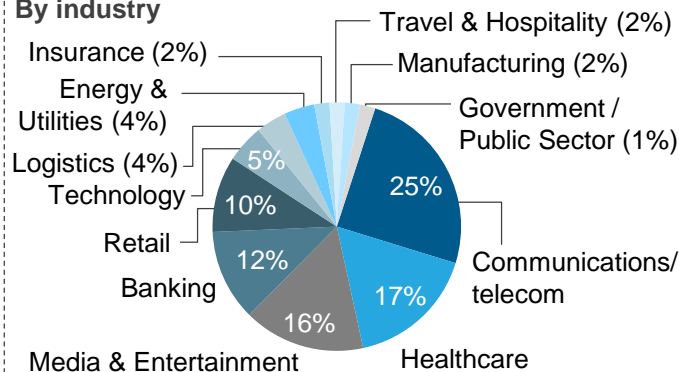
CCO revenue mix

US\$ million

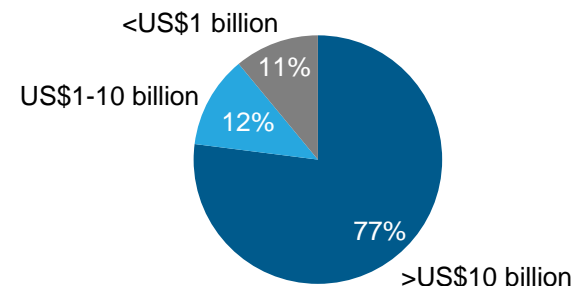
By geography



By industry



By buyer size



Key contact center engagements

Client name	Region	Client since
Fortune 500 media & entertainment company	Multiple regions	1996
Fortune 500 telecommunications client	Multiple regions	2000
Fortune 500 telecommunications company	Multiple regions	2004
Global telecom company	Multiple regions	2005
Global consumer electronics company	Multiple regions	2009
Fortune 500 global retailer	Multiple regions	2012

1 Includes United Kingdom that accounts for 0.3% and Continental Europe that accounts for 0.1%

Source: Everest Group (2017)

Alorica (page 4 of 5)

CCO location landscape

CCO delivery location



Source: Everest Group (2017)

Everest Group assessment – Leader

Measure of capability:  Best-in-class  Very high  High  Medium high  Medium  Medium low  Low  Not mature

Delivery capability						Market success
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	
						

Strengths

- Alorica is a CCO specialist player offering customer management solutions spanning the entire customer life cycle. Approximately 70% of its business comes from Fortune 500 companies. It is one of the largest players serving the CCO market of North America. It is a Leader on the CCO PEAK Matrix
- Its strong revenue growth is driven by its acquisition of Expert Global Solutions (EGS) in 2016. EGS, with a balanced shoring mix, buyer presence in APAC, and exposure to emerging industries, such as healthcare and retail, provides additional growth platform for Alorica
- It has strong capabilities in advanced analytics, value-added services, and non-voice channels, all of which are drivers of growth in the next generation of CCO services
- Its recent organization-wide structural changes that brought in geographic-based regional heads enables it to better support client requirements
- With more than 4000 work-at-home employees across North America, Alorica is able to provide additional shoring option to the clients and cater to their seasonal needs
- Buyers commend the flexibility, pricing, and consistent delivery of Alorica

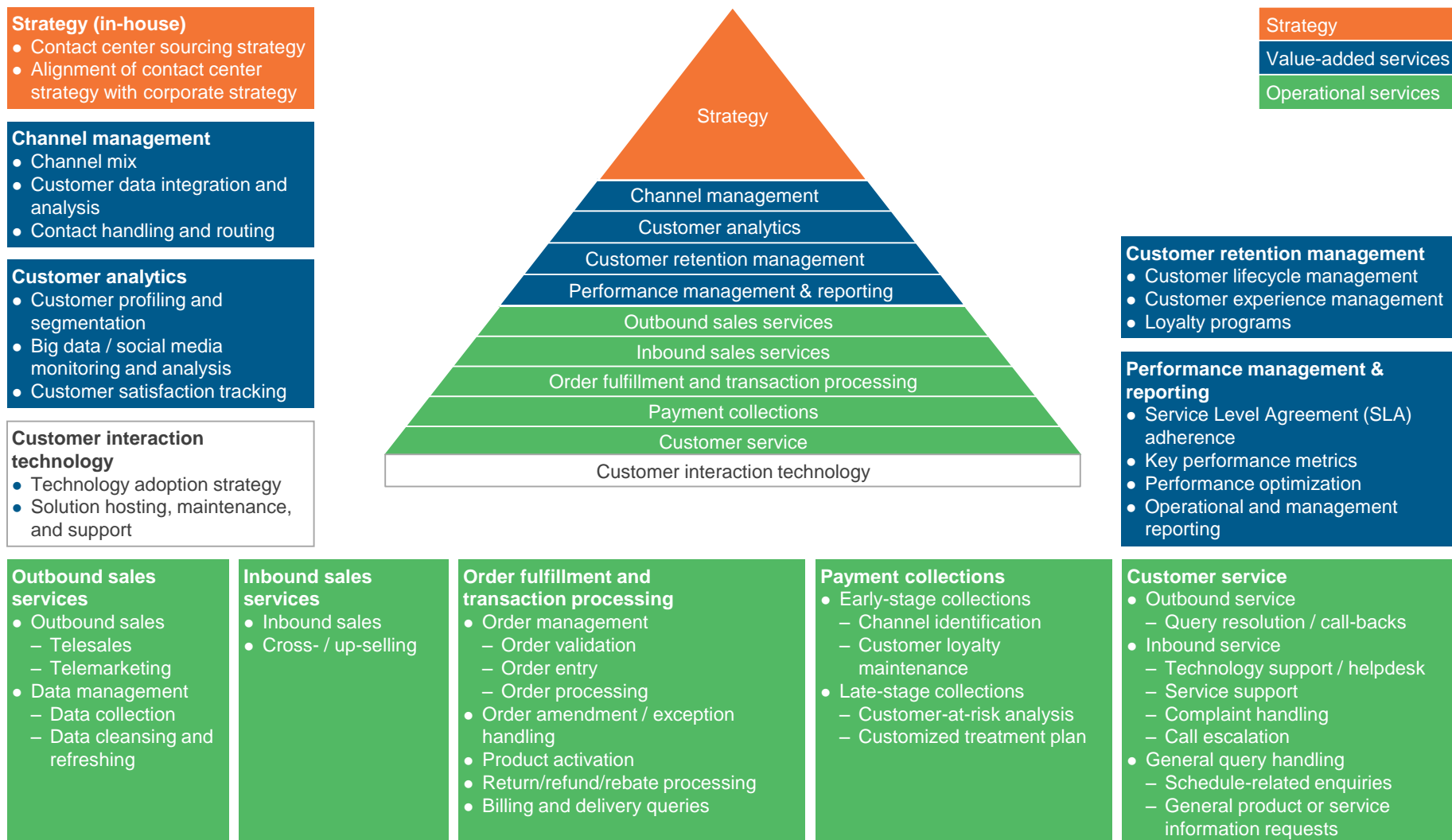
Areas of improvement

- Alorica will benefit by investing in next-gen automation and cognitive solutions to stay ahead in the market
- It will benefit by expanding its language capabilities across Asian languages, as APAC region has a high-growth outlook for CCO market
- Given the size of the EGS acquisition, Alorica should ensure that it is able to effectively assimilate capabilities across both organizations to ensure consistent delivery to clients
- Buyers expect Alorica to be proactive and provide continuous feedback on the services it supports to identify improvement opportunities

Source: Everest Group (2017)

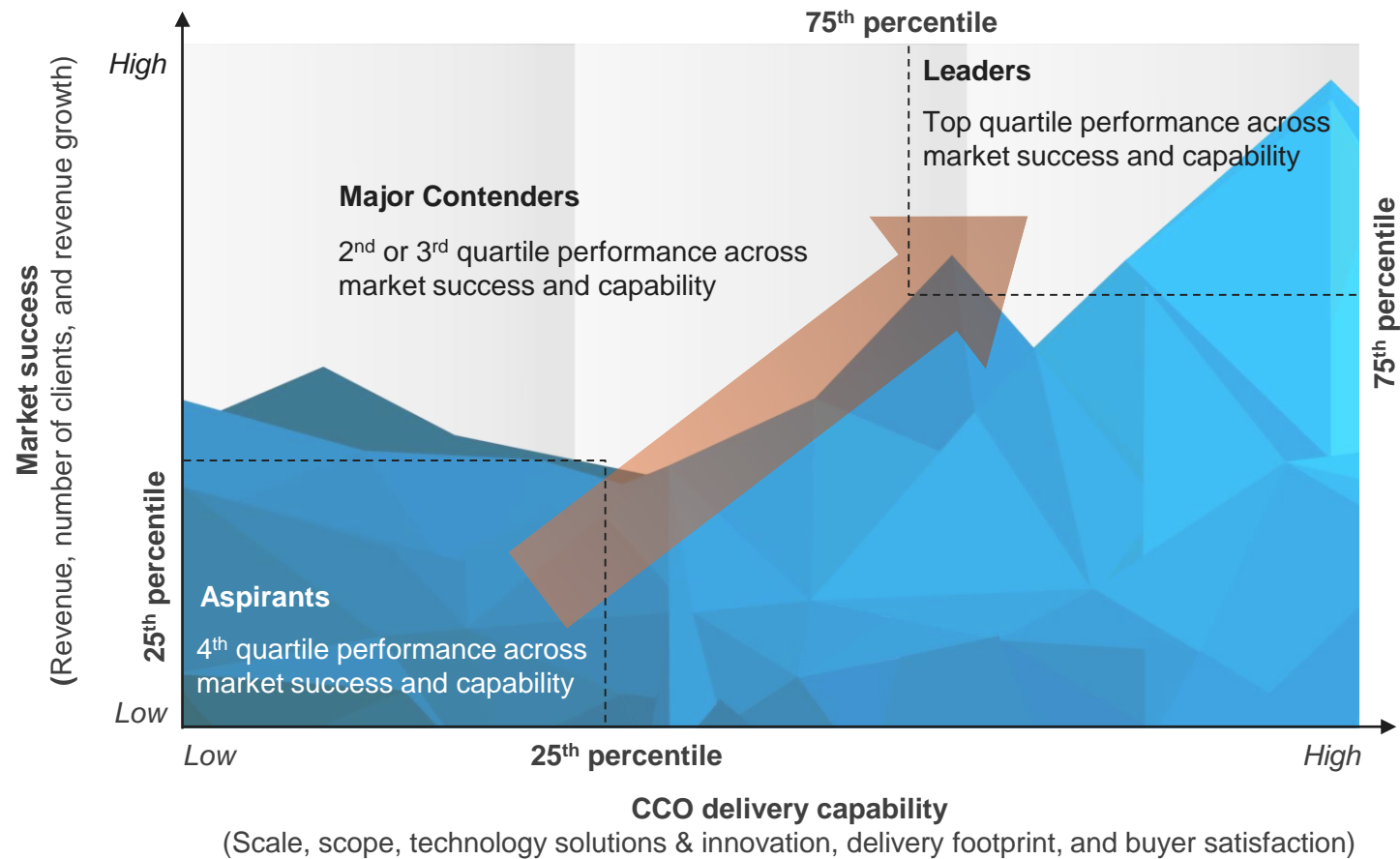
Appendix

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



Everest Group positions the CCO service provider landscape based on its PEAK Matrix™

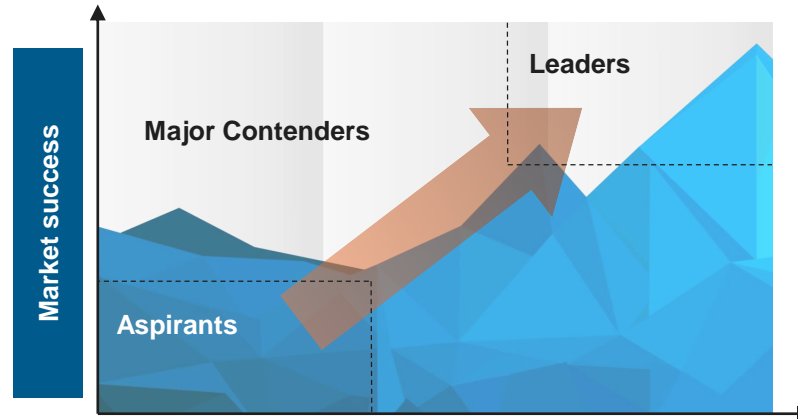
Everest Group PEAK Matrix™ for CCO¹



¹ Service providers scored using Everest Group's proprietary scoring methodology given on page 14
Source: Everest Group (2017)

Service providers are positioned on the Everest Group PEAK Matrix™ based on the evaluation of two key dimensions

Measures success, which is captured through CCO revenue, number of current CCO clients, and YOY revenue growth



Delivery capability

Measures ability to deliver services successfully. This is captured through five subdimensions

Scale	Scope	Technology solutions and innovation	Delivery footprint	Buyer satisfaction
Measures the scale of operations through: <ul style="list-style-type: none"> • Firm-wide revenue • Contribution of CCO revenue to the firm-wide revenue 	Measures the scope of services provided through: <ul style="list-style-type: none"> • Process coverage • Channel coverage • Geographic scope • Industry distribution • Language coverage • Buyer size 	Measures the extent of capability in innovation and technology, as evidenced through investments in contact center-related technology and in areas such as analytics, social media, and process automation	Measures the global sourcing mix through: <ul style="list-style-type: none"> • Delivery footprint across nine regions¹ • Balanced shoring capability 	Measures the satisfaction levels ² of buyers across: <ul style="list-style-type: none"> • Goal realization • Process delivery • Implementation • Relationship management • Proactiveness • Innovation • Responsiveness

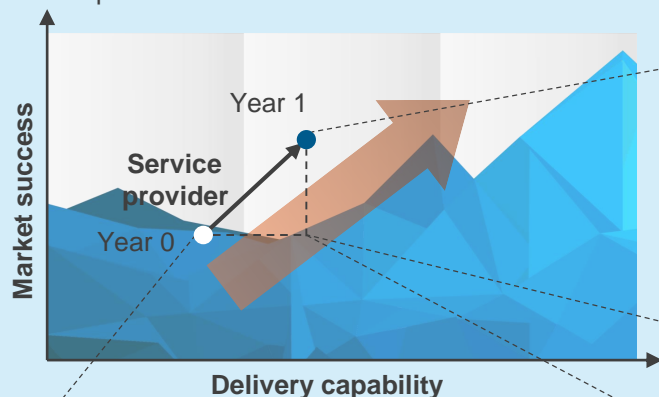
¹ North America, Latin America, Western Europe, Eastern Europe, Australia & New Zealand, India, Philippines, Rest of Asia, and Middle East & Africa

² Measured through responses from two/three referenced buyers for each service provider

Additionally, Everest Group confers the “Star Performers” title on the providers that demonstrate the strongest forward movement over time on the PEAK Matrix™

Methodology

Everest Group selects Market Star Performers based on the relative YOY movement of each service provider on the PEAK Matrix



In order to assess advancements in market success, we evaluate the performance of each service provider on the PEAK Matrix™ across a number of parameters including:

- Yearly revenue growth
- Number of new clients added

In order to assess advancements on capability, we evaluate the performance of each service provider on the PEAK Matrix™ across a number of parameters including:

- Annual growth in scale
- Increase in scope of services
- Expansion of delivery footprint
- Technology- / domain-specific investments

The top quartile performers on each of the specified parameters are identified and the “Star Performer” rating is awarded to the service providers with:

- The maximum number of top quartile performances across all of the above parameters and
- At least one area of top quartile performance in both market success and capability advancement

2017 CCO Star Performers

The “Star Performers” title relates to YOY performance for a given service provider and does not reflect the overall market leadership position. Those identified as “Star Performers” may include “Leaders,” “Major Contenders,” or “Aspirants.”

Service providers such as Arvato, NTT DATA, SPi CRM, STARTEK, and VXi are not accounted for in the Star Performer analysis due to their non-participation in the PEAK Matrix™ analysis in 2016

Does the PEAK Matrix™ assessment incorporate any subjective criteria?

- Everest Group's PEAK Matrix™ assessment adopts an objective and fact-based approach (leveraging service provider RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?

- No. PEAK Matrix™ highlights and positions only the best-in-class service providers in a particular functional/vertical services area. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix™ at all. Therefore, being represented on the PEAK Matrix™ is itself a favorable recognition

What other aspects of PEAK Matrix™ assessment are relevant to buyers and providers besides the “PEAK Matrix™ position”?

- PEAK Matrix™ position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix™ providers assessed in its report. The detailed metric level assessment and associated commentary is helpful for buyers in selecting particular providers for their specific requirements. It also helps providers showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix™ research?

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix™ assessment
- Participation incentives for providers include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix™ providers” profiles

What is the process for a service provider to leverage their PEAK Matrix™ positioning status ?

- Providers can use their PEAK positioning rating in multiple ways including:
 - Issue a press release declaring their positioning/rating
 - Customized PEAK profile for circulation (with clients, prospects, etc.)
 - Quotes from Everest Group analysts could be disseminated to the media
 - Leverage PEAK branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- **The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group**



From **insight** to **action**.



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 empower 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.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-804-276-4533

Delhi

india@everestgrp.com
+91-124-496-1000

London

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

New York

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

Toronto

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

Stay connected

Website



www.everestgrp.com

Social Media



@EverestGroup



@Everest Group

Blog

Sherpas In Blue Shirts

www.sherpasinblueshirts.com