

NEAT EVALUATION FOR COMDATA:

Cognitive CX Services

Market Segment: Overall

Introduction

This is a custom report for Comdata presenting the findings of the NelsonHall NEAT vendor evaluation for *Cognitive CX Services* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Comdata for cognitive CX services, and the latest market analysis summary for cognitive CX services.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering cognitive customer experience (CX) services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in cost optimization, revenue generation, and CX improvement.

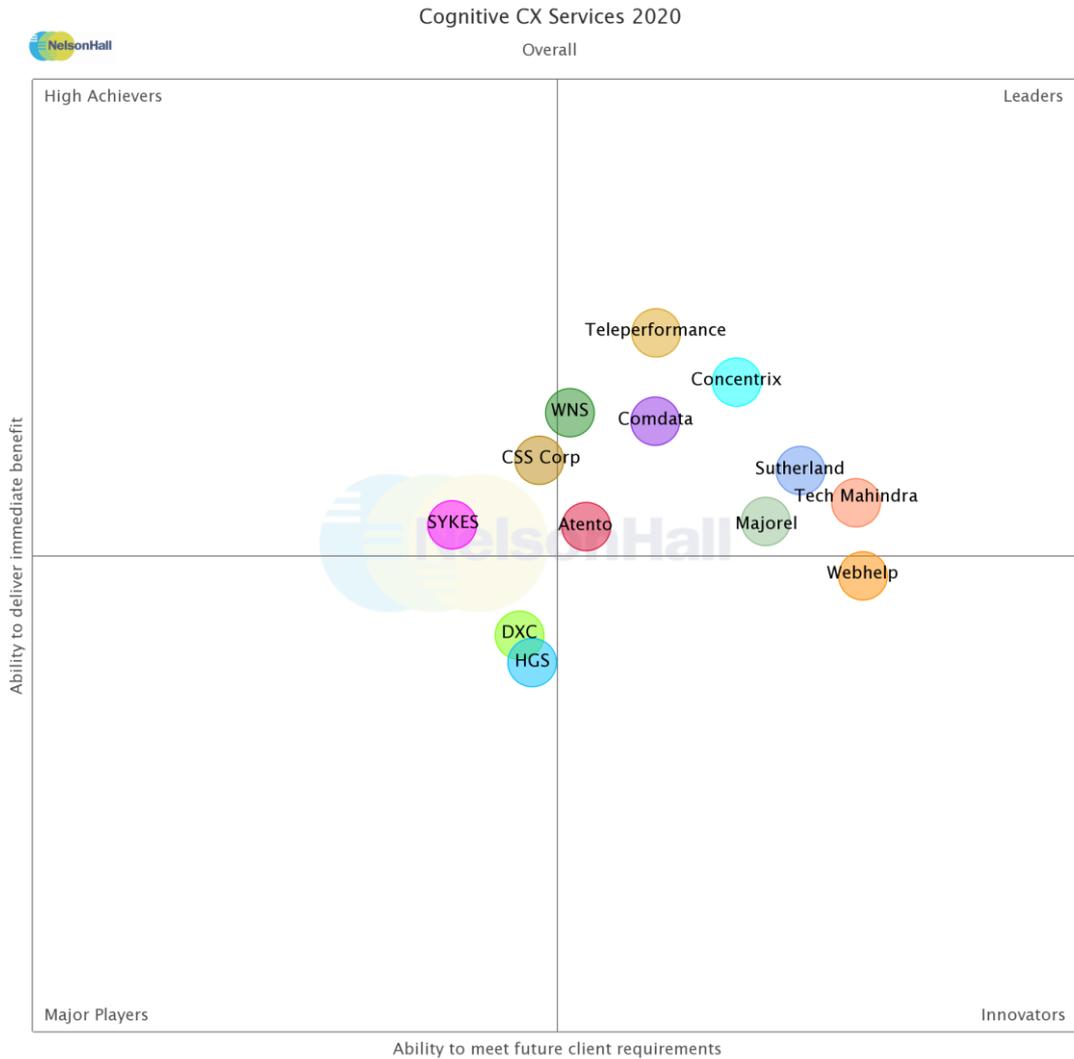
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are Atento, Comdata, Concentrix, CSS Corp, DXC Technology, HGS, Majorel, Sitel, Sutherland, Sykes, Tech Mahindra, Teleperformance, Webhelp, and WNS.

Further explanation of the NEAT methodology is included at the end of the report.



NEAT Evaluation: Cognitive CX Services (Overall)



NelsonHall has identified Comdata as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Comdata’s overall ability to meet future client requirements as well as delivering immediate benefits to CX services clients.

Leaders are vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements.

Buy-side organizations can access the Cognitive CX Services NEAT tool (Overall) [here](#).

Vendor Analysis Summary for Comdata

Overview

Comdata Group (Comdata) is a private BPS provider headquartered in Milan, Italy, and founded in 1987. It provides customer experience services such as customer care, technical support, helpdesk, back-office services, field services management, collections, credit management, document management, embedded analytics, UX design, and consulting. It has ~€1bn in revenue in 2019.

Comdata provides design, development, and consulting for embedded back-office assisted and unassisted RPA, task automation, desktop automation, workflow orchestration, and automation management, chat and voice bots, ML and virtual assistants, NLP and voice analytics, and omnichannel automation. It also offers function-specific automation such as document processing automation, proactive knowledge management, agent augmentation tools, customer feedback, and VOC analytics automation.

It has ~250 cognitive resources such as technology developers, software engineers, statisticians, ML specialists, VOC experts, business analysts, process and design consultants in Italy, France, Spain, and the U.K. They are part of Comdata Digital, which combines operational excellence services, the consulting practice Colorado Consulting, the software factory Delta Progetti, and the CX innovation lab in Milan.

Comdata's cognitive CX clients include telecoms and media, energy and utility providers, banks, financial services institutions, insurance companies, automotive brands, consumer electronics OEM, pharmaceutical companies, retail, CPG, e-commerce players, and travel service companies.

The company has developed a proprietary C-Suite of CX platforms for interaction management, interaction analytics, agent augmentation, contacts and task orchestration with automation and robots, and knowledge and content management across customer-facing and back-office CX processes.

Financials

NelsonHall estimates Comdata's CX services CY 2019 revenues to be ~€1bn (~\$1140m), of which cognitive CX services is ~\$35m.

Strengths

- Proprietary suite of CX services bot automation, orchestration, and management platforms with multiple implementations across sectors
- Dedicated consulting practices for cognitive CX design and ideation
- Significant experience in CX back-office subprocess optimization with cognitive tools, transformation frameworks, and best practices
- Strong capability in document management automation
- Significant experience in non-English chatbot implementations
- Investments in proactive support and retention with ML.



Challenges

- Can expand partnerships with technology providers in areas of IoT, machine translation, and NLP
- Can develop further agent recruitment, training, coaching, and performance management instruments
- Can enhance capabilities in conversational AI to address CX over emerging channels such as messengers and social media.

Strategic Direction

Comdata's sales approach for digital transformation is led by the CX and digital consulting practice, which targets a range of client stakeholders from COOs and CMOs to operational heads. The company is now setting up client success programs tasked with identifying new cognitive CX opportunities. Using the C.Contact orchestration platform, the team will run quick setups and POC to test innovation projects. It is building its operations excellence team in France and Spain to enhance the in-country process engineering capability. The provider is also expanding the consultants' profile to industrial production and logistics to import best practices to the CX services environment.

Comdata actively promotes its commercial model based on customer value, expecting buyer adoption from both senior leadership and procurement roles. In addition to its energy client, it is currently in discussion to use the model with a telecom provider in Italy. The company expects this model to also increase the typical three-year contract duration to meet the financial objectives.

On the back of its appointment-setting automation services in telecom, the company is now identifying opportunities with utilities, manufacturing firms, and insurance providers, for example, to orchestrate visits in cases of car claims assessments. It sees the chatbot implementation as integrated digital channel enablement where the customer benefits from the mobile access, the asynchronous nature, and constant availability of the bot.

To address the challenges of granular CX back-office flow management and control, Comdata uses its C.Contact platform to create a single, centrally-controlled task. It relies on its experience to optimize different production variables to lower costs, increase management visibility, and enable automated proactive engagement with customers.

On the development roadmap, Comdata's data scientists are developing a set of analytics algorithms called C.Predict to predict customer behavior. C.Predict is planned for 2020, but Comdata has already developed, and currently has on trial, a product recall propensity model. It identifies different variables such as customer demographics, product value, product type, and data about the sales agent such as experience, shift, and type of contract. A set of bots extracts this information across the different systems in real-time to drive outbound retention campaigns. So far, the model has achieved ~80% accuracy with an energy supplier.



Outlook

Comdata has an established CX operations automation model with deep vertical experience in its core telecom, energy and utility, manufacturing, insurance, and banking sectors. The company's portfolio of integrated customer-facing and back-office agent bot ecosystems will allow it to harvest new opportunities in Continental Europe, where many of the clients are starting their CX digital transformation. One area where the company can increase investments is in NLP and conversational AI to meet gen X and Z customers on their preferred channels.

Given its industry specialization, investments in IP or partnerships with IoT providers can benefit Comdata in addressing future CX client needs.

Expect Comdata to build its consulting capabilities in France, Spain, and other core markets.

Also look for the launch of its recall predictive offering, and for the expansion of its advanced commercial models across verticals in the Italian market.

Cognitive CX Services Market Summary

Overview

Cognitive CX services refers to the delivery of front-office automation across service lines and functions, both customer-facing and agent-facing. This covers the design, consulting, business case creation, technology sourcing, development, implementation, organization change management, running, monitoring, governance, and optimization of automation processes and technology in CX services.

‘Cognitive’ applies to the enablement of digital transformation in outsourced CX services through customer-facing and agent-facing automation. It covers the different stages of the customer lifecycle, including customer care, technical support, new customer acquisition, up-sell and cross-sell, collections, retention, social media services, order processing, and fulfillment. It also includes industry-specific services.

Services and technology within the scope of cognitive CX include:

- Assisted and unassisted robots, RPA and RDA
- Desktop automation and transaction and task automation
- Function-specific bots such as omnichannel orchestration, knowledge, recommendation engines, NBA
- NLP/NLU and speech and text analytics
- Document automation, image recognition, and OCR/ICR
- Chatbots, voice bots, and conversational AI
- Virtual assistants and cognitive bots
- ML, DL, and narrow AI.

Buy-Side Dynamics

The key buy-side drivers for the adoption of cognitive CX services include requirements for:

- Reduction in TAT or time to serve
- Improved customer satisfaction
- Improved cost optimization and process efficiency
- Increased reliability
- Error reduction
- Improved compliance and security
- FTE reduction
- Increased revenue.



Additional client drivers include improved employee satisfaction, improved agent onboarding, increased hours of operation, access to automation talent pool and technology assistance with digital transformation, use of automation to enhance live agent interactions, and development of predictive automation for market segmentation and customer targeting.

Market Size & Growth

The global cognitive CX services market is ~1.1% of the overall industry at \$836m and is expanding ~7x faster than the industry average at 36% CAAGR through 2023. It is dominated by the top 25 largest vendors and is closely aligned to the biggest markets and industries. It is expected to reach ~\$2.8bn by 2023, driven by market demand for next-level automation.

Success Factors

Key success factors for organizations looking to outsource cognitive CX are:

- Ability to deliver unassisted automation
- Expertise in virtual agents
- Expertise in voice automation
- Expertise in text automation
- Expertise in RPA
- Reusable use cases
- Customer journey mapping
- Design thinking
- UI design.

Challenges

Key challenges for organizations looking to outsource cognitive CX are:

- Access to an automation talent pool and technology to map changing customer behavior, analyze customer feedback, personalize and customize sales
- Assistance with digital transformation, including consulting, customer journey design, to engage customers across the different journey stages
- Use of automation, including machine learning, to enhance live agent interactions and achieve efficiency in order processing
- Development of predictive automation for market segmentation and customer targeting
- Internal policy and procedures compliance
- Competitive benchmarking and market insights
- Consolidation of fragmented CX delivery and unification of services shared between internal departments (e.g. customer service, marketing, IT)



- Industry-specific services such as fraud prevention, collections improvement, VOC analytics, omnichannel management, machine translation, and service desk and helpdesk support
- Lowering development cost through offshoring.

Outlook

Over the next four years:

- Key client needs will be to personalize the CX using technology, empower agents with AI and automation, and reinvent service design with new capabilities. A priority is understanding customer intent from structured, semi-structured, and unstructured information to offer proactive sales, support, and retention. Clients expect their services providers to co-innovate in CX and advise on the available technology capabilities
- Vendors will leverage cognitive CX as part of a bundled service in order to manage the entire process and play a larger role in client BPS operations
- CX services vendors will target boardroom decision-making with consulting and design capabilities, innovation labs, experience hubs, and dedicated strategy and innovation resources
- NLP and voice bot technology will reach maturity with industry-specific intent libraries for proactive dialog management across major languages
- Vendors will utilize linguistic scientists and conversational designers, including frontline agents to create human-like automated conversations
- Augmented agents will be standard, supported by cognitive tools to proactively help them in real-time during live interactions
- Market leaders will increase their share with the risk that automation will drive smaller suppliers out of the client's supplier network.



NEAT Methodology for Cognitive CX Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet client future requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet client future requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements
- **High Achievers:** vendors that exhibit a high ability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet client future requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet client future requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

‘Ability to deliver immediate benefit’: Assessment criteria

Assessment Category	Assessment Criteria
Offerings	<ul style="list-style-type: none"> Range of cognitive customer experience services Customer experience improvement capability Revenue generation capability Cost optimization capability Digital transformation capability
Delivery	<ul style="list-style-type: none"> Scale of cognitive CXS resources Scale of cognitive CXS infrastructure Scale of cognitive CXS partnerships ecosystem Application of consulting in cognitive CXS Application of RPA/RDA Application of intelligent automation Application of customer-facing voice and chatbots Application of customer-facing cognitive bots Application of agent augmentation through cognitive technology Application of NLP and sentiment analytics Application of function specific automation Application of industry specific automation Application of automation self-service Application of cognitive technology & models for staff recruitment, training, management
Market Presence	<ul style="list-style-type: none"> Scale of RPA projects and clients Scale of cognitive CX projects and clients
Benefits Achieved	<ul style="list-style-type: none"> Level of customer experience improvement achieved Level of cost savings achieved Level of revenue increase achieved Level of process optimization achieved



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Investments in Cognitive CXS	<ul style="list-style-type: none"> In development of automation consulting In development of intelligent automation In development of function-specific automation In development of industry-specific automation In development of NLP and sentiment analytics In development of ML and AI In development of automation self-service
Perceived Suitability by CXS Clients	<ul style="list-style-type: none"> Perceived effectiveness in the application of customer experience improvement Perceived effectiveness in the application of revenue generation Perceived effectiveness in the application of cost optimization Perceived effectiveness in the application of process improvement Mechanisms in place to deliver client innovation through automation Mechanisms in place to deliver client innovation through cognitive CXS Extent to which client perceives that innovation has been delivered Suitability of vendor to meet future needs of client Perceived suitability as key partner

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



Sales Enquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:
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