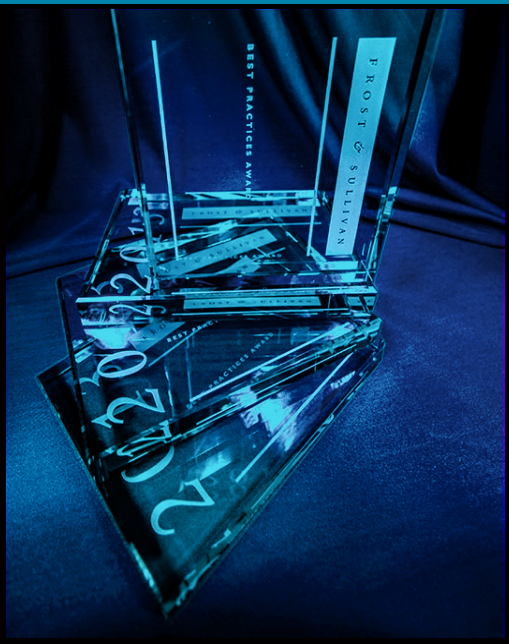




2016 Chilean
Contact Center Outsourcing Services
Company of the Year Award



FROST & SULLIVAN

BEST
2016 PRACTICES
AWARD

CHILEAN
CONTACT CENTER OUTSOURCING SERVICES
COMPANY OF THE YEAR AWARD

2016
BEST PRACTICES
AWARDS

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Background and Company Performance

Industry Challenges

Providing excellent customer support is critical to an organization's success. New products, technologies, and channels are improving the customer experience and creating certain issues that require swift and effective resolution. Therefore, companies must find innovative ways to provide customer support.

Customers are becoming more reliant on computer hardware, software, and services in their everyday lives. As a result, they have become more knowledgeable about the technologies they own, use, and access, which has transformed the customer support landscape because today's customers are more aware and demanding of companies when their applications, products, or tools do not work.

Solving customers' problems, therefore, is central to successful customer relationship management (CRM) strategies. Customers will stay loyal to brands and promote them on social media only if their products work well and the service is superb. However, providing effective customer support can be expensive. Companies have to design solutions that will help not only retain customers but ideally turn them into fans as well, while keeping down costs.

Delivering a solid customer experience at every touch point is vital. Customers want their issues resolved irrespective of whether or not the customer support involves self-service, support agents, or face-to-face interaction. In addition, building a positive agent experience is important because a happier workforce usually translates into happier customer interactions.

Only recently have organizations begun to realize how important it is to encourage a deeper, multifaceted dialogue between agents and customers. Contact center outsourcing services providers in Latin America are now working to improve agent training, while increasing on-the-job tools, job satisfaction, and retention.

Visionary Innovation and Performance and Customer Impact

Computer Generated Solutions (CGS) is a global business process outsourcing (BPO) service provider, with 30 years of experience supporting global enterprises, regional companies, and government agencies with business applications, learning systems, and outsourcing services. Headquartered in New York City, CGS serves 3,500 customers in 40 countries across North America, Latin America, Europe, the Middle East, and Asia. In Chile, the company employs close to 3,000 people and continues to grow its capacity in the country through openings in Tier II cities.

Addressing Unmet Needs

With the acquisition of the Chilean contact center, Prego, in 2012, CGS expanded its reach to Latin America and became a truly global service provider. Since then, CGS has significantly grown its capacity in the country, opening 3 new sites (2 in Santiago and 1 in Valparaiso) and reaching 1,500 seats. During this period, CGS added more than 15 new logos from local and global companies as well as government institutions. Moreover, as a location with highly skilled and educated talent, Chile has played an important role in CGS's global value proposition, allowing the company to fulfill highly complex services to local and global clients, with customers in Latin America and the United States.

At the end of 2015, CGS acquired one of the largest contact centers in Chile: Mas Cerca. With this acquisition, CGS added 1,200 seats in 2 sites, consolidated as one of the top 3 contact center service providers in Chile, and gained a significant number of clients, which added to a total of 40 companies served in the country. Furthermore, while CGS's expertise has been previously focused in the financial, healthcare, and telecommunications verticals, the acquisition of Mas Cerca substantially increased CGS's penetration into other industries including government (currently serving 5 public institutions in the country) and retail, allowing CGS to leverage its global expertise in this vertical previously gained in countries such as the United States and Romania.

Implementation of Best Practices

Because of the high penetration of the Internet in Chile, customers have more resources and real-time information than ever before, which has augmented their expectations for higher levels of customer service. CGS has responded to this shift in customers' behavior by increasing the quality of its services through skilled resources, advanced use of technology, process improvement, Big Data analysis, and innovation and imagination. In this regard, CGS has implemented chat and social media as channels of interaction for many clients, responding to customers' communication preferences.

Furthermore, the relationship with companies' contracting services has mutated in the last few years as the outsourcing value proposition has evolved from a cost-based formula to a business strategic partnership and process value enhancement. Consequently, CGS increments the value add in each new contract with existing and new clients by assuming an advisory role in the definition of the customer relationship management strategy for every client.

Customer Purchase Experience

CGS offers a disciplined approach model to implement services to new and existing customers through its project management office (PMO), which coordinates internal areas, customers, and vendors to accomplish the agreed timeframes with clients. Moreover, CGS adopted the customer operations performance center (COPC) standard, which includes methodologies to implement and operate different kinds of services such as performance

control, analysis, and continued improvement. CGS is currently working toward its fourth consecutive certification. The company has focused on enhancing support areas such as quality assurance (QA), workforce management, and recruiting, allowing for focused operations and service level agreements (SLA) and exceeding clients' expectations.

Customer Ownership Experience

Attracting, developing, and retaining the best talent available is a must for any BPO service provider looking to provide a superior customer experience. CGS stated globally that its 3 strategic drivers in the next 5 years will be people, people, and people. The Chilean management team has directly adopted this spirit. Attracting the best-in-class talent is a must for CGS in Chile; therefore, the company is focusing on engagement management, which is its approach to developing procedures, strategies, and activities to make CGS a place of choice to work. CGS's main goal is to have skilled talent knock on the company's door for a job, rather than recruiting them. Furthermore, the key contributors to CGS employee satisfaction include selective hiring, a positive and effective on-boarding experience, desirable salary and benefits, salary progression and career pathing, and inspiring environments (most of CGS's operation managers in Chile have developed their careers at CGS, with many of them starting at entry level positions).

CGS maintains a pay-for-performance culture, providing pay raises through quarterly and annual reviews and motivating agents with financial rewards for meeting daily objectives. The specifics of the reward programs are established with each client at the time of implementation. Moreover, CGS places great emphasis on effective initial and ongoing agent training and mentoring and operates its own training facilities, labs, and a proprietary eLearning application to ensure a comprehensive training experience, effectiveness measures, and agent skills tracking. CGS's robust training programs can address multiple tasks, multiple variations of similar functions, and multiple levels of complexity within the potential customer needs. This level of training ensures that each agent's skill is maximized and that the right subject matter experts are assigned where they are needed.

Customer Service Experience

Being a global company allows CGS to enhance its value proposition to Chilean customers, with global resources and investments supported by the company's global financial muscle; support in corporate guidance; infrastructure and technology; best practice sharing; and access to global tools, processes, and experiences. In addition, the company has developed robust methodologies to implement QA, integrations, workforce management, and reporting tools that allow the operations to reach SLAs rapidly from the startup date. Using these tools from the beginning of the implementation allows CGS to offer robust support to its clients and to manage and improve key performance indicators (KPI) on a daily, weekly, and monthly basis.

Brand Equity

Since its entrance in Chile in 2012, CGS has been serving several global clients from its Chilean location, providing customer care, technical support, channel enablement, and in some cases, software development and technology integration services to customers in Latin America – including Brazil – and the United States. As a result, CGS has strengthened its brand worldwide and acquired new customers in Chile and other geographies as well. Moreover, because of the strong immigration flow to Chile during the last decade, the country has substantially augmented the number of French, Italian, and German speaking workers, allowing CGS to offer services in these languages to both new and existing clients. Overall, global clients have high standards of services, forcing CGS to enhance its process at every step of the value chain.

Conclusion

In a challenging economic scenario and with a stable momentum in the Chilean contact center outsourcing services market, CGS has surpassed its competitors' performance by introducing global best practices to Chile, leveraging its international expertise to serve local and global customers, and utilizing its strong human resource practices to develop skilled talent continuously and provide higher quality services.

With its strong overall performance, CGS has earned Frost & Sullivan's 2016 Company of the Year Award.

Significance of Company of the Year

To win the Company of the Year award (i.e., to be recognized as a leader not only in your industry, but among your non-industry peers as well) requires a company to demonstrate excellence in growth, innovation, and leadership. This kind of excellence typically translates into superior performance in three key areas: demand generation, brand development, and competitive positioning. These areas serve as the foundation of a company's future success and prepare it to deliver on the two criteria that define the Company of the Year Award (Visionary Innovation & Performance and Customer Impact).



Understanding Company of the Year

As discussed above, driving demand, brand strength, and competitive differentiation all play a critical role in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on visionary innovation to enhance customer value and impact.

Key Benchmarking Criteria

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated two key factors—Visionary Innovation & Performance and Customer Impact—according to the criteria identified below.

Visionary Innovation & Performance

- Criterion 1: Addressing Unmet Needs
- Criterion 2: Visionary Scenarios Through Mega Trends
- Criterion 3: Implementation Best Practices
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Financial Performance

Customer Impact

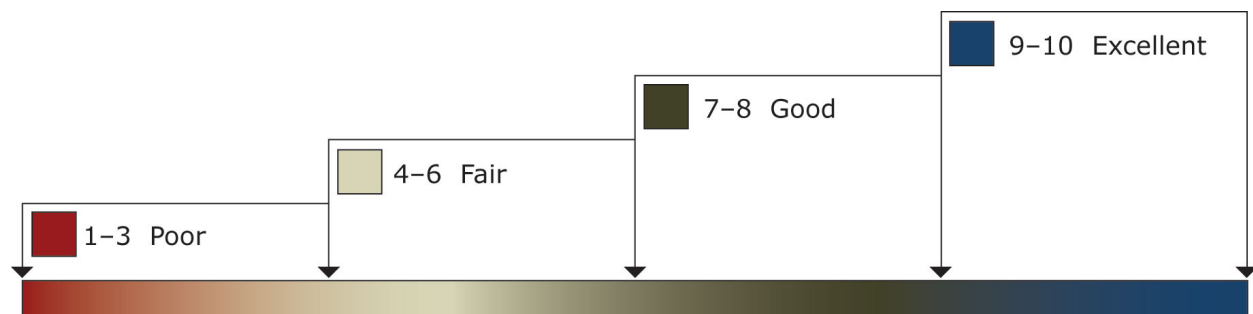
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practice 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 our 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 is organized by Visionary Innovation & Performance and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria 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, we have chosen to refer to the other key players as Competitor 2 and Competitor 3.

DECISION SUPPORT SCORECARD FOR COMPANY OF THE YEAR AWARD

<i>Measurement of 1-10 (1 = poor; 10 = excellent)</i>			
Company of the Year	Visionary Innovation & Performance	Customer Impact	Average Rating
CGS	9	9	9
Competitor 2	9	8	8.5
Competitor 3	8	8	8

Visionary Innovation & Performance

Criterion 1: Addressing Unmet Needs

Requirement: Implementing a robust process to continuously unearth customers’ unmet or under-served needs, and creating the products or solutions to address them effectively

Criterion 2: Visionary Scenarios Through Mega Trends

Requirement: Incorporating long-range, macro-level scenarios into the innovation strategy, thereby enabling “first to market” growth opportunities solutions

Criterion 4: Implementation of Best Practices

Requirement: Best-in-class strategy implementation characterized by processes, tools, or activities that generate a consistent and repeatable level of success.

Criterion 3: Blue Ocean Strategy

Requirement: Strategic focus in creating a leadership position in a potentially “uncontested” market space, manifested by stiff barriers to entry for competitors

Criterion 5: Financial Performance

Requirement: Strong overall business performance in terms of revenues, revenue growth, operating margin and other key financial metrics

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 like they are buying the most 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

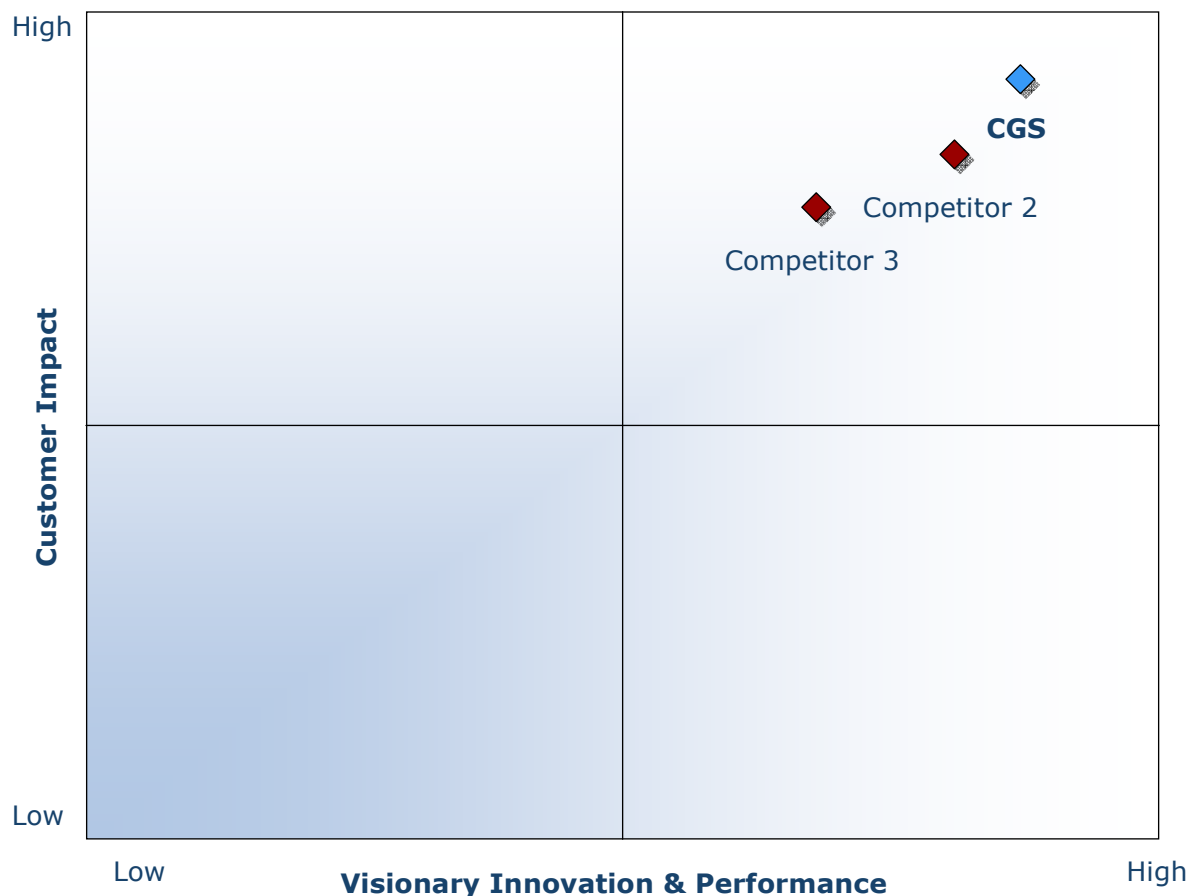
Criterion 5: Brand Equity

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 can 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.

DECISION SUPPORT MATRIX FOR COMPANY OF THE YEAR AWARD



The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of our 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, leading to 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 players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



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

Frost & Sullivan Awards follow a 10-step process to evaluate award candidates and assess their fit with select best practice 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 globe	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies 	Pipeline of candidates who potentially meet all best-practice 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-practice criteria • Rank all candidates 	Matrix positioning 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-practice 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-practice 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-practice award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select winner 	Decision on which company performs best against all best-practice criteria
9 Communicate recognition	Inform award recipient of award recognition	<ul style="list-style-type: none"> • Present 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 may 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 future strategic planning 	Widespread awareness of recipient's award status among investors, media personnel, and employees

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to 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 practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.