

NEAT EVALUATION FOR CSS CORP:

CX Services in Telecoms & Media

Market Segment: Overall

Introduction

This is a custom report for CSS Corp presenting the findings of the NelsonHall NEAT vendor evaluation for *CX Services in Telecoms & Media* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of CSS Corp for CX services in telecoms & media, and the latest market analysis summary for CX services in telecoms & media.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering customer experience services (CXs) in the telecoms and media sector. 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.

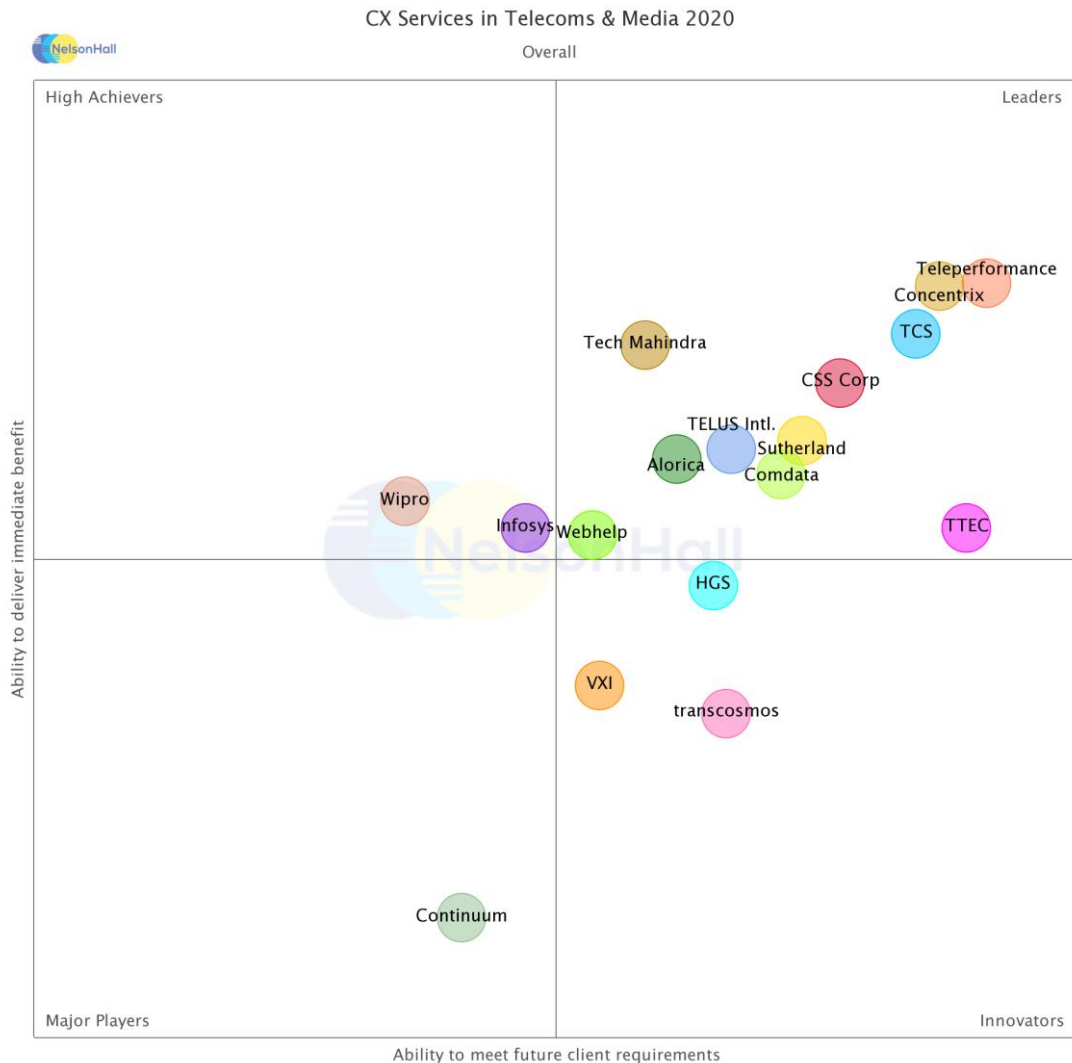
Evaluating vendors on both their ‘ability to deliver immediate benefit’ and their ‘ability to meet client future requirements’, vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Alorica, Comdata, Concentrix, Continuum, CSS Corp, HGS, Infosys, Sutherland, TCS, Tech Mahindra, Teleperformance, TELUS International, transcocosmos, TTEC, VXI Global Solutions, Webhelp, and Wipro.

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



NEAT Evaluation: CX Services in Telecoms & Media (Overall)



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

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

Buy-side organizations can access the *CX Services in Telecoms & Media* NEAT tool (*Overall*) [here](#).



Vendor Analysis Summary for CSS Corp

Overview

CSS Corp is a private IT services and BPS company, headquartered in Milpitas, CA. It provides managed IT infrastructure services, technical support for enterprise and consumer products, and remote network and infrastructure support, and CX services. It has ~7k employees in 19 centers supporting ~150 clients and annual revenues of ~\$160m for CY 2019 (NelsonHall estimates). CSS Corp has supported the telecoms sector since 2000 and this forms ~60% of the business.

In the telecoms and media CX services, CSS Corp offers B2C and B2B customer care, technical support, sales, retention, technical support, including remote assistance and premium support, collections, social media services, and back-office services such as order processing, return materials authorization, service desk, store and field installation support. It also provides operational, predictive, and prescriptive analytics, RPA/RDA and cognitive automation, self-service web and app development, and CX consulting such as customer journey mapping and process re-engineering. It supports voice and digital channels, including messengers, apps, and augmented reality.

It has ~3k sector employees, with ~200 members in CSS Corp's labs, comprised of UX, UI, and CX designers, consultants, programmers, big data experts, data scientists, and bot, AI, and NLP developers.

It has ~40 telecoms clients such as full-service telecoms, cable and wireless providers, ISPs, telecoms and networking equipment OEMs, VoIP providers, OTT, UCaaS/CPaaS companies, and digital media companies.

CSS Corp has a tool stack of ~20 proprietary digital accelerators, ~100 cognitive automation plug-ins, ~60 prebuilt integrations, and platforms with functional and industry-specific features.

In response to the COVID-19 crisis, by 23rd March 2020, CSS Corp had migrated 100% of its workforce to WAH and enabled a Resilience framework to cover: from real estate and facilities management through support function alignment, IT connectivity, collaboration, security, and communication, with a crisis management team and weekly CEO updates, and finally SLA monitoring.

Financials

NelsonHall estimates CSS Corp's CY 2019 sector revenues to be ~\$94m, growing at 17% y/y. Of these, CX services in telecoms and media represent ~\$75m.

Strengths

- Strong sector experience in proactive and pre-emptive support with a stack of proprietary assets, industry accelerators, and consulting know-how
- Expertise in remote visual support and investments in AR-enabled diagnostics with live implementations
- Mature commercial models to support digital transformation with a portfolio of outcome-based contracts in telecoms



- Advanced agent recruitment, training, and engagement framework, supported by proprietary and third-party analytics and automation tools
- Investment in attribute-based intelligent routing.

Challenges

- Can further specialize its consulting resources to address industry-specific processes
- Can target the media segment more actively, building on its telecoms sector presence.

Strategic Direction

The telecoms and networking segments are the core industries for CSS Corp. Since around 2016, the scope of responsibilities for CSS Corp in consumer electronics and network equipment has broadened from technical support for the devices to ensure that customers receive content and have access to their media entertainment. The devices are now heavily integrated with the applications sitting on top and CSS Corp is taking a more significant role in supporting the entire ecosystem. The company is now evolving its portfolio of CX services and proprietary platforms and tools to a more vertical focus.

As part of its consultative selling of product and service ecosystems, it organizes client workshops where it pulls managers across companies in geography; for example, the San Francisco Bay Area. Participants identify transformation opportunities and define digital objectives, while the company brings use cases to showcase existing implementations. It also gathers data inputs to build point solutions and demo different technologies to smaller solutioning workshops. Other company initiatives are client exec surveys and project feedback gathering to foster thinking outside traditional support practices. It sees this approach as a more effective entry point to the large telecoms clients with thousands of outsourced seats and networks of CX services suppliers.

To support the required digital transformation investments, CSS Corp is integrating its outcome-based pricing models into CX services; for example, charging a price per handled transaction – and after the company implements a digital suite, it spreads the development, integration, licensing, and maintenance costs throughout the contract while sharing the benefits of AHT reduction and FCR increase. As a result, the transaction cost drops. In one current proposal in the telecoms space, CSS Corp commits to ~75% transaction cost reduction.

CSS Corp is addressing cost reduction targets in the industry with its AR support model for remote diagnostics. The AR offers object and device classification and recognition accuracy while improving customer satisfaction and reducing truck rolls, eliminating the need for field engineer visits, and cutting staff training time and costs. The company is now creating POCs in other industries such as telecoms device providers and networking, and in the home connectivity space. It also explores the option to offer the capability as a premium technical support to business service providers.

In addition to the AR-enabled remote assistance, CSS Corp is activating proactive technical support coupled with agent augmentation for new clients. For example, for the above-mentioned U.S. telecoms and media company, in H1 2020, it is running an analytics mechanism to import logs from the customer device, analyze the potential issues, and prompt knowledge articles to the agent.

Another investment area is personality-based routing, where it looks to match customer personas with agent or engineer profiles. Using a combination of attributes such as customer interaction history and agent aptitude to different types of problems, it will intelligently route



the interaction. For example, in sales, the algorithm identifies agents' micro-characteristics for consultative versus solution selling to maximize conversion. CSS Corp is currently building these agent personas by line of business and creating the routing algorithms. The first client implementation is planned in 2020 for four service lines with a telecoms provider, which already has some attribute-based routing in their captive operations.

In terms of global delivery for telecoms clients, CSS Corp continues to expand its network in support of the North American market, particularly to address the demand for nearshore operations. In 2019, it grew its Manila presence to ~1.5k people, added a third site in Costa Rica to reach ~750 employees in the country, and opened a 100-person center in Austin, Texas. It is now opening a new site for nearshore U.S. delivery from Colombia.

Outlook

CSS Corp has well-developed pricing models and expertise in building commercial proposals for digital transformation. With internal stakeholders owning digital transformation, CSS Corp is primed to benefit from the growing interest of telecoms in alternative commercial terms, and can expand its pipeline.

The company's virtual user guidance and AR-enabled technical support are addressing a major sector requirement to reduce field installations and repairs and improve resolution times. Coupled with its tools for agent augmentation and proactive and preemptive technical support, CSS Corp is in a strong position to increase market share, especially under requirements for social distancing and less physical contact.

Look for additional implementations of the AR support, replicated in other segments such as cable. Some of the business opportunities can be deals with other BPS providers.

Expect the first persona-based routing deployments, starting with the telecoms sector.

Look for the company to build on its geo-spatial analytics and create offerings targeting the telecoms sector.



CX Services in Telecoms & Media Market Summary

Overview

The CX services market (excluding collections) in telecoms and media is ~36% of the global industry, at ~\$27.3bn (2020), remaining the largest industry by revenue. It is growing slightly above the market average at ~5.1% CAAGR through 2024.

The U.S. is the biggest market at ~\$7.3bn (~28% of the global market), followed by major European markets such as the U.K. and Germany (~6%). The Middle East, Africa, China, & India are the fastest growing regions.

COVID-19 related disruptions, including CX services supply shortage and the expected economic recession are causing headwinds to the already declining growth of the telecoms industry. On the other hand, certain segments of media such as online advertising, video streaming, and gaming pose sizable opportunities.

Buy-Side Dynamics

The key buy-side drivers for the adoption of CX services in telecoms and media include requirements for:

- Risk mitigation through delivery diversification, including a meaningful shift to work-at-home (WAH)
- Improved cost optimization through offshoring, self-service, and automation
- Improved customer satisfaction resulting from technology intervention and process redesign
- Resource flexibility and scalability
- Increased retention and sales
- Additional business insights
- An increase in compliance and security
- Decreased processing time
- Improved accuracy in back-office processes.

Additional buy-side factors in the adoption of CX services in telecoms and media also include access to automation IP and third-party technology ecosystem, development resources, and design experience to implement automation at sub-process level in the back-office and in customer-facing processes; analytics talent pool and technology to analyze VOC, speech and text analytics for QA and customer journey insights to personalize and customize the experience; development of predictive analytics for customer targeting, churn prediction, and collection segmentation; competitive benchmarking and industry insights, and industry-specific services such as field technician support, concierge and premium technical support, network and NOC support, and IoT device monitoring and self-healing; and expertise in fraud prevention and credit and collection services.



Challenges & Success Factors

The main challenges for telecoms and media clients to achieve transformational benefits from managed CX are the complex supplier and support environments and legacy infrastructure, with these inhibitors compounded by the slow adoption of flexible commercial terms to support digital transformation projects in the sector.

Key success factors for sector organizations looking to outsource CX services at the sub-segment level are:

- Cable and pay TV companies arresting cord-cutting and retaining subscribers with targeted marketing campaigns and proactive retention services, expanding share of wallet with upsell and cross-sell activities for bundled services such as home security and IoT devices
- Full-service telecoms expanding their product and service ecosystem into content and entertainment by achieving CX personalization and genuine customer centricity and adopting digital technology. Enhanced self-service and increased agent augmentation in live interactions from advanced recruitment, training, and coaching models infused with technology to greater adoption of customer and employee facing real-time bots
- Media clients want to reduce customer churn and increase stickiness with industry-specific services and a greater understanding of the breakpoints in the content lifecycle. CX services providers assist with the initial surge of subscribers during launches and lead with a digital first approach
- For digital media networks and advertising platforms, B2B support and account management for advertisers is expanding into basic functions of digital marketing support
- For traditional print media, the two CX services targets are churn prevention and community management of online comments and user content, aiming to minimize any reputational damage
- In the record growth e-sports and gaming sectors, major requirements are for selection, recruitment, and training of relevant support talent in a cost-effective manner, typically in nearshore locations.

Outlook

Over the next four years:

- The global CX services market (excluding collections) for the telecoms and media sectors is expected to reach ~\$33.3bn by 2024. It is highest in revenue generation activities (11.3% CAGR), despite their significant disruption in 2020 due to COVID-19
- Key client needs will be in CX transformation through prescriptive analytics, self-service, omnichannel delivery, and cognitive bots
- Omnichannel maturity will increase and will include emerging channels such as messengers, voice assistants, and Augmented Reality in conversational AI mode
- The main differentiators will be vendor capability to assist in the design, and implement a deep CX transformation supported by advanced commercial terms and cognitive technology
- Voice bots that can lead human-like dialogue will be commonplace in the industry



- Typical self-service environments will include integrated rich media content with proactive and self-healing tools
- Live agent support will be guided by persona-based intelligent routing, cognitive bots, and prescriptive scripts for greater personalization and context rich conversations
- CX services clients will have fewer and strategic partnerships combining diversified geographic delivery with WAH agents and a greater focus on onshore and nearshore locations.



NEAT Methodology for CX Services in Telecoms & Media

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 capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- **High Achievers:** vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet future client 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 customer experience services in telecoms & media Customer experience improvement capability Revenue generation capability Cost optimization capability Digital transformation capability
Delivery	<ul style="list-style-type: none"> Scale of delivery capability for Telecoms & Media Suitability of delivery North America Suitability of delivery EMEA Suitability of delivery APAC Suitability of delivery Latin America Digital channels enablement and support Application of operational analytics Application of predictive analytics Application of back office automation and RPA Application of customer facing automation Application of agent augmentation Application of technology and models to enhance staff recruitment, training, management Application of advanced models for self-service Design and consulting capability Sector digital transformation capability
Market Presence	<ul style="list-style-type: none"> Scale of client presence in telecoms sector Scale of client presence in media sector
Benefits Achieved	<ul style="list-style-type: none"> Level of customer experience improvement achieved Level of revenue enhancement achieved Level of cost savings achieved



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
CXS Investments in Telecoms & Media	<ul style="list-style-type: none"> Investment in development of customer satisfaction Investment in development of revenue generation capability Investment in development of analytics Investment in development of digital channels Investment in development of automation Investment in development of self-service Investment in development of end-to-end digital transformation
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 Mechanisms in place to deliver client innovation through analytics Mechanisms in place to deliver client innovation through automation & RPA 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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