NEAT EVALUATION FOR CSS CORP:

Cognitive CX Services

Market Segment: CX Improvement Capability

Introduction

This is a custom report for CSS Corp presenting the findings of the NelsonHall NEAT vendor evaluation for *Cognitive CX Services* in the *CX Improvement Capability* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of CSS Corp 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
(CX Improvement Capability)
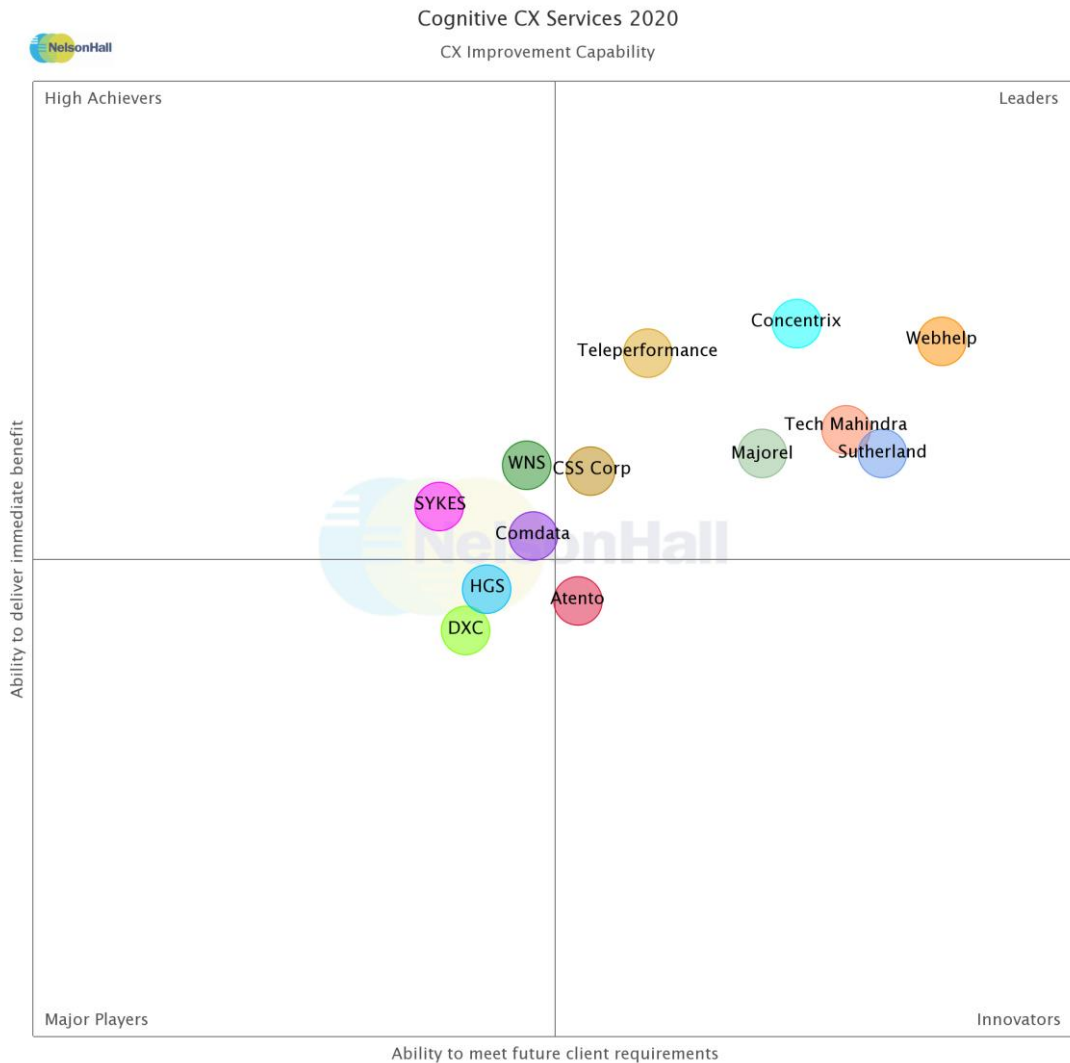
NelsonHall has identified CSS Corp as a Leader in the *CX Improvement Capability* market segment, as shown in the NEAT graph. This market segment reflects CSS Corp's ability to meet future client requirements as well as delivering immediate benefits to CX services clients with a specific focus on improving the customer experience.

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 (CX Improvement Capability) 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, including mobile applications and cloud enablement, and CX services. It has ~150 clients and annual revenues of ~$180m for CY 2019 (NelsonHall estimates).

CSS Corp offers embedded and standalone cognitive CX services, including assisted and unassisted RPA scripts and robotics, workflow and desktop automation, self-service and self-heal, agent amplification, AI and ML, OCR, computer vision, NLP, as well as, architecture design and consulting, automation opportunity identification, ROI modeling, automation governance, and risk management. It also offers lab-as-a-service for automation development.

It has ~6.4k employees, including ~70 data scientists, engineers, developers, solution architects, AI and NLP experts, and an additional ~30 UX experts and consultants in the U.S., India, and the Philippines.

CSS Corp has ~120 clients, including ~20 cognitive CX services clients in the telecom, networking, VoIP, high tech, consumer electronics, and retail sectors.

The company has a tool stack of proprietary platforms for a cognitive assistant, mobile device and app management, cognitive automation, customer lifecycle management, business consulting such as DevOps platform, and analytics and insights.

Financials

NelsonHall estimates CSS Corp CY 2019 revenues to be $180m, growing at ~10% y/y, of which cognitive CX services is estimated to be ~$12m.

Strengths

- Strong capability in predictive and pre-emptive action for high tech and networking sectors support

- Strong agent augmentation capability with cognitive tools, know-how, and cross-industry implementation for service desk and technical support

- Experience in bot orchestration and management across customer- and agent-facing processes

- Proprietary tools for mobile device and app management and self-healing

- Mature commercial terms and pricing for automation enablement applied at scale

- Early adopter of AR for remote support.

Challenges

- Can enhance sales and cross-sell capabilities employing cognitive tools

- Can broaden industry use cases for existing IP such as anomaly detection, fulfillment notifications, and web user guidance

- Can investigate opportunities in machine translation to complement multilingual support.

Strategic Direction

CSS Corp's focus remains around CX, but as client demand shifts to digital, the company's objective is to take to the market contextual and hyperpersonal support across channels, including offline ones such as IoT for in-store experience. In cost optimization and revenue generation, the company implements automation and process re-engineering to eliminate contacts, reduce manual intervention, and improve productivity while raising CLV and product adoption. It aims to achieve this cohesive cognitive CX by tying non-support processes and touchpoints to orchestrate the digital journey across the client ecosystem. An example is for a U.S. e-commerce car sales company. CSS Corp integrated proactive alerts into its GPS tracking systems to notify the contact center for delayed deliveries.

CSS Corp has a proactive approach for new prospects. During tender and RFP proposals, it proposes an outcome-based pricing model ~90% of the time with an embedded automation deployment. From the supplied RFP information, it derives a base model per headcount but offers in conjunction automation-led FTE reduction analysis over the three-year contract duration. In the analysis it breaks down the savings from deflection, elimination, and efficiency optimization. As a best practice, CSS Corp shares its research, calculations, and external data to build the client's trust.

The company aims to transfer the IT services best practices in services engineer productivity for front-office and service desk operations. It relies on its engineer workbench with interactive dashboards, unified knowledge management, smart case manager, and virtual assistant to enhance operations. On the back of its RPA and intelligent routing work for a communications equipment manufacturer, it is now targeting new use cases with the client.

To address the limited scope of CX services projects, CSS Corp is broadening its target contacts to the CMO functions that own the various customer touchpoints. It employs its digital assurance framework to assist the CMO organization review and benchmark its digital assets. For example, in a current project, CSS Corp works with the client's sales team, marketing, IT, product, and operations.

For a premium network equipment OEM, CSS Corp is launching pre-emptive support. The user device will capture multiple logs and upload them in the cloud for automated algorithms to monitor anomalies for six uses cases and then push preventive actions to the router. An example is frequent connectivity drops, which will trigger a notification on the app with a personalized message for the customer to physically fix the equipment. Next, CSS Corp will expand the uses cases for the client.

For its partnership ecosystem, CSS Corp is looking at customer success manager capabilities to provide insights into the customer journey at the enterprise level and create proactive account management. In employee performance management, the company will actively utilize its smart case manager for training and engineers upskilling. It is now investing in a partnership for coaching automation with persona creation and the ability to push proactive guides to team leaders.

The company is developing an AR offering for immersive interactions, currently creating POC with a laptop manufacturer for technical support troubleshooting. The agent can connect to a user authorized mobile to draw on the screen. It is also working on another POC for equipment installation with an OEM.

Outlook

CSS Corp has a mature commercial framework to support its cognitive CX projects, aligned to client expectations and addressing key pain points, i.e. ROI. The company can further strengthen its capability by industrializing its sales instruments, such as industry-specific calculators and models. With its digital asset evaluation framework and experience in the communications and high tech sectors, it is well-positioned to target different stakeholders within the client organization. An approach here can be partnering with management consulting firms and digital design agencies to expand the addressable market.

Look for CSS Corp's AR implementation and increased market push with this capability.

Expect additional deployments of its cognitive assistant in customer care and technical support processes.

With its flagship communications equipment client, the company will expand the use cases covered by the unified desktop, RPAs, and deploy intelligent routing in 2020.

Expect further deepening of its enterprise proactive account management service.

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	Range of cognitive customer experience services
	Customer experience improvement capability
	Revenue generation capability
	Cost optimization capability
	Digital transformation capability
Delivery	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	Scale of RPA projects and clients
	Scale of cognitive CX projects and clients
Benefits Achieved	Level of customer experience improvement achieved
	Level of cost savings achieved
	Level of revenue increase achieved
	Level of process optimization achieved

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Investments in Cognitive CXS	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	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

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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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