

Connvert Recognized for

2021

Competitive Strategy Leadership

Brazilian Customer Experience Outsourcing Services Industry Excellence in Best Practices

Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the customer experience industry: innovative business models, disruptive technologies, and internal challenges. Every company that is competing in the customer experience space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan's recognition of Connvert is a reflection of how well it is performing against the backdrop of these imperatives.

<u>SI8</u>

INNOVATIVE BUSINESS MODELS

eCommerce, the demand for

personalization, and new

DISRUPTIVE TECHOLOGIES

INTERNAL CHALLENGES

communication channels are driving strong growth in the customer experience industry. Seamless experiences through omnichannel and crosschannel capabilities will be

 Subscription models will allow consumer packaged goods companies to increase retention rates.

critical for success.

 With the dramatic growth in the number of social media users, brands are considering social retail as a platform (e.g., Instagram Shopping).

- Firms are leveraging a diverse range of tools, such as AI and virtual reality, to enable a seamless customer experience across eCommerce and social commerce platforms.
- Customers will demand a more interactive user experience led by haptics, sensors, tactile functions, AI, automation, cloud, data analytics, and augmented/virtual reality on e-tailing platforms.
- Wearables will allow for virtual coaches and enable more personalized recommendations by leveraging AI.

- Customer experience has become a major growth driver for businesses to keep pace with customer preferences and gain a competitive edge. Some 89% of customers switch brands due to poor customer experience.
- Rapid developments in digitized customer experience have resulted in concerns about privacy and how businesses are tracking user activity and personalizing marketing.
- With hyperpersonalization, businesses need to rethink their user experience strategies to cater to their target audience.

 eCommerce business value will reach \$6 trillion in 2022. China is expected to lead the market.

- A digital, omnichannel user experience strategy will be the key to success for business leaders, marketers, and customer experience planners in next 5 to 10 years.
- With collaborative humanmachine interaction, Industry 4.0 will begin to move toward Industry 5.0, with mass customization and extreme personalization in 8 to 10 years.
- A complex mesh of 200 billion devices around the world will exist by 2030. With more than 20 connected devices per person, companies will invest in digital selling to improve customer experience.
- The majority of international companies will shift their focus to digital strategies to improve customer experience in the next 3-5 years.
- Digital assistants with cognitive user experience capabilities that understand gestures will be a top choice for technology investment over the next few years.
- The overall customer experience will be determined by how seamless and effective it is across the entire value chain.
- Companies will focus on impactful, consistent experiences across digital and offline channels and across functions throughout the life cycle journey.
- In many businesses, customer experience will overtake product and price in importance in the next 3 to 5 years.

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Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Connvert excels in many of the criteria in the customer experience outsourcing services space.

AWARD CRITERIA	
Strategy Innovation	Customer Impact
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

Forced Disruption and Creative Rebirth

For all businesses, the COVID-19 pandemic and accompanying measures forced massive disruptions in operations, consumer demand, and all parts of the customer experience. Those in the customer experience outsourcing ecosystem felt the changes in particular ways. New public safety and sanitation measures meant that traditional business process outsourcing (BPO) services provided out of large centralized workplaces were no longer viable. Concurrently, consumers forced into their own homes by pandemic measures can only interact with brands via digital formats. The landscape shifted, and digital transformation skyrocketed to the top of the priority list for brands and service providers across the board. Some born-digital businesses found themselves coping with a wave of new demand, and inbound customer service and technical support centers experienced tremendous increases in activity. Businesses of all kinds and across all sectors are now emphasizing and prioritizing the customer journey like never before and are reevaluating their digital strategies.

Businesses of all sizes are enlisting communications providers, integrators, and BPO providers, yet in the new environment, the disconnect between each platform, solution, and customer touchpoint along the way generates friction. Customers are judging brands by the digital experience more than ever. Brands are in need of service providers who can help to re-design everything about the customer journey. More comprehensively, brands seek to change processes to remove friction in the consumer's experience as well as the means to implement those changes and deliver the services. Service providers have similarly experienced the massive disruptions, forcing them to realign to provide value in the new environment.

Connvert (Connvert) began in 2009 as Flex, a BPO provider addressing sales services for financial services customers, with an embedded focus on technology and innovation as it was an early market participant working on variable remuneration. With an infusion of cash after receiving an investment from a private equity firm in 2014, the company began acquiring digital services providers and started to look more closely at user behaviors with advanced analytics. Connvert carefully studied how some of Silicon Valley's largest success stories organize themselves and propel innovation and created a standalone space XLab out of the Santa Catarina Technology Association in Florianópolis. Combining XLab with technology and experience in acquisitions of Zaas and AyTy gave Connvert the robust background to drive digital capacities and creativity.

In 2020, the organization crystallized around a strategy that concentrates on the customer experience and engagement, and split out into three units (CXdzain, Code7, and Flex) to deliver on different elements of that journey. Connvert serves as the umbrella orchestrating performance across the organization that contains both the maturity of an established provider and the energy and innovation focus of a technology startup.

An Emphasis on the Whole Journey

Connvert centers its strategy around the end-customer journey, building end-to-end solutions to support brands through each touchpoint. While various vendors offer design/consulting services, or technology builds/integrations, or BPO services, Connvert offers a unique "one-stop-shop." The

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company's carefully considered reorganization into three differentiated units accentuates the importance of creating a positive experience through each engagement with the end-customer. Each of the three parts of Connvert reinforces that vision because the

experience is the primary factor in consumers' buying decisions in this era (and has only become more critical in the pandemic affected lockdown).

Connvert's end-to-end outlook ensures that clients gain the most out of their pipeline to consider and improve the consumer's interaction. For example, a large bank wanted to create an entirely digital credit card sales platform to guide millions of preapproved potential customers. Connvert already knew the bank's business from providing Flex services. With the complete vision, Connvert had subsidiary CXdzain start with a multidisciplinary squad to work collaboratively with the bank and draw up plans for a complete solution. All under the same roof, CXdzain conceived of the customer journey, Code7 provided the digital platform, and Flex furnished the live agent contact center services. Accordingly, the bank surpassed its monthly goals in new cards opened so far, had the customer journey integrated with existing customer relationship management (CRM) systems, and met the customer in his or her chosen channel. With a deep bench of talent and expertise and impressive dedication to client-focused delivery despite the disruption in 2020, Connvert executes on this wrap-around offering.

A Reimagining in Three Parts

Connvert concentrated its human capital into three distinct business units, enabling each to focus on a

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of part the customer experience. From design (CXdzain), to technology implementation (Code7), and services (Flex), the overseeing Connvert coordinates a comprehensive

end-to-end solution. While each unit has its own discrete offering, the three solutions units add up to more than the sum of the parts.

- <u>CXdzain</u> specializes in engineering the customer relationship, bringing together diverse technology tools and real-world practice to shape the customer experience at each point. With some of the organization's most senior leaders managing CXdzain, the brand takes on the consulting and journey mapping roles that have been part of the process since the company's founding. In addition to decades of customer engagement experience, the brand also leverages cutting-edge data analytics (with some patented designs), a user experience lab, and process automation to assess a solution's operational effectiveness against consumer tendencies. CXdzain is the architect of integrated solutions for smoothing customer engagement and workflows.
- Connvert created the <u>Code7</u> unit to consolidate the technology investments made in previous years, from the startup-like XLab as well as acquiring Zaas and AyTy. A wide swath of BPO providers uses Code7 technology, as those acquisitions were trusted suppliers of on-premise platforms for CRM, dialing, people management, and more. Additionally, Code7 developed its own cloud communications platform as a service, an omnichannel platform that is easy to configure for a variety of needs. Code7 technology is serving large banks and telecommunications call centers and BPO, as well as small businesses that need agility. In addition to cloud communications, Code7 builds audio and chatbots, delivers omnichannel or multichannel engagement integrations, as well as CRM and AI.
- Flex handles all of the actual delivery of services, both human and digital. While Flex may remind some clients of the original Flex, the brand continues to focus on bringing forth innovation and using intelligence process automation and analytics to optimize operations. Flex delivers both active and passive, inbound and outbound services and tactically operates out of São Paulo and Santa Catarina to attract and retain top talent.

Building and Integrating Solutions

The Connvert team builds new technology tools, serves as an integrator, and agnostically can help clients maintain their existing investments. Consolidated under the Code7 label, the organization began creating solutions that can integrate across platforms, deliver excellent service, and give new levels of insight. Most notably, Connvert's digital services management service develops innovative systems that combine people, automation, and artificial intelligence in proprietary voice and chatbots.

Additionally, Connvert can leverage the intelligence gained from these deployments to improve functionality, services, and gain insights into consumers' needs.

Connvert can assist clients through a digital transformation, though it can also support them to preserve legacy systems or act agnostically in helping to change to any technology tool. Connvert's experience proves invaluable in serving as an integrator, building configurations with a range of third-party solutions (from private branch exchange solutions to dialers, communications platforms, customer service relationship platforms, and other platforms) to make omnichannel solutions a reality.

A Lean Organization in Time to Meet Pandemic Challenges

Even before the pandemic, Connvert had embarked on its own internal evolution to focus on digital transformation and execution as a lean and effective organization. Amid the pandemic, Connvert has ensured continuity for clients and fast management responses. Internally, drawing from the robust background and experience with cloud technologies, the company swiftly and easily transitioned to work from home deployments to ensure stable and effective operations that maintain clients' trust.

The reorganization around three business units with a single umbrella enabled each business unit to operate more efficiently and with greater specialization. While the company began in 2009 as a BPO addressing sales services for financial services customers, it always concentrated on driving innovation forward. By 2019, the three units approach manifested as a strategy to design each aspect of the customer journey around experience purposefully, and fashion services and BPO operations to support that goal.

Drawing from the principles of lean organizations, Connvert was already moving to help clients reimagine their digital presence and relationships with consumers when the pandemic forced everyone to confront lockdowns and distancing measures. Connvert's focus fits exactly to meet the new necessities for all businesses, dreaming up innovative ways to engage customers digitally and ensure seamless capability delivery.

Building on Longtime Relationships

The key foundation of Connvert's success rests on its emphasis on building and maintaining longtime relationships with clients, helping them serve end-customers, especially as technology and consumer expectations change. While Connvert transformed out of the original iteration of Flex, the company has preserved and built upon relationships initiated ten or more years ago. Indeed, the overwhelming majority of the company's revenues arise from relationships that are seven or more years old. The company's first client, and several of Brazil's largest banks, insurance, and financial service providers, have been and continue to trust Connvert. Some of Brazil's largest organizations are leveraging the benefits of the wrap-around offering, expanding from one concentration to muster all three business units. Frequently, one of Connvert's units will have had the initial engagement, then referring its partners to design, implement technology, or deliver the services. The durability and continued growth of those relationships attest to the long-term value and deep engagement that Connvert furnishes, as well as the positive feedback loop amongst Connvert's three business units.

Conclusion

The pandemic has demonstrated that the customer experience through the digital journey is more important than ever for brands and businesses of all types and sizes. Bringing together coverage across the entire customer relationship, Connvert helps brands transform and foster more durable and positive engagement at each touch point. Focusing on execution, Connvert conceives of across the board solutions, with the ability to serve as integrator or deploy in-house tools, to meet the clients' customer engagement and relationship goals. Under three differentiated brands (a deep experience in journey design: CXdzain, pragmatic technology tools: Code7, and experienced BPO service delivery: Flex) Connvert delivers uniquely comprehensive value.

With its powerful end-to-end vision, robust technology offerings, and specialized delivery, Connvert earns Frost & Sullivan's 2021 Brazil Competitive Strategy Leadership Award in the customer experience outsourcing service market.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator $^{\text{TM}}$. Learn more.

Key Impacts:

- Growth Pipeline: Continuous flow of Growth opportunities
- Growth Strategies: Proven Best Practices
- Innovation Culture: Optimized Customer Experience
- ROI & Margin: Implementation Excellence
- Transformational Growth: Industry Leadership

OPPORTUNITY UNIVERSE Capture full range of growth opportunities and prioritize them based on key criteria OPPORTUNITY EVALUATION Adapt strategy to changing market dynamics and unearth new opportunities OPPORTUNITY EVALUATION Conduct deep, 360-degree analysis opportunities PIELINE ENGINETM GO-TO-MARKET STRATEGY Translate strategic alternatives into a cogent strategy

The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

