FROST & SULLIVAN

ATENTO RECEIVES THE 2023 CUSTOMER VALUE LEADERSHIP AWARD

Identified as best in class in the Colombian customer experience outsourcing services industry

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. Atento excels in many of the criteria in the customer experience outsourcing services space.

AWARD CRITERIA

Business Impact	Customer Impact
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

The Challenging Customer Experience Outsourcing Services Landscape

The customer experience (CX) outsourcing industry in Colombia, a key segment within Latin America and the Caribbean (LAC), is navigating a complex environment marked by political and economic changes. The industry must face lower consumer spending while delivering optimized balanced costs and service quality, digital transformation, increasingly complex and emphatic live customer interactions, improved efficiency, and reduced expenses.

Frost & Sullivan projects strong growth in the Colombian CX outsourcing services market, with revenues expected to rise from $2,126.5 million in 2022 to $3,257.9 million in 2029 at a compound annual growth rate of 6.3%.[1] Nowadays, Colombia shows some of the most industry vertical breakdowns, including industries such as banking and financial services, telecommunications, healthcare, high tech and gaming, retail and e-commerce, utilities and energy, travel hospitality, delivery, logistics and ground transportation, industry, insurance, media and entertainment, education, and non-profit organizations.

The broader LAC CX outsourcing services industry witnessed substantial growth in 2022, and Frost & Sullivan expects a decrease in 2023 and 2024 due to global economic challenges, with a recovery anticipated in 2025.[2]

Market consolidation, rapid growth in debt collection services, and the adoption of generative artificial intelligence (AI) technology will reshape the landscape, enhancing agent productivity and creating more

[1] *Customer Experience Outsourcing Services Market in Latin America and the Caribbean, Forecast to 2029* (Frost & Sullivan, November 2023)
[2] Ibid

efficient self-service options.

Atento: Leading Next-Generation CX

Established in 1999 and headquartered in Madrid, Spain, Atento is a prominent player in the CX services and business process outsourcing (BPO) arena. Serving over 400 clients across 17 countries, the company solidified its presence in the Latin American CX landscape.[3]

Atento enhances business success by delivering exceptional experiences to end customers. It caters to various industry verticals, providing multiple services based on the right combination of people, processes, and technology. As a result, according to Frost & Sullivan's independent research, Atento improved its competitive position in 2022, achieving the fourth position in the market in terms of revenue.

The company's broad reach forms the foundation of its world-class operational standards and CX transformation parameters, ensuring consistent, high-quality service across diverse markets. Atento is advancing the digital landscape through its core values: Integrity, Accountability, Agility, Customer Orientation, and One Team. These principles guide its offerings and approach, emphasizing ethical practices, responsive adaptation to market shifts, and a cohesive effort to meet customer needs.

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>
> *- Manuel Albornoz*
> *Best Practices Research Analyst*

Strategically expanding across industry verticals and geographies, the company positions itself as a frontrunner in CX and BPO services. Its approach combines experience and efficiency, translating into actionable insights to provide exceptional customer experiences focused on innovation and high-value solutions. Atento reflects a profound understanding of client demands and market trends, delivering effective and innovative CX solutions tailored to its diverse clientele's requirements.

End-to-end CX solutions

Atento uniquely offers a comprehensive suite of services to enhance customer engagement and optimize operational efficiency. These services address several key areas:

Consulting Processes: Driven by expert-led strategies to refine operations with innovative solutions, these services begin with an in-depth analysis of the market and customer journey from an "As-Is" perspective, involving social media trends and customer touchpoints. The company identifies and implements enhancements that balance customer experience with operational efficiency. Consulting Processes include:

- **Analyzing** the client's competitive position involves assessing market dynamics, identifying key competitors, and evaluating the client's market share and differentiation strategies.

- **Understanding** public perceptions through social media includes monitoring online conversations,

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[3] Atento website: https://atento.com/es/quienes-somos/

sentiment analysis, and identifying areas where the client's brand perception can be improved or capitalized upon.

- **Mapping** customer journeys across multiple channels entails visualizing the entire customer experience, identifying touchpoints, and pinpointing areas for enhancing customer satisfaction and engagement. It helps in aligning strategies to deliver a seamless and consistent customer experience.

Atento also identifies pain points and areas for improvement, consistently comparing customer interaction flows.

Digital Transformation: These offerings future-proof the customer experience via its cutting-edge approach. For instance:

- **Omnichannel Platform:** The platform ensures a seamless customer experience by integrating various communication channels, from chat to video calls, providing the necessary tools for effective customer engagement.

- **Logical User Interface (LUI):** The LUI solution personalizes customer experiences across different channels, creating a customized service environment. It reduces the redundancy of customer information requests, aligning with the client's brand values.

- **AI:** This advanced technology improves operational efficiency and client experience. By automating tasks, providing personalized recommendations, and analyzing data in real-time, AI enables companies to deliver more efficient services.

Efficient Processes: Streamlined workflows that enhance productivity, cut costs, and ensure consistent quality. Offerings eliminate bottlenecks, automate tasks, and coordinate teams for improved customer service and competitiveness.

- **Speech Analytics:** The solution revolutionizes quality assurance by analyzing call data to pinpoint the root causes of issues. Speech Analytics efficiently shifts from traditional listening methods to a more analytical approach. Doing so enables targeted training and improvements in empathy and product knowledge.

- **Robotic Process Automation (RPA):** The automated approach optimizes all manual operations, allowing human advisors to focus on the tasks that require empathy and insight. For example, the "RPA from STOP" initiative automates routine tasks, enhancing service quality and advisor focus on customer interactions. This automation is vital in back-office, technical support, and customer service operations.

- **Distributed Automatic Processing (DAP) Workflow:** This solution improves productivity by over 10% in non-automated processes.[4] Leveraging autonomic nervous system measurement, time tracking, and bits per-minute technology, DAP ensures comprehensive monitoring of tickets and cases from start to finish, significantly enhancing operational effectiveness.

Automation: These services employ techniques like voice bots for personalized communication and

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[4] Frost & Sullivan Interview with Atento (Frost & Sullivan, November 2023)

practical social media interaction analysis and monitoring.

Data Science and Strategy: Embracing a data-driven approach, the all-encompassing client relationship model leverages data science. This strategy focuses on enhancing client engagement and optimizing conversion rates.

Furthermore, the company's fourth consecutive International Organization for Standardization (ISO) 56002 re-certification showcases its unwavering dedication to innovation excellence.[5] The certification highlights its effective innovation management system, cultivating an environment conducive to innovative thinking and outstanding client service. Central to this endeavor is the Atento Innovation Hub, encompassing open Innovation projects such as Atento Next and intra-entrepreneurship endeavors like Atento Ideas. These programs are instrumental in driving ongoing CX enhancements.

Roadmap to Success: Customer-centric, Continuous, Proactive

Customer experience and relationship management at Atento are multifaceted and deeply integrated, combining a consultative sales methodology with various client engagement mechanisms and a solid commitment to customer value creation. The company transformed the traditional product-selling model into a partnership-focused, value-generating process, emphasizing trust, deep customer understanding, and cultivating long-term relationships.

Every client journey starts with account plans, which offer a 360-degree view of the client's business, market, governance structure, company size, goals, and requirements for achieving both short-term and long-term objectives. This critical insight allows Atento to tailor its approach to each client's unique needs and challenges. Armed with expertise and a deep understanding of client needs, its commercial teams are crucial in managing client relationships and guiding the sales process to ensure its solutions align with client expectations.

> *"Integrity, agility, loyalty, customer orientation, and responsibility underline Atento's growth. The company's approach to value creation goes beyond traditional customer service parameters, embedding social and environmental consciousness into its business model and creating value for clients, employees, and the wider community."*
>
> *- Sebastian Menutti*
> *Industry Principal*

The process involves cross-functional collaboration across various departments, with information technology departments creating customized demos showcasing the company's solutions capabilities and potential impact. Meanwhile, other company departments contribute to designing a comprehensive proposal that aligns with the client's requirements.

Atento monitors opportunities, deliverables, and committed dates through its customer relationship management (CRM) system, ensuring transparency and accountability throughout the sales process. To engage with clients on both tactical and strategic levels, it conducts regular client meetings for follow-up, planning, and strategy. During these meetings, both parties review KPIs, formulate action plans, generate strategic initiatives, and ensure quality assurance.

Additionally, the company carries out biannual Customer Satisfaction Surveys to identify future needs,

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[5] "Atento Reinforces Innovation Initiatives and Upholds ISO 56002 recertification." (Atento press release, July 2023)

areas of improvement, and interest in new solutions. Feedback from these surveys leads to detailed action plans involving various client-facing departments, demonstrating a commitment to progress and tangible results.

Integrity, agility, loyalty, customer orientation, and responsibility underline Atento's growth. The company's approach to value creation goes beyond traditional customer service parameters, embedding social and environmental consciousness into its business model and creating value for clients, employees, and the wider community. Atento's focus on quality and empathy in customer interactions ensures that every high standard resonates deeply with end-users, enhancing overall satisfaction and driving positive outcomes.

Proven Customer Journey Support Leads to More Customers

Combining consultative methodology, innovative solutions, and strategic planning, Atento delivers tangible client savings through process optimization to further bolstering its client-centric approach, the company offers demos, try-and-buy processes or adjusts to the customer need. These initiatives allow clients to experience its operational models and solutions before fully committing, ensuring their confidence.

Focusing on expanding its client base, Atento introduces new services, develops the pipeline, and transforms the overall value proposition. Integral to this strategy is the OneTeam Atento collaboration, involving the Commercial, Marketing, Solutions, and Pre-Sales teams. The Marketing team employs segmentation, personalization, and buyer persona identification, coupled with metric analysis, to generate qualified prospects. Strategies include content creation, paid campaigns, client workshops, referral programs, and trade show participation.

Concurrently, with its sector-specific expertise, the Commercial team leverages diverse tactics such as win-back strategies, cross-border opportunities, and exploring new geographies to manage client relationships effectively. The Solutions team enhances the win rate and contribution margin by designing tailored solutions to meet clients' needs. Finally, the Pre-Sales team concentrates on the 'winning price model,' considering Colombia's general situation and environment to optimize pricing strategies.

Demonstrating its position as a preferred provider of customer care services, Atento recently extended its global partnership with Telefónica until 2025.[6] The agreement, which spans multiple countries, highlights the company's dedication to delivering high-quality customer service and adaptability to evolving customer experience trends and technologies.

Aside from Telefonica, Atento's growth focus in recent years has been on Multisector, which includes the contract value of sales outside Telefónica. In fact, the company's multisector operations significantly bolstered its financial performance in the Americas, contributing 67.9% to a robust revenue of $396,2 Million in 2022. This figure highlights the multisector pivotal role in driving Atento's revenue in the region, anchoring its financial stability and growth.[7]

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[6] "Telefónica and Atento renew global partnership until the end of 2025" (Atento press release, April 2023)
[7] "Atento Reports Fiscal 2022 Third Quarter and Nine Month Results" (Atento press release, November 2022)

A Foot in the Present and an Eye on the Future

With a strategic plan focusing on expanding its client base and services, Atento seeks to safeguard current client relationships and transform its value proposition. The strategy includes conducting industry analyses to understand growth expectations, while its Cross-border and Back campaigns target opportunities within its global client base and re-engage former clients. Moreover, the company's account plan model focuses on key accounts, with each account manager responsible for creating comprehensive plans that align with client needs. Above and beyond, the pre-sales team's "Winning Model" tailors pricing strategies to the Colombian context, ensuring competitive pricing for RPA, DAP, and omnichannel offerings.

Atento's environmental and social responsibility ethos, strategic growth plan, and recent financing success underscore its commitment to sustainability, community engagement, and business development.

For example, in one of the most remote regions with high poverty in Colombia the company has established a significant BPO presence, contributing to regional employment and earning recognition for its social impact. Regarding inclusivity, it has initiatives to hire young mothers, individuals over 50, and members of the LGBTQ+ community.[8] Additionally, Atento reinvests financial incentives from these hires directly in social programs. Its Comprehensive Care for Women program, emerging during the pandemic, is another notable initiative that supports women facing discrimination or domestic violence and operates with the government's women's affairs department's support. On top of everything, from 2020 to 2022, Atento achieved a 31,6% reduction in per-employee carbon emissions.[9]

Recently, the company announced the successful raising of $17 million in the second tranche of its financing plan, exceeding the initial target by $7 million. This financial backing strongly supports Atento's restructuring efforts, bringing total interim funding to $37 million. The restructuring aims to significantly reduce the company's debt leverage ratio, with about 52% of principal noteholders supporting it.[10]

Besides, Atento has reached a critical milestone in its financial restructuring, securing an additional $76 million in exit financing.[11] With $113 million in restructuring funds, the company will streamline its operations, boost competitiveness, and ensure sustainable growth, marking a transformative phase.

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[8] Frost & Sullivan Interview with Atento (Frost & Sullivan, November 2023)
[9] Ibid
[10] "Atento announces drawdown of $17 million in tranche 2 funding under its new interim financing" (Atento press release, August 2023)
[11] "Atento Achieves Key Milestone In Its Restructuring, Receiving Backstop Commitments For 100% Of Its Exit Financing" (Atento press release, October 2023)

Conclusion

Strategies that prioritize customer needs are pivotal in maintaining a company's market dominance; this success hinges on genuine engagement and flawless execution. Atento's customer experience and relationship management blend consultative sales, focusing on long-term value. Starting with detailed account plans, it tailors solutions to each client's needs, aided by cross-functional team collaboration and customized demos. A transparent customer relationship management system, regular meetings, and satisfaction surveys ensure accountability and improvement.

The company's approach goes beyond customer service, emphasizing integrity, agility, and social responsibility. Atento offers savings through process optimization, try-and-buy processes and adjusts to the customer need, expanding its client base through marketing, solutions, and pre-sales collaboration. Its account plans align with client needs. Over and above, the company's social and environmental initiatives highlight its commitment to sustainability, community engagement, and inclusive hiring.

With its strong overall performance, Atento earned Frost & Sullivan's 2023 Colombian Customer Value Leadership Award in the customer experience outsourcing services industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

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

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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*

The Innovation Generator™

Our 6 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)**