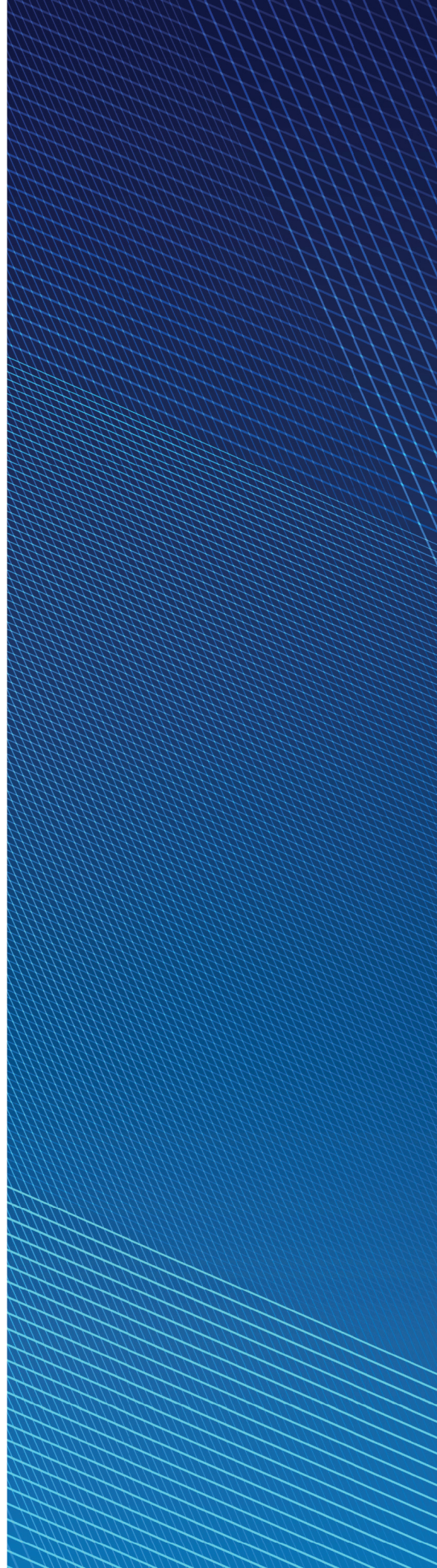


NICE RECEIVES THE 2023 CUSTOMER VALUE LEADERSHIP AWARD

*Identified as best in class in the North American
AI-enhanced workforce optimization 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. NICE excels in many of the criteria in the AI-enhanced workforce optimization space.

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

Customer Ownership Experience

In the past three years, the global contact center industry has evolved as much as in the prior decade, with no signs of slowing down. The three core focal points that have driven significant change and the adoption of next-generation cloud contact center-as-a service (CCaaS) platforms and solutions include the maturation of cloud technology, emphasis on developing solutions that tackle both the customer

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Senior Industry Director, CX Practice

experience (CX) and employee experience (EX), and the infusion of technologies under the umbrella of artificial intelligence (AI).

Using cloud as the delivery vehicle and AI as a solution enhancement, contact center providers enable businesses to tackle simultaneously the often-competing challenges of improving the CX and EX while increasing productivity and reducing costs.

Never has this scenario been truer than in the area of workforce optimization (WFO), which Frost & Sullivan defines as a strategy to integrate disparate contact center workforce applications, monitor and analyze

customer and agent interactions, and automate processes to optimize resources. WFO is an important segment of the contact center industry because it drives performance, agent engagement, and an

improved CX.

In terms of an enhanced WFO, NICE, founded in 1986, has been a top-tier innovator throughout most of its history and is a leader in the CCaaS industry, with a rich legacy of contact center and analytics capabilities that span the entire enterprise, from the contact center to the back office.

Over 27,000 businesses currently utilize NICE's contact center solutions and services. These businesses have long benefited from NICE's investment in research and development (R&D), averaging over \$300 million a year, and from its keen acquisition strategy, which has kept NICE ahead of competitors in terms of addressing the complex needs of customer care.

Furthermore, businesses benefit from NICE's comprehensive roadmap that is deeply attuned to even the slightest changes in the market. For instance, process automation is permeating across the contact center landscape and is a growing component in WFO strategies because it takes the load off of agents, helps them maintain accuracy and compliance, and speeds up service delivery. NICE introduced the concept of process automation far earlier than most competitors in the market by incorporating robotic process automation (RPA) in the back office to assist the contact center. The company then rapidly expanded its automation capabilities across its product lines.

Today, NICE's customers can automate processes across their businesses, saving them time and money while enhancing the CX and EX.

Price/Performance Value and Innovation

With decades of AI development under its belt, NICE has turned to integrating and packaging these solutions into its platform to make it easy to infuse AI everywhere. The introduction of Enlighten AI in 2022 was a big step in this direction, with a further rollout of applications powered by Enlighten AI providing customers with an even higher level of innovative capabilities to drive superior business outcomes.

Enlighten AI uses hundreds of billions of interactions of all types generated over the years by NICE customers and applies the latest in generative AI to this rich repository to facilitate a better CX, EX, and business outcomes. The use of AI has driven cost savings and value for NICE's customers, in terms of reducing time to serve and improving customer satisfaction, assisting agents and improving the EX, improving accuracy and compliance, and reducing churn and improving agent skills. Several recent product introductions stand out, including the following:

NICE True to Interval Analytics

NICE True to Interval (TTI) analytics is a breakthrough product that addresses a recent challenge in the contact center, which accounts for the difference between voice and digital interactions that can create large differences in synchronous and asynchronous customer interactions, as well as parse in myriad interactions that run over single work intervals and can span multiple hours or even days.

TTI analytics factors in the uneven nature of digital interactions, allowing for the more accurate fine-tuning of the forecasting, scheduling, and reporting of mixed interaction environments. For example, determining the stats can be difficult if an agent is engaged in a text chat with a customer for two minutes and asks the customer a question but receives no reply for several hours. The agent then sends a text

requesting more information to research the answer and then ends his/her shift. The interaction is then picked up by another agent. Is it the length of time of the entire interaction or the split between the two agents? Or is it split into three segments, including the time the customer did not reply?

Traditional forecasting systems originally designed for voice-only interactions have legacy limitations, such as forecasts based on when work was completed and not when it was performed and with the assumption that the work was conducted by a single employee, even if completion spans several intervals and counted only in the ending interval.

With NICE TTI analytics, the reporting shifts from when the contact ended to when the activity occurred. Cases, tickets, and conversations are automatically deconstructed into data that is usable for workforce management purposes at the interval level, and schedules are driven by interval-specific historical activity. The first agent texting in the above example is one interval, when it gets picked back up again is another level, and when it is picked up by a second agent is another level, and so on, providing granular visibility into the most accurate intervals needed.

When taken as a whole, a business can capture the entire handle time true to the interval in which it is active. Benefits include improved staffing accuracy and schedule optimization, such as when blending front- and back-office work, and the resolution of false staffing issues when the average handle time is longer than the planning interval.

Enlighten Copilot

NICE's Enlighten Copilot, powered by Enlighten Actions, is an AI-powered management assistance tool that allows contact center supervisors or other managers to pull up relevant information, gain insights, and view suggested actions by simply using their voice, rather than searching through layers of data with a keyboard and mouse. Enlighten Copilot will suggest actions or changes in an answer to a query, such as changing a workflow or schedule. In addition, the solution can provide answers to complex queries, such as "Why are my sales conversion rates for platinum subscribers so low this month?" or "How are my new hires in sales doing on close rates for adding on service contracts compared to my top 5% of best performing agents?"

Enlighten Copilot can assist agents throughout the day, including providing in-the-moment guidance, sending reminders and suggestions such as items to read, or triggering context-specific workflow automation. At the start of an interaction, the solution can provide the agent with context, history, customer intent, and sentiment, enabling the agent to handle the interaction more easily. In addition, the solution can identify any struggling agents and send them personalized coaching or feedback to get them back on track and determine exactly what might be stumping them or slowing them down. Enlighten Copilot wraps up every interaction with a summarization and notes.

Growth Potential

NICE's exponential growth in the last decade has put it in the upper echelon of Frost & Sullivan's market share and Frost Radars™.

NICE CXone is sold directly and through a strong reseller network that continues to grow. In fact, NICE now has more than 260 global CX partners and reported a 24% year-over-year (YoY) growth rate in

international partners in 2022. The company's notable partners include Verizon, Orange Business Services, Optus, Bell, Salesforce, Zendesk, RingCentral, Microsoft, and Telarus.

The company is always fine-tuning its partner programs to cater to the diverse needs of its partner base. For instance, in 2023, NICE introduced its Partner 360 program, formulated from the best of its existing programs, to support all partners across the CXone platform, from pre-post sales to ongoing engagement.

NICE reports a boost in its customer base and higher customer satisfaction among the Fortune 500, an improvement of 5 points on net promoter score YoY, and more than 20 basis points since 2020. The company's installed base grew by more than 1,000 during 2021 and 2022, and NICE reported more than 100% upsell customer retention in 2021 and 2022.

Financial Performance

The company achieved a stellar financial performance in 2021 and 2022. In 2022, NICE reported global revenue exceeding \$2.2 billion (a 14% increase over 2021), along with the support of more than one million agents. The company increased its cloud revenue to \$1 billion (up 30% YoY), with 80% as recurring revenue.

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Cloud acceleration is a big part of NICE's success, with 27 to 31% YoY growth rates in the last four years, growing cloud revenues from \$470 million in 2018 to \$1.3 billion in 2022. Recurring cloud revenue as a percentage of the total consistently increased from 69% in 2018 to 82% in 2022. This trend has continued with the company's latest filing. NICE reported at the end of Q2 2023 that its total revenue was up 10% YoY, and cloud revenue increased by 23% in the same period.

The company sustains this growth with the support of its 8,500 employees, 2,800 of whom are in R&D, which is a significant increase over the previous year in an environment where competitors reduced their headcount.

Brand Equity

As one of the most tenured, full-suite CCaaS providers in the industry, NICE is one of the most recognized global brands in the market today and was recently lauded as one of the top 3 in Frost & Sullivan's 2023 North American Enterprise Cloud Contact Center Radar™ for the third consecutive year.

The company's global brand awareness is bolstered by its complementary line of business: NICE Actimize Financial Crime and Compliance, with critical components shared across product lines. NICE can utilize fraud detection and mitigation within its contact centers to enhance its WFO outcomes, lowering the burden on agents to stop fraudsters and allowing them to focus instead on providing stellar customer service.

Conclusion

For almost 40 years, NICE has consistently adapted to changes in the market, expanding and enriching its product portfolio to address customers' needs and stay abreast of the rapidly changing contact center industry.

With its steadfast investment in R&D, particularly in the area of AI, coupled with its keen acquisition strategy, NICE is well positioned as an innovation leader in improving the CX and EX and has greatly increased its global brand recognition.

With its strong overall performance, NICE earns Frost & Sullivan's 2023 North American Customer Value Leadership Award in the AI-enhanced workforce optimization market.

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

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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™.

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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)**

