



AeC Recognized for

2021

Customer Value Leadership

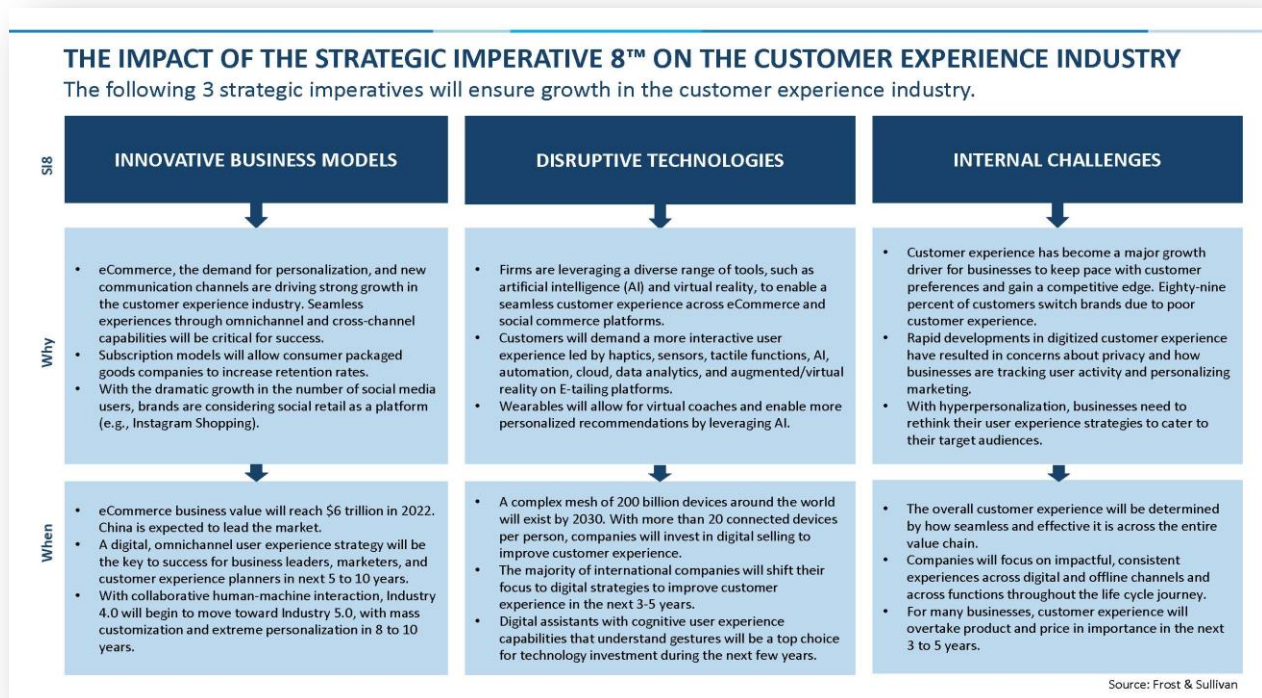
Brazilian Customer Experience

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 AeC is a reflection of how well it is performing against the backdrop of these imperatives.



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 companies. AeC excels in many of the criteria in the Brazilian customer experience outsourcing services industry.

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

Financial Performance

According to Frost & Sullivan latest research, AeC is one of the largest Brazilian firms in the customer experience (CX) outsourcing services market, with 17 contact centers distributed in eleven cities in seven states in Brazil. The company also provides consulting and management services, outsourcing, and products such as tailored systems to generate innovative solutions that facilitate millions of consumers’ daily lives.

During 2019, AeC grew in revenue and profitability while diversifying the industries it serves. The company won 14 new contracts with brands from the financial services, insurance, and digital native sectors. As a result of significant investments made by AeC, growth increased by 80% in 2019 compared to 2018.

“Thanks to a quick and effective reaction to the pandemic, AeC expects to see double-digit growth in both revenue and EBITDA during 2020. Such a remarkable performance is due to both the increased wallet share penetration within current customers (e.g., the company expanded to 36 service contracts) and the acquisition of 19 new clients.”

- Juan Manuel González, Research Director

2019 also marked the consolidation of AeC’s presence in São Paulo and Rio de Janeiro, Brazil’s two major cities. The company opened a premier site at Rua Alexandre Dumas in São Paulo to serve clients in the financial, fintech, and digital native markets.

Moreover, thanks to a quick and effective reaction to the pandemic, AeC expects to see double-digit growth in revenue and earnings before interest, taxes, depreciation, and amortization (EBITDA) during 2020. Such a remarkable performance is due to increased wallet share penetration within current

customers (e.g., the company expanded to 36 service contracts) and the acquisition of 19 new clients.

To meet this rising demand, AeC hired 4,000 new employees, a 26% growth in the number of hires from March to July 2020 compared to the same period in 2019. Besides expanding revenues and EBITDA, the company also improved its profitability in 2020. Such performance is due to a broad program of performance and cost optimization along with rising sales of digital services, which have been less impacted by the pandemic and human resource churn. Frost & Sullivan notes that 2020 was the company's second-largest capital expenditure in its 28-year history. The expansion of its presence in São Paulo and all of the infrastructure investments done to support the work-at-home agent environment were carried out with AeC's own resources.

Growth Potential and Customer Acquisition

AeC expects to grow at double-digit rates during 2021 and 2022 as it continues to maintain a strong presence in consolidated markets such as the telecom segment, where the company holds a top position. The company is also working in the energy sector and is currently servicing two of Brazil's largest companies. In addition, AeC is pushing forward its expansion strategy using three major growth streams.

To that end, AeC is focusing on gaining a greater presence in the digital native and banking, financial service, and insurance (BFSI) segments. The company has been increasing its relevance within both sectors during the last two years through enhanced human talent, expertise, and performance delivery. Some of the largest banks and insurance companies in Brazil, including leaders in online retail, fintech, mobility apps, and entertainment streaming, are now part of the AeC's broad client base. The company is expecting to escalate the revenue coming from the BFSI industry by 50% in 2020.

The second avenue for growth lies in the specialization of AeC's portfolio (e.g., a deep dive into more complex back-office services) leveraging technologies such as artificial intelligence (AI), optical character recognition, and automation alongside an expansion of its sales and collection operations. Such an approach resonates well with Frost & Sullivan's latest analysis on Brazil's CX outsourcing services market. Specifically, an increase in demand was noted for collection services as financial institutions launch innovative alternatives to avoid an explosion of new debtors due to the COVID-19 pandemic.

Both growth opportunities will gain exponential momentum with its third strategic front (i.e., digital transformation). AeC is continually improving its digital services through the intensive use of automation tools, bots, and virtual agents. In addition to a team of more than 100 people in the digital solutions department, the company has also invested in building a strong team in the design of the CX, user experience, and user interface, so that the end-user journey is frictionless and effortless. Another important part of this initiative is AeC's technological partnerships with key companies in the IT sector (e.g., Google).

While competitors in Brazil typically rely on on-premises technological infrastructure, Frost & Sullivan notes that approximately 70% of AeC's digital projects are located in the Google Cloud already. In addition to Dialogflow, AeC uses other resources offered by Google Cloud to develop products and solutions for its customers (e.g., the Google Cloud Platform, Google Assistant, text-to-speech, speech-to-text, and natural language understanding).

To properly execute its digital strategy, AeC created the Vice Presidency of Operations and Digital Transformation in 2020 to unify infrastructure and technology, digital products, planning, and operations. The company intends to leverage this initiative to guarantee hybrid solutions, including those with both human and digital components, work in an organic and coordinated way to benefit clients and end users.

Moreover, the company's customer service approach is superior to competitors due to the fact that AeC has heavily invested in human development to maintain its service delivery quality during the pandemic while providing greater efficiency through the intensive use of technology. For example, Robbyson, a people management platform created by AeC, helps facilitate communication between managers and their teams, simplifies the visualization of results, and offers agile and assertive answers to solve daily issues. The solution combines technology (i.e., cloud-based software with social networking, gamification, and Big Data resources), and management tools (e.g., from monitoring to training and awarding employees) while generating performance and productivity gains. For example, when the Robbyson platform was created, only 35% of AeC agents were meeting their targets. The development of this complex and robust management system has transformed the company's operational scenario. In 2019, 68% of agents were above their target, generating a positive impact on overall productivity, profitability, and employee engagement.

Customer Service

AeC combines technology expertise with human relationship experience to develop customized solutions for diverse customers. The company provides one of the most competitive price/performance value propositions in the Brazilian CX outsourcing market by combining a high level of performance with extremely competitive prices.

To stand out in the fierce Brazilian market, AeC brings together numerous components (i.e., know-how to manage large operations with outstanding quality, training, attention, and care for smaller and complex boutique operations, a more competitive price than niche providers; and, a world-class technology portfolio aligned with leading global standards but with an in-depth knowledge of local market needs and particularities).

Furthermore, in its effort to provide premier customer service, the company selects its employees carefully. Through the use of AI and machine learning technologies, AeC can identify and define the most important characteristics of its future personnel. The company also carries out continual training and retraining, which is based each employee's individual needs as determined by the Robbyson platform.

Another relevant tool AeC employs for its advantage is the use of data science. When applied to the customer journey, data science can help clients understand the best time to approach consumers and the most interesting offer for specific client profiles. Through this tactic, the company has achieved improved results in sales, negotiation, and customer retention.

Finally, it is worth mentioning that the Vice Presidency of Operations and Digital Transformation unit is structured like a matrix to ensure continual and robust after-sales and general customer support. Within this group, there is one director per industry vertical directly responsible for delivering results for each

client. While each industry director has in-depth knowledge and expertise within a given segment, there is also a horizontal structure focused on different sectors. The unit's horizontal organization offers specialists in several areas such as planning, quality, CX, digitalization of the journey, and the Robbyson platform.

Customer Ownership Experience

AeC regularly receives positive feedback from its customers and prospects in relation to the competitiveness of its offerings, excellence in delivering results, and technological solutions. It is also recognized for the care that the company provides to its employees and facilities throughout Brazil. To highlight its competitive and differential performance, AeC shared with Frost & Sullivan two very relevant success stories:

- ***Success Story 1: Leveraging Customer Service to Support the Expansion of a Leading Urban Mobility Platform.*** This success story demonstrates AeC's ability to support the accelerated growth that native digital companies typically experience. In this case, the client is a leading urban mobility service provider in Brazil. In 2017, it became something of a unicorn in the country as it was sold to an international group. In 2019, AeC started operating 50 workstations to support drivers and passengers using the client's platform. In less than a year, the company was able to multiply by 12 times the number of workstations allocated to support the project. Since then, several other clients service and projects have been completed by AeC, including a business-to-business service, a voice and ticket service for the food business, inside sales operations responsible for actively recruiting restaurants for the platform, Prime (i.e., a service to large restaurant chains), and the "Reclame Aqui" service, which is a consumer protection portal.

Some of AeC's capabilities deserve to be highlighted as key factors in this success story, specifically:

1. *A 100% digitalized recruitment and selection process.* Through the RHight platform, which uses AI to find the profiles best-suited to each brand and customer, AeC can hire in a much more agile and proactive manner.
2. *A continuous improvement unit.* The unit continually analyzes project performance, including operational key performance indicators and the quality of the services provided to identify improvements, thus becoming more effective and agile while reducing operational costs.
3. *A people management structure.* Such a structure assumes a crucial role in project growth and addresses the disruptive change in the mix of services caused by the COVID-19 pandemic. AeC was able to move resources between services smoothly without causing awkwardness to either the employee or the customer served.

- **Success Story 2: The Digital Transformation of a Century-old Company.** This success story presents the transformational journey taken by a traditional Brazilian retail leader. The decisive support of AeC helped the retailer create greater efficiency gains while providing a better experience to the end user. In this case, the connection between AeC and this client began in 2015, when the large retailer asked AeC to provide physical infrastructure to its more than 600 employees responsible for customer service. Over the years, the relationship has strengthened and, in 2017, the client decided to outsource 100% of its customer service to AeC. As soon as AeC took ownership of the service, the company identified clear opportunities for greater efficiency in its collections operations, in addition to other opportunities for improving the customer journey. By 2018, the retailer's digital transformation project began, with AeC focusing on refining the collection process and the quality of the entire practice. Among other enhancements, AeC added a hybrid layer to leverage virtual and live agents for contract renewals. Soon afterward, a full multichannel solution was incorporated to deal with inbound and outbound interactions.

Key gains from AeC's implemented improvements can be summarized as follows:

1. *Optimized service management.* Such optimization allowed for a decrease in the number of workstations from 300 to 178 (i.e., more than 40%) needed for fulfillment.
2. *Huge cost reduction* as the cost per interaction of a virtual agent is 80% lower than a human.
3. *Efficiency gains.* Virtual agents' performance matched the best human talent for the same service (e.g., a 58% customer service conversion rate was achieved through the use of robots versus 53% of human attendants).

In summary, Frost & Sullivan expects to see clear winners and losers in the CX market at the end of the pandemic. While some CX outsourcing providers are experiencing solid growth and winning new clients, others struggle even to operate. Born-digital companies are a hot topic in the Latin American market, as is the digitalization of the business ecosystem of traditional and long-standing companies. AeC is thus on the right path to consolidate its positioning among the leading firms in the outsourcing space. Moreover, Frost & Sullivan commends its strategy to keep working to attain business with rapidly-growing companies and long-standing firms eager to transform their enterprise digitally.

Brand Equity

In 2020, AeC implemented three simultaneous initiatives to strengthen its brand. First, the company announced new branding positioning and visual language. It introduced new corporate mottos (i.e., "Evolution That Transforms" and "Technology and Human Warmth"). AeC also strengthened its sales team to properly serve its whole customer base while expanding its reach to the entire contracting market by performing customized, one-on-one sessions with prospective customers. Finally, the company is achieving greater visibility through numerous industry recognitions from some of the most prestigious media outlets in Brazil. In 2020 alone, AeC received 18 new acknowledgments, reaching more than 100 awards and industry recognitions earned.

Finally, ensuring a healthy and safe work environment for every employee is a commitment made by AeC since its launch. The company's commitment was raised to a new level when the pandemic emerged. Frost & Sullivan notes that since the pandemic began, 80% of the company's employees are working from home. The transition to this new modality was smooth thanks to the effort of its IT and human resources departments and an investment of approximately R\$ 30 million in security measures and improvements to its technology infrastructure. As a result, the company was able to guarantee business and operational continuity. For employees reporting to work at the office, screenings (e.g., temperature measurement and mandatory questionnaires to check employees' health status and symptoms) from health professionals are conducted at every company building entrance. More importantly, AeC's employee satisfaction index improved even amid the social distancing era, rising from 94% to 96.4% between March and June of 2020.

Conclusion

In Brazil, the impact of the COVID-19 pandemic is being felt across the entire customer experience service industry. However, while some vendors are experiencing solid growth and winning new clients, others are struggling to even operate. AeC's combined technology expertise and human relationship experience allow it to develop customized solutions for diverse customers, making it a clear standout. The company is on the right path to consolidate its positioning among Brazil's leading outsourcing firms, and is actively attaining business with rapidly-growing and long-standing firms eager digital transformation. Moreover, the company's quick and effective reaction to the pandemic has generated double-digit growth in revenue during 2020.

With its strong overall performance, AeC earns Frost & Sullivan's 2021 Customer Value Leadership Award in the Brazilian 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 on-going 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 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)**

