



Atento Recognized for

2021

Customer Value Leadership

Brazilian Customer Experience

Outsourcing Services Industry

Excellence in Best Practices

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 Brazil excels in many of the criteria in the CX outsourcing services 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

Performance Value

Even before the pandemic disruptions, customer experience (CX) was a leading factor impacting consumer loyalty. Frost & Sullivan established that improving CX over the next two years will be a crucial global corporate objective. Furthermore, CX is a critical differentiator in business today. Latin American business leaders agree that delivering superior CX starts with expanding and improving how customers connect with a brand. This includes adding digital channels as well as what happens behind the scenes, in the back office, in-store, or in the field.

Given that CX is crucial, Atento differentiates itself by providing next-generation services (NGS) to clients worldwide that want to be leaders in delivering unique and enhanced customer experiences. Atento Brazil has a strategic role in the improvement and development of the company’s NGS global portfolio, which includes three main pillars (or specialized services): High Value Voice (HVV), Integrated Multichannel (IM), and Automated Back Office (ABO).

Atento’s value proposition offers a transformational roadmap to support clients with its very own path to innovate CX. Since 2020, Atento has added new features to the NGS portfolio, including:

- **CX Consulting:** The Consulting team has a critical role in accelerating the adoption of NGS and next-generation capabilities (Artificial Intelligence (AI), Analytics, Automation, and Consulting) among Atento’s customers and prospects. Among the latest enhancements, the company’s customer journey mapping capabilities (including journey map & planning) have been expanded with

customized templates to transform existing and new operations. Also, language user interface (LUI) experts have created a proprietary methodology for developing conversational interfaces to leverage digital agent (i.e., voicebots and chatbots) skills to solve client queries and improve customer experiences.

- **Analytics:** Ten proprietary propensity models for inbound, outbound, and back-office operations were developed and applied in more than 40 customer campaigns to increase productivity and efficiency. Atento created advanced machine learning algorithms and combined those with statistical rigor so that propensity models could play an important role in improving operational performance.
- **Artificial Intelligence:** The company moved forward with new AI-based products and applications by leveraging Atento Next (Atento's startup accelerator program born in Brazil). The latest developments have been enhancing back-office automation and agent training.
- **Atento Virtual Hub:** Launched in May 2021, this hub is a single centralized place to manage all remote operations, from agent recruiting and training to business performance. The Virtual Hub counts on strict security protocols (including biometric recognition, data protection protocols, and two-factor authentication), both physical and virtual. It aims to increase operational efficiency and supervision for remote employees by providing best-of-breed practices that optimize the contact center team's work and function.

Customer Ownership Experience

Since organizations are paying more attention to variables related to the experience and satisfaction of their clients than ever before, a robust digital presence is essential for companies that want to remain

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Research Director**

relevant. The customer journey has been transformed and equipped with intuitive and easy-to-use self-service tools allowing customers to contact a live agent only for complex inquiries requiring a higher degree of service. Technologies such as AI, analytics, and cloud-based communication platforms have proven to be critical elements for enhancing CX.

Undoubtedly, CX digitization is now at the core of strategic planning. Companies must be prepared

with all the tools necessary to better support and serve customers because every employee (directly facing customers or not) impacts CX. Atento products and services aim to deliver both a positive experience and greater efficiency. The company believes that the essence of CX is the sum and balance of those two. Its' marketing strategy reinforces the positioning of the “Leading Next Generation CX” brand that focuses on improving CX by leveraging Atento's NGS portfolio.

Advertising programs and sales campaigns focus on two main objectives: branding and generating new business from current and potential customers. All these activities remain aligned with the company's commercial strategy: “Sell more, Sell Better, Sell Next Generation Services.”

Atento is well-positioned to deliver exceptional CX capabilities to its clients to enable them to differentiate and strengthen their brands with its powerful combination of best-of-breed technology and highly skilled and trained human talent.

Customer Acquisition

One of the major shifts in the Latin American CX outsourcing services market's competitive dynamic is the decrease in the demand of telecommunications companies. Consequently, many CX Service Providers (CXSPs) must diversify their client portfolios to thrive. High tech, healthcare and media & entertainment industries are forecast to be among the fastest-growing verticals. However, forward-thinking CXSPs are actively looking to work with born-digital companies— such as Uber, Cabify, Netflix, Rappi, and iFood—to pave their way for future growth. These companies are likely to experience tremendous growth over the next five years.

In Brazil, Atento has created a laser-focus strategy to win customers in this very challenging vertical, fostering consistent development and acquisition of key brands since 2018. The company currently has

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over 15 born-digital customers. Atento's approach involves hiring agents with different yet unique skills that can work with greater autonomy to resolve customer queries and easily fit in the required profile and language style that relates to each client brand. The company also added advanced training tools and modern and revamped sites with the look and feel of a startup company.

Additionally, Atento is implementing a new sales model that allows it to manage global customer accounts and strengthen its competitive position in the born-digital arena. The company's commercial team is responsible for an end-to-end customer life cycle, namely, new sales to new customers, account development, changes in the scope of the provided services, renewals and inflation pass-through negotiations, increases in sales through a War Room model, and compensation models focused on profitable growth. Atento has also prioritized strategic product sales among current and future customers to ensure that the right portfolio is positioned for each need, which will be a crucial lever to drive future healthy growth.

Finally, the latest investments in advanced technologies and in its innovation ecosystem help Atento create avenues for sustainable growth. The company is currently developing proprietary platforms and solutions that provide very clear competitive advantages, such as:

- Brand Persona - a proprietary methodology developed in partnership with the Pontifícia Universidade Católica de São Paulo (PUC-SP) to improve humanization in digital channels.
- Global Digital Assessment by Atento - a consulting methodology developed to obtain a 360-degree view of CC operations, allowing Atento to clearly understand the current level of maturity to design a custom solution and improve performance by leveraging the Agile method).

Growth Potential

Frost & Sullivan expects that customer contact will continue to evolve from interactions on disparate channels to seamless customer journeys that are proactive, asynchronous, and persistent. Only through the addition of new capabilities, AI-embedded solutions, and richer integrations will companies be able to unleash demand, drive user expansion, and empower agents with the most relevant information available when they need it.

Atento has created a transformation committee that fosters initiatives to digitalize existing client operations to identify and pursue potential opportunities in Brazil. Multi-disciplinary teams (including several areas such as technology, operations, and quality) work together to impact the digital transformation of each customer and support the renovation of their front and back-office activities.

With that objective in mind, the company keeps widening its alliances and partnerships with startups and technology suppliers to add new solutions that contribute to the ongoing and upcoming digitalization efforts. To bring constant innovation to customers, Atento launched its startup acceleration program, Atento Next, in December 2020. The program aims to select startups that use disruptive technologies to improve CX, drive superior performance and create better results.

According to the latest Frost & Sullivan report on CX outsourcing services, only 40% of agent positions in Brazil are outsourced; the remaining are still in-house, creating a great opportunity that Atento itself has valued as 13 billion Brazilian Reals. For perspective, this is similar in size to the current revenue generated by the outsourcing industry in the country). Atento is well-positioned to provide a transformational path to companies in certain sectors (such as healthcare, insurance, and retail). These industries need to further embrace digitalization and automation tools so they can serve a greater volume of customers. Thus far, they have been unable to make the investments needed to adapt and innovate their current CX capabilities and infrastructure.

However, in the medium to long term, Atento will need to continue to innovate in key strategic areas such as providing products and services powered by customer analytics and data, self-service solutions, and improved service tools for mobile customer service. Further, the company will have to encourage customers to adopt AI to harness personalization, empower agents, and blend new technologies (like Blockchain and the Internet of Things) into the customer journey.

Financial Performance

Atento is the largest provider of CX Outsourcing services in Brazil. According to Frost & Sullivan's latest research, Atento maintained its position as the leader during 2020, with 25.9% of market share, 16.4 percentage points ahead of the second-largest provider.

During 2020, Atento's revenue decreased by 17.3% worldwide (vs. 2019), as it was heavily impacted by the currency depreciation in Brazil. Excluding the impact of foreign exchange, the revenue decreased only 2.8%. However, the company's EBIDTA grew by 5.1% during the same period.

The latest results are far more encouraging, as revenue in Brazil, Atento's flagship operation, increased 13.5% during the second quarter of 2021 (vs. Q2 2020). As a whole, in the first half of 2021, revenue in Brazil increased 10.1% driven by growth with Telefónica, reflecting the full impact of a significant

operation won in the first quarter of the year, along with an increase in the multisector segment, mainly motivated by new business with born-digital and healthcare companies.

Brand Equity

As already mentioned, Atento is the clear leader in the Brazilian market and the major CXSP in the most relevant vertical markets such as Telecom and Financial Services. The combination of increased investments in advanced technologies, innovation, social responsibility, and the human touch (highly skilled and trained human talent) contributes to the perception of the Atento brand as a leading light in the next generation of CX.

Furthermore, the company has detected a great opportunity to transform human talent. Atento is committed to reskilling its internal teams (i.e., experts in customer relations, who directly contact consumers and thoroughly know key processes and needs of daily operations). The company has created several training programs for its agents and employees to keep up with the market demand. The first initiative was executed in Seville (Spain) in 2019, where 48 customer service agents were trained in Robotic Process Automation (RPA) developing tools.

The reskilling plan continued during 2020 and 2021 with training courses focused on programming (HTML5, Javascript, and Python, among others) and Salesforce management.

Conclusion

Atento is well-positioned to ride the wave of increased demand for customer experience services in Brazil. The company is not only the largest provider of CX Outsourcing services in the country. The combination of increased investments in advanced technologies, innovation, social responsibility, and the human touch contributes to the perception of the Atento Brazil brand as a leading light in the next generation of CX.

Atento earns Frost & Sullivan's 2021 Brazilian Customer Value Leadership Award in the CX outsourcing services industry with its strong overall performance.

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)**

