FROST & SULLIVAN

NICE

2022
TECHNOLOGY
INNOVATION
LEADER

European Contact Center-as-a-service 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 European contact center-as-a-service space.

AWARD CRITERIA

Technology Leverage	Business Impact
Commitment to Innovation	Financial Performance
Commitment to Creativity	Customer Acquisition
Stage Gate Efficiency	Operational Efficiency
Commercialization Success	Growth Potential
Application Diversity	Human Capital

An Innovative Approach to Supporting Solution Diversity

All contact center software will eventually be deployed in the cloud, but the migration business case and associated suitable migration speed differ greatly between organizations.

NICE was founded in 1986, initially to focus on security and defence technology, and quickly garnered impressive year-on-year growth in the customer experience space. When NICE turned 20 in 2006, Frost & Sullivan already praised "an innovative suite of products that deliver value to customers in meeting their business objectives" and "an unrivalled analytics architecture that has raised the bar for contact centre solutions globally." NICE has been going from strength to strength ever since, and with its acquisition of InContact in 2016, the company became a prominent contact center-as-a-service (CCaaS) provider as well.

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> *- Alexander Michael,*
> *Vice President*

With its simplicity, NICE's multipath to CXone is an excellent and innovative approach that recognizes and supports the great diversity of business applications that European organizations rely on every day. Multipath is a flexible journey and not a product per se that allows organizations to migrate to CXone gradually and sensibly through the following two options: CXone AppLink and CXone Open.

CXone AppLink maintains call recording on-premises but allows organizations to harness CXone business applications, such as Quality Management and Interaction Analytics, that are typically at the heart of the cloud migration business case. CXone Open connects an existing on-premises or cloud ACD to the CXone platform. Both options provide the unified CXone interface and agent experience from day one. The hybrid multipath approach, however, provides a seamless cloud transition and an inspiring application richness, without the complexity of moving all capabilities to the client in a single step.

Regulation, risk management, and company policy often require recordings remain on-premises, while operational complexity, cost, lack of cloud expertise, and a desire to protect previous investments that have yet to be amortized fully could induce organizations to maintain their legacy ACD. NICE's CXone AppLink and CXone Open solve this problem.

NICE's Commitment to Creativity

According to Frost & Sullivan research, the main cloud advantage in the customer experience (CX) space is unified access to data and applications in a single place. Organizations should always use a cloud migration project to break down any remaining silos and reengineer old processes that were originally conceived for an analogue business environment. Consequently, step-by-step migration at an organization's own pace requires some creative workarounds to deliver almost all the benefits of the cloud while maintaining some silos in the solution architecture.

NICE is known for its pragmatic attitude toward risk taking, large solution roadmap, big research and development team, and willingness to make strategic acquisitions that add significant new assets. Multipath specifies a hybrid environment that may not provide absolute real-time perfection but delivers outcomes that are good enough to satisfy must organizations' needs. A hybrid store-and-forward arrangement allows quality management and artificial intelligence to be applied after a call ends. Likewise, CXone can perform analytics on old recordings by pulling all the relevant data into the cloud specifically for analytics purposes.

Addressing Material Business Needs

Given the intense competition and fragmented nature of the CCaaS market, Frost & Sullivan is impressed that NICE already has over 4,000 customers in 100 countries, with CXone as its all-embracing and only CCaaS offering. Multipath is not the final realization of an organisation's CX vision but a step along the way to a full implementation of NICE's CXone.

Frost & Sullivan's European CCaaS market study, published in February 2022, shows European market growth of almost 30%, which is expected to slow only marginally until 2023. Against this backdrop, NICE's European growth prospects are excellent, and Frost & Sullivan expects the multipath journey to CXone to resonate particularly well with European decision makers, putting NICE in an excellent position to increase market share.

NICE maintains close relationships with customers, with its presales and sales teams gathering customer insights and feedback that are then fed back to the product development teams. NICE, therefore, appreciates that CX cloud migration is far more difficult for enterprises than most people will admit, sometimes for mundane and company political reasons. While most CCaaS competitors downplay the intricacy of cloud migration, NICE understands and articulates the discomfort many organizations feel, with no competitive approaches comparing directly to NICE's multipath. System integrators probably represent the main competitors to CXone AppLink and CXone Open; however, most organizations appreciate a standardized solution and vendor-driven approach that minimize the complexity of legacy integration and reduce the reliance on system integrators.

> *"NICE's multipath approach to cloud migration allows organizations to introduce meaningful CX innovations because of the flexibility and scalability of the CXone platform, while continuing to harness legacy business applications that cannot easily be migrated. NICE's CXone enables businesses to move forward at their own pace, which is exactly what the European market needs."*
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NICE has already made CXone AppLink available in its biggest markets in the United States, Europe, and select Asia-Pacific countries. CXone Open will be available in the second quarter of 2023; however, NICE is already promoting this solution.

Harnessing the Human Capital

NICE makes the most of its human capital by creating a positive, innovative, and fun work environment. In the same way it expects its team members to show commitment to quality and creativity, NICE commits to their careers. In addition, NICE is good at developing its people and has established a culture of internal promotions, thus increasing employee engagement and loyalty. Successful careers of 10 to 15 years with the same employer are not often seen with technology providers but are typical at NICE.

Conclusion

Contact center modernization maximizes the value generated for businesses and customers, and the continuous transformation that ensures a business stays relevant to its customers can only happen in the cloud.

When an organization attempts to realize its CX vision against the backdrop of existing, disparate customer center deployments, legacy business applications, regulations, and policies, it often feels like worlds colliding. NICE understands this better than most other CCaaS providers. NICE's multipath approach to cloud migration allows organizations to introduce meaningful CX innovations because of the flexibility and scalability of the CXone platform, while continuing to harness legacy business applications that cannot easily be migrated. NICE's CXone enables businesses to move forward at their own pace, which is exactly what the European market needs.

For its strong overall performance, NICE is recognized with Frost & Sullivan's 2022 European Technology Innovation Leadership Award in the contact center-as-a-service industry.

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What You Need to Know about the Technology Innovation Leadership Recognition

Frost & Sullivan's Technology Innovation Leadership Award recognises the company that has introduced the best underlying technology for achieving remarkable product and customer success while driving future business value.

Best Practices Award Analysis

For the Technology Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Technology Leverage

Commitment to Innovation: Continuous emerging technology adoption and creation enables new product development and enhances product performance

Commitment to Creativity: Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

Stage Gate Efficiency: Technology adoption enhances the stage gate process for launching new products and solutions

Commercialisation Success: Company displays a proven track record of taking new technologies to market with a high success rate

Application Diversity: Company develops and/or integrates technology that serves multiple applications and multiple environments

Business Effect

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 characterise the company culture, which in turn enhances employee morale and retention

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 harnesses over 60 years of experience, coaching organisations 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 Effects:

- **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)