

FROST & SULLIVAN

NICE

**2022
TECHNOLOGY
INNOVATION
LEADER**

*ASIA-PACIFIC
CLOUD CONTACT CENTER
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. NICE excels in many of the criteria in the cloud contact center services space.

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

Commitment to Innovation

Globally, the contact center industry is becoming increasingly sophisticated, with advanced solutions enabled by cloud, digital channels, automation, machine learning (ML), artificial intelligence (AI), and analytics. Keeping up with the latest market trends, contact center service providers are creating product strategies that drive customer care beyond the traditional contact center environment. They are investing in technology advancement to improve their contact center and customer experience (CX) services portfolio and succeed in this highly fragmented and competitive market. Service providers must focus on research and development (R&D) to enhance their solutions offerings, functionalities, and features and develop solid implementation capabilities for a competitive advantage in meeting customer needs.

Formed in 1986, NICE is an Israel-based company specializing in contact center software, cloud contact center, CX, and workforce engagement solutions. The company boasts of having one of the industry’s broadest and most innovative solution portfolios that delivers efficient, consistent, and customized digital-first experiences. Since 2013, NICE has invested in realigning its value proposition and messaging in the market to transform into an enterprise software company that provides analytics solutions at scale and in the cloud. The company centers its contact center product strategy on four pillars: the cloud, omnichannel, AI, and analytics. This strategy has enabled NICE to gain recognition as a leader in customer interaction solutions, helping clients predict customer intent, take action to improve service, and deliver exceptional CX. NICE has a comprehensive end-to-end CX solutions portfolio that addresses

customer and employee requirements with digital customer engagement, real-time interaction management, self-service, omnichannel, voice-of-customer features, intelligent insights, and automation services. The company also augments contact center agents through process automation and customer intelligence.

Commitment to Creativity

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**– Sherrel Roche,
Industry Principal**

As the contact center industry continues to mature, Frost & Sullivan sees digital transformation emerging as the overarching theme for technological advancement. NICE has built its comprehensive portfolio of contact center solutions through strategic acquisitions and in-house R&D. NICE acquired inContact, a leading cloud-based contact center software provider, in 2016. This acquisition enabled NICE to expand its customer service offerings and provide a fully integrated cloud contact center platform targeting small and medium businesses and enterprises.

NICE inContact was renamed NICE CXone to strengthen NICE’s value proposition and messaging in the cloud contact center or contact center-as-a-service industry. CXone is an enterprise-grade omnichannel cloud-native platform that delivers complete, unified application suites. NICE differentiates itself by rewriting its contact center solutions from scratch on the CXone platform, allowing developers and enterprise clients to add new functionality easily and quickly. The solution is highly flexible and can be scaled up or down according to business requirements and seasonality. CXone delivers extended digital-first reach, hyperpersonalization, true omnichannel with digital-to-voice elevation capabilities, real-time interaction advising agents on critical customer behaviors, expanded self-service capabilities, and a complete suite of workforce engagement applications. Through NICE Enlighten AI, the company has infused advanced AI competencies across its CXone platform. The AI engine is pre-trained to analyze and take the appropriate actions based on customer engagement nuances across different use cases, from conversational self-service CX to behavioral real-time agent coaching. Additionally, NICE empowers contact center agents through intelligent workforce engagement management (WEM) applications that guide and enable agents to deliver superior CX service. Frost & Sullivan is impressed with NICE’s robust CX offerings that provide an unrivaled advantage to its customers and end users.

Application Diversity

NICE delivers extensive CX and workforce engagement solutions in on-premises and cloud environments, benefiting enterprise clients of all sizes and industries. Its digital-first approach and advanced AI technology capabilities exemplify the company’s forward-looking technology strategy. Its investment in AI and process automation allows for continual enrichment of its solutions for differentiated customer service that extends well beyond the contact center.

In keeping up with the digitally enabled environment, NICE has developed an array of proprietary technologies and domain expertise in analytics, process automation, ML, natural language processing,

and speech-to-text. In March 2022, NICE released the latest advancements and innovative capabilities of the CXone: guided web and mobile journeys to accelerate self-service CX and provide proactive contextual guidance, a bot builder application allowing clients to build their own bots with simple drag-and-drop options, and the ability to add third-party self-service bots for digital chat and voice through low code/no-code integration. These new releases are combined with advanced learning insights to enable smarter self-service CX through hyperpersonalization.

In December 2021, NICE released new robotic process automation capabilities for clients to digitize processes and documents and prioritize process automation based on return on investments (ROI). The launch included a free resource center with plug-and-play packages and templates based on low-code/no-code resources. The company's Click-to-Document helps clients seamlessly automate the conversion of processes, utilized applications, and user actions into documents at the click of a button, allowing quick project scale-ups. Its ROI calculator enables clients to select the right processes suitable for automation based on the calculated costs saved. Frost & Sullivan believes NICE's successful integration of maturing technologies in AI, analytics, and automation with growing use cases and applications gives the company a significant competitive edge.

Customer Acquisition

NICE is committed to building strategic relationships with its clients, partners, and employees, serving more than 25,000 organizations across industries in more than 150 countries. Its business model is positioned to grow alongside its clients. The company has an active user community with more than 2,000 professionals and support resources dedicated to helping clients of all sizes achieve their business goals. NICE continues to expand its client base through upselling and cross-selling opportunities,

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including increasing customers' exposure to the full breadth of the CXone portfolio offerings. NICE maintains a strong in-house professional services team, uses a proven and repeatable implementation methodology, and delivers high-touch aftercare services. Its expert services team comprises business partner services, cloud and contact center experts, and 24/7 support resources.

NICE has developed DEVone, a dedicated partner program to provide co-marketing, market development resources, field and online events, training, competitive and market intelligence, certifications, dealer registration details, and pre- and post-sales support services. NICE offers clients easy product customization through hundreds of RESTful APIs, the DEVone developer program, and the CXexchange application marketplace. NICE ensures its customers can easily access and add third-party applications through the CXexchange marketplace. The DEVone program allows third-party software vendors to integrate their solutions with the CXone platform and deliver extended functionality by enabling clients to self-select from the CXexchange marketplace.

Growth Potential

As part of its growth strategy, NICE has carefully expanded its business in selected regions and countries and established its presence in less penetrated markets. Asia-Pacific has long been key to its market expansion strategy as the company built its regional operations and service delivery. NICE has increased its focus on adapting its solution to local preferences and client requirements in data residency and sovereignty. The company has launched new local cloud instances in multiple countries in Asia-Pacific and broadened its security and compliance certifications. It prioritizes local CXone sales and services resources and aims to cultivate growth in Asia-Pacific by strengthening its operational presence, sales, service, and partner network relationships.

An important element in NICE's market expansion and growth strategy is the development of its indirect sales and support channels, which include a global network of partners, distributors, value-added resellers, technology vendors, system integrators, and other partners. The CXone is sold primarily through NICE's strong reseller network. NICE's key partners in Asia-Pacific include Optus, MKI, Marubeni, Verizon, Atos, Zendesk, RingCentral, Fuze, Salesforce, NEC Australia, and Converged Communication Network Applications.

Financial Performance

NICE ended 2021 with \$1.90 billion in global revenue, a 16.6% increase from 2020. Its cloud revenue surpassed \$1.00 billion, up by 31.0% year over year, and accounted for 53.0% of the total revenue. NICE witnessed accelerated adoption of the CXone cloud contact center platform, with sales tripling in 2021 and the addition of a record number of new enterprise clients.

The CXone platform experienced growth momentum in Australia, New Zealand, China, India, and Southeast Asia. This growth is attributable to the rising demand for WEM solutions, digital channels, and self-service capabilities from local government, utilities, and education verticals. NICE also registered growth from business process outsourcers, financial services, large telecommunications, and utility industries, which looked to move their contact center operations to the cloud and required help to transform their customer engagement operations. NICE saw increased adoption of its WEM solutions as clients sought to improve agent experience, simplify agent onboarding, better manage work-from-home and multigenerational agents, and deliver agent training and development. In May 2021, NICE established its CXone operational presence in Japan, focusing on high-touch service delivery, maintaining in-country requirements, and addressing product localization needs. Frost & Sullivan lauds NICE's robust growth and believes the company will continue to benefit from a targeted sales and marketing push that emphasizes replacing legacy on-premises infrastructure participants.

Conclusion

NICE has become a formidable participant in the CX industry with its complete suite of on-premises and cloud-based contact center solutions. In Asia-Pacific, NICE is recognized as a leading provider of CX services, experiencing robust uptake and growth of its solutions. The company successfully differentiates itself in the highly competitive market through its domain expertise, innovative new solutions, targeted product roadmap, comprehensive partner program, and solid sales strategy. With its strong overall performance, NICE earns Frost & Sullivan's 2022 Asia-Pacific Technology Innovation Leadership Award in the cloud contact center services industry.

What You Need to Know about the Technology Innovation Leadership Recognition

Frost & Sullivan's Technology Innovation Leadership Award recognizes 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

Commercialization 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 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

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™.

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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)**

