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Background and Company Performance

Industry Challenges

Contact center outsourcing is a component of the broader business process outsourcing (BPO) industry. The global CCO services market increasingly demands that service providers not only be cost effective but offer high quality service that responds to the ever changing needs of the customers. To stay competitive in this framework, service providers are always looking to locate their delivery centers in countries that offer the proper conditions to deliver services with the right mix of cost and talent, such as competitive costs for human resources and infrastructure and economic stability.

Despite being a sine-qua-non condition, offering this environment is not enough for developing the CCO industry in a country. In fact, the most successful countries worldwide that have attracted a high number of service providers and have grown the industry in the last decade are those that have developed strong industry associations, have articulated the interests of the industry and public institutions, and have assured a strong government support for the industry.

Moreover, one of the main challenges the CCO industry faces in most Latin American countries is the saturation of the labor pool in capital cities where most delivery centers are usually located. In these scenarios, the competition for talent increases wages and attrition levels, thus inflating costs for service providers. Developing the industry in Tier II cities is the key answer to this problem as it expands the labor pool for service providers and reduces the pressure in capital cities. Additionally, industry associations are a fundamental factor to assure that Tier II cities are known by the industry and offer the right conditions to attract service providers.

Visionary Innovation and Performance and Customer Impact

Addressing Unmet Needs

The Colombian Contact Center Association, or ACDECC as per its acronym in Spanish, has been improving the framework for the contact center (CC) industry in Colombia and promoting the implementation of global best practices for the last 14 years. ACDECC has more than 50 associates, including business process outsourcing (BPO) service providers and in-house CC and share services centers, which generate 70% of the market’s revenue and 66% of the jobs in the BPO industry. Moreover, other key business partners of the value chain, such as technology vendors, telecom service providers, real estate companies, and human resource firms, are part of ACDECC, improving communications and creating synergies within the sector.

During the past 2 years, ACDECC has had a prominent role in promoting corporate social responsibility (CSR) initiatives among its associates, such as training and hiring programs.
for people in vulnerable social situations and in poor regions of the country. In addition, ACDECC encourage its associates and seek for subsidies for them to do industry certifications, such as Customer Operation Performance Center (COPC), Payment Card Industry Data Security Standard (PCI DSS) and the International Organization for Standardization (ISO) certifications 9,001 and 27,000. As a result, 74% of the associates have certified its operations in at least one of abovementioned standards.

**Visionary Scenarios through Mega Trends**

A key challenge for the BPO industry is the guaranty of a constant flow of qualified workers with different skills required for every type of service and market. ACDECC has worked with many public and private organizations to implement courses and training to increase the talents of the Colombian workers. Overall, ACDECC has been involved in the training of 6,500 people, including soft, technical, and language skills and courses for middle management. ACDECC is part of the industry council within the state national learning office (SENA) and, thus, has a key role in representing the educational needs of the BPO sector. Moreover, ACDECC works with the Science, Technology and Innovation Administrative Department of Colombia (Colciencias) in improving hard skills in the country, a fundamental condition to drive growth in high-value segments such as tech support and information technology outsourcing (ITO).

ACDECC has worked to increase the English proficiency in Colombia to leverage the enormous business opportunity that represents the US market for the BPO industry. A key initiative ACDECC implemented was an alliance with the Miami Language College (MLC), for which the associates have access to preferential rates. The MLC provides in-company language training customized for the CC field. Moreover, ACDECC and SENA have implemented an intensive English course called English for Work, which is specifically designed for contact center agents and leverages the know-how of one of the biggest global BPO service providers with operations in Colombia. As a result of these efforts, the United States has become the biggest offshore market for the Colombian CCO services market, representing 44.4% of the external revenues in 2014.

**Implementation Best Practices**

ACDECC has brought closer all major service providers in the Colombian industry and assured the compliance with professional and ethics business standards and best practices in the market. These lineaments reach different business aspects such as training and hiring processes and companies’ relationships with their employees and with their providers. One of the best practices implemented by ACDECC in 2014 was the client transfer guide, which establishes procedures for when a client leaves one service provider and starts working with another, to assure a transparent and professional transfer with no complications for the buyer. Moreover, as a result of ACDECC’s efforts to strengthen the relationship between the BPO industry in Colombia and the public sector, the national
government now considers the BPO industry as one of the main strategic economic activities in Colombia.

Blue Ocean Strategy

ACDECC has had a prominent role in driving the development of Tier II cities in Colombia, such as Medellin, Cali, Bucaramanga, and Pereira, working closely with regional governments to replicate best practices and generate incentives for service providers to place delivery centers in those locations. To leverage the different characteristics of every region (size, human resources, and infrastructure), ACDECC has generated 6 internal chapters (one for every region: Cundinamarca, Antioquia, Coffee Belt, Caribbean region, Santander, and Valle del Cauca) and has produced studies for each region. These studies are available for associates so they can make informed decisions when considering installing a center in a new city. As a result, Colombia presents one of the most geographically diversified CCO industries in Latin America as nearly half of the jobs in the sector are located outside the country’s capital (Bogota).

Customer Service Experience

ACDECC’s associates access all activities and events that the association produces as well as all studies and documents regarding best practices, industry research, regional information, and CSR initiatives. Moreover, many companies looking to outsource approach ACDECC for advice such as identifying specific services to be outsourced and choosing the service provider. ACDECC presents these business opportunities to all its associates so they can reach out to prospects and present their business cases.

As mentioned above, ACDECC integrates all of the value chain; therefore, its associates have a perfect environment to develop business partnerships with technology vendors and telecom carriers. In this sense, ACDECC organizes 2 major events in Colombia targeted to the customer relationship management industry: the Andean Congress of CC and CRM and the Business Leaders Forum, both of which are excellent opportunities for networking.

Brand Equity

ACDECC has helped improve the brand recognition of the Colombian CC industry through marketing initiatives to show best practices and success stories in the country as well as industry information such as the number of jobs, number of service providers, and key markets. To present this information, ACDECC participates in international industry events and forums and goes on commercial missions to offshore countries looking to attract foreign investments to the Colombia industry.

ACDECC has not only improved the Colombian industry’s brand worldwide but has an important role in refining the industry’s internal image, attaching the idea of a professional career to the CC field. To do this, ACDECC has partnered with the country’s
universities and colleges and is showing the benefits of being employed as a contact center agent. Moreover, the association has worked with its associates to elevate the hiring standards and attract workers with more years of formal education. As a consequence, ACDECC has enlarged its own brand recognition, and being an associate adds extra points in public auctions to hire service providers in Colombia.

**Conclusion**

ACDECC has assured the right conditions for the growth of the Colombian CCO industry, boosting the installation of many global outsourcing service providers in the country. Through its strong partnerships with local and national governments and its events and research, ACDECC has contributed to the development of its associates and the entire industry. As a result, Colombia is considered a regional hub for outsourcing services in Latin America and worldwide.

With its strong overall performance, ACDECC has earned Frost & Sullivan’s 2015 Latin American Association of the Year Award.
Significance of Association of the Year

To win the Association of the Year award (i.e., to be recognized as a leader not only in your industry, but among your non-industry peers as well) requires an association to demonstrate excellence in growth, innovation, and leadership. This kind of excellence typically translates into superior performance in three key areas: demand generation, brand development, and competitive positioning. These areas serve as the foundation of a company’s future success and prepare it to deliver on the two criteria that define the Association of the Year Award (Visionary Innovation & Performance and Customer Impact).

![Diagram showing the significance of Association of the Year]

Understanding Association of the Year

As discussed above, driving demand, brand strength, and competitive differentiation all play a critical role in delivering unique value to customers. This three-fold focus, however, must ideally be complemented by an equally rigorous focus on visionary innovation to enhance customer value and impact.
Key Benchmarking Criteria

For the Association of the Year Award, Frost & Sullivan analysts independently evaluated two key factors—Visionary Innovation & Performance and Customer Impact—according to the criteria identified below.

**Visionary Innovation & Performance**
- Criterion 1: Addressing Unmet Needs
- Criterion 2: Visionary Scenarios Through Mega Trends
- Criterion 3: Implementation Best Practices
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Financial Performance

**Customer Impact**
- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Best Practice Award Analysis for ACDECC

**Decision Support Scorecard**

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

**RATINGS GUIDELINES**

The Decision Support Scorecard is organized by Visionary Innovation & Performance and Customer Impact (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.
The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players as Competitor 2 and Competitor 3.

### DECISION SUPPORT SCORECARD FOR ASSOCIATION OF THE YEAR AWARD

<table>
<thead>
<tr>
<th>Association of the Year</th>
<th>Visionary Innovation &amp; Performance</th>
<th>Customer Impact</th>
<th>Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACDECC</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Competitor 1</td>
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<td>8</td>
<td>8.5</td>
</tr>
<tr>
<td>Competitor 2</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

**Visionary Innovation & Performance**

**Criterion 1: Addressing Unmet Needs**
Requirement: Implementing a robust process to continuously unearth customers’ unmet or under-served needs, and creating the products or solutions to address them effectively

**Criterion 2: Visionary Scenarios Through Mega Trends**
Requirement: Incorporating long-range, macro-level scenarios into the innovation strategy, thereby enabling “first to market” growth opportunities solutions

**Criterion 4: Implementation of Best Practices**
Requirement: Best-in-class strategy implementation characterized by processes, tools, or activities that generate a consistent and repeatable level of success.

**Criterion 3: Blue Ocean Strategy**
Requirement: Strategic focus in creating a leadership position in a potentially “uncontested” market space, manifested by stiff barriers to entry for competitors

**Criterion 5: Financial Performance**
Requirement: Strong overall business performance in terms of revenues, revenue growth, operating margin and other key financial metrics

**Customer Impact**

**Criterion 1: Price/Performance Value**
Requirement: Products or services offer the best value for the price, compared to similar offerings in the market

**Criterion 2: Customer Purchase Experience**
Requirement: Customers feel like they are buying the most optimal solution that addresses both their unique needs and their unique constraints

**Criterion 3: Customer Ownership Experience**
Requirement: Customers are proud to own the company’s product or service, and have a positive experience throughout the life of the product or service
**Criterion 4: Customer Service Experience**  
Requirement: Customer service is accessible, fast, stress-free, and of high quality

**Criterion 5: Brand Equity**  
Requirement: Customers have a positive view of the brand and exhibit high brand loyalty

**Decision Support Matrix**  
Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

DECISION SUPPORT MATRIX FOR ASSOCIATION OF THE YEAR AWARD
The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan Awards follow a 10-step process to evaluate award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

<table>
<thead>
<tr>
<th>STEP</th>
<th>OBJECTIVE</th>
<th>KEY ACTIVITIES</th>
<th>OUTPUT</th>
</tr>
</thead>
</table>
| 1 Monitor, target, and screen | Identify award recipient candidates from around the globe | • Conduct in-depth industry research  
• Identify emerging sectors  
• Scan multiple geographies | Pipeline of candidates who potentially meet all best-practice criteria |
| 2 Perform 360-degree research | Perform comprehensive, 360-degree research on all candidates in the pipeline | • Interview thought leaders and industry practitioners  
• Assess candidates’ fit with best-practice criteria  
• Rank all candidates | Matrix positioning all candidates’ performance relative to one another |
| 3 Invite thought leadership in best practices | Perform in-depth examination of all candidates | • Confirm best-practice criteria  
• Examine eligibility of all candidates  
• Identify any information gaps | Detailed profiles of all ranked candidates |
| 4 Initiate research director review | Conduct an unbiased evaluation of all candidate profiles | • Brainstorm ranking options  
• Invite multiple perspectives on candidates’ performance  
• Update candidate profiles | Final prioritization of all eligible candidates and companion best-practice positioning paper |
| 5 Assemble panel of industry experts | Present findings to an expert panel of industry thought leaders | • Share findings  
• Strengthen cases for candidate eligibility  
• Prioritize candidates | Refined list of prioritized award candidates |
| 6 Conduct global industry review | Build consensus on award candidates’ eligibility | • Hold global team meeting to review all candidates  
• Pressure-test fit with criteria  
• Confirm inclusion of all eligible candidates | Final list of eligible award candidates, representing success stories worldwide |
| 7 Perform quality check | Develop official award consideration materials | • Perform final performance benchmarking activities  
• Write nominations  
• Perform quality review | High-quality, accurate, and creative presentation of nominees’ successes |
| 8 Reconnect with panel of industry experts | Finalize the selection of the best-practice award recipient | • Review analysis with panel  
• Build consensus  
• Select winner | Decision on which company performs best against all best-practice criteria |
| 9 Communicate recognition | Inform award recipient of award recognition | • Present award to the CEO  
• Inspire the organization for continued success  
• Celebrate the recipient’s performance | Announcement of award and plan for how recipient can use the award to enhance the brand |
| 10 Take strategic action | Upon licensing, company may share award news with stakeholders and customers | • Coordinate media outreach  
• Design a marketing plan  
• Assess award’s role in future strategic planning | Widespread awareness of recipient’s award status among investors, media personnel, and employees |
About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company’s Growth Partnership Service provides the CEO and the CEO’s Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.