

Market Share Leadership Award Outbound Dialer Systems North America, 2011

Frost & Sullivan's Global Research Platform

Frost & Sullivan is in its 50th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The company's research philosophy originates with the CEO's 360 Degree Perspective™, which serves as the foundation of its TEAM Research™ methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2011 North American Market Share Leadership Award in Outbound Dialer Systems to Aspect.



Significance of the Market Share Leadership Award

Key Industry Challenges Addressed by Aspect

The key challenges facing the outbound dialer market stem from changes in the way companies are conducting outbound communications with their customers. The need for traditional, hardware-based, standalone dialing systems is declining, while at the same time companies are looking for systems that more tightly integrate outbound with inbound platforms. The dialer market is also changing to respond to the need for more complex kinds of outbound interactions featuring non-voice contact modes. And the market is challenged to be more proactive, allowing contact centers to reach out directly to customers with information that's timely and appropriate to their context.

Traditional dialers are declining as the original use-case for outbound has declined in North America – telemarketing is not the main driver for dialer usage anymore. Instead, specialized applications for outbound that involve both sales and service, like collections, are what companies are looking for. Vendors that are able to adapt and customize their business cases will have more success in this environment.

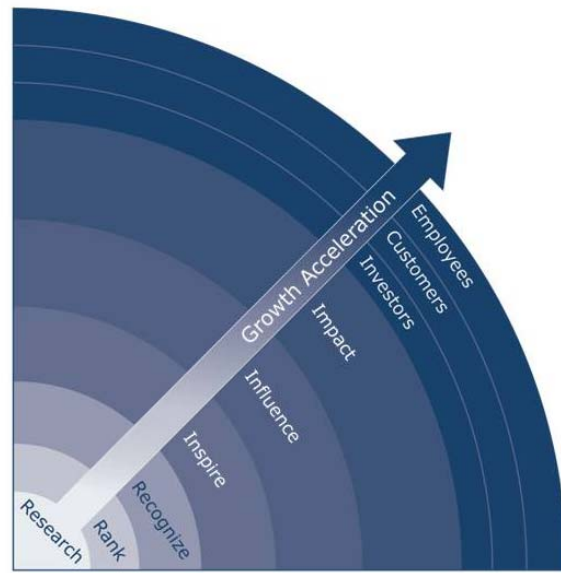
Vendors are also challenged by the need to transform their dialers from single-purpose outbound call generators into more flexible tools that can touch customers with texts, emails or voice calls, depending on the situation. Tools also have to become more responsive to the back-and-forth communications needs of customers – one-way interactions are becoming more like two-way conversations. Vendors that can automate as much of this inbound *and* outbound process will thrive.

And finally, dialer buyers are turning to vendors that offer a richer set of tools to organize how they manage the process of reaching out to customers – more than just campaign and list management, buyers are moving towards applications that manage customer preferences and other analytic aspects of the customer relationship.

Impact of Market Share Leadership Award on Key Stakeholders

The Market Share Leadership Award is a prestigious recognition of Aspect's accomplishments in the Outbound Dialer Systems Market. An unbiased, third-party recognition can provide a profound impact in enhancing the brand value and accelerating Aspect's growth. As captured in Chart 1 below, by researching, ranking, and recognizing those who deliver excellence and best practices in their respective endeavors, Frost & Sullivan hopes to inspire, influence, and impact three specific constituencies:

- **Investors**
Investors and shareholders always welcome unbiased and impartial third-party recognition. Similarly, prospective investors and shareholders are drawn to companies with a well-established reputation for excellence. Unbiased validation is the best and most credible way to showcase an organization worthy of investment.
- **Customers**
Third-party industry recognition has been proven to be the most effective way to assure customers that they are partnering with an organization that is leading in its field.
- **Employees**
This Award represents the creativity and dedication of Aspect's executive team and employees. Such public recognition can boost morale and inspire your team to continue its best-in-class pursuit of a strong competitive position for Aspect.

Chart 1: Best Practices Leverage for Growth Acceleration

Best Practice Award Analysis for Aspect Software

The Frost & Sullivan Award for Market Share Leadership is presented to the company that has demonstrated excellence in capturing the highest market share within its industry. The Award recognizes the company's leadership position within the industry in terms of revenues or units, as specified.

Aspect Software's Performance in the Outbound Dialer Market

While the overall outbound dialer market in North America declined slightly in 2010, Aspect's market share increased 3.8 percentage points boosting Aspect's standing to 21.7 percent market share. This also resulted in Aspect regaining its market share leadership position from its top competitor Avaya. Aspect was one of the few companies in this sector to show growth in 2010, indicating that it was not only growing organically, but was most likely displacing competitors as well.

Key Performance Drivers for Aspect Software

Factor 1: Driving Integration between the Contact Center and the Enterprise

Aspect has been very aggressive in transforming its focus from purely operational contact centers to a more integrated stance that brings centers into tighter alignment with their peers inside the enterprise. The company's alliance with Microsoft has helped the Aspect bring more clarity to that enterprise/operations relationship, via a strong commitment to leveraging Microsoft's Unified Communications infrastructure. As a result, Aspect has had

greater traction getting its service delivery tools in front of IT and C-level professionals. This allows Aspect to expand its footprint beyond call center professionals to the newly expanded community who are in a position to make larger investments in communications technology.

In effect, Aspect's strategy has been to evolve its technology infrastructure from one that serves a narrow objective (call center operations) into a broader enterprise service delivery platform. The net result is that they are seeing improved traction in high-value vertical markets like financial services, airlines and healthcare, where Aspect's customers are already trying to connect the separate pieces of their service organizations, but are looking to their technology vendors to help with the organizational integration.

Factor 2: Targeted Business Applications for Problem Solving

Aspect's software-based approach has been successful in untangling much of the confusion that contact centers face when converting from legacy communications technologies to new, IP-based and enterprise-friendly platforms. The company has created a set of applications that run on their Unified IP platform that integrate inbound and outbound functionality. These applications are clearly targeted to specific business problems that service organizations face, including collections and outbound telemarketing.

One application in particular, Blended Interaction, coordinates among all the inbound and outbound channels, allowing centers to operate more efficiently in multichannel environments, including voice, text and Internet contacts. Blended Interaction unites self-service, inbound routing, outbound dialing, workforce management and Internet contact. Agents transition between inbound and outbound services, change from answering a call to answering an email to participating in a chat session, or move from one campaign to another when traffic changes. They are more productive, and the center has an enhanced ability to measure success because the functions are integrated.

In addition, Aspect tends to be strongest in vertical markets that are likely to require specialized applications that work well in a unified enterprise/contact center environment, like financial services, airlines, and in the past year, healthcare.

Factor 3: Importance of Collections in an Uncertain Economy

The demand for robust and advanced collections applications rose during the last several years of the economic downturn. And even as economic conditions have improved, many companies are finding that investments in debt collection tools have a speedy ROI and fit well into new, broader strategies for managing outbound contacts with customers. Early intervention in the collections cycle, handled well, can often be the driver of a better customer relationship than waiting until later.

Aspect has long been a leader in building and deploying collections applications for contact centers. Aspect's current application suite includes two tools that are specifically targeted to this important market: Streamlined Collections and Optimized Collections. Streamlined Collections automates early-stage collections and enables expert agent engagement for a more effective delinquent account targeting strategy. It leverages the company's UC integrations to enable agents to do more complex things during these calls: sharing screens with supervisors or other agents, for example, or multimedia conferencing. The net result is that Aspect's customers can reduce the cost-per-collected dollar while at the same time stay compliant with regulatory requirements and customer sensitivities. Optimized Collections allows companies to centrally manage their business rules, best practices and operational administration on a single platform. It boosts agents' productivity by helping them optimize their own performance with better data.

The effect of strong attention to collections is that Aspect has been able to ride out trying economic times, and turn them to the advantage of its contact center clients by helping them derive revenue from their customers in ways that are efficient and sensitive to the customer relationship.

Factor 4: Leveraging Advanced Proactive Outbound Capabilities

Many leading service-delivery companies are discovering the strategic business value of comprehensive approaches to proactive customer contact. They are leveraging customer and product information from across the enterprise to reach out to their customers with personalized service messages and sales offers to cement and grow profitable relationships. For leading-edge companies their PCC initiatives are an integral part of their unified communications visions and strategies. PCC programs can positively impact a company's customer retention rates and revenues as well as its operational expenses for customer service. Notifications about things like prescription refills, low balance alerts and payment reminders are often seen by customers as expected courtesies.

Aspect has knitted proactive outbound features into its Unified IP suite, through several of its applications, including the two collections tools and the Seamless Customer Service application (SCS). SCS incorporates features for proactively reaching out to customers using voice, SMS text messages or email. This capability allows centers to successfully orchestrate a much richer, more bi-directional relationship that enhances the customer relationship. Aspect's leading role in creating a platform for pro-activity is a key element in invigorating its outbound dialer business.

Conclusion

Aspect's efforts to reinvigorate its outbound dialer business have borne fruit, growing in a market that has been experiencing some overall decline. Aspect has been able to grow its share at the expense of some formidable rivals. We attribute the company's success to the depth of the integration between its platform's components, including a strong connection between enterprise unified communications applications and the traditional call center tools for campaign and agent management. Aspect has taken outbound dialing from its legacy days of telemarketing into the modern era of advanced efficient collections and proactive multimedia customer contact.

The CEO 360 Degree Perspective™ - Visionary Platform for Growth Strategies

The CEO 360 Degree Perspective™ model provides a clear illustration of the complex business universe in which CEOs and their management teams live today. It represents the foundation of Frost & Sullivan's global research organization and provides the basis on which companies can gain a visionary and strategic understanding of the market. The CEO 360 Degree Perspective™ is also a "must-have" requirement for the identification and analysis of best-practice performance by industry leaders.

The CEO 360 Degree Perspective™ model enables our clients to gain a comprehensive, action-oriented understanding of market evolution and its implications for their companies' growth strategies. As illustrated in Chart 5 below, the following six-step process outlines how our researchers and consultants embed the CEO 360 Degree Perspective™ into their analyses and recommendations.

Chart 2: The CEO's 360 Degree Perspective™ Model Directs Our Research



Critical Importance of TEAM Research

Frost & Sullivan's TEAM 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 seven of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. In that vein, the letters T, E, A and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

Chart 3: Benchmarking Performance with TEAM Research

About Aspect

Aspect is recognized for its market-leading capabilities in workforce management, outbound dialing and inbound ACD routing, and is a leading Microsoft National Systems Integrator. Aspect helps organizations of all sizes take advantage of software to meet key business goals, including more than two-thirds of the Global Fortune 50.

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 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.