

Inspired to be *the best*™



Teleperformance and AI

21 June 2023

Innovation



Mission

- **Reduce frictions in day-to-day life**
 - Moderate acquisition costs
 - Prevent churn
 - Rebuild loyalty



How to deliver this mission

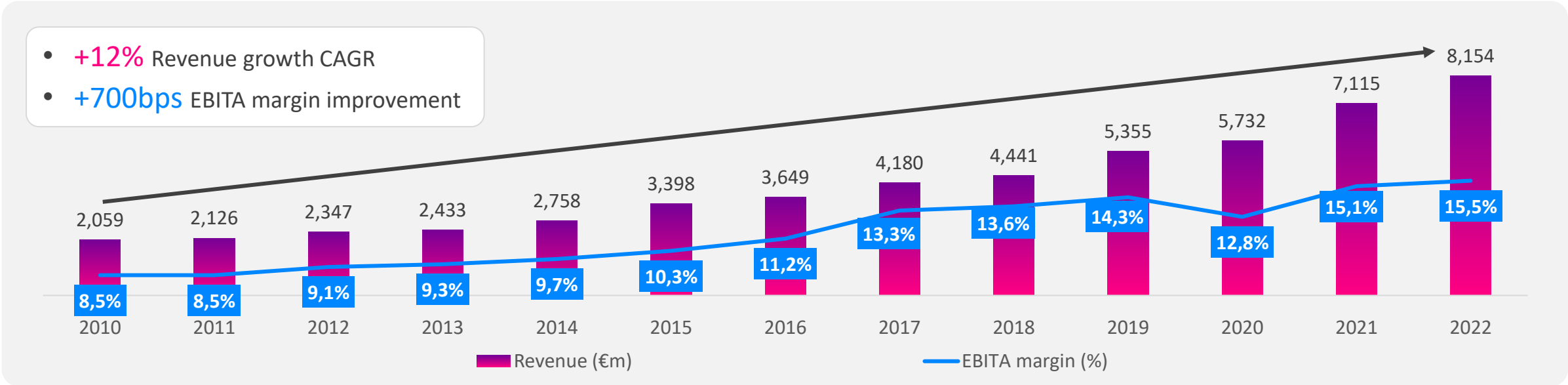
- **High-tech:** automation, speed, accuracy
 - **High-touch:** empathy, common sense, intuition
- {BOTH COMBINED}



AI adoption

- **Unresolved issues** around data privacy, IP protection, accuracy, 'hallucinations', bias
- **Limited adoption so far** - Tier 1 support, chat, emails, non-critical translation - to augment human productivity

Teleperformance financial track record (2010-22)



Continued growth and profitability surfing and integrating waves of IVR*, Apps, RPA**, AI ...

*IVR : Interactive Voice Response
** RPA: Robotic Process Automation

Dedicated transformation function (“T.A.P.”*) set up in 2018

- To help us “Deliver Better” and to “Sell More”
- 100+ products; delivering 2,000+ projects per year
- >70% of new business proposals have a transformation component
- Digital Academy – have trained and certified over 5,000 group’s leaders over the last 2 years
- Now also a stand-alone digital service line

Teleperformance has been leveraging the latest available technology to improve productivity and deliver better service

- RPA: automation of rule-based transactions/activities: TP Unify, TP Simulation
- Conversational AI based on NLP^{**}: Chatbots, TP Interact
- Generative AI based on LLM^{***}: TP GenAI, StoryfAI

* T.A.P. : *Technology Analytics Process*

** NLP: *Natural Language Processing*

*** LLM: *Large Language Model*

Dedicated GenAI taskforce at Teleperformance

Cross-functional taskforce led by a T.A.P. expert to:

- Implement GenAI products in client operations
- Implement GenAI across the entire delivery value chain of Teleperformance:
 - ➔ Recruitment, training, workforce management (WFM), employee engagement, Q&A, HR service desk, IT support
- Coach and support sales, client management and operations teams on Teleperformance's GenAI capabilities
- Identify additional lines of businesses – data annotation and machine training, AI supervision and moderation, prompt engineering, development of customized, secure and private LLMs

- **Dozens of GenAI projects that are in different stages of implementation**
- **Slow adoption by clients, including Tech majors**

Q&A transformation for a global Tech company

Original process

- Manual effort with a limited sample size (1-2% of total interactions)
- Lack of consistency across quality analysts
- Delayed and sub-optimal agent feedback process

Revised Approach

- Implemented TP Interact leveraging Gen AI to automate quality parameters and analyze interactions
- Automated Q&A audits on 100% interactions
- Near real time actionable insights on each interaction
- Utilized the data to develop a predictive model on repeat interactions

Outcomes

- **26% reduction** in repeat interactions
- **35% improvement** in sales conversion
- **14% enhancement** in NPS*

* NPS: Net Promoter Score

Email summarization and response generation for a global Auto major

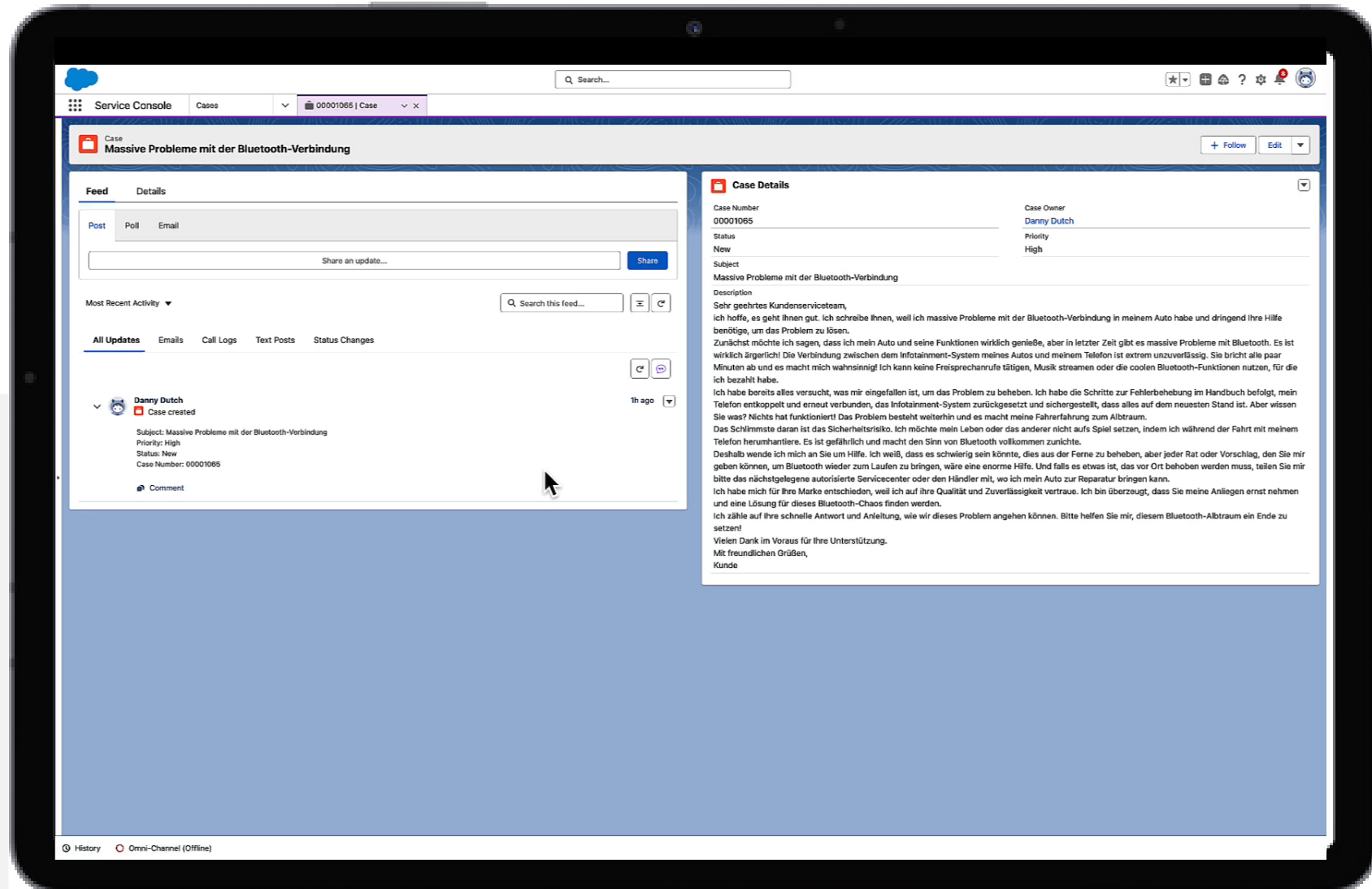
Original Process

- Incoming emails from customers not necessarily well composed and/or structured
- Multiple intents hidden within paragraphs making it complex to understand the issues
- Inaccurate and delayed response led to repeat queries and poor customer experience
- High cost-to-serve

Revised Approach

Implemented mail2summary leveraging Gen AI to improve efficiency, consistency and reduce cost to serve

- GenAI summarizes the incoming email in bullet points
- Customer Service Representative (CSR) creates a quick response in bullet points
- GenAI uses the bullet point prompts to write a customer friendly response
- CSR validates response and corrects where needed and sends reply to the customer



-20%
AHT*

+18%
CSAT**

* AHT: Average Handling Time; ** Customer Satisfaction

Knowledge management for a large European Real Estate company

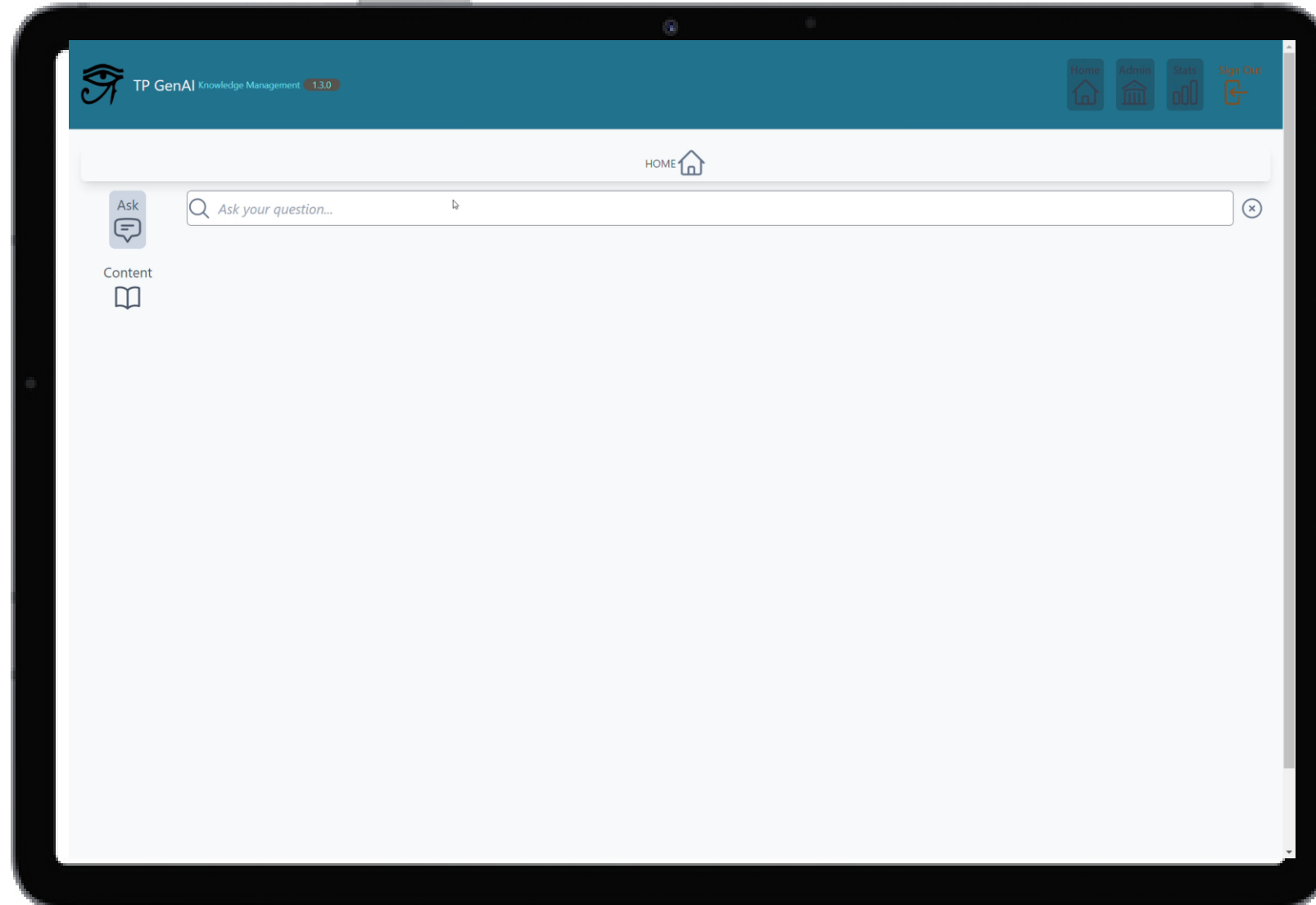
Original Process

- Client was working with a complex and clunky knowledge base in different formats
- Knowledge base were lengthy and not easy to interpret
- Extremely difficult for agents to find the relevant information quickly

Revised Approach

Implemented a GPT powered knowledge base by training LLM that uses semantic search and summarization:

- CSR can ask a question in natural language
- AI gives a short to the point response
- If required, the CSR can ask a follow up question



-8%
AHT
Reduction

+5%
First Time
Fix (FTF)

Key takeaways from AI implementations

Key success factors

- Knowledge of the process and systems to design the right solution and to ask the right questions ('Prompt Engineering')
- Need for robust security measures at every layer
- 'Human in the Loop' for close supervision – brand risk significantly disproportionate to the direct cost of error

Outcomes

- Productivity gains
- Improved consistency and accuracy
- Less 'Taylorism Stress' on our staff
- **Reinvestment of the productivity gains for better dialogue and to rebuild trust with the brand**

Why clients re-invest productivity gains?

Industry	CX spend ⁽¹⁾ (% of Revenue)	Churn rate ⁽²⁾	New customer acquisition cost ⁽³⁾
Banking	3.0 – 5.0%	10 – 20%	US\$250 – 800
Insurance	2.0 – 3.0%	20 – 25%	US\$1,500 – 3,000
Telco	2.0 – 3.0%	10 – 20%	US\$350 – 500
Retail & E-commerce	1.5 – 2.0%	8 – 12%	US\$180 – 220
Travel & Hospitality	2.0 – 3.0%	15 – 20%	US\$10 – 40
Healthcare (Provider)	1.5 – 2.5%	12 – 17%	US\$250 – 500

Sources: **1. Customer Experience (CX) spend***

- Forbes
- American Customer Satisfaction Index
- Company Publications

Sources: **2. Customer churn rate***

- Banking: [Industry article, Forbes 2020](#)
- Insurance: [Forbes, Whitepaper](#)
- Retail & Ecommerce: [Forbes, Statista](#)
- Telecom: [Bain & Company \(Subscription Flow\), Statista](#)
- Travel & Hospitality: [Statista](#)
- Healthcare (Provider): [ProviderTech, AthenaHealth Article](#)

Sources: **3. Customer acquisition cost***

- Banking: [Whitepaper](#)
- Insurance: [Forbes](#)
- Retail & Ecommerce: Company Publications
- Telecom: [Forbes](#)
- Travel & Hospitality: Company Publications
- Healthcare: Company Publications

*The data was further triangulated by the information provided from company publications of the listed companies and by discussions with TP's clients in each sector; all data pertains to the US market

Customer management reality

EXAMPLE OF A CALL



EXAMPLE OF A CALL



- Having factual data is important but is not enough
- Need to help the customer calm down
- Solution has to be accurate; can be relatively simple at times, but needs to be offered with empathy – to rebuild the brand trust
- This is << **SERVICE FROM THE HEART** >> and is a ‘human to human’ relationship

- **Teleperformance has continued to deliver growth and profitability** despite original perceived to be threatening waves of technology advancements (IVR, Internet, Apps, RPA, AI ...)
- **Generative AI represents the next logical step** in group's transformation and growth continuum
- The more the society grows, the more we move up in the Maslow Pyramid - "The need to be considered as an individual; the need for "hyper-personalization"; **even more relevance of a combined high-tech, high-touch approach**
- **New technologies systematically create new needs** (and new business opportunities)

New needs example: Content Moderation

Digital world has created a need for moderation of egregious content and for business integrity

- AI algorithms can handle 97-98% of this activity...
- ... but content creation is growing at an even faster rate
 - 90% of all data generated in the last 2 years*
 - Data generated has grown x61 since 2010*

Adaptability, reskilling and 'Surfing the Waves' is part of Teleperformance's culture

Final thought

Walmart – Giant 'Brick and Mortar' offline retailer

- ~US\$600 Bn in revenue
- ~2.1 million employees

An AI driven Hyper-Automated online retailer

- ~US\$500 Bn in revenue
- ~1.6 million employees



Revenue productivity of the online major is only ~10% above productivity of the offline major!

The online major offers much more personalized service - significant investments in customer service

André Malraux* famously said: 'The 21st century will be spiritual or it will be not'

What's about: 'The 21st century will be human centric or it will be not'

(0,1) x 😊 = Teleperformance

Q&A

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