

# ABSTRACT



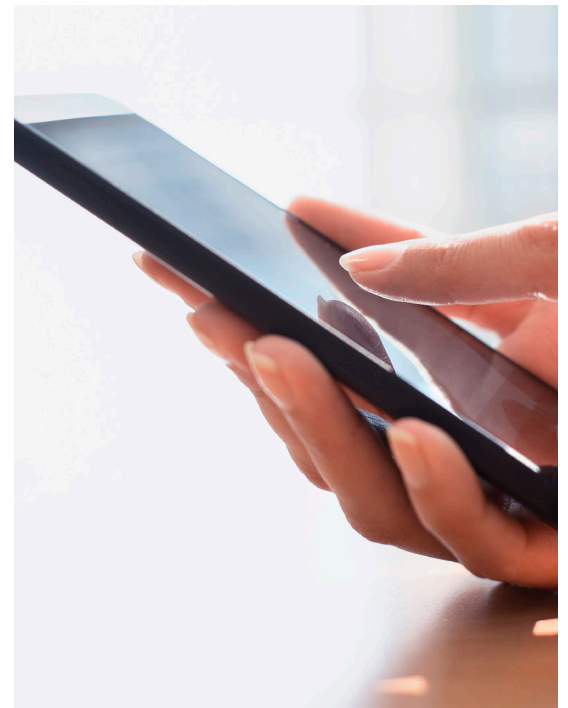
## 2017 Workforce Optimization (WFO) Mid-Year Market Share Report

**DMG**  
CONSULTING LLC



*DMG Consulting's 13th annual **Workforce Optimization Mid-Year Market Share Report** presents a thorough analysis of the financial performance of the WFO market and its 39 vendors worldwide during the first six months of 2017, and compares market activity for this sector to the equivalent period in 2016. The mid-year report complements DMG's annual **Workforce Optimization Market Share Report**, which covers full-year WFO financial and market activity, and DMG's annual **Workforce Optimization Product and Market Report**, which provides a comprehensive analysis of the WFO vendors, their solutions, functionality, technology, competitive landscape, trends and challenges, benefits, return on investment, pricing, customer satisfaction, implementation best practices, and more.*

Please contact Deborah Navarra at [deborah.navarra@dmgconsult.com](mailto:deborah.navarra@dmgconsult.com) or 516-628-1098 with any questions. To order your copy of the report, visit [www.dmgconsult.com](http://www.dmgconsult.com).



The contact center WFO market has reached maturity. After 15 years of continuous growth, this market is contracting. Much like 2016, the first half of 2017 saw continued declines in overall WFO revenue. Enterprise requirements have changed, and many WFO vendors who have not kept up with their clients' needs are feeling the impact, which is fueling a wave of consolidations. The digital transformation is underway, and cloud computing is the technology of the future.

Total company GAAP revenue for the vendors that offer a contact center WFO suite dropped by 5.2% to \$1,583.4 million from \$1,669.7 million, a decrease of \$86.3 million between the first half of 2016 and 2017. This decrease follows a similar pattern in the 12 months between the first half of 2016 and 2015, where total company GAAP revenue for contact center WFO suite providers decreased by \$5.9 million. Some of the slowdown in this sector is due to a change in reporting methodology resulting from Genesys's acquisition of Interactive Intelligence in December 2016, which caused their combined WFO revenue to be excluded from this analysis.

The number of WFO vendors is shrinking, a trend that is expected to continue for the next few years. At the market's peak, there were 45 WFO suite vendors, most of whom were highly profitable. Currently there are 39 vendors, of which only 6 appear to be earning more than \$10 million per year. As more small and mid-size contact centers migrate to the cloud, they are moving away from their current on-premise WFO providers and adopting the solutions supported by their cloud-based vendors. This presents a significant challenge for many of the smaller WFO vendors who claim to support the cloud, but have not invested to fully re-architect their solutions.

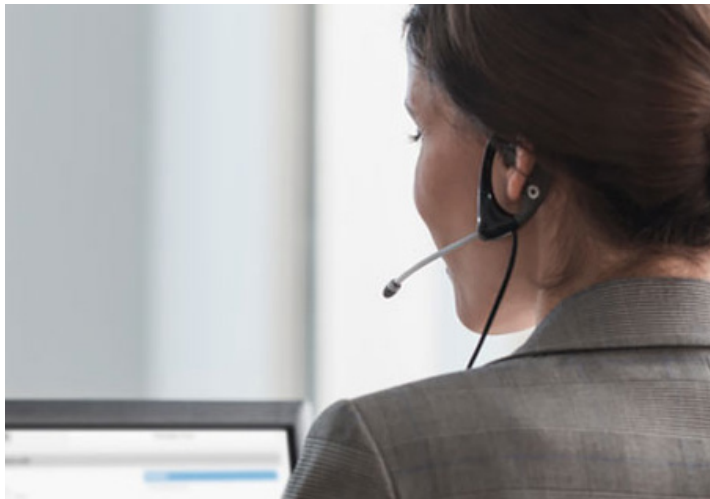
The WFO market is undergoing the most significant transformation in its remarkable history. Now more than ever, enterprises need WFO functionality like recording and analytics. The question is from whom the solutions are going to be purchased. Enterprises are changing their buying patterns. They want a WFO environment that enables them to acquire whatever solutions they need from any source. The future of contact center solutions is in the cloud, and WFO vendors who want to succeed in the future are going to have to make some tough decisions.

The *2017 Workforce Optimization Mid-Year Market Share Report* provides a detailed breakdown of revenue for the following 22 named vendors: 8x8, ASC, Aspect, Avaya, Calabrio, ComputerTel, Coordinated Systems, dvsAnalytics, Enghouse, Envision, Genesys, HigherGround, Mitel, NICE, OnviSource, OpenText, TantaComm, TelStrat, Verint Systems, VirtualLogger, Xarios and ZOOM International. These vendors comprise 99.3% of the contact center WFO market; the remaining 0.7% (17 vendors) is addressed in the "Other" category.

To be considered a WFO suite provider, a vendor must offer the 2 core WFO applications – recording and quality assurance (QA)/quality management (QM) – as well as at least 2 more named applications. Named applications include: workforce management (WFM), contact center performance management (CCPM), gamification, speech analytics (SA), text analytics (TA), desktop analytics (DA), enterprise feedback management (EFM)/surveying, eLearning/coaching, customer journey analytics (CJA), and an emerging application, robotic process automation (RPA). (Annually, DMG Consulting produces in-depth industry reports for most of these applications segments, providing detailed market share analyses for their respective sectors.)

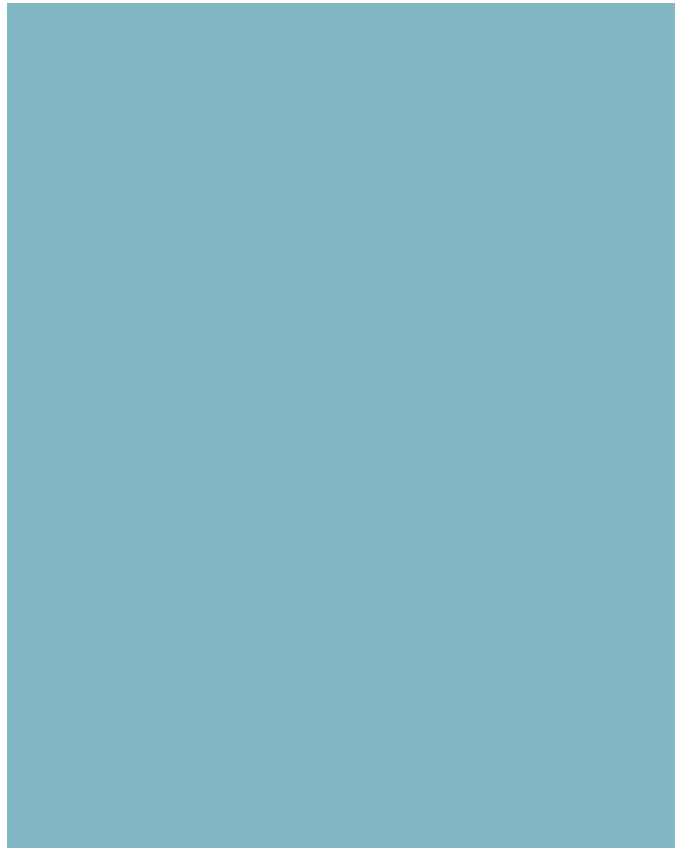
## Key Reasons to Buy this Report

- ⇒ Market projections by WFO application segment for the 5-year period from 2017 to 2021, for recording, QA/QM, WFM, CCPM, gamification, speech analytics, text analytics, desktop analytics, robotic process automation, EFM/surveying, customer journey analytics, and eLearning/coaching
- ⇒ Detailed revenue and market share analyses by vendor, broken down by GAAP revenue for total company, the contact center WFO segment, quality management/recording (WFO) sector, voice recording, contact center and non-contact-center voice recording, and QA/QM
- ⇒ Growth rate comparisons by vendor for the first half of 2017 vs. the same period in 2016
- ⇒ Detailed analyses of the 22 leaders and contending vendors in the various WFO sectors



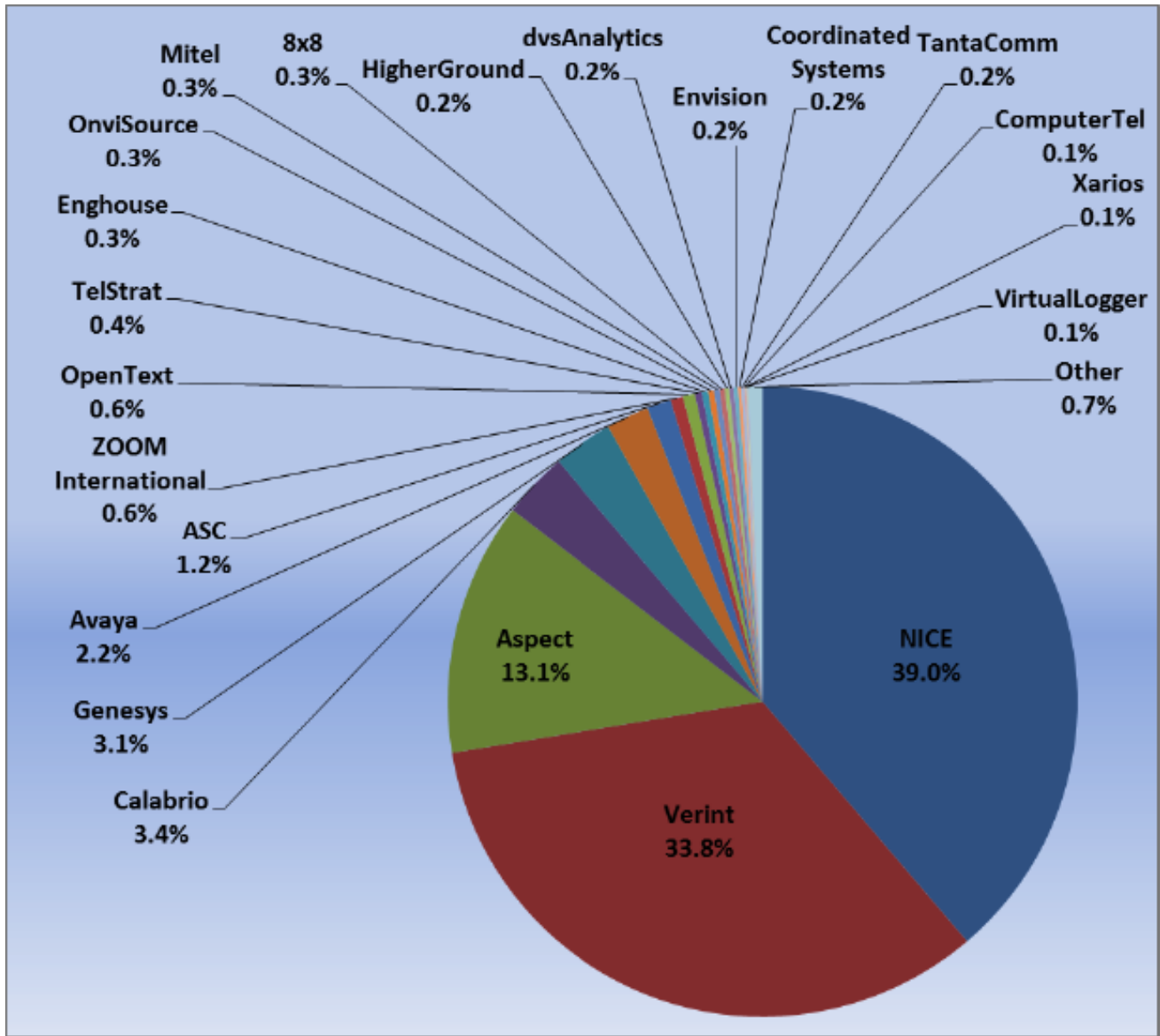
## Report Highlights

- **The contact center WFO market has reached maturity and needs to undergo a significant transformation:** WFO functionality continues to be essential for enterprises, but their buying patterns are changing as they migrate many of their solutions to the cloud. Contact center WFO vendors who want to succeed in this era of digital transformation need to make substantial investments in their solutions and their underlying architecture.
- **The number of WFO vendors is shrinking:** The migration of solutions to the cloud is speeding up market consolidation. The cloud has introduced a new era of computing, and many of the existing WFO vendors, who have under-invested for years, are struggling to adapt to changing times.
- **Enterprises want a WFO platform that enables them to acquire solutions from any source:** WFO vendors cannot depend on customers seeking to purchase all of their applications from a single provider. To succeed in the future, the vendors must build agile platforms that support the ability to integrate with any third-party application.



# SAMPLE FIGURE

## First-Half 2017 Total Company Market Share for WFO



Source: DMG Consulting LLC, October 2017

# TABLE OF CONTENTS

1. Executive Summary
2. Introduction
3. Financial Information Sources
4. Debates about Methodology
5. Methodology
6. Market Projections for 2017 through 2021
7. Total GAAP Revenue and Market Share, First-Half 2017 vs. First-Half 2016 (all QM/recording-related vendors)
8. Total Contact Center WFO Revenue and Market Share, First-Half 2017 vs. First-Half 2016
9. WFO and Recording Solutions Revenue and Market Share (excluding video), First-Half 2017 vs. First-Half 2016 Comparison
10. Total Voice Recording Revenue and Market Share, First-Half 2017 vs. First-Half 2016 Comparison
11. Total Contact Center Voice Recording Revenue and Market Share, First-Half 2017 vs. First-Half 2016 Comparison
12. Total Non-Contact-Center Voice Recording Revenue and Market Share, First-Half 2017 vs. First-Half 2016 Comparison
13. Total Voice Recording Revenue and Market Share
14. QM/QA Application Revenue and Market Share, First-Half 2017 vs. First-Half 2016 Comparison

# TABLE OF FIGURES

- Figure 1: WFO Application Projections, 2017 – 2021
- Figure 2: Total Company GAAP Revenue and Market Share, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 3: Total Company GAAP Revenue, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 4: First-Half 2017 Total Company Market Share for WFO Competitors
- Figure 5: Contact Center WFO Revenue and Market Share, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 6: Total Contact Center WFO Revenue, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 7: Total Contact Center WFO Market Share, First-Half 2017
- Figure 8: WFO and Recording Solutions Excluding Video, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 9: WFO and Recording Solutions, Excluding Video Revenue, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 10: First-Half 2017 WFO and Recording Solutions Excluding Video Market Share
- Figure 11: Total Voice Recording, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 12: Total Voice Recording Revenue, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 13: Total Voice Recording Market Share, First-Half 2017
- Figure 14: Contact Center Voice Recording Revenue and Market Share, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 15: Total Contact Center Voice Recording Revenue, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 16: Total Contact Center Voice Recording Market Share for First-Half 2017
- Figure 17: Non-Contact-Center Voice Recording, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 18: Total Non-Contact-Center Voice Recording Revenue, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 19: Total Non-Contact-Center Voice Recording Market Share, First Half 2017
- Figure 20: Total Voice Recording, First-Half 2017 Revenue (\$ in millions)
- Figure 21: Total Voice Recording, First-Half 2017 vs. First-Half 2016 Revenue Comparison (\$ in millions)
- Figure 22: Total Voice Recording Revenue, Contact Center vs. Non-Contact Center, First-Half 2017
- Figure 23: Total Voice Recording, First-Half 2017 vs. First-Half 2016 Revenue Comparison Graph (\$ in millions)
- Figure 24: QM/QA Applications Revenue and Market Share, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 25: QM/QA Application Revenue, First-Half 2017 vs. First-Half 2016 Comparison
- Figure 26: QM/QA Application Market Share, First-Half 2017



# DMG

---

## CONSULTING LLC

---

6 Crestwood Drive, West Orange, NJ 07052  
(973) 325-2954 [www.dmgconsult.com](http://www.dmgconsult.com)