



- Daniel Newman: Hey everyone. Welcome back to The Six Five Summit. It's day two. I'm Daniel Newman, one of the hosts here at The Six Five Summit. We are in the Enterprise Software, SaaS Apps track. I've got a first timer joining The Six Five Summit. Actually first timer on The Six Five. A friend, someone I've gotten to know pretty well, and another Austinite, which I love. We've got Jeff Cotten with Alvaria. Jeff, welcome to the Six Five Summit. I'm so excited that I was able to get you to join us this year.
- Jeff Cotten: Thank you, Daniel. It's a pleasure to be here.
- Daniel Newman: Yeah, it's a big topic. It's a big year. This is the fourth summit that we've done, and the first few were fueled and inspired by the work from home trend that was brought on by the pandemic people were in their houses. It was easy to get people to show up and now we're all on the move. I don't know about you, but I feel like home is not home anymore for me. I'm anywhere but home. A night in my bed is like a dream come true, we could call it.
- Jeff Cotten: Right.
- Daniel Newman: But it just doesn't happen that often. But the theme of this show is all about innovation and challenging macroeconomic environments. We knew this year was going to be tough. It is tough. You're leading a company that is in a big transition yourself. You were named the CEO, what about a year ago?
- Jeff Cotten: That's right. Yeah.
- Daniel Newman: And you were really in this particular CX space, you were bringing together multiple industry leading enterprise technology companies, I believe was Aspect and Noble that became Alvaria.
- Jeff Cotten: That's right.
- Daniel Newman: Talk a little bit about your first year in charge of leading these businesses and what's top of mind right now for you and your management team?
- Jeff Cotten: Yeah. A great question. It's been an interesting year. First of all, I was attracted to this company for a few different reasons. Number one is the opportunity in this space. As you said, we've just been through one of the greatest crisis in humanity around sending everyone home and changing how we work, creating all kinds of economic disruption, and that creates opportunity, right? Solving new problems and new ways for customer experience organizations to address their end customers is a real challenge and a real opportunity. So that was exciting to me and continuing my journey in this CX space. The second thing is, as you mentioned, Aspect and Noble had great role assets to bring to market here, and the two companies had grown somewhat through acquisition in their tenures, but they really had standout strengths and I think had started to meander and drift into some different spaces where their core strengths really didn't exist.
- And so really capitalizing on what the prior management teams and the two organizations had built through the years and expanding on that was also exciting. And then I'll tell you, one of the



things I've learned in the last year that also has me really excited is this opportunity in workforce engagement. With all the change and disruption that's happened in the workforce, sure, there's lots of people now going back into offices. We are all traveling again. I agree. A home feels like a hotel room again now. But the truth is there's just so much going on now in the workforce space, and I think employers are now really having to face the music on. We've really got to create a platform and an experience for our employees to have something that they really are excited to engage in every day. And that opportunity for us, given our strengths on the Aspect side in workforce management specifically more with scheduling and forecasting is really exciting as we reposition ourselves into a true workforce engagement company.

Daniel Newman:

Yeah. I love that you point that out. And as I'm thinking about, you're dealing with two current sets of challenges at the same time. One is trying to get the best out of a significant merger or set of companies that came together with unique intellectual property making the most of a maximizing what management teams did. This is really, it's not just a turnaround, but it is an acceleration. And we're in a market where speed is becoming the most urgent focal point for management. Jeff, I mean, look, we saw new trends come into the market when we had dinner, what, a couple months ago now? Maybe it's been that long, believe it or not, and we were talking about the onset of generative AI, and even if you look at the two months from where we were talking then and like, "This is going to be a thing," to now it's like, "Oh yeah, this is a thing." You've seen, what, hundreds of new products hit the market. You've seen major tech companies make huge announcements. You've seen in tectonic plates of market shift in the process because every company has something GPT now or something.ai now. And literally that two months ago it was like, "Okay. This is happening," and now it's like, "It's happened." I've never seen anything quite like it, but the CX industry is an industry that it's going to always be critical. It's always going to be super important because it's the conduit between brands and customers. And so we've always had a lot of focus on the engagement channel. We've tried to help with, whether it's chatbots, or whatever tools we could provide people to provide more self-service. I just mentioned AI. B`ut I guess how are you thinking about digital transformation and automation as it pertains to the industry? Is the lack of human touch going to put companies out of touch or are these things going to work together where we can still deliver world-class experiences?

Jeff Cotten:

Yeah. Well, what a question, right? I mean, the first thing I'll start with is just think about every interaction you have with a company or brand today. How many come to mind where you go, "Man, that was awesome. I felt like everything was super orchestrated. The handoffs were great. I got exactly what I wanted or needed." I got to tell you, my experiences there aren't very many experiences in interactions that are very good still, right? With all that technology and all this AI and everything we've been focused on over the last few years. And so first of all, I think there's still a massive opportunity, to your point, to bring these technologies to the market. The other thing I'll tell you is that historically Aspect and Noble, I think really positioned themselves squarely in this CCaaS market, right? The contact center as a service market.

And in the last year we've really developed a new approach. We want to flip our positioning on its head a little bit and say, "Hey, I'm not here to actually create all of the speech to text and AI technologies around the end customer service experience. I actually want to turn those into partner relationships." We think that the majority of the CCaaS players today already have, to



your point, a lot of AI technology built into their offerings aimed at trying to speed up the customer interaction, automate it as much as possible. And really where we see a gap in the market and where people aren't talking as much on AI is, how do we use AI within that employee experience? And once again, in this concept of workforce engagement management. So we're looking at technologies now that say, "Hey, we know a lot of information about you as a worker, and what about if you've got a son or daughter that's got a birthday coming up, would you like the day off?"

Can we auto schedule that for you? Can we schedule and orchestrate all the shift trades behind the scenes in an automated fashion so you don't have to worry about that? Giving you a mobile app where you can speak to it, right?" I mean, how many employee engagement experiences are there out there today that feel like your daily digital life where you're interacting with Siri or your Google Assistant or whatever phone platform you use and you're talking to it all day long, setting reminders, asking it to do simple tasks. We want the work experience to be very similar, and ultimately we're headed. And what we think is the opportunity here is just to make the platform and the systems around the way an employee has to do their work and provide ultimately customer service, since that is the space that we're in as easy as possible so that they can do higher order tasks for a customer.

I mean, once again, going back to my personal experience, when I interact with brands, I'm still calling in or having to try to use digital chat to do some pretty simple trivial things. And granted, airlines I think have done a decent job with their mobile apps to now start being able to do schedule changes and things like that. We've still got a long way to go. So for us, we really see this opportunity around using AI that we don't see a lot of focus on right now on changing and evolving that employee experience. Whereas there's been a lot of AI poured into the actual interaction with the end customer.

Daniel Newman: Yeah. First of all, you give a really nice perspective, Jeff, because then when you said that, think about all those experiences you have where they just get everything right. You know how you started that answer, and I was wondering where you were going with that. Because the first thing I was like is, "I don't really have those experiences yet." It's not very common. So given the fact that we have all this technology, all this AI, all these bots, all this CDP, all the data that supposedly are technology providers have. It still doesn't amount, in most cases to what I would consider to be the world-class or the optimal experience. But we talk about it a lot, right offer in the right channel at the right time.

This is all happening. Well, and it is in some industries. I think there's a couple, there's a coffee company I think that does it pretty well, that has a really pretty good experience. But largely that great CX is the exception, Jeff, it's not the rule. But with this in mind, I'd like to kind of get your shape then on the industry because you're a very large company and obviously hundreds of millions of dollars in revenue.

Jeff Cotten: Yup.

Daniel Newman: But you've got trillion-dollar market cap behemoths that are launching digital contact centers and CX products into the marketplace. You've got consolidation like crazy. You've got what I would say born on cloud companies that are selling contact center and CX solutions that are saying, "We are the cloud natives, the disruptors of the industry." Where do you see your place?



You have a very strong legacy. You've got a lot of customers, but how do you not get disrupted? How do you stay relevant? What's the strategy for the company to stay ahead of this and stay important in this industry that's going through such rapid change?

Jeff Cotten:

Yeah, that's a fun one. For those of us who are not career Amazon, Google or Microsoft employees, we likely all have had experience competing with them and experienced the disruption that they drive, right? I mean, these three are become known as the hyperscalers in the cloud world. And look, we can see every day the investment they're pouring into CX technologies, to your point, and obviously they already have become very strong CX players. I remember when Amazon launched their First Voice platform, and everyone of course gets all excited about anytime Amazon launches a new product or a new innovation like that, and how long will it be until they really are enterprise grade enterprise worthy. And the one thing is that they will absolutely be there, and I would say they have for sure arrived. Google obviously now, the very same thing. So first of all, we believe that the hyperscalers, the big cloud infrastructure providers are going to be huge players in this space.

Number one, because they have data, right? And data creates gravity and the systems that they're going to build around all the data that they already have and all their cloud infrastructure is going to create power for them. At the same time, look at how long it has taken Amazon to get their voice product to a point where a 40,000 agent contact center is now truly deploying it at scale. These things do take time that they're legendary for their innovation cycles. Obviously Google and Microsoft the same. And so our view of this and how we carve our niche in the market out and continue to find a great path for us is to partner with them. I don't want to compete with them. We see that CCaaS and the voice platforms are going to go the way of the hyperscalers and a handful of big platform players that are already there.

And once again, I want to be an expert in high compliance, high secure outbound experiences, which most of those platforms are more inbound oriented. We're experts in outbound, so take my compliance engine as an example, and you leverage it. Why go have to go study every regulation in every major market across the globe and know what their dialing rule regulations are? Let us do that for you and be a platform for an outbound engine. Same thing then on the workforce side, right? Look, what we hear today in the market from most customers that, "Hey, a lot of these CCaaS platforms out here work great. They have tight integrations with my CRM system, so my agents are getting relevant, real-time data, driven off an interaction on the voice platform. That all works pretty well. But hey, they really don't work well when I've got 10,000, 40,000 agents and I'm trying to do dynamic shift scheduling, and I've got half my agents working from home in India, the other half in the office, I've got half in the Philippines working from home. I've got five BPOs."

I mean, these are really, really, really complex environments and trying to manage a global capacity where people are shifting customer service workloads all over the globe throughout a day. Those are really, really complex challenges. And we just believe that it's going to be a long time before anybody really starts to focus on that. So let us be the workforce management and the workforce engagement management platform and software to partner with and integrate with those players. That's the way we see the market. So instead of trying to compete head-to-head in that CCaaS space, partner and provide the things that we're experts at.



- Daniel Newman: Yeah, I think that's a good strategy. And I think a lot of companies have done the competition approach where it's like, "We'll continue to sell, but we'll also put our solution up in the hyperscale cloud or we'll have a partner offering." And I think that also mirrors well to the enterprise journey because while it is everything is supposedly moving to the hyperscale public cloud.
- Jeff Cotten: Totally agree.
- Daniel Newman: We also know that not everything's moving to the public cloud. It's a continuum and companies are finding, there's a reason that hybrid, multi has really landed as a lot of companies have many different workloads going in different clouds. You've got lots of data, lots of complexity. You've got sovereign clouds in Europe, you've got regulatory compliance in the cloud all over the world. And trust me, they're dealing with a lot of this. But a lot of companies are saying, "Hey, let's move cautiously, intentionally." And then of course, manage costs because it's not the panacea of cost management that a lot of people thought.
- If you're up and starting for the first time and you just want to spin up and compute, it's a beautiful thing. But if you're all of a sudden hit saturation, you have thousands of seats. We've seen it with SaaS, we've seen it with different software. I think, what was it, the injuries in Horowitz thing that looked at SaaS and cloud models and that there was basically a law of diminishing returns. At some point you hit, it's like you're spending a lot more for subscription, but it makes for a great Wall Street business model for sure. So you got to manage those two different things. So just got a minute or two left with you here, Jeff. Love to just get a, what's next? A little bit of an outlook for what you're planning on your leadership and how you plan to drive growth forward for the company.
- Jeff Cotten: Yeah, great question. Look, a couple things. First of all, I spent 10 years with Mark at Rackspace, and the company was all about culture. And the belief was that if you build a high engagement workforce, they'll in turn take care of your customers. And that worked for Rackspace for a long, long time. So we're trying to recreate some of that here. We want to get a really reinvigorated workforce that loves our products, loves our customer, the use cases that we solve for our customers. We are trying to just get utterly customer obsessed. And look, it's one of the things, frankly, I think Noble did extremely well. While we're excited to have that Noble Legacy a part of our company history, Aspect did it at times too in its past. But it's one of the things that we're doing is just really getting refocused on the customer.
- And the reason that's so important is that they're now driving the innovation into our products and our platform, right? We are listening more than we ever have, I feel like, or at least and certainly in the last couple of years. And letting them drive new features, new workflows, new ways in which they want to work. One of the things that's really exciting for us is our customers are literally dragging us out of the contact center and into their core back office, and even into some of their retail and branch offices, which once again, just creates opportunity, but it's creating innovation in our platform. So what you'll expect to hear from us is everything customer obsessed, letting customers drive where we're headed, and that's how we're going to build a company we believe will differentiate in this space.



Daniel Newman: Well, listen, it's exciting time. I mean, customer obsessed is not only words that are used by leadership it needs to be proven in the work that you do. I'm excited to continue to watch how you drive the company forward. Really appreciate you taking the time here with me, Jeff, to join us here at the Six Five Summit.

Jeff Cotten: Thank you.

Daniel Newman: It's an exciting time to be in the customer obsessed business, and I'm eager to see how things shake out for Alvaria. Thanks for joining me.

Jeff Cotten: Thank you.

Daniel Newman: All right, everybody, there you had it. That was Jeff Cotten, CEO of Alvaria, first timer on The Six Five Summit, and we loved having them here. Stay with us so much more. You know all our sessions are available on demand, so if you can't catch them live, make sure you catch the stream, share them all with your friends, subscribe for all The Six Five's great content. Tune in for more. Stay with us. Talk soon.