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WEEK-END

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TECH AT A TIME OF METAVVERSE

Special issue from the biggest European event on technologies and start-ups, June 15 to 18, Paris.

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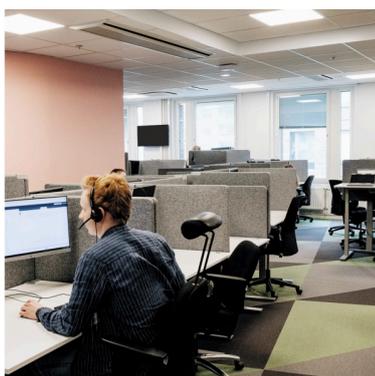
MUSIC
The mysterious clip of Stevie Wonder





Web3, remote work: How Teleperformance is preparing for the new services revolution

Founded in 1978 in Paris, this French company specializing in call centers has become a world leader in business services and is now present in 88 countries with nearly 420,000 employees. Its double challenge: to do not miss the metaverse train while negotiating the telework revolution.



At the premises of Teleperformance's Swedish subsidiary, in Stockholm, on April 24, 2020, in the midst of a health crisis. The teleworking, imposed by the pandemic, has profoundly modified the way of working within the group.

It's often Teleperformance's employees answering the phone and email or chatting when you are facing a problem with your Orange package, your Amazon delivery, your iPhone, or your bank card. Teleperformance is everywhere. With some 420,000 employees in 88 countries, it is the world leader in call centers and customer relations. Yet, few people know about this French company, which counts a good half of multinationals among its clients, from banks to telecom operators to tech giants, as well as many governments.

During the health crisis, its agents also provided many of the Covid public assistance services that were set up around the world. Behind this group, which was created in 1978 and entered the CAC 40 in 2020, is a

colorful character: Daniel Julien, its founder, who is still at the helm at 69 years old.

For more than forty years, this Frenchman, who has also been an American citizen for more than two decades, has been able to grow his small Parisian telemarketing company into a global giant with revenues representing more than 7 billion euros, more than half of which is generated in the United States.

"He very quickly pushed the group to expand internationally by setting up operations across the Atlantic as early as 1993, and by favoring 'nearshore' platforms as much as possible, in countries close to customers such as Tunisia for France, and 'offshore', such as the Philippines for the United States, with a view to optimizing costs," explains Olivier Rigaudy, the group's deputy CEO since 2017 and an admirer, like many others, of the boss's ability *"to seize the wave of the moment, to sniff out trends and transform them into reality."* He recalls: *"I remember an executive committee meeting in Miami in 2011. Daniel drew a circle symbolizing the Internet and the players gravitating around it, such as telecom operators, PayPal, etc. He understood before anyone else the future needs of operators and other stakeholders and how to meet them. And it's the same today with the metaverse."*

The metaverse is one of the big deals of the moment at "Teleperf" as its founder calls it. *"We've always been riding a double wave: technology and consumer empowerment, as has been the case with the Internet, smartphones, e-commerce and now blockchain and metaverse. These waves are piling up, but there is clearly an acceleration of digital transformation, thanks to the spring of artificial intelligence (AI),"* maintains Daniel Julien, during a brief visit at the group's headquarters on Balzac Street, in Paris, and who divides his life between his American headquarters in Miami, his ranch in South Carolina, and his numerous trips to the subsidiaries - at least before Covid.

"AI, a Great Tool"

This advocate of "walking around management" welcomes innovation with open arms. *"With regard to AI, I adopt the same attitude as Kasparov did after he lost to DeepBlue. We should not demonize it, but consider it as a great tool to increase the capacities of humanity"*. The group thus integrates all the elements of "narrow AI" (intelligence that focuses on a specific task) likely to improve or facilitate its work, such as "robotic process automation" with nearly 17,000 bots already.

“The good news is that the end customer remains and will remain a human being, rational and emotional: rational because he wants everything faster and cheaper;



Daniel Julien (in Paris, April 12 2022) founded Teleperformance in 1978. At the age of 69, he is still at the head of the group.

emotional because he needs empathy. With this in mind, we are going to train our agents more and more so that they become coaches,” says the man who places adaptability at the heart of his management style.

Just before Covid, Teleperformance inaugurated its Innovation Experience Center (TIEC) in Santa Clara, California, to develop its expertise in data analytics, automation, robotics, and artificial intelligence.

The group has also set up a transformation program combining the Lean Six Sigma management method and “design thinking” called TAP (technology, analysis, process) and has constantly acquired external know-how (see box on page 5) such as content moderation, interpreting, visa applications, and business process outsourcing.

“We had 200 developers, process engineers, data scientists at the time of the acquisition in 2018. They will be 2,000 by the end of the year,”

proudly announces Bhupender Singh, the former boss of Intelenet, who is in charge of the transformation of the entire group at the age of 49. *“Today, it is no longer enough to be the world leader in call centers, we have to go further by investing in the cloud business, in data, and in all the digital services that are emerging. We want to be our customers' partner for all their back-office management. These are the fastest growing and most profitable lines of business,”* explains this Indian engineer who studied at the Indian Institute of Technology in Delhi and the Indian Institute of Management in Ahmedabad.

“The metaverse will change everything.”

He says it is ready to “tailor” its processes to the needs of its clients, to improve their processes, to make them faster, simpler, and safer, and to develop new services such as managing insurance policies and mortgages or providing administrative services for medical centers. *“In fact, we are becoming a high value-added consulting firm. There's really no limit to the services we can offer to our clients.”* This is the Rubik's cube strategy dear to Daniel Julien.

The Portuguese subsidiary embodies this evolution towards ever more technology and guidance. Located in the Parc des Nations, a modern district on the banks of the Tagus River that was completely redeveloped for the 1998 Universal Exhibition, Teleperformance Portugal is one of the group's best performers, with 30% growth over the past two years and nearly 5,000 net new jobs in 2021. Open space, large bay windows, ultramodern and friendly premises overlooking the magnificent aquarium:

Teleperformance Portugal looks like a Silicon Valley start-up.

“It's important that we don't miss the Web 3.0 era because after voice, email and chat, we mustn't fool ourselves: we will soon be interacting in the metaverse for many of our activities. It is a bit like the launch of the first iPhone operating in only 2G,” says Augusto Martinez Reyes, its 32-year-old CEO. *“Before long, metaverse technologies will change everything. For example, AI is already helping us to recruit and train. Tomorrow, we will certainly manage operations in virtual reality,”* continues this Argentinean who has spent his entire career at Teleperformance, starting as a an entry-level agent in Buenos Aires while studying business administration.

Like a Start-up

“Many groups are now going into the metaverse, buying space but not knowing what to do with it. At Teleperformance, our goal is twofold: to develop our experience and to help our customers (and their customers) as well as our prospects to use this interaction channel. Our biggest challenge is to move fast. That's why we operate like a start-up with goals not exceeding 90 days,” says Augusto Martinez Reyes. In January, the staff launched its virtual campus project, relying on a network of internal expertise to understand the implications of augmented reality, virtual reality, and the metaverse.

The idea? To create a place for all employees to interact by integrating all aspects of professional life, on-site or at home, at work or after work, in order to reinforce the sense of community, even remotely. *“Hundreds of the group's employees are already experimenting with it around the world, and don't know yet if it's just for fun or if it's really interesting and effective. Acting through an avatar is in any case a very new aspect of the working relationship and the anonymity can give better results, for example by reducing the stress of transgender people,”* says the CEO.

With several industry leaders among its clients, Teleperformance Portugal relies in particular on the world of video games: *“They are the true pioneers of metaverse, NFTs, and tokens with their communities operating under the rules of fair play, fun, and interactivity. We want to show them that we are also into the game,”* says Augusto Martinez Reyes. On May 27, the company organized its first Games and e-Sports convention to mark the inauguration of the group’s new center of excellence on the metaverse in Lisbon. The purpose of the convention was to organize tournaments and strengthen ties with the gamer communities, as well as to provide a place for employees to relax and play.

Crazy Turnovers

In Lisbon, with the “Atlantic Experience” (see box on page 5), as elsewhere at Teleperformance, employee well-being is the group’s other major concern. This concern may come as a surprise, given that the company is showing spectacular turnover in its workforce: up to almost 90% in 2021! *“The impact of the health crisis has increased this turnover exceptionally, whereas in general it averages around 70% depending on the country,”* admits Daniel Julien, citing the “Great Resignation” phenomenon in the United States, but not only that: teleworking and financial aid during the lockdowns have pushed people to resign, not to mention the closure of the many services created for Covid assistance, which have stopped.

“That said, it’s also a feature of the phone platform industry,” the CEO tempers. Teleperformance hires many young people who work there for one or two years to pay for their studies, or for a first job and then go elsewhere. *“Of course, we train them and would like to keep them. But after a while, I understand that you want to change when you find yourself answering customers live all day long and getting yelled at more and more often...”*

There are people who love it and are good at calming, understanding, and dealing with the problem, but that’s not the case for everyone. It can wear you down. In any case, it’s a fabulous management school for sales people or financial analysts”

And for those who wish to evolve and take on responsibilities, the group has no shortage of opportunities, as shown by the career path of the American Miranda Collard, who started out as an entry-level telephone agent, to become today one of the two women on the group’s executive committee in charge of strategic clients. At their disposal: the TP School and the TP University, as well as an eight-month program for the highest potential employees.

“What makes Teleperformance unique is its culture and the people who work there. Of course, there is a lot of expertise and knowledge in the processes and technology, but in the end, it’s the people that matter most. The vision is driven by Daniel, but there is a lot of work behind the scenes to implement it: individual talent, discipline, and determination to get things done as well and as quickly as possible,” describes Agustin Grisanti, Teleperformance’s COO.

Highly Monitored Employees

For this 49-year-old Argentinean who worked for Accenture and McKinsey before joining Teleperformance in 2004, the priority is to ensure a permanent balance between employee commitment, customer satisfaction, and shareholder satisfaction. *“If you want to increase profitability by paying employees less, for example, you are bound to have dissatisfaction and turnover, which will generate dissatisfaction on the part of the customer, and therefore the shareholders. Everything fits together. That’s why we monitor employee satisfaction like clockwork,”*

he says, noting that the group is among the top 25 employers in the world according to Fortune and Great Place to Work. *“We generally pay above the minimum wage, although there are variations from country to country.”*



Lisbon, in the offices where TP Portugal is testing metaverse-related technologies.

Soon, these will change everything, believes the boss of the subsidiary.

For example, we are more than 67% above the market in Colombia, where the minimum wage was \$256 at the end of 2021,” says Olivier Rigaudy.

Since the pandemic, the group has largely switched to telecommuting: nearly 200,000 people moved from the centers to their homes in nine weeks in the spring of 2020, the only ones to remain on-site were because of the confidentiality requirements imposed by clients, particularly financial institutions. *“Not everyone is going to want to come back. We’ll probably end up with a 50/50 split between remote and office work, because we’re redefining working conditions,”* predicts Daniel Julien.

Telecommuting, a Major Transformation

“Currently, we only have about 5% of the workforce coming on-site versus 95% before the health crisis; it should be about 40% by the end of the year. But many say they will quit if they are asked to come back,”

says Augusto Martinez Reyes. Broader recruitment without geographical barriers, greater flexibility, employee satisfaction, cost savings: the advantages of remote work are obvious for the group. *“But we have to find the right balance between telecommuting and the office because our customers are more reluctant for reasons of data protection, security, compliance, or the need for face-to-face contact,”* says the COO.



This is a major transformation in the way we work. *“Whether employees work from home or the office, we make sure they stay engaged. That's why they have cameras on their computers that they can turn on or off at their own discretion: it's not to monitor them but to facilitate interactions,”* justifies Agustin Grisanti after a complaint filed by the international coalition of unions UNI.

“We are a target for the unions.”

“In France, with telecommuting, it was a bit complicated at first. And it's true that we have set up automated home control procedures,” replies Olivier Rigaudy. But these are mentioned in the contracts and are done in accordance with the law. *“There is no other way to ensure data security, it is a requirement of our customers,”* he adds. *“Moreover, the issues differ from one country to another. In any case, there will always be accusations against us, but none of them have been successful, because we are a target for the unions, like other large international companies such as McDonald's, Amazon, or Fedex,”* sighs Daniel Julien, who, as we understand it, is more a follower of the American than the French management culture.

Telecommuting also makes it possible to reduce office space and invest in IT and tech equipment. *“We already have less office space than before the health crisis while we continue to expand into new businesses. Eventually, we'll probably have half the space we had before Covid,”* predicts Agustin Grisanti, who, like thousands of the group's managers and supervisors, often works from his home in Miami.

A Prepared but Secret Succession

In any case, the company will continue to recruit massively: 50,000 people in 2022, after 35,000 last year. *“Teleperformance is still committed to increasing the number of its employees in developing countries because, today, nobody wants to pay for customer services in the markets it serves because it is too expensive. Let's stop the hypocrisy of the citizen who cries out against relocation when, as a consumer, they don't want to pay more for the service,”* says Daniel Julien in his usual straightforward manner.

Will this sailing enthusiast *“only when the weather is rough, to feel the adrenaline rush”* be around for much longer to steer the ship? *“I'll never die, at least, not for the time being,”* laughs the CEO with a twinkle in his eyes, although he recently suffered a nasty fall from a horse. Before adding: *“Enough jokes... Everything is prepared! But nobody in management knows whom except me, not even the person concerned. And Teleperf does not depend on one man: ‘we hunt as a pack, we succeed as a pack’”* ⁽¹⁾, this “American of choice and heart” likes to emphasize.

One thing is certain: *“The next CEO will have a 100% international and multicultural profile. The vast majority of our markets, our customers, our employees, and our shareholders are located outside of France, so that does not leave much room for ethnocentrism,”* he says, adding that, in the end, it is the *“board of directors that will decide.”* That in undiplomatic language these things are said. But it is true that in the executive committee, beyond the veterans Daniel Julien and Olivier Rigaudy, there is only one Frenchman (Eric Dupuy), the others are Americans (Miranda Collard, Scott Klein, Leigh Ryan), Indian (Bhupender Singh) and Argentine (Agustin Grisanti). With fewer than 3,000 employees and 3% of revenues, France is not really at the center of the map.

(1) “We hunt in packs, we succeed in packs.”

by Laura Berny

More info on lesechos.fr/weekend

Key figures:

420,000 employees including 75,000 in India, 40,000 in the Philippines, 40,000 in Colombia, 20,000 in Brazil, 25,000 in the United States, more than 10,000 in Greece, Portugal and Tunisia. 2,850 in France. **265 languages** and dialects spoken in the group. **88 countries** worldwide. **7.1 billion euros** in revenue (+19%) and net income of 557 million (+42%) in 2021. **1,000 clients**, 50% of which are multinationals, spread across the government, healthcare, financial services, telecom, tech, media and gaming, retail and e-commerce, travel, and hospitality sectors.

LISBON, AN INVITATION TO THE ATLANTIC EXPERIENCE



In Portugal, promoting the “Atlantic Experience” at Teleperformance Portugal, international recruitment is paramount. Of the subsidiary’s 13,000 employees, 70% come from abroad. The idea is to attract and retain. To do this, recruiters promote the “Atlantic Experience,” highlighting the advantages of Portugal for those who would not know them (weather, quality of life, food, etc.) and the mission for which they are hired.

Upon arrival, newcomers from abroad are met at the airport, helped in their administrative and visa procedures, and can even be accommodated in one of the 4,000 rooms available in Lisbon or Porto for a lower salary. All new recruits are then trained for three to eight weeks, depending on the assignments, and receive a career development interview after six months. If they resign, HR asks about their motivation to determine if they really don’t want to move up in the group: 30% end up continuing, the others leave for family reasons, because their studies are finished, or because they have found another job. To maintain cohesion even remotely, the company offers psychological support, coaching, training, and also leisure activities (surfing, soccer, paddle, trekking, cooking classes, yoga, etc.) and events.

THE IMPACT OF THE UKRAINIAN CONFLICT

The impact of the Ukrainian conflict in Ukraine, the was that group immediately stopped its operations at the start of the conflict, while continuing to pay the 365 employees based near Kiev. Activity is now resuming at a slower pace. The group also supports Unicef and Red Cross activities on-site. For Russia, *“the question is more complex because we have more than 5,000 people there, where we serve local and international companies,”* says Daniel Julien.

»The group stopped its sales, marketing and investment activities and only maintained service to customers with pre-existing contracts. *“We follow very closely all regulations or decisions that may come from the EU or the United States, and we make sure we are 100% compliant in real time. We do not want to add misfortune to misfortune, but the Board of Directors has mandated me to study the consequences and conditions of leaving the country,”* says the CEO, who says that Russia represents 1% of the group’s revenues. *“Today, the vision that we Westerners develop on the Russian-Ukrainian conflict is emotional, which is understandable, but we must know that more than half of the world does not share it. It is important for a global group like Teleperformance not to be solely Western-centric,”* warns Daniel Julien. *“Our mission is to help reduce friction rather than add to it, so we stay out of the political arena as much as possible,”* says this pragmatic man. For him, however, this war marks a turning point: *“The world is being redrawn, refracted into groups of civilizations. Russia will be China’s source of raw materials and energy; China will reduce its ties with the United States and develop the enrichment of its middle class; and India, which has long-standing relations with many Russian companies in machinery, energy, metals or armaments, will find itself deeply uncomfortable between its democratic culture and its ties with a Russia that is too close to China,”* he analyzes.

DIVERSIFICATION BY ACQUISITION

In recent years, Teleperformance has not hesitated to make acquisitions to diversify its portfolio with profitable activities such as: visa application collection and consular services with TLS (acquired in 2013) to help governments with document verification, translation and transmission with a fully digitalized process. telephone and video interpreting with the LanguageLine solution, which has 14,000 interpreters speaking 265 languages (1.35 billion euros in 2016); business process outsourcing (back-office services, human resource management, and financial and administrative management services) with India’s Intelenet (860 million euros in 2018); health data management for employers, consumers, and employees (reimbursement, information, prevention) with Health Advocate (583 million in 2020); outsourced management of business processes for U.S. government agencies with Senture (353 million in 2021).

