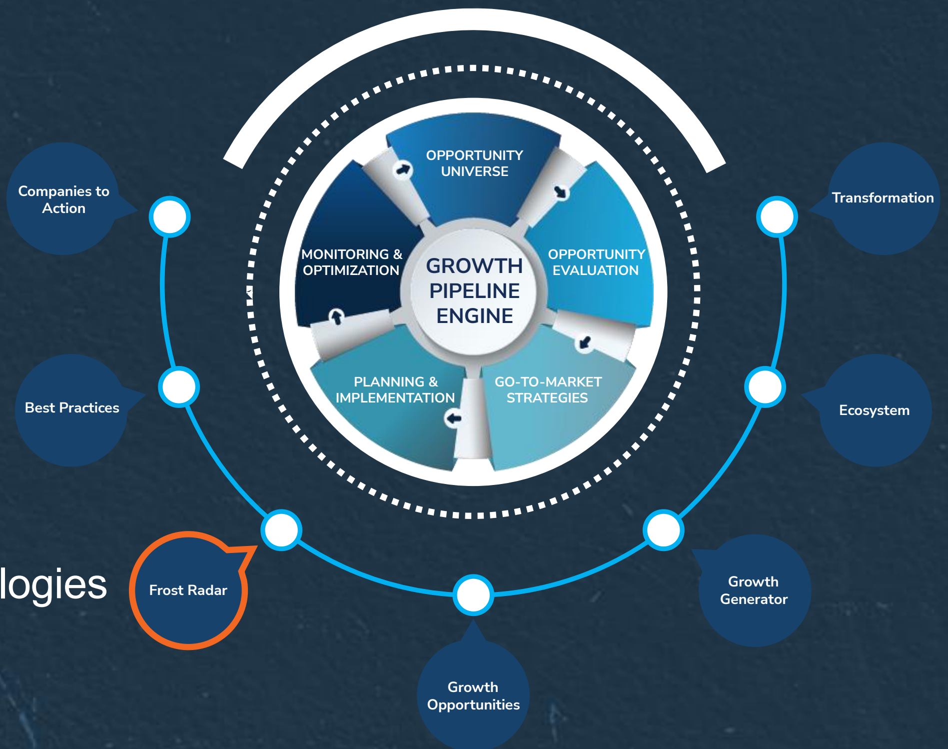
FROST & SULLIVAN

Frost Radar™ : Workforce Engagement Management, 2025

A Benchmarking System to Spark Companies to Action - Innovation That Fuels New Deal Flow and Growth Pipelines



Global Information & Communications Technologies Research Team at Frost & Sullivan

Authored by: Ankita Singh

Contributor: Alpa Shah

KC0D-76
November 2025

Strategic Imperative and Growth Environment

Source: Frost & Sullivan

Strategic Imperative

- Amid continued economic instability around the world and subsequent budget cuts and layoffs, businesses have been compelled to find innovative ways to improve employee experience (EX) by enhancing employee/agent/supervisor productivity and engagement. The goal has been to nurture and retain top talent to ride through the waves of digital transformation, ensuring steady business revenue. Workforce engagement management (WEM) tools have become an important investment area.
- Contact centers play a crucial role in a business's revenue growth strategy, given the significant cross-selling and upselling opportunities they present. Businesses recognize that the role of contact centers has evolved from being cost centers to profit centers and customer engagement hubs. This also means an evolution in the roles of agents and supervisors, creating a need for upskilling and reskilling. These realizations are drawing huge investments toward workforce management (WFM) and WEM solutions that boost contact center workforce performance and engagement.
- Newer ways of working are emerging. In addition to remote and hybrid work, there is a boom in the gig economy. An optimum technological set-up and accommodation of different working styles and preferences are imperative for employees to perform well, regardless of their location,. Businesses understand that EX and customer experience (CX) are interdependent: without meaningful employee engagement, CX suffers. Enterprises that invest significantly in tools that boost EX are, by extension, boosting CX.
- Employees seek workplaces that support their well-being and offer them flexibility and empowerment. WEM solutions provide capabilities that holistically support agents and managers, such as self-scheduling, data-driven performance coaching based on individual targets, long-term workforce planning, and voice of employee (VoE) analytics.

Strategic Imperative (continued)

- The infusion of AI technologies (including GenAI) has dramatically bolstered contact center capabilities, supercharging process automation, agent capabilities, and self-service channels for customers. As a result, repetitive and simpler customer interactions that previously occupied agents' bandwidth are now being handled through technology, freeing up human agents to tackle more complex interactions. However, it is only by leveraging the right tools and technology that agents can understand customers' journeys, sentiments, and intents. AI-powered WEM solutions enable users to detect patterns, identify anomalies, analyze customer data, search and retrieve information, predict customer behavior, and provide recommendations for optimal subsequent actions to serve customers.
- While still in its developing stage, agentic AI is slowly rewiring the framework and operations of contact centers. Agentic AI in a WEM solution enables businesses to transition to autonomous execution, enhancing productivity and scalability. While vendors are accelerating their AI investments to build and polish their agentic offerings, WEM users are channelizing their investments to choose providers based on their speed of AI innovation and execution.
- Customers demand the ability to self-serve before they seek a resolution from a contact center agent. When they feel dissatisfied or need additional support, they reach out to contact centers, so they naturally have higher levels of frustration and heightened expectations for quality service. WEM tools support agents with accurate, efficient, and fast customer information and analytics.

Source: Frost & Sullivan

Growth Environment

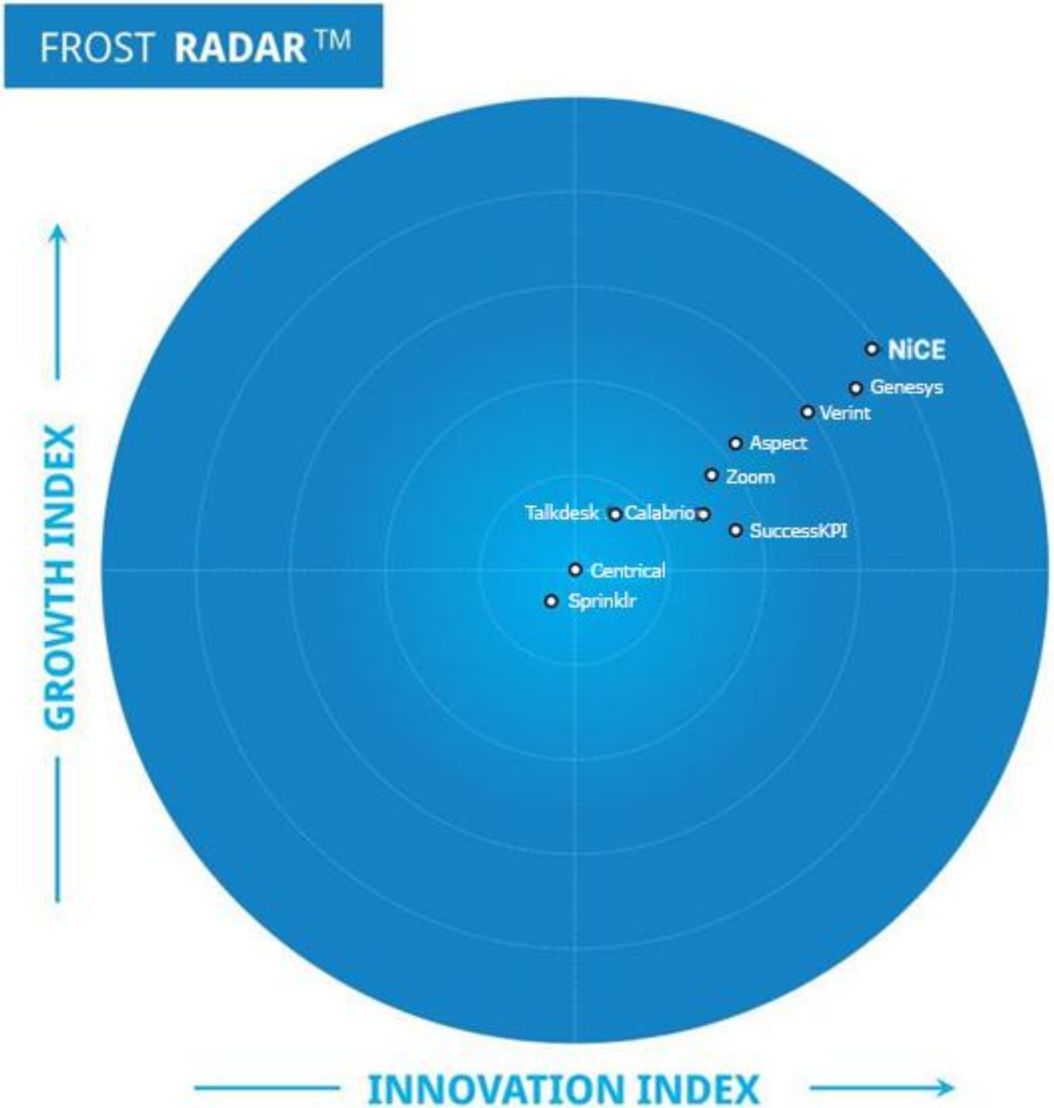
- The WEM market is in the growth phase, with dozens of WEM solutions providers consolidating and offering integrations with each other. Several leading vendors supplement offerings by providing application marketplaces for customers and channel partners, allowing them to easily access additional WEM functions, such as gamification, transcription, translation, or agent assist, as needed. Platform providers that source workforce optimization (WFO) from a best-of-breed supplier rely on the former for innovation and support and may have deep co-development and integration agreements.
- Leading vendors offer WEM functionalities enabled and enhanced by diverse sets and subsets of technologies under the AI umbrella. For example, AI can utilize speech technologies, such as natural language understanding (NLU), natural language processing (NLP), automatic speech recognition, text-to-speech, and text processing, as well as incorporate machine learning and deep learning (DL). GenAI, the use of large language models (LLMs), and agentic AI are the latest enhancements that WEM vendors offer to enhance agent productivity and performance.
- The demand for WEM solutions will soar with the market's competitive intensity. Vendors must invest in even more innovation and offer tiered pricing, advisory and consultancy services, and interoperability to satisfy existing customers and attract new ones.
- Frost & Sullivan studies related to this independent analysis:
  - Growth Opportunities in the Voice of Employee Analytics for Customer Experience Success
  - Frost Radar™ : Workforce Engagement Management, 2024
  - Advancements in Contact Center Workforce Optimization—Global

FROST & SULLIVAN

Frost Radar™: Workforce Engagement Management

Source: Frost & Sullivan

Frost Radar™: Workforce Engagement Management



Source: Frost & Sullivan

Frost Radar™ Competitive Environment

- In a highly competitive market consisting of dozens of organizations, Frost & Sullivan independently plotted the top 10 WEM providers in this Frost Radar™ analysis. They fall into one of two categories:
  - Best-of-breed providers that offer solutions for specific applications, such as call recording/quality management (QM), WEM, or a range of WFO solutions, but with strength in one or more areas, and sell them as stand-alone solutions or as white-labeled solutions in a platform provider's offerings.
  - Contact center platform providers that incorporate WEM into a larger suite of contact center or customer experience automation (CXA) solutions that include inbound and outbound applications. They develop many applications internally but turn to best-of-breed providers to broaden their suites or provide additional options for their customers.
- The leading participants' similarities include:
  - Solid WEM offerings that allow faster time to market and greater product enhancement
  - Savvy acquisition strategies used to gain talent in key areas, such as AI R&D, and fill gaps or leapfrog competitors with new capabilities
  - Partnerships that boost regional growth and customer outreach
  - Contact center-as-a-service (CCaaS) and unified communication and collaboration (UCC) integration
  - Creative pricing models
  - Advanced security
  - A relentless focus on innovation

Frost Radar™ Competitive Environment (continued)

- Frost Radar™ Growth Index scores are based on historical performance (market shares in traditional WFO and WEM categories, growth rates, R&D, and go-to-market [GTM] investment) and the perceived ability to sustain growth through sales, marketing, partnerships, and other attributes. Growth rates depend on a provider's ability to address the needs of several customer segments, develop vertical strategies, expand regionally and internationally, expand reseller channels, and build brand equity.
- A company's position on the Frost Radar™ can change from year to year because of new strategies or vision, changes in execution, mergers or acquisitions, and other factors. Provider consolidation is continually offset by the entry of new market participants, which increases pressure on incumbents to innovate more quickly, maintain competitive prices, and offer greater customer value.
- Frost Radar™ leaders NiCE, Genesys, and Verint have demonstrated steady growth and substantial investments in innovation and dominate the WEM market.
- Aspect is a high performer on the Growth and Innovation indices because of its foundational work on automatic call distribution (ACD) and WFM software, which has helped it maintain a loyal customer base for decades. The company has also demonstrated a remarkable commitment to R&D and innovation over the past year.
- Zoom has steadily grown in the market because of its vision of UC+CC convergence, innovation potential, R&D investments, and the customer trust that it has built over the years.
- SuccessKPI performed well in this analysis, despite being a smaller company, thanks to its focused AI-backed innovation, customer centricity, and excellent execution.

Source: Frost & Sullivan

Frost Radar™ Competitive Environment (continued)

- Calabrio is well positioned on the Frost Radar™ Innovation Index thanks to its early adoption of AI and steadfast efforts to expand its AI-powered solutions, which enable it to deliver value to its customers and drive the adoption of key functionalities.
- Talkdesk scores well on the Growth Index but needs to push for specific WEM innovation.
- Centrical's performance on the Growth and Innovation indices highlights its potential for growth in the near future. It is a promising player, actively challenging legacy participants by offering an AI Performance Intelligence Platform that uses advanced game mechanics and behavioral science to incentivize and develop employees.
- Sprinklr is a new vendor in the market and has a smaller customer base but has enormous growth potential because of the sound technology roadmap and coherent vision to deliver.

FROST & SULLIVAN

Frost Radar™: Companies to Action

Source: Frost & Sullivan

NiCE

INNOVATION

- NiCE's cloud-native CCaaS platform facilitates CX management. It features CXone (re-architected and introduced in 2024), a unified AI orchestration layer that combines generative foundational models and flows throughout the entire platform, encompassing NiCE's forecasting, scheduling, QM, coaching, autopilot, copilot, WFM, and analytics. With consistent AI models operating across routing, real-time agent assistance, and post-interaction analytics, AI capability silos are eliminated.
- The company rebranded in June 2025 from "NICE" to "NiCE" to reflect its stance of purposeful innovation, leadership, and connected intelligence encompassing human experience and AI leverage.
- CXone Orchestrator, launched in March 2025, creates an orchestration layer across AI agents, workflows, and knowledge, all of which are important for operationalizing agentic AI. It adds a key observability function, providing workflow and automation performance tracking through dashboards, reporting adoption momentum, performance metrics, and business value creation, demonstrating NiCE's innovation velocity and ability to transform valid outcomes.
- NiCE's commitment to innovation is evident from its deep investment in R&D, totaling $1.2 billion since 2020. In 2024, the company invested $400 million in a staff of 3,000 full-time R&D employees, resulting in the development of 645 AI-driven features. Since 2023, NiCE has pioneered nine industry-first GenAI products, with GenAI autopilot and copilot (launched H1 2023) now widely adopted across sectors.

NiCE (continued)

INNOVATION

- NiCE completed the acquisition of Cognigy on Sept. 8, 2025. It combines NiCE's CXone platform with Cognigy's conversational and agentic AI capabilities, powering organizations to accelerate the adoption of AI-first customer service delivery. They can seamlessly orchestrate AI agents across the front and back offices in a unified CX AI platform, powered by purpose-built CX AI models. In October 2025, NiCE announced the launch of AI Ops Center, the operational backbone of the NiCE Cognigy platform. The new center offers capabilities such as live visibility, instant error notifications, and root cause investigation, empowering enterprises to monitor the performance of AI agents and prevent costly escalations.
- In the last year, the company launched differentiated AI copilots, including agent copilot, supervisor copilot, and copilot for leaders, each purpose-built for specific CX roles. The copilots are distinguished by their proactive approach, which involves listening to live interactions and delivering contextual insights without requiring manual prompts.

NiCE (continued)

GROWTH

- NiCE is a leader on the Frost Radar™ because of its continued growth trajectory globally. In August 2025, the company announced results for Q2 (ended June 30, 2025), reporting that its revenue increased 9% year over year to $726.7 million, compared to $664.4 million for Q2 2024. The gross profit was $485.1 million, compared to $439.6 million for Q2 2024. The company reaffirmed its full-year 2025 non-GAAP total revenue guidance, which is expected to be in the range of $2.92 billion to $2.94 billion, representing 7% year-over-year growth at the midpoint.
- NiCE's cloud business grew 12% year over year and has been a key driver of growth momentum. The company reported a 42% increase in ARR for cloud services, compared to the same period last year.
- NiCE's growth is expected to increase with the acquisition of Cognigy, which already serves high-end brands such as Mercedes-Benz, Nestlé, and the Lufthansa Group. Cognigy's expected ARR growth before acquisition was 80% for 2026.
- NiCE continues to build on customer trust with its proof of value (PoV) program, which provides customers with access to a live NiCE environment powered by their own data and workflows. Delivered with white-glove services, it showcases real-time automation, AI, and orchestration, validating outcomes and platform value, as opposed to demos provided by competitors. The program is a key driver of growth in NiCE's AI-powered capabilities. NiCE's AI and self-service revenue increased 39% year over year in 2024, with 97% of enterprise deals featuring AI solutions and 236 first-time sales of autopilot, copilot, or auto summary capabilities. AI revenue growth reflects customers' expanding usage after initial deployment, indicating strong value realization and organic expansion in existing accounts.

Source: Frost & Sullivan

NiCE (continued)

GROWTH

- NiCE's sales strategy balances new logo acquisition with expansion, focused on long-term customer value and tenured partnerships, sustaining growth.
- NiCE continues to strengthen its network with new strategic partnerships, including AWS, ServiceNow, and Snowflake. The company added 59 partners in 2024, representing a 73% increase from the previous year. The NiCE360 program optimizes partner efforts through free sales and pre-sales enablement training, as well as subsidized technical training. It maximizes partner growth, allowing NiCE to extend its ability to serve regulated sectors and expand into new markets. All solutions that the company provides are commissionable for partners when selling new logos. As a result of these efforts, NiCE reported that partners led 90% of the high-end deals in 2024.
- The company reports 37 FedRAMP-authorized applications and highlights sovereign cloud options, supporting regulated US public-sector organizations and positioning the company well for federal, state, and local government opportunities.

Source: Frost & Sullivan

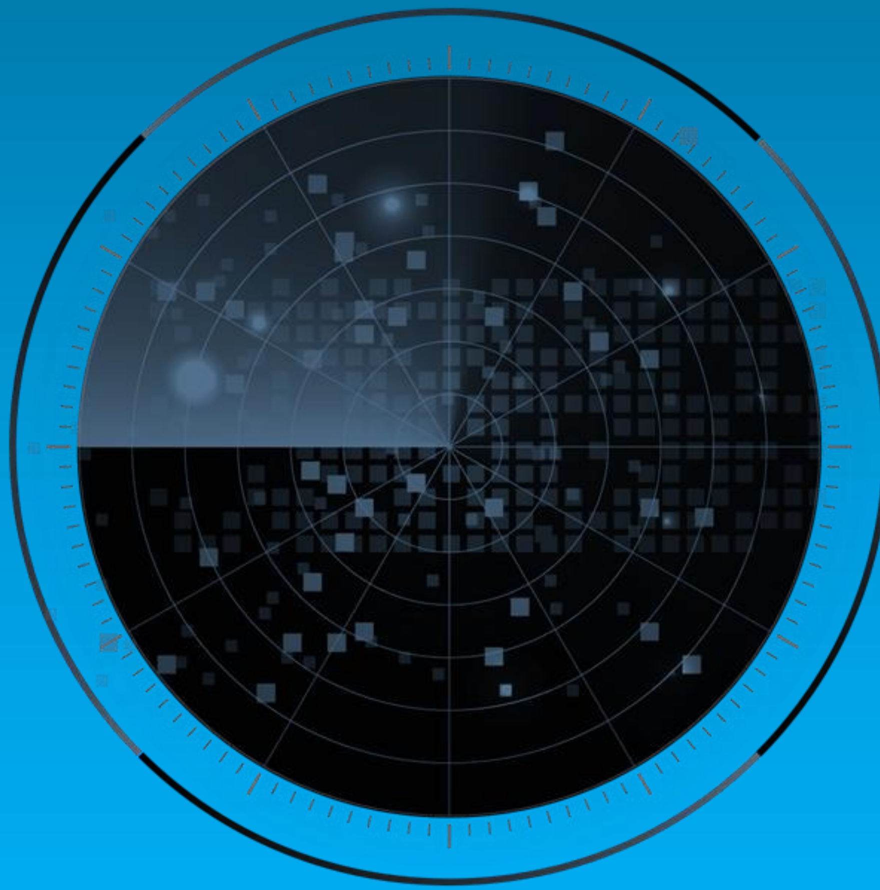
NiCE (continued)

FROST PERSPECTIVE

- NiCE continues to lead the WEM Frost Radar™ because of its diversified footprint and customer portfolio, long customer tenure, large average client size, impressive business revenue, solid future growth potential, continuous innovations in AI for WEM, and high customer adoption rates of its innovative solutions.
- NiCE's marketing efforts, including integrated campaigns that combine inbound (thought leadership, SEO, social, and AR) and outbound (precision ads, targeted email, and events), are effectively shaping the company's market narrative around workflow orchestration, workforce augmentation, and service automation. The company should also consider campaigns and messaging tailored to the WEM component of its product suite.
- NiCE's appeal as a technology partner ranges across businesses of all sizes and types. The company taps into previously overlooked and lower-margin segments (for example, the Alzheimer's Society in the United Kingdom, which deployed CXone to create a dementia-friendly experience and prioritize calls for vulnerable individuals). This complements NiCE's brand message, "It is a NiCE world," by demonstrating AI's role in creating a better human experience. The company should continue these efforts to strengthen its position as a vendor that humanizes CX orchestration and leverages AI for good.
- The 2025 acquisition of Cognigy was a smart move, and it is going to bolster NiCE's entire product suite, including NiCE's WEM portfolio. Still, the success of this acquisition will depend on seamless interoperability and minimal disruption to customers, which the company must ensure.

Source: Frost & Sullivan

Best Practices & Growth Opportunities



Source: Frost & Sullivan

Best Practices

1 Recognizing the disruptive nature of AI, WEM customers are seeking flexible and customized pricing options, as well as adoption programs. They want to be able to scale their AI usage or retract it without much risk. Successful WEM providers offer pay-as-you-go models or allow business customers to start small, with options to scale AI contracts and deployments as needed. This promotes customer satisfaction and retention.

2 Businesses are still struggling to understand the impact of GenAI and agentic AI on KPIs. In some cases, this continues to slow AI adoption, causing businesses to experience negative ROI. WEM providers that can help customers understand their needs, the technology's role in fulfilling them, and the realistic business outcomes to expect throughout their journey are leading the market.

3 Leading providers are expanding beyond traditional WFO and investing in AI-powered contextual intelligence, agent coaching, and scheduling capabilities to facilitate employee engagement and well-being.

Growth Opportunities

1. The accelerated uptake of AI is causing WEM customers to seek vendors that offer data security, privacy, and compliance regulations, such as SOC, ISO27001/017, Payment Card Industry, FedRAMP, StateRAMP, and the Health Insurance Portability and Accountability Act. In addition to building trust with clients, prioritizing data security and compliance is an opportunity for WEM providers to expand into government and regulated industries.

2. As AI continues to strengthen its hold, reliance on WEM providers extends beyond technology to encompass guidance on practical AI execution support. The opportunity to dramatically improve consultative and strategic support for WEM customers can be a significant growth factor.

3. Enterprises value depth in vertical expertise, particularly in healthcare, financial services, government, and utilities. This verticalized approach can improve win rates and drive growth by demonstrating domain expertise and addressing sector-specific business and regulatory challenges.

FROST & SULLIVAN

Frost Radar™ Analytics

Source: Frost & Sullivan

Frost Radar™: Benchmarking Future Growth Potential
2 Major Indices, 10 Analytical Ingredients, 1 Platform

Growth Index

Growth Index (GI) is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline system; and effective market, competitor, and end-user focused sales and marketing strategies.

GI1

MARKET SHARE (PREVIOUS 3 YEARS)
This is a comparison of a company's market share relative to its competitors in a given market space for the previous 3 years.

GI2

REVENUE GROWTH (PREVIOUS 3 YEARS)
This is a look at a company's revenue growth rate for the previous 3 years in the market/industry/category that forms the context for the given Frost Radar™.

GI3

GROWTH PIPELINE
This is an evaluation of the strength and leverage of a company's growth pipeline system to continuously capture, analyze, and prioritize its universe of growth opportunities.

GI4

VISION AND STRATEGY
This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments that a company is making in new products and markets consistent with the stated vision?

GI5

SALES AND MARKETING
This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

Source: Frost & Sullivan

Frost Radar™: Benchmarking Future Growth Potential
2 Major Indices, 10 Analytical Ingredients, 1 Platform (continued)

Innovation Index

Innovation Index (II) is a measure of a company's ability to develop products/ services/ solutions (with a clear understanding of disruptive megatrends) that are globally applicable, are able to evolve and expand to serve multiple markets and are aligned to customers' changing needs.

II1

INNOVATION SCALABILITY
This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.

II2

RESEARCH AND DEVELOPMENT
This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.

II3

PRODUCT PORTFOLIO
This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.

II4

MEGATRENDS LEVERAGE
This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of megatrends can be found here.

II5

CUSTOMER ALIGNMENT
This evaluates the applicability of a company's products/services/solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.

Source: Frost & Sullivan

FROST & SULLIVAN

Next Steps: Leveraging the Frost Radar™ to Empower Key Stakeholders

Source: Frost & Sullivan

Significance of Being on the Frost Radar™

Companies plotted on the Frost Radar™ are the leaders in the industry for growth, innovation, or both. They are instrumental in advancing the industry into the future.

GROWTH POTENTIAL

Your organization has significant future growth potential, which makes it a Company to Action.

BEST PRACTICES

Your organization is well positioned to shape Growth Pipeline ™ best practices in your industry.

COMPETITIVE INTENSITY

Your organization is one of the key drivers of competitive intensity in the growth environment.

CUSTOMER VALUE

Your organization has demonstrated the ability to significantly enhance its customer value proposition.

PARTNER POTENTIAL

Your organization is top of mind for customers, investors, value chain partners, and future talent as a significant value provider.

Source: Frost & Sullivan

Frost Radar™ Empowers the CEO's Growth Team

STRATEGIC IMPERATIVE

- Growth is increasingly difficult to achieve.
- Competitive intensity is high.
- More collaboration, teamwork, and focus are needed.
- The growth environment is complex.

LEVERAGING THE FROST RADAR™

- The Growth Team has the tools needed to foster a collaborative environment among the entire management team to drive best practices.
- The Growth Team has a measurement platform to assess future growth potential.
- The Growth Team has the ability to support the CEO with a powerful Growth Pipeline™.

NEXT STEPS

- **Growth Pipeline Audit™**
- **Growth Pipeline as a Service™**
- **Growth Pipeline™ Dialogue with Team Frost**

Frost Radar™ Empowers Investors

STRATEGIC IMPERATIVE

- Deal flow is low and competition is high.
- Due diligence is hampered by industry complexity.
- Portfolio management is not effective.

LEVERAGING THE FROST RADAR™

- Investors can focus on future growth potential by creating a powerful pipeline of Companies to Action for high-potential investments.
- Investors can perform due diligence that improves accuracy and accelerates the deal process.
- Investors can realize the maximum internal rate of return and ensure long-term success for shareholders.
- Investors can continually benchmark performance with best practices for optimal portfolio management.

NEXT STEPS

- **Growth Pipeline™ Dialogue**
- **Opportunity Universe Workshop**
- **Growth Pipeline Audit™ as Mandated Due Diligence**

Source: Frost & Sullivan

Frost Radar™ Empowers Customers

STRATEGIC IMPERATIVE

- Solutions are increasingly complex and have long-term implications.
- Vendor solutions can be confusing.
- Vendor volatility adds to the uncertainty.

LEVERAGING THE FROST RADAR ™

- Customers have an analytical framework to benchmark potential vendors and identify partners that will provide powerful, long-term solutions.
- Customers can evaluate the most innovative solutions and understand how different solutions would meet their needs.
- Customers gain a long-term perspective on vendor partnerships.

NEXT STEPS

- **Growth Pipeline™ Dialogue**
- **Growth Pipeline™ Diagnostic**
- **Frost Radar™ Benchmarking System**

Source: Frost & Sullivan

Frost Radar™ Empowers the Board of Directors

STRATEGIC IMPERATIVE

- Growth is increasingly difficult; CEOs require guidance.
- The Growth Environment requires complex navigational skills.
- The customer value chain is changing.

LEVERAGING THE FROST RADAR ™

- The Board of Directors has a unique measurement system to ensure oversight of the company's long-term success.
- The Board of Directors has a discussion platform that centers on the driving issues, benchmarks, and best practices that will protect shareholder investment.
- The Board of Directors can ensure skillful mentoring, support, and governance of the CEO to maximize future growth potential.

NEXT STEPS

- **Growth Pipeline Audit™**
- **Growth Pipeline as a Service™**

Next Steps

Transformation — Ecosystem — Growth Generator — **Growth Opportunities** — Frost Radar — Best Practices — Companies to Action

JOIN:
Growth Council

APPLY:
Companies to Action

ENGAGE:
Growth Dialog

PARTICIPATE:
Growth Council Think Tank

Does your current system support rapid adaptation to emerging opportunities?

Legal Disclaimer

Frost & Sullivan is not responsible for any incorrect information supplied by companies or users. Quantitative market information is based primarily on interviews and therefore is subject to fluctuation. Frost & Sullivan research services are limited publications containing valuable market information provided to a select group of customers. Customers acknowledge, when ordering or downloading, that Frost & Sullivan research services are for internal use and not for general publication or disclosure to third parties. No part of this research service may be given, lent, resold, or disclosed to noncustomers without written permission. Furthermore, no part may be reproduced, stored in a retrieval system, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the permission of the publisher.

For information regarding permission, write to: permission@frost.com