



HFS Hot Vendor: Cognigy

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Introduction

The HFS Hot Vendors are an exclusive group of emerging players, each with a differentiated value proposition for the HFS OneOffice or HFS OneEcosystem. HFS analysts speak with numerous exciting startups and emerging players.

We designate a select group as HFS Hot Vendors based on their offerings' distinctiveness, ecosystem robustness, client impact, financial position, and the impact in our OneOffice and/or OneEcosystem Frameworks. The HFS Hot Vendors may not (at the time of writing) have the scale and size to be featured in our Top 10 reports, but they have the vision and strategy to impact and disrupt the market.

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On the crowded playing field of digital associates, in a poorly defined and broadly labeled area of “conversational AI,” it is not easy to create a differentiated value proposition. Yet Cognigy, a customer service automation provider, is gaining traction based on its low-code, multi-lingual natural language processing (NLP), and enterprise-level operations approach. A software platform for designing virtual agents, Cognigy focuses on customer-facing conversational bots, which aim for a natural automated conversation to help reduce contact center costs and boost efficiency.

Cognigy’s latest version of its conversational AI platform, Cognigy.AI v4, offers several new features and improvements that enable companies to create conversations with customers across channels and devices and scale engagement more efficiently.

Key pillars of Cognigy.AI include:

- A graphical conversational editor interface where all skill levels, including non-technical users, can design and manage conversations. The newest version provides a more intuitive editing experience featuring a revamped user interface and a newly designed flow editor. Cognigy Extensions allows non-technical users to upload custom extensions and develop conversation flows without writing code. Cognigy.AI supports more than 100 languages, and allows for flows to be translated, enabling multi-lingual dialog management.
- The developer experience with v4 is now packed with greater capabilities for enterprise projects including Snapshots, a way to bundle conversational AI components and transport across projects, systems, and environments.
- Cognigy’s natural language understanding (NLU) engine is designed for a high level of accuracy and end-user experience. The most recent upgrades include intent cluster categorization (Cognigy calls this Hierarchical Intent Transformers) and a Direct Intent Feedback quality monitoring capability for business users to improve their training data and the NLU process.
- Cognigy’s Voice Gateway is a contact center plugin with out-of-the-box connectivity for voice channels. Reference clients were highly complementary of Cognigy’s flexibility and dynamism in creating a custom conversational tool. They also praised the machine learning and natural language processing capabilities, which enable creating sophisticated and meaningful conversations. Customers noted that change management issues have been minimal, as the deployed bots have reduced volumes and “noise” by handling repeatable interactions, and they create more meaningful exchanges for the conversations requiring human interactions.

Other points of interest include:

- An important element of this is the option for a fully integrated development environment (IDE) for developers and conversational designers alongside a low-code option for non-developers, ensuring accessibility to IT and business talent.
- Cognigy can be deployed in a SaaS model or on-prem. Cognigy leverages a microservices-based architecture, which supports its scalable and flexible nature.
- Cognigy's largest installed base is in Europe, 30% of clients in North America; and expansion in Asia accelerating in 2021.

HFS' take

No matter where a company is on its OneOffice maturity journey, the top challenges to automation adoption are not typically about technology. Restructuring for a new digital reality transcends many organizational boundaries and requires an alignment between business users and IT as never seen before. One of the greatest challenges has been to get IT to speak the business language and vice versa. Tools like Cognigy.AI, which target making advanced conversational tools accessible to business users as well as developers, can help bridge the digital divide to enable more intelligent process flows and a better design of employee and customer experience.

The crisis period of the pandemic shock during March and April of 2020 massively accelerated the digitalization of processes, and, in particular, it revealed a tremendous need for digital associates that could be

rolled up quickly, especially for customer service. It is important to note that these tools must have a higher level of process design, as poorly designed and low-level, simplistic chatbots are merely a Band-Aid on a problem at best and a hurdle that diminishes experience and brand trust at worst. Thus, Cognigy's focus on creating more intelligent and meaningful conversations is incredibly critical to the OneOffice experience. What's more, glorified FAQ-style chatbots also tend to be unintegrated. Cognigy, by contrast, focuses on tight integrations to core customer and enterprise systems, meaning the contextual information about customer interactions is retained across channels and the customer lifecycle. Cognigy's toolkit has the potential to create the kind of data-driven automation that can help companies break down silos and get closer to their customers, driving loyalty and revenues.

Vendor factsheet

- Cognigy was founded in 2016 by Philipp Heltewig and Sascha Poggemann
- Cognigy has a global presence, with offices in Düsseldorf, Germany (HQ), San Francisco, Australia, New Zealand, Korea, and Japan
- Key clients include Daimler, Bosch, Lufthansa, and Salzburg AG
- Cognigy solutions are SOC 2 Type II Attested. This certificate is evidence that Cognigy has a strong commitment to security and to delivering high-quality services to its clients by demonstrating that it has designed the necessary internal controls and processes

Solution portfolio

- Cognigy.AI is an enterprise conversational AI platform for building advanced, integrated conversational automation solutions through cognitive bots
- Cognigy.VG is an AI-based voice gateway solution to deploy virtual voice agents for automated phone conversations

Industry coverage

Cognigy.AI helps contact centers, human resources, marketing, and help desks in every industry that interacts with customers and employees.

Partnerships

- Cognigy Partner Network includes: Adesso, Bright, Brink, Bucher+Suter, Cardi Holding, Cassini, Codecentric, Deloitte, Deplabs, DXC Technology, EasyDialog, Horizontal Integration, Korea Scoring, KPS, KPMG, Small Talk, Smerp Innosys, Always Thinking, Tecnos Data Science Engineering, think moto, United Digital Group, valantic, valtech
- Cognigy Technology Partnerships include: Amazon, audiocodes, Automation Anywhere, Google, Kofax, Microsoft, RingCentral, Salesforce, sitecore, twilio, UIPath, Zendesk Sunshine



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HFS is a unique analyst organization that combines deep visionary expertise with rapid demand side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries.

Its analysts are respected for their no-nonsense insights based on demand side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, the HFS OneOffice™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.

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