

## MARKET VISION PAPER

# Lean into disruption to shape the generative customer experience

Firstsource is helping clients embrace the  
agentic AI opportunity

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Customer experience in the generative AI (GenAI) era has changed dramatically and continues to morph as capabilities grow and talent needs evolve. As such, the world of customer experience services must pivot to meet the ever-changing needs of enterprise buyers.

We sat down with Ritesh Idnani, MD & CEO of Firstsource, to understand his vision for the customer experience function of the future and learn how Firstsource is aligning its business to help enterprise leaders embrace GenAI for customer experience (CX) and embed it into the fabric of their business operations.

“We’re in the first half of the game in terms of how this AI landscape is going to play out, but we know the potential impact is tremendous.”

— Ritesh Idnani, MD & CEO of Firstsource

## The customer experience function is fundamentally changing to adopt GenAI and embrace channel proliferation

Companies must dramatically change their customer experience capabilities to remain relevant and adapt to shifting dynamics. The move to digital channels has shuffled the priorities of CX, a function that largely leaned on traditional ways to communicate with customers. Not only have digital channels added a new dimension to customer experience, but they've also created a proliferation of touchpoints across the customer journey that CX leaders ultimately aspire to measure, track, and leverage for greater personalization and improved CX.

The advent of generative AI is emerging as a game changer for customer experience. CX is one of GenAI's top impact areas, and three-quarters of customer experience leaders believe its impact in the next 12-18 months will be positive, according to our latest 2024 HFS Pulse Data.



# GenAI is the next lever for CX to unlock new value

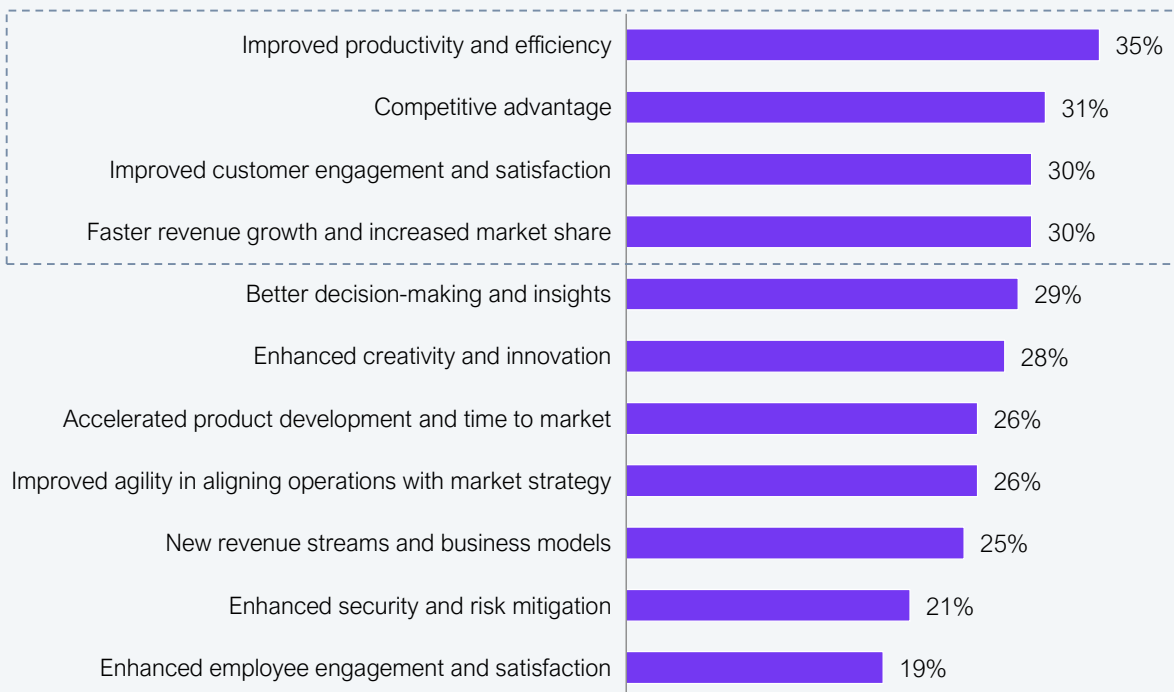
According to Idnani, many opportunities are unfolding for CX leaders, especially with the addition of GenAI to the toolkit. For years, the CX function has created efficiency gains using basic automation, right-shoring, and process improvements as value levers. Now that CX has delivered its bang for the buck on efficiency, there's an opportunity for organizations to become more effective and impactful by improving experiences. "The CX trifecta is to balance effectiveness, experience, and efficiency," said Idnani. While there's a massive

efficiency opportunity using automation to eliminate mundane and repetitive work, GenAI is molding the new CX function to really drive the growth agenda and differentiate through improved customer experience (see Exhibit 1).

GenAI is molding the new CX function: It's not just enabling productivity and efficiency but really driving the growth agenda.

## Exhibit 1: CX and growth are the top two benefits of GenAI in the enterprise

**Q: Select the top 3 business benefits of using GenAI in your enterprise.**



Source: HFS Research, 2024

# The sweet spot for CX services firms is in agentic AI

The need to scale services without scaling people is upon us, and with it comes a massive opportunity—if we can drive the hard changes to rewire our organizations to operate differently.

With the application of software platforms, agentic solutions, and ultimately autonomous services mimicked by software, [HFS believes we are on a fast track to reach an autonomous, human-lite nirvana of scalable, profitable, and affordable services by 2030](#). These five phases of services (see Exhibit 2) tell the complete story of the evolution of the industry from adding people to perform work to scaling these same people

with the smart use of platforms, AI-driven agentic tools, and ultimately fully autonomous technology-led services where work is effectively replicated at scale with embedded intelligence.

“We are embracing AI and its impact in our ways of working. Some folks who are running away from it will fall by the wayside; others will embrace it and reap the benefits.”

— Ritesh Idhani

## Exhibit 2: AI-led agentic services are emerging as the prevalent model for CX

### HFS services and ops tech vision 2030

Human Machine

#### Staff augmentation

- Enables companies to quickly fill skill gaps, scale teams up or down as needed, and maintain control over project execution without the long-term commitment associated with permanent hires.

##### Key features:

- Flexibility: Easily adjusts team size based on project needs.
- Expertise: Access to specialized skills not available in-house.
- Control: Maintains direct oversight of projects and processes.

**Typical commercial model:** Rate card.

#### Technology-enabled services

- Primarily driven by people but supported by proprietary solution accelerators, tools, and software.
- Most service providers use this model to optimize processes and deliver value efficiently; examples include Cognizant Neuro, Infosys Topaz, TCS WisdomNext, and Wipro Lab45.

##### Key features:

- Human-centric: Primarily driven by skilled professionals.
- Tool-supported: Utilizes a variety of technology tools and accelerators.
- Efficiency: Enhances service delivery through technology integration.

**Typical commercial model:** FTE-based pricing.

#### Platform-led services

- Leverage built-in delivery platforms to enhance service delivery and efficiency.
- Examples include Accenture Synops, TCS Cognix, and Cognizant TriZetto, which streamline operations and provide consistent, scalable solutions.

##### Key features:

- Integrated platforms: Uses cohesive platforms for service delivery.
- Scalability: Easily scalable and consistent across various operations.
- Efficiency: Enhances productivity and efficiency through platform support.

**Typical commercial model:** Transaction-based pricing.

#### AI-led agentic services

- Augment human capabilities through smart AI agents to optimize processes and decision-making.
- Examples include Amazon Q, GitHub, Lyrz, Copilot, Replit Ghostwriter, Google Gemini, Einstein Agent, and Mindcorp.
- Organizations such as IBM and the Big 4 consulting firms are increasingly adopting this model.

##### Key features:

- AI-augmented: Combines human expertise with AI agents.
- Cost-effectiveness: Achieves lower TCO through optimization.
- Enhanced capabilities: Expands service potential with AI-driven insights.

**Typical commercial model:** Augmented FTE-based pricing or outcome-driven performance pricing.

#### Service-as-a-software

- Unlike traditional software-as-a-service (SaaS), this model focuses on delivering services primarily through technology, minimizing human intervention, and maximizing efficiency.
- Examples include startups such as rhino.ai, Now Platform, and Builder.ai.

##### Key features:

- Technology-driven: Primarily led by advanced software solutions.
- Minimal human intervention: Reduces reliance on human resources.
- Efficient and scalable: Provides efficient, scalable, and consistent service delivery.

**Typical commercial model:** License/subscription-based pricing.



Source: HFS Research, 2024

## Firstsource is targeting complex problems and leading by example

Idnani clearly describes Firstsource's ambition to be a trusted strategic partner in very specific use cases of depth rather than an “everything to everybody” type of provider. “Our swim lanes are defined,” he said. Firstsource has limited its target market to key verticals, enabling the company to go deep and solve complex problems, helping its clients differentiate themselves. For example, using generative AI to get customer-level insights on each contact and defining the customer down to almost individual personas for greater personalization is a new dimension of CX Firstsource is exploring.

For service providers in this highly commoditized and competitive CX services market that is poised to be rocked and significantly disrupted by agentic-led services, it is not the size and scale of the organization that will determine the wins; it's those using the tools at their fingertips and being particular about where they play that will ride the wave of disruption and come out stronger in the end.

Firstsource's strategy has been to go “an inch-wide and a mile deep,” demonstrating the

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potential of technology within its own organization with AI-Coach, the firm's in-house agent training program, and Firstsource reAI—a suite of services, products, and solutions aimed at enabling businesses to adopt digital and tech ethically and responsibly.

Firstsource's financial performance has been an indicator that the strategy is working. Since Q4 of FY24, Firstsource has posted industry-leading quarter-on-quarter financial growth. The company's recently announced Q2 FY25 results show it is outperforming market expectations significantly, with 25% YoY revenue growth.

HFS hears from clients that the appeal of Firstsource's approach is not limited to that of a trusted partner drinking its own champagne; it is an innovative mindset that enables clients to see the customer journey unfold and unlock potential value. “Firstsource comes to us with a startup mindset,” said Gautam Galvankar, AVP of Enterprise Operations Shared Services, ETS. “It helps so many ideas to bubble up, and we see those ideas in ideation to drive real value.”

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**The Bottom Line:** Generative customer experience is becoming a reality. Now is the time for customer experience executives to embrace holistic partnerships with agentic AI at the core to take advantage of the opportunities ahead.

In what Idnani has described as a nascent but important opportunity, CX leaders must sharpen their customer focus and get ready to embed GenAI into the very fabric of their business, as Firstsource has. As a firm leading by example, Firstsource has taken strides to embed GenAI into its own business and remains eager and humble about the evolution of GenAI and the road ahead. There is a great deal of disruption on the horizon. Firstsource is keen to lean into the disruption and be a partner that helps clients realize their own version of the CX GenAI agentic opportunity.

## HFS Research author



Melissa O'Brien is an executive research leader and head of research operations for HFS Research. She leads all of HFS' research initiatives for customer experience, including contact center, digital marketing and sales, CX design, and conversational AI. Her industry research focuses on key services dynamics within retail, CPG, travel, and hospitality firms. Melissa also looks after operations across all research coverage areas, helping HFS realize our version of OneOffice.



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