

SoundHound AI: How Fast Should LivePerson Move into OASYS?

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Decision scope: Sequencing the announced LivePerson-to-OASYS integration

Case convention: This is a hypothetical management exercise. SoundHound has announced its integration direction; the case asks how to execute it. It does not represent a scheduled management or board decision, and it does not imply that migration is complete.

The decision

SoundHound AI completed its acquisition of LivePerson on September 4, 2026. In the closing announcement, SoundHound said LivePerson's digital-engagement platform would be integrated into OASYS, its conversational-AI platform, to support interactions across voice, web, mobile, SMS and social channels. The announcement also described a future-revenue opportunity across existing customers. Those commercial statements were projections, not booked revenue or realized synergy. [S3]

For this exercise, assume you advise a hypothetical CEO-led integration review. The direction is set: LivePerson is to be integrated into OASYS. Your decision is how to sequence the work and customer transition.

You could accelerate a shared-platform migration, stage it by product or customer cohort while the legacy service remains available, or use a bounded interface-first phase to offer combined capabilities while validating technical and customer gates before deeper migration. The third path is a possible phase toward the announced integration, not a permanent alternative to it. The public record does not establish that every architecture is technically feasible.

Assignment: Recommend the next implementation sequence and specify the evidence required to advance from one stage to the next. Identify customer, product, reliability, security, staffing and cost measures that should govern migration waves; state when a wave should pause or be delayed. Use only information public by September 30, 2026. Do not invent customer commitments, migration status, product compatibility, pricing, retention, staffing capacity or transaction returns.

Two platforms, one announced direction

SoundHound sells conversational voice-AI products and services. Its June 2026 filing reported \$61.9 million of second-quarter revenue, up 45% year over year, and a \$42.8 million quarterly net loss. For the first half, revenue was \$106.1 million and operating cash flow was negative \$60.0 million. At June 30, it reported \$202.8 million of unrestricted cash. The filing said subscription growth was mainly acquisition-driven in the Americas and that new higher-margin license deals partly supported the quarter's gross-margin improvement. These figures predate the LivePerson acquisition close. [S1]

LivePerson provided digital customer-engagement software, including hosted messaging and customer-service products. Its last pre-close quarterly filing reported \$52.5 million in Q2 revenue, down 12% year over year. Management attributed the decline mainly to cancellations and downsells in hosted services and lower professional-services revenue. It also said renewals and new-business bookings were slower than anticipated, citing customer uncertainty about LivePerson's financial stability and longer enterprise buying cycles. These are pre-close disclosures, not evidence of post-close churn or the current health of any customer relationship. [S4]

The two companies' filings provide different snapshots, not a combined-company run rate. SoundHound's reported subscription revenue had grown rapidly, but much of the disclosed growth was associated with acquisitions; LivePerson's revenue had declined before closing. Neither filing gives a customer-level map showing where voice and digital engagement can be sold together, what a combined contract would cost to serve, or which customers would need to approve a migration.

What the deal announcement promised-and what it did not

In April, SoundHound announced expected 2027 revenue of at least \$350-400 million and at least \$100 million of what it called "growable contribution" from LivePerson customers. It also described a potential \$500 million future-revenue opportunity across the existing customer base. The September closing release repeated the \$500 million opportunity and said LivePerson debt had been retired. These are management estimates and opportunity statements; the company did not define "growable contribution" in a way that turns it into a forecast of cash profit, nor did it report signed cross-sell bookings or realized savings. [S2, S3]

The closing announcement confirmed that LivePerson became an indirect wholly owned subsidiary of SoundHound and named John Collins as SoundHound's CFO. Management also said functional integration was "already underway," that unified omnichannel solutions could now be deployed, and that combined offerings would roll out over the coming quarters. These are management status statements; the release did not identify migrated products or customers or report deployment, adoption, retention, reliability or realized-economics measures. [S3]

That announcement moves the hypothetical review from whether to start integration to how to sequence and scale the work now underway. It did not publish an integration budget, customer migration plan, technical platform map, service-level baseline or synergy realization schedule. [S3]

The customer-continuity problem

LivePerson’s filing described longer sales cycles and customer uncertainty before the acquisition closed. It cautioned that subscription accounting can delay the reported effect of changes in customer demand. A temporary outage, a confusing contract transition or a change in support could matter before its full financial impact appears in revenue. Conversely, preserving every legacy component indefinitely could keep duplicate operations in place and slow product development. [S4]

LivePerson’s pre-close risk disclosures named possible substantial integration costs, delayed or unrealized benefits, loss of key employees, disruption to ongoing business, harm to partner relationships and management distraction. These are disclosed risks, not evidence that any disruption has occurred. They make the sequence and proof requirements consequential. [S4]

The first public post-close product updates did not resolve these questions. On September 24, SoundHound announced OASYS Edge, with deployment scheduled for late 2026; the release described cloud, edge and hybrid deployment choices and lower recurring API or cloud-processing costs as product aims. On September 30, SoundHound announced a real-time generative-AI assistant in Kia’s Sorento in India. Neither release reported LivePerson migration, customer uptake, unit economics or incremental margin. [S5, S6]

Exhibit 1. Financial and operating signals at the cutoff

Measure	SoundHound	LivePerson	What it can and cannot establish
Q2 2026 revenue	\$61.9m; +45% YoY	\$52.5m; –12% YoY	Separate pre-close company results; not a combined run rate.
Q2 net loss	\$42.8m	\$72.6m	LivePerson’s loss included a goodwill impairment; neither amount is a migration budget.
H1 operating cash flow	–\$60.0m	-	SoundHound reported operating cash use before the acquisition closed.
SoundHound cash at June 30	\$202.8m unrestricted	LivePerson reported \$96.7m at June 30	LivePerson’s balance is pre-close and its debt was later retired; do not sum these as post-close available cash.
Deal opportunity statements	At least \$350-400m expected 2027 revenue; at least \$100m “growable contribution” from LivePerson customers	-	April company projections; not actual revenue, bookings or cash contribution.
Existing-customer opportunity	\$500m future-revenue opportunity, repeated at closing	-	Company estimate; no timing, conversion rate or profitability bridge disclosed.

Source note: S1, SoundHound Q2 2026 Form 10-Q, printed pp. 1-3, 43-44, 53; S2, April 21 acquisition release; S3, September 4 closing release; S4, LivePerson Q2 2026 Form 10-Q,

printed pp. 5, 39. Figures are rounded. SoundHound's quarter ended June 30; LivePerson's quarter ended June 30. "Growable contribution" is the company's wording and is not treated here as GAAP contribution or cash flow.

Three ways to sequence the integration

The following are analytical paths for the exercise, not announced company alternatives.

1.

Accelerate shared-platform migration. Move selected products and customer cohorts toward a common OASYS environment on a compressed schedule, with temporary parallel operation only where needed. This may bring a unified offer to market sooner and shorten duplication. It could also concentrate reliability, security, compatibility and renewal risks if dependencies or customer readiness are not understood.

2.

Stage by product and customer cohort. Keep existing LivePerson services operating while migrating only after product testing, customer communication, contractual review and support readiness. Use each wave to learn and adjust. This preserves more time for continuity but may prolong duplicate costs, delay cross-selling, and leave customers on different experiences for longer.

3.

Use an interface-first phase, then migrate. Where technical, security and contract review shows it is feasible, connect selected experiences through interfaces so the companies can test combined workflows before moving underlying services. Set a time limit and explicit criteria for progressing toward the stated OASYS integration. This may generate customer evidence with less immediate platform change, but could add integration layers, consume engineering capacity and fail to prove that deeper migration will work.

The public disclosures do not show whether an interface-first design is feasible for any particular customer or product. They also do not state which components are interdependent, what must be rebuilt, or what rights customers have to approve service changes. Those facts would have to be established before a real migration plan.

Exhibit 2. Candidate evidence gates for a migration wave

Gate	Evidence to request before advancing	Question the review should answer
Product and architecture	Verified dependency map; interface, data and identity requirements; tested rollback plan	Can the proposed wave work without undocumented assumptions?
Customer and contract	Cohort-level renewal calendar, consent/notice requirements, SLA and termination terms, account-owner feedback	Which customers are ready, and what protections are required?
Reliability and security	Baseline service measures, load and failure testing, security/privacy review, incident ownership	Is the new path at least as dependable and compliant as the existing service?
Service and people	Support coverage, implementation capacity, employee retention risks, partner dependencies	Can the company run both old and new services through the transition?
Economics	Cohort revenue and gross contribution, migration cost, parallel-run expense, cloud/API usage, customer credits and cash collection	Does the proposed wave create value after all transition costs?

These gates are prompts for analysis, not disclosed company policies or reported SoundHound/LivePerson metrics. Students should state which evidence can be measured before a migration and which outcomes require post-launch observation.

The choice

By September 30, SoundHound had stated an integration direction, closed the acquisition and announced other product activity. It had not publicly disclosed a customer migration schedule or the evidence needed to release successive migration waves. The leadership team's hypothetical task is to convert the announced strategy into a sequence that protects customers while testing whether the combined platform can deliver the promised commercial opportunity.

What should the first implementation wave include? What must be true before the next cohort moves? Which customer, product, reliability and economic measures would make the team pause, adjust or proceed?

Sources

- **S1.** SoundHound AI, Q2 2026 Form 10-Q, filed Aug. 10, 2026. **SEC filing.** Relevant: financial statements and cash flows; printed pp. 19-21 revenue disaggregation; pp. 43-46 results and growth/margin discussion.
- **S2.** SoundHound, Apr. 21, 2026 acquisition announcement, Form 8-K Exhibit 99.1. **SEC exhibit.** Company projections/opportunity statements are not realized results.
- **S3.** SoundHound, Sept. 4, 2026 acquisition closing, Form 8-K and Exhibit 99.1. **8-K; release.** Release lines 43-51 and 59 state management's integration status and rollout plan.
- **S4.** LivePerson, Q2 2026 Form 10-Q, filed Aug. 7, 2026. **SEC filing.** Relevant: Q2 results, renewal commentary and integration risks. All cited operating metrics are pre-close.
- **S5.** SoundHound, Sept. 24, 2026 OASYS Edge announcement. **Official release.**
- **S6.** SoundHound, Sept. 30, 2026 Kia Sorento India announcement. **Official release.**