



Managed Service Provider (MSP) – Annual Report 2015: Moving Beyond the Horizon

Recruitment & Talent Acquisition
Annual Report: December 2015 – Preview Deck

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¹ Banking, financial services, and insurance

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Overview and abbreviated summary of key messages

This research provides comprehensive coverage of the MSP market and analyzes it across various dimensions such as market overview, key business drivers, and shifting market dynamics across buyer adoption trends, solution and transaction trends, and service provider landscape.

Some of the findings in this report, among others, are:

Market overview

- The MSP market continues to grow at a robust pace, with the growth ranging between 11-16%. The current market size, in terms of Net Fee Income (NFI), stands at around US\$1.5 billion
- Due to “talent” being core to MSP, the broader HR Outsourcing (HRO) industry is also influencing the MSP market

Shifting solution dynamics

- As the global MSP market evolves, service providers are bringing fundamental changes to key solution elements in order to differentiate themselves in the market
- With increasing maturity, MSPs have started to gain cost benefits through centralization of some MSP processes and pioneering usage of nearshoring/offshoring

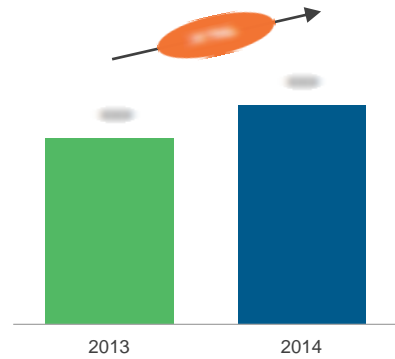
Buyer adoption and solution characteristics

- While the large market is the pioneer of MSP, mid-market buyers are increasingly adopting MSP to manage a growing base of contingent labor
- More than 75% of all the MSP deals are less than US\$50 million in managed spend. Nonetheless, greater incidents of large- /mega-sized deals were witnessed lately

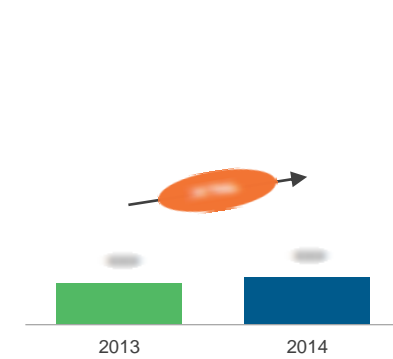
This study offers three distinct chapters providing a deep dive into key aspects of the MSP market; below are four charts to illustrate the depth of the report

Market size and growth

MSP managed spend
US\$ billion

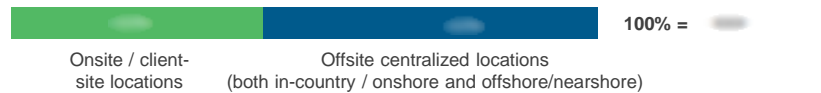


MSP market size (NFI)
US\$ billion

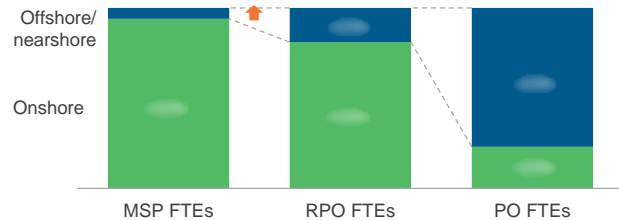


Delivery models (onsite/onshore/offshore)

Distribution of MSP FTEs
Percentage of FTEs



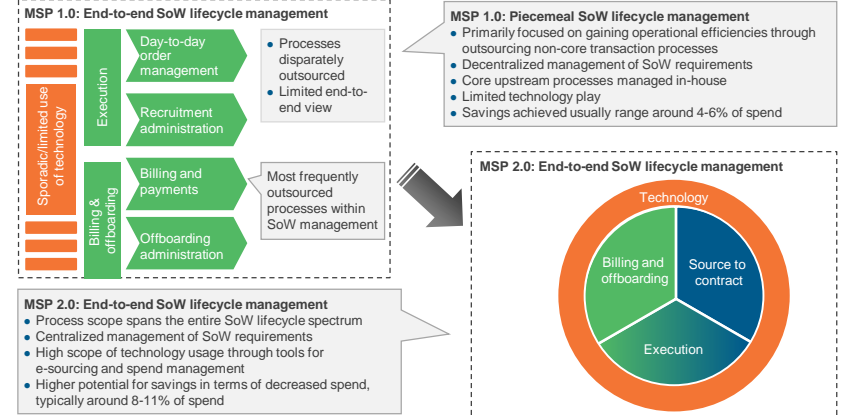
Distribution of service provider FTEs
Percentage of FTEs



Source: Everest Group (2015)

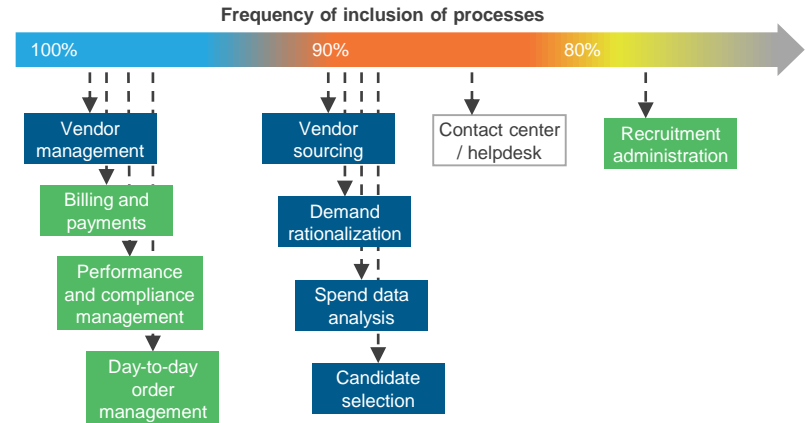
Evolving talent scope

■ Judgment-intensive ■ Transaction-intensive ■ Both



Inclusion of MSP processes in deals

Type of process ■ Transaction-intensive ■ Judgment-intensive ■ Enabling



MSP research calendar

■ Published ■ Current

Topic	Release date
Analytics Business Process Services (BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2015	February 2015
Reinventing Business Process Services (BPS) – Leveraging Technology to Deliver on New Expectations	March 2015
MSP – Annual Report 2015	December 2015
Innovative pricing models in MSP	Q4 2015
Rise of MSP 2.0	Q4 2015
Talent Acquisition Outsourcing – RPO & MSP in Asia Pacific	Q4 2015
MSP – Service Provider Landscape with PEAK Matrix Assessment 2015	Q4 2015
Blended Model in Talent acquisition – A new age	Q4 2015
MSP – Service Provider Profile Compendium 2015	Q4 2015
MSP in Europe	Q4 2015
Technology in BPS - Market Landscape refresh	Q1 2016
MSP Service Provider Landscape with PEAK Matrix Assessment 2016	Q3 2016
MSP Annual Report 2016	Q3 2016

Additional MSP related research recommendations

The following documents are recommended for additional insight into the topic covered in this research. The recommended documents either provide additional details on the topic or complementary content that may be of interest

- 1. Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment ([EGR-2015-3-R-1595](#)); 2015.**
This report provides a comprehensive analysis of the RPO service provider landscape along multiple dimensions and assesses service providers to position them on the Everest Group PEAK Matrix. Each of the 21 RPO service providers analyzed are segmented into Leaders, Major Contenders, Aspirants, and Star Performers. Additionally, it provides key insights on the areas in which service providers differentiate themselves
- 2. RPO Annual Report 2015 - Broader Adoption, Deeper Execution, Greater Innovation ([EGR-2015-3-R-1547](#)); 2015.** Recruitment Process Outsourcing (RPO), one of the fastest growing single-process HRO markets, continues to evolve. The overall RPO market posed a healthy growth of 13% in 2014, fuelled largely by the strong growth in Europe and Asia Pacific. This research provides comprehensive coverage of the market across dimensions such as market overview, key business drivers, buyer adoption trends, transaction trends, recruitment technology trends, and service provider landscape
- 3. Procurement Outsourcing (PO) – Annual Report 2015: The Dawn of a Transformational Era ([EGR-2015-1-R-1476](#)); 2015.** This report will assist key stakeholders (buyers, service providers, and technology providers) understand the changing dynamics of the PO market and help them identify the trends and outlook for 2014. In this backdrop, the report provides comprehensive coverage of the global PO market including detailed analysis of market size and growth, buyer adoption trends, PO value proposition, solution characteristics, and service provider landscape

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