![Everest Group Research logo]

Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2016 – Latin America

Recruitment Process Outsourcing (RPO)
Market Report – December 2016 – Preview deck

Our research offerings for global services

Market Vista™
Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

▶ **BFSI[1] Information Technology**

▶ **BFSI[1] Business Process**

▶ **Healthcare & Life Sciences ITS**

▶ **Healthcare & Life Sciences BPS**

▶ **Application & Digital**

▶ **Cloud & Infrastructure**

▶ **Global Sourcing**

▶ **Locations Insider™**

▶ **PricePoint™**

▶ **Finance & Accounting**

▶ **Procurement**

▶ **Human Resources**

▶ **Recruitment & Talent Acquisition**

▶ **Contact Center**

▶ **Service Optimization Technologies**

▶ **Transaction Intelligence**

Custom research capabilities
- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Subscription information

- The full report is included in the following subscription(s)
  – **Recruitment Process Outsourcing (RPO)**

- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services

- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**

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1   Banking, financial services, and insurance

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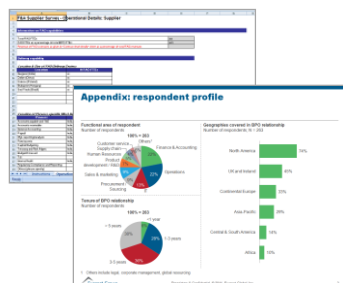RESEARCH

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Our research methodology is based on four pillars of strength to produce fact-based actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

1 **Robust definitions and frameworks**
(Function-specific pyramids – Human Resource Outsourcing (HRO), RPO, Total Value Equation (TVE), capability-success matrix, and market maturity)
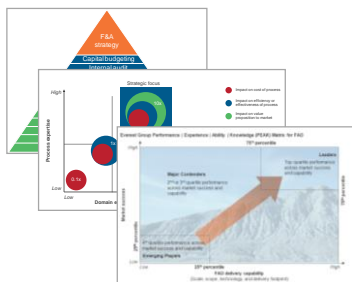
2 **Primary sources of information**
(Annual contractual and operational RFIs, service provider briefings, theme-based executive interviews, and web-based surveys)

3 **Diverse set of market touch-points**
(Ongoing interactions across key stakeholders, inputs from a mix of perspectives and interests, supports both data analysis and thought leadership)
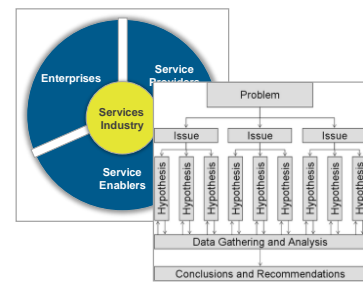
4 **Fact-based research**
(Data-driven analysis with expert perspectives and trend-analysis across market adoption, contracting, and service providers)
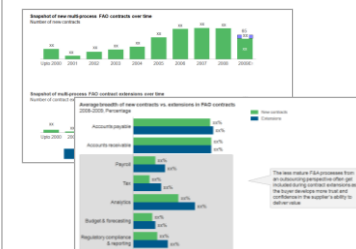
- Proprietary contractual database of over 2,000 RPO deals signed up to 2015 (updated annually)
- Round the year tracking of all the service providers in the RPO market
- Dedicated team for HRO/RPO/MSP research spread over two continents
- Over 20 years' experience of advising clients on BPO-related decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

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Everest Group's RPO research is based on three key sources of proprietary information

1
- Everest Group's proprietary database of over **2,000 RPO deals** (updated annually)
- The database tracks the following elements of each RPO deal:
  – Buyer details including industry, location, and signing region
  – Deal details including ACV, term, start date, hires managed, primary pricing structure, process coverage, and geographic coverage (at country level)
  – Technology ownership and maintenance
  – Global sourcing

2
- Everest Group's proprietary database of **operational capability of 15 RPO service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
  – RPO clients, revenue, service suite, and employees
  – Recent RPO-related developments (investments and partnerships)
  – RPO clients split by geography, industry, scope, and buyer size
  – RPO hires split by geography, source of hires, and type of hires
  – RPO delivery locations and level of offshoring

3
- Ongoing buyer surveys and interactions
  – Everest Group's **executive interviews and data collection** from **RPO buyers**
  – The data contains the following detailed buyer perspectives about RPO deals:
    ◆ Drivers for adopting RPO and buyer-provider relationships
    ◆ The level of buyer satisfaction and the underlying reasons

Service providers covered in detail in the analyses

The analyses in this report are presented at two levels:
- Overall market analysis that highlights the market composition/dynamics
- The current market trends based on deal activities in the last five years
The sample size varies for different analyses based on the deal detail availability

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information collected is only presented back to the industry in an aggregated fashion

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We define RPO as <u>transfer of responsibility</u> of all or part of the recruitment processes or activities <u>on an ongoing basis</u>

Legend:
- Strategy (orange)
- Judgment-intensive (dark blue)
- Transaction-intensive (green)

Pyramid (top to bottom):
- HR strategy
- Employee relations
- Regulatory and compliance
- Global mobility
- Performance management
- Learning
- Recruitment
- Compensation
- Benefits
- Payroll
- Employee data management
- HR information systems and reporting
- Employee contact center

Recruitment
- Employer branding
- Sourcing
- Screening
- Applicant tracking
- Interview scheduling and coordination
- Assessment
- Offer letter management
- Background verification
- Onboarding
- Vendor management

For this study, we included RPO deals in which:
- A **minimum of four or more recruitment processes** are included
- The outsourcing deal is active and is **at least one year in deal length**
- The deal scope should **not be limited to only temporary hires**
- The buyer employee size is 3,000 or more

This study **does not** include "out-tasking" arrangements (typically handled by recruitment agencies, staffing companies, or executive search firms) that are managed on a project-by-project basis rather than through an ongoing long-term arrangement

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Overview and abbreviated summary of key messages

This report examines the dynamics of the Latin America RPO service provider landscape and its impact on the RPO market. Based on the comprehensive Everest Group PEAK Matrix, each of the 15 RPO service providers are segmented into Leaders, Major Contenders, and Aspirants. The report also provides key insights on service provider position & growth in the market, changing market dynamics, and assessment of service provider delivery capabilities. It will assist key stakeholders (service providers, buyers, and technology providers) understand the current state of the RPO service provider landscape

Some of the findings in this report are:

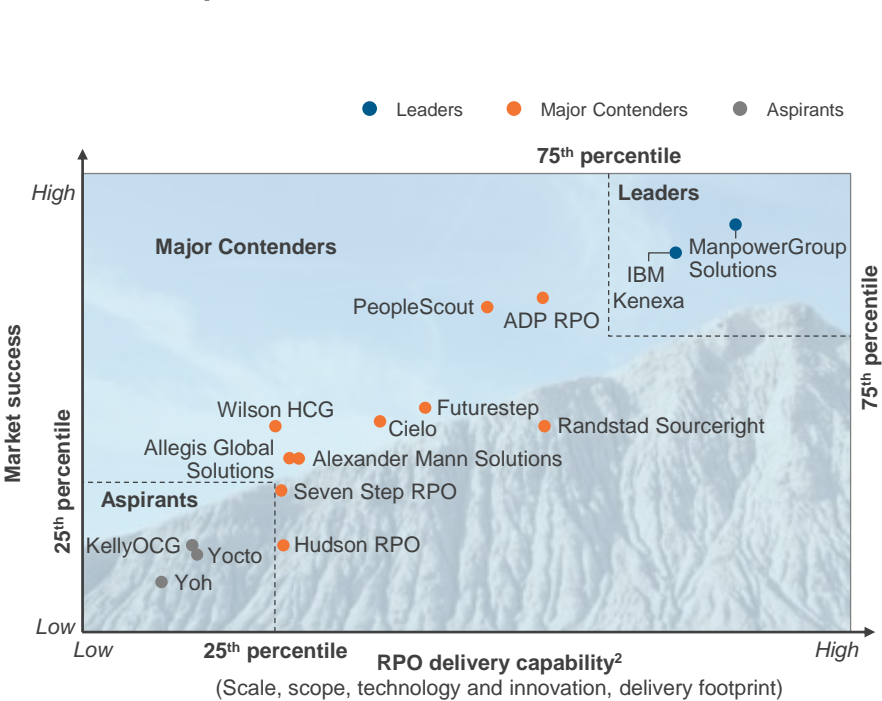**2016 Latin America RPO PEAK Matrix and Star Performers**

- Everest Group classified 15 RPO service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories of Leaders, Major Contenders, and Aspirants
- The 2016 LATAM RPO PEAK Matrix positioning is as follows:
  - **Leaders:** IBM Kenexa, ManpowerGroup Solutions
  - **Major Contenders:** ADP RPO, Alexander Mann Solutions, Allegis Global Solutions, Cielo, Futurestep, Hudson RPO, PeopleScout, Randstad Sourceright Seven Step RPO, and WilsonHCG
  - **Aspirants:** KellyOCG, Yocto, and Yoh

Everest Group analysis on service providers

- We assessed the overall RPO capability of service providers by evaluating them along multiple dimensions – market success, scale, scope, technology and innovation, and delivery footprint

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This study offers a deep dive into key aspects of RPO service provider landscape; below are some extracted pages from the report to illustrate its depth

Everest Group PEAK Matrix for RPO

Legend: Leaders (blue), Major Contenders (orange), Aspirants (grey)

Market success (vertical axis: Low to High)
RPO delivery capability[2] (horizontal axis: Low to High)
(Scale, scope, technology and innovation, delivery footprint)

- 75th percentile (horizontal and vertical)
- 25th percentile

Leaders: ManpowerGroup Solutions, IBM Kenexa

Major Contenders: PeopleScout, ADP RPO, Wilson HCG, Futurestep, Cielo, Randstad Sourceright, Alexander Mann Solutions, Allegis Global Solutions, Seven Step RPO, Hudson RPO

Aspirants: KellyOCG, Yocto, Yoh

Capability assessment

Legend: ◑ Medium high ◐ High ◕ Very high ● Best-in-Class

| Service provider | Delivery capability | | | | | Market success |
	Scale	Scope	Technology and innovation	Delivery footprint	Overall	
Service provider 1	◕	◕	◕	●	◕	●
Service provider 2	◐	●	◕	◕	●	●
Service provider 3	◕	◕	●	◐	◕	●
Service provider 4	◕	◕	●	◐	◕	◕
Service provider 5	◐	◐	◕	◐	◐	●
Service provider 6	◐	◐	◐	◐	◐	◐
Service provider 7	◐	◐	◐	●	◕	◐

Everest Group's remarks on service provider performance

Legend: ◑ Medium high ◐ High ◕ Very high ● Best-in-Class

| Delivery capability | | | | | Market success |
Scale	Scope	Technology and innovation	Delivery footprint	Overall	
◑	◐	◐	◑	◐	◐

Strengths
- XXX is a xxx company, which provides staffing services and comprehensive workforce solutions. It is primarily focused on the North American market
- It can serve clients across the entire spectrum of services ranging from end-to-end engagements to short term, or project RPO to on-demand recruitment services
- It has strong MSP capabilities and can offer blended recruitment services
- Its focus on understanding and then developing the client's brand helps it provide a holistic recruitment solution to the client
- It has niche capabilities in hiring technology professionals. Additionally, it is now focusing on hard-to-fill positions
- Flexibility, good customer service, and high adherence to SLAs were cited as its major strengths

Areas of improvement
- Due to its limited scale/experience and U.S.-only focus, XXX is losing in the fast-growing emerging markets of APAC and EMEA. Along with this, it also limits its ability to undertake large multi-country deals
- Lack of proprietary ATS and add-on tools is another area of concern. In order to compete with the best-in-class service providers, it needs to add significant technology capability
- Access to better technology and bringing in greater innovation were cited as key areas of improvement

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RPO research calendar

Topic	Release date
RPO – Service Provider Profile Compendium 2015	January 2016
RPO in Middle East and Africa: Managing complexity for competitive advantage	January 2016
Blended Model in Talent Acquisition - A Rosy Path Strewn with Thorns	March 2016
Heralding a New Era of Transformative Business Process Services through Technology	April 2016
Robotic Process Automation in HR Outsourcing: Not the Same as Other Business Process Service Lines	April 2016
Talent Acquisition in Asia Pacific: Diverse Demands Ensuring Growth	May 2016
Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2016	July 2016
Recruitment Process Outsourcing – Annual Report 2016	November 2016
Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2016 - Latin America	December 2016
Recruitment Process Outsourcing - Service Provider Profile Compendium 2016	Q4 2016
Recruitment Process Outsourcing – Service Provider Landscape in Europe with PEAK Matrix™ Assessment	Q4 2016
Technology in RPO	Q4 2016

Additional RPO 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. **Talent Acquisition in Asia Pacific: Diverse Demands Ensuring Growth** (EGR-2016-3-R-1764); 2016. This report provides a comprehensive coverage of the talent acquisition services market (including RPO and MSP) in Asia Pacific and analyzes it across various dimensions such as market overview and key business drivers, buyer adoption trends, solution and transaction trends, and service provider landscape

2. **Blended Model in Talent Acquisition: A Rosy Path Strewn with Thorns** (EGR-2016-3-R-1724); 2016. Today, many organizations are viewing talent management, including talent acquisition, through a singular lens as opposed to the traditional method of segregating it into contingent and permanent – blended recruitment is emerging as the new mantra of the day. This report explores the various nuances of executing the blended recruitment model and provides insights into market dynamics, execution levers, and models of engagement in blended recruitment outsourcing

3. **RPO in Middle East and Africa: Managing Complexity for Competitive Advantage** (EGR-2016-3-R-1677); 2016. Increased RPO traction has been witnessed in the emerging geographies of Middle East and Africa. This report provides a comprehensive coverage of the RPO market in Middle East and Africa, and analyzes it across various dimensions such as market overview and key business drivers, buyer adoption trends, solution and transaction trends, and service provider landscape

For more information on this and other researches published by Everest Group, please contact us:

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About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empowers clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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