



Global Services Trends in Q4 2016

October – December 2016

Market Vista™: Industry Trends – Preview Deck

Everest Group

MARKET VISTA™

Our research offerings for global services

▶ Market Vista™

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

▶ Application Services

▶ BPS | Banking Financial Services

▶ BPS | Healthcare & Life Sciences

▶ BPS | Insurance

▶ Catalyst™

▶ Cloud & Infrastructure

▶ Contact Center

▶ Digital Services

▶ Finance & Accounting

▶ Human Resources

▶ ITS | BFSI*

▶ ITS | Healthcare & Life Sciences

▶ IT Services Forecaster™

▶ Locations Insider™

▶ PricePoint™

▶ Procurement

▶ Recruitment & Talent Acquisition

▶ 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)
 - **Market Vista™**
- 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**

* Banking, financial services, and insurance



Corporate Headquarters

Office: +1-214-451-3000

info@everestgrp.com



European Headquarters

Office: +44-207-129-1318

unitedkingdom@everestgrp.com



Delhi Office

Office: +91-124-284-1000

india@everestgrp.com

Everest Group is reclassifying the industries covered in Market Vista™ subscription

	Original classification (reports released before 2017)	Revised classification (reports released from 2017 onward)
No change	Banking, Financial Services, and Insurance (BFSI)	Banking, Financial Services, and Insurance (BFSI)
	Energy and Utilities (E&U)	Energy and Utilities (E&U)
	Healthcare	Healthcare
Reclassified	Manufacturing, Distribution, and Retail (MDR)	Manufacturing
		Retail & Consumer Packaged Goods (CPG)
	Public Sector	Government
	Technology	Technology and Communication
	Telecom	
Discontinued	Travel & Hospitality	Not available*

- Includes government entities (e.g., state/regional/national governments, ministries, agencies, and departments)
- Public sector entities will be part of their respective industry groupings (i.e., public sector banks will be classified under BFSI)

* Discontinued starting 2017 – reports for the travel and hospitality industry will not be published going forward

Table of contents

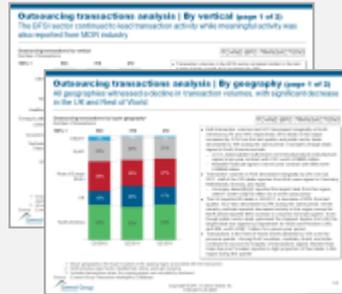
- **Product overview**
- Illustrative contents

Market Vista enables effective decision-making

Global sourcing managers need research, analysis, and insight to demystify the market and direct clear, impactful decisions

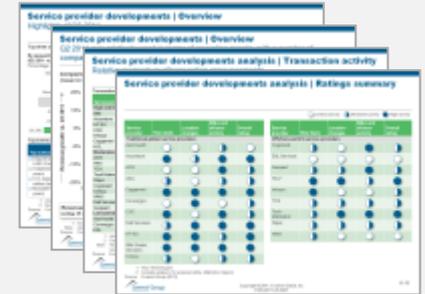
Overall sourcing market

- Detailed analysis of trends by vertical and geography
- Report of transaction volume, size, and momentum
- Perspective on events with significant industry impact (e.g., M&A)
- Implications of regulatory changes



Service provider landscape

- Updates on service provider market share, capabilities, and performance
- Service provider profiles, including data on:
 - Transactions
 - Location footprint
 - M&A activity



Everest Group
MARKET VISTA™

Location data and dynamics

- Data on market activity in key offshore geographies
 - Political
 - Macroeconomic
 - Promotion incentives
- Trends in wage inflation, attrition, and arbitrage



Processes and models

- Process-level trends
- Global In-house Center (GIC) set-ups, divestures, and overall trends
- Fact-based insights on adoption of emerging pricing models
- Data and perspectives on new opportunity areas



Quarterly report

Primer

Location database

Breaking viewpoint

Location insights e-newsletter

Service provider capability profiles

Industry trends

Trends reports complement Market Vista quarterly reports by providing in-depth coverage of global sourcing across verticals and regions



Market Vista Buyer Geography Trends reports

Regions tracked

- United States and Canada
- Europe
- Rest of the World (RoW) including Asia Pacific (APAC), Latin America (LATAM), and Middle East & Africa (MEA)

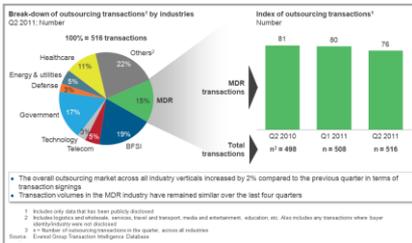
Market Vista Industry Trends reports

Industries tracked

- BFSI
- Manufacturing
- Energy & Utilities (E&U)
- Healthcare
- Technology and communication
- Government
- Retail & Consumer Packaged Goods (CPG)

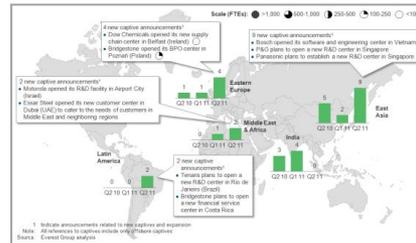
30+ pages of analysis on each vertical/region every quarter

Outsourcing transaction activity



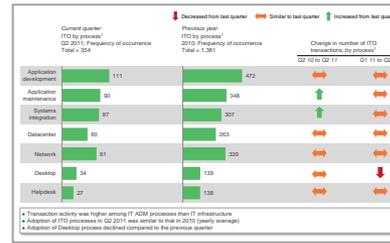
- Trends in transaction volume, contract values, and momentum
- Events with industry impact

GIC set-up and expansion activity



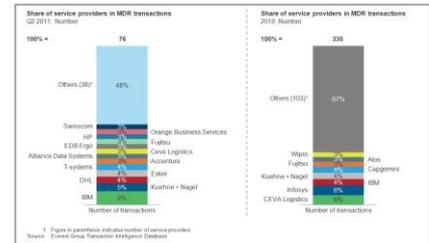
- GIC set-ups, expansions, and divestures
- Analysis of buyers, locations, and scope of work offshored

Processes and models



- Process-level and subprocess-level transaction trends
- Emerging opportunity areas

Service provider trends and developments



- Service provider performance (transactions, market shares)
- Significant deals signed by leading enterprises

Industry trends comprise of four quarterly reports for each of the seven key industries comprising majority of the global sourcing industry

ILLUSTRATIVE

Key subverticals covered

1

Banking, Financial Services, and Insurance (BFSI)

- Banking
- Insurance
- Other financial services

2

Manufacturing

- Automotives and auto-components
- Heavy and light manufacturing

3

Energy and Utilities (E&U)

- Oil and gas
- Petro-chemicals
- Utilities

4

Healthcare

- Pharmaceutical and Life sciences
- Healthcare payers
- Healthcare providers

5

Technology and communications

- Software – products and R&D
- Semiconductors
- Computer hardware and peripherals

6

Retail and CPG

- Retail
- Consumer packaged goods

7

Government

- Government sector
- Defence sector

20+ pages in each industry trends report

Quarterly industry trends reports for each industry

32 industry trends reports across eight industries in a year

Table of contents

- Product overview
- **Illustrative contents**

Each Industry Trends quarterly report comprises 20+ pages of insight and data

Illustrative Table of Contents

Topic

Section I: Outsourcing transaction trends

- Outsourcing transactions overview
- Break-up of industry specific transactions by function
- Break-up of industry specific transactions by processes and subprocesses
- Transaction renewal/restructuring activity

Section II: GIC analysis

- GIC market analysis overview
- GIC market analysis by geography

Section III: Service provider activity and deal information

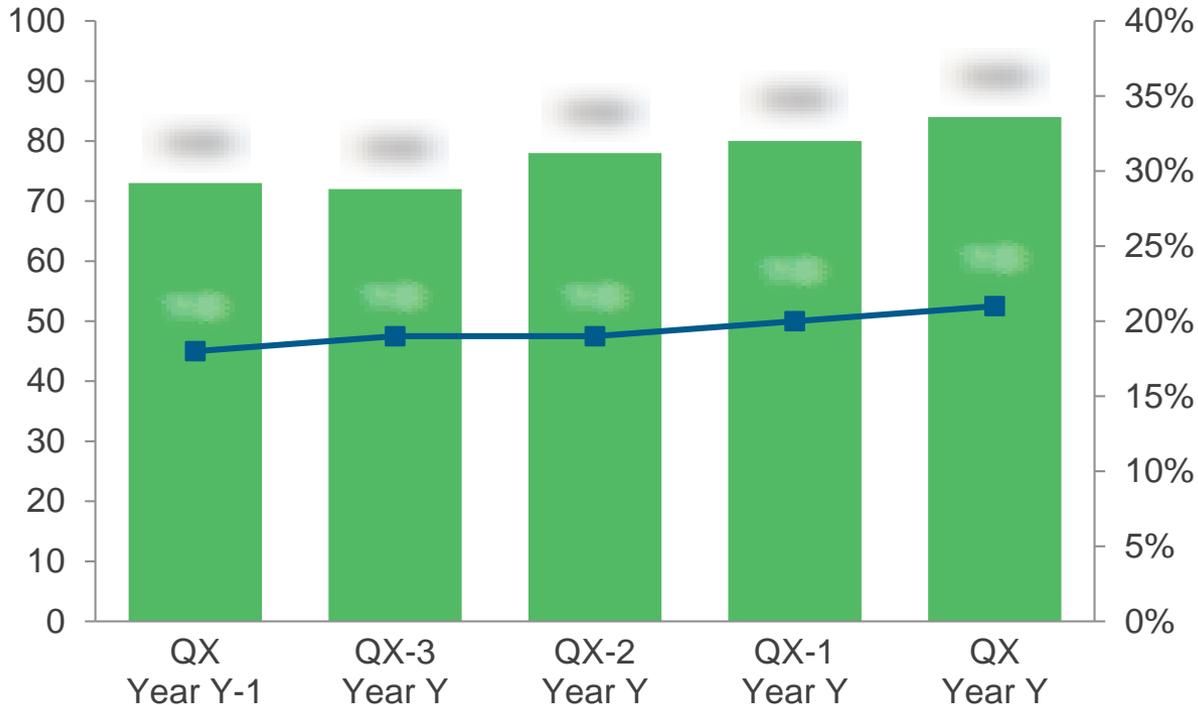
- Share of service providers in total transaction activity
- Notable deals signed by service providers
- Major outsourcing-related developments across leading companies

Section I: Outsourcing transaction trends

Industry A accounted for XX% of total reported outsourcing transactions in QX Year Y with volumes increasing compared to XX

Number of outsourcing transactions¹ in Industry A and share in overall market
Number/percentage

■ Number of transactions
—■ Share in overall market



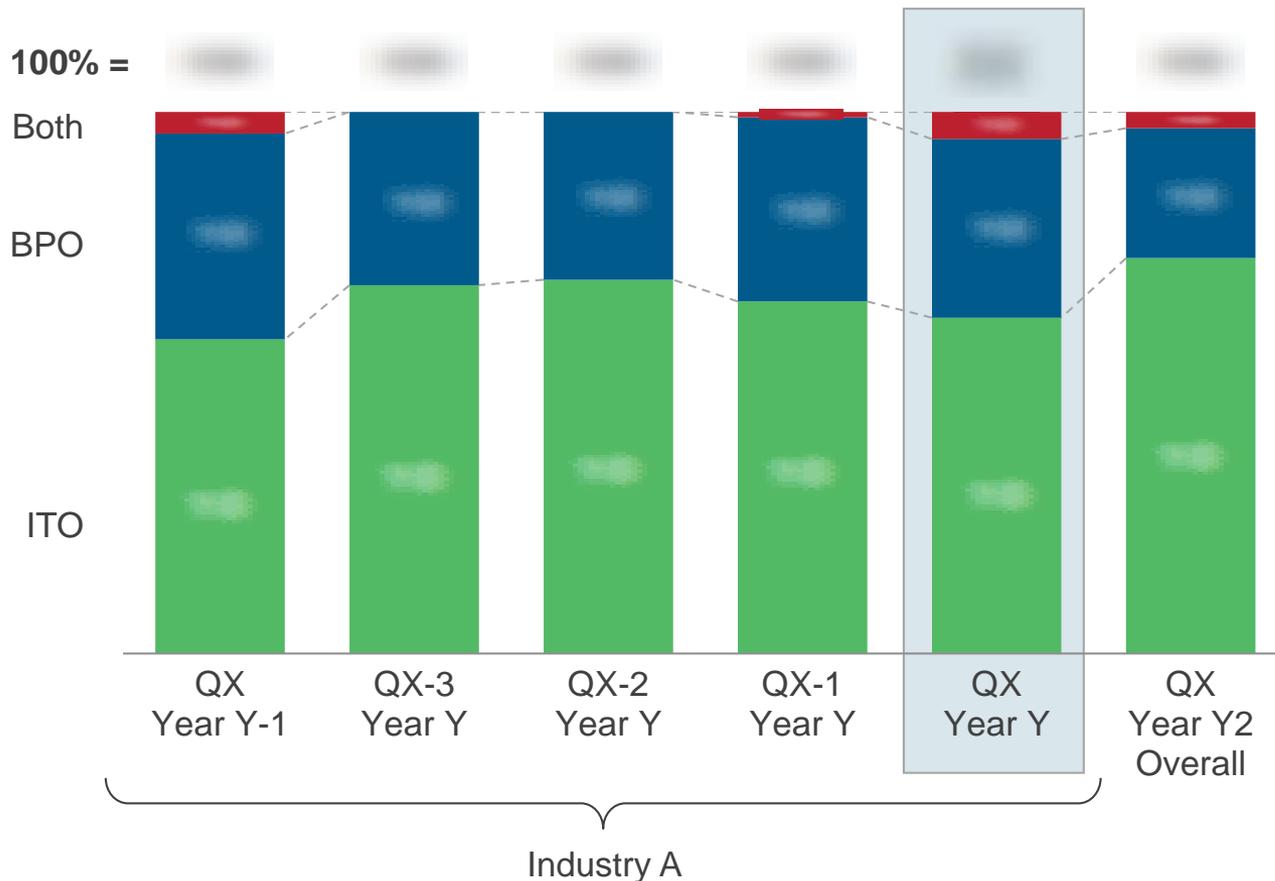
- The overall outsourcing market saw similar activity in QX Year Y, as in the previous quarters
- A total of XX transactions were reported in the industry vertical A in QX Year Y, accounting for XX% share of the total outsourcing market, similar to QX-1 Year Y

¹ Only includes data that has been publicly disclosed
Source: Everest Group Transaction Intelligence Database

Section I: Outsourcing transaction trends

Transaction volumes XXXX across both ITO and BPO functions

Breakdown of Industry vertical A transactions by function
Number of transactions

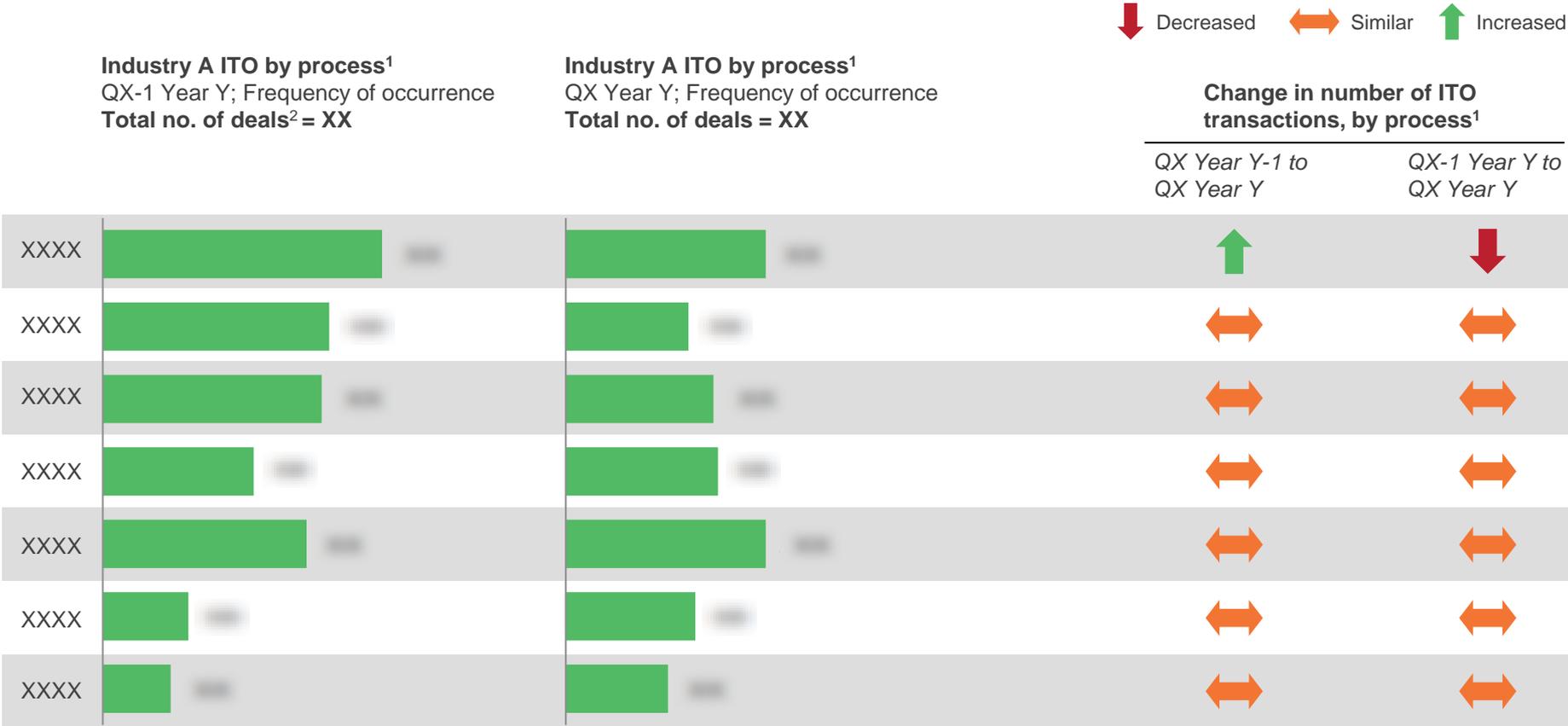


- A total of XX ITO transactions were reported in QX Year Y in the Industry vertical A, same as in QX-1 Year Y
- A total of XX BPO transactions were signed in QX Year Y, as compared to XX in QX-1 Year Y
- Increase was seen in transactions having both BPO and ITO components in QX Year Y

Source: Everest Group Transaction Intelligence Database

Section I: Outsourcing transaction trends

Higher outsourcing adoption in XXXX, XXXX, and XXXX



1 Includes ITO transactions that have a BPO component

2 Frequency of occurrences of individual processes may not add up to the total, as the scope of an outsourcing transaction often involves multiple processes

Source: Everest Group Transaction Intelligence Database

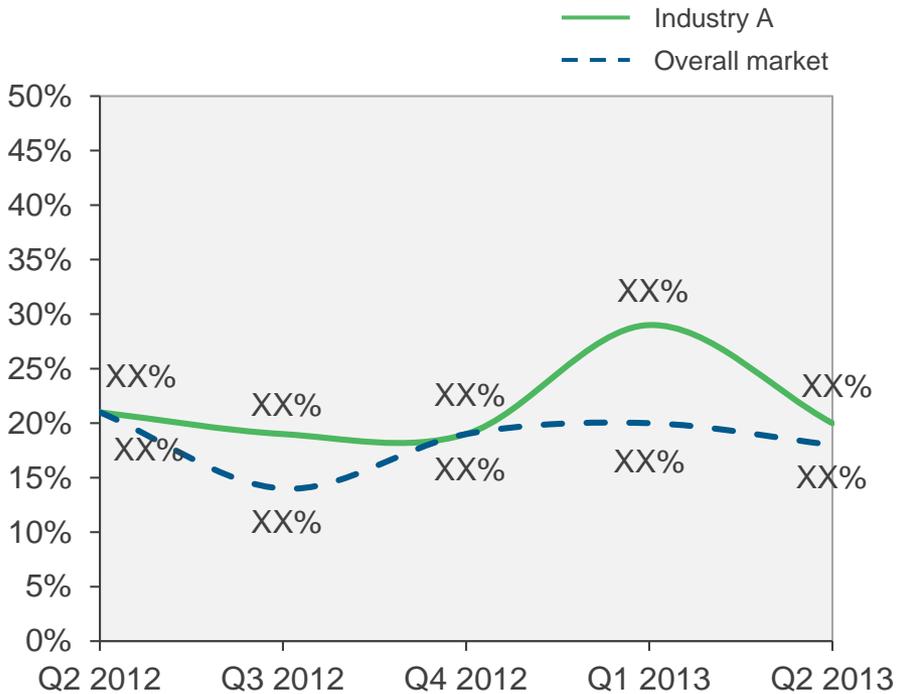
Section I: Outsourcing transaction trends

Share of new transactions signed in QX Year Y was XX%

ITO AND BPO TRANSACTIONS

Share of renewals / restructured¹ deals

Percentage



Major Industry A transactions nearing the end of their contract duration over the next few months

Buyer	Service provider	Function scope
Buyer 1	Service provider 1	XX
Buyer 2	Service provider 2	XX
Buyer 3	Service provider 3	XX
Buyer 4	Service provider 4	XX
Buyer 5	Service provider 5	XX

¹ Refers to contracts where the scope was extended or expanded

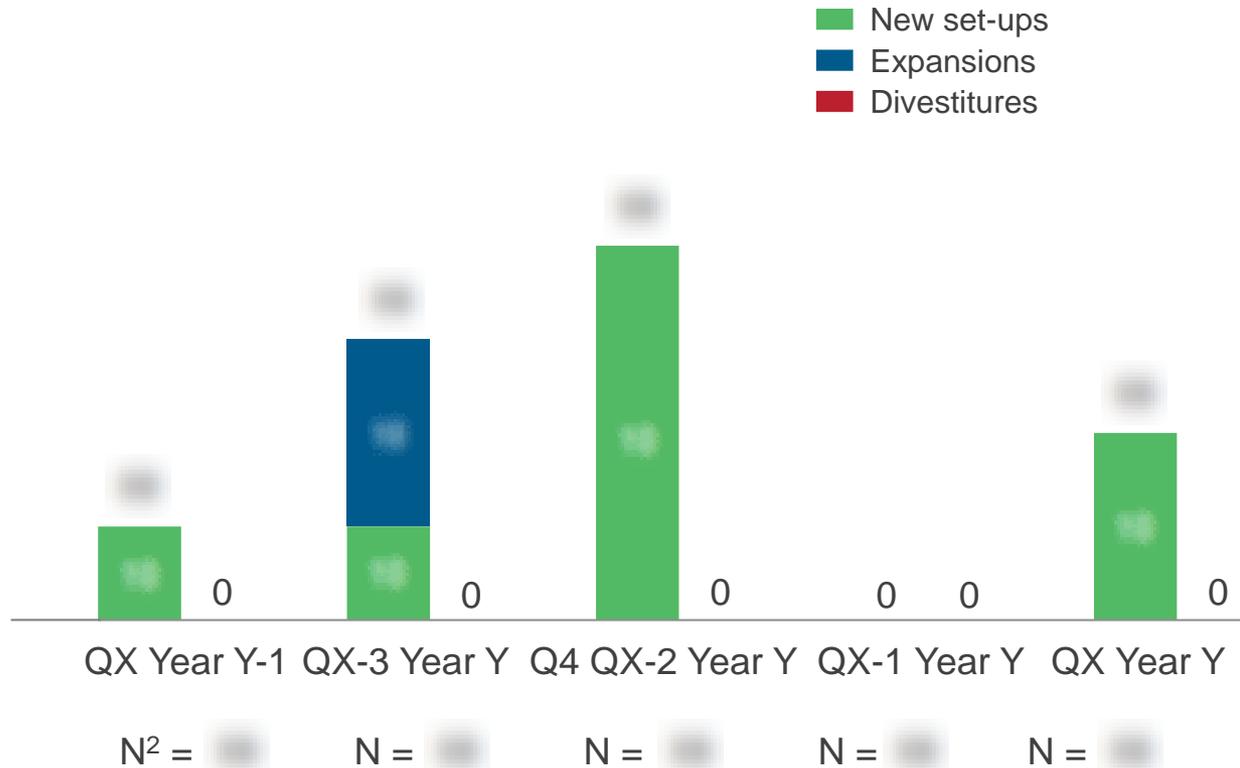
Source: Everest Group Transaction Intelligence Database

Section II: GIC market analysis

Overall number of GIC announcements in QX Year Y witnessed an XXXX compared to the previous quarter

Index of offshore GIC health¹

Number of GICs



- There were XX new GIC announcements in the quarter
- Some well-known companies that made GIC announcements included XX, YY, and ZZ
- XX GIC divestitures were announced in this quarter

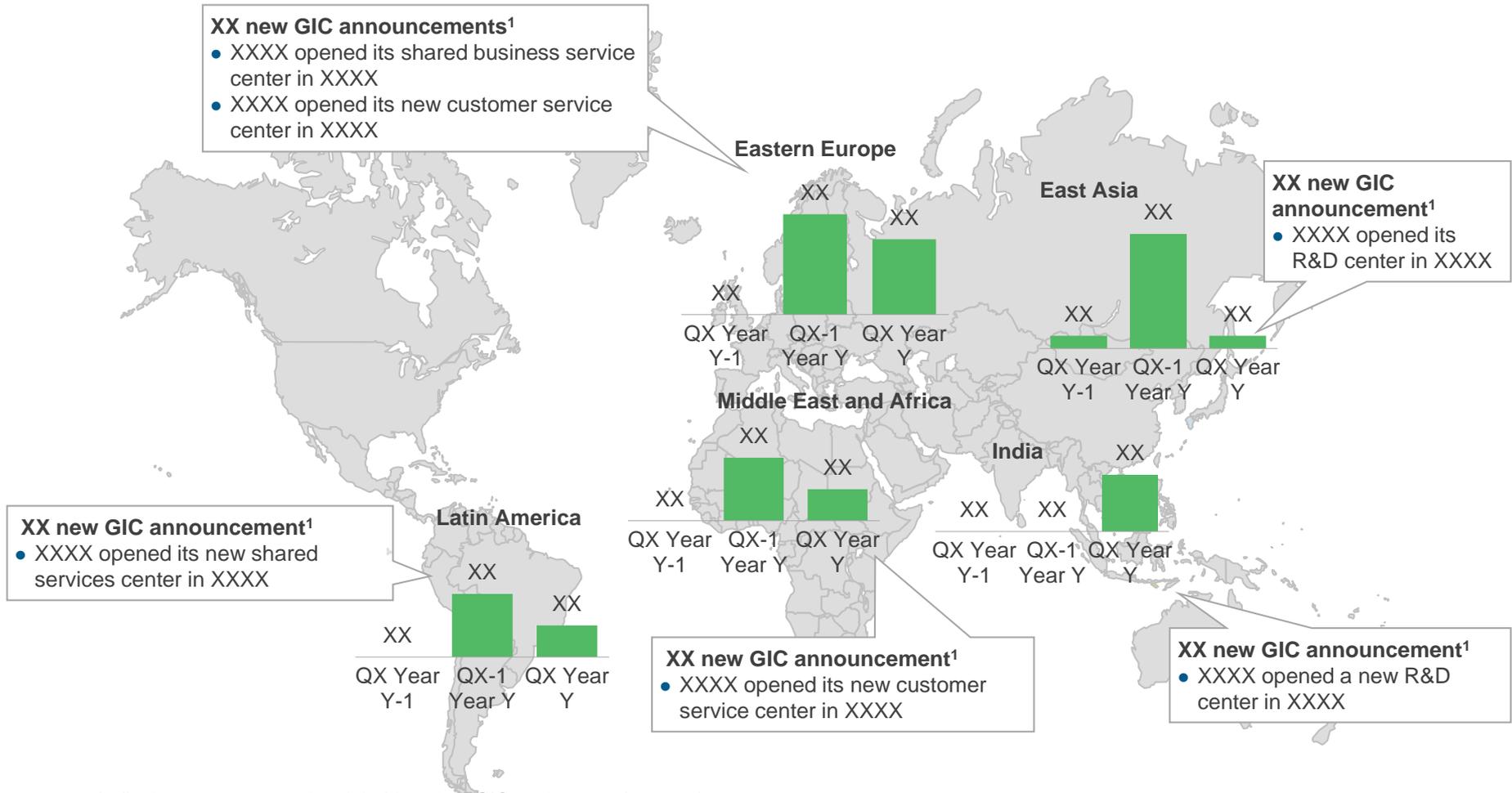
¹ Only includes data that has been publicly disclosed

² N = Number of GIC announcements in the quarter, across all industries

Source: Everest Group (2017)

GIC set-ups¹ | By region

GIC activity was concentrated in XXXX and XXXX



¹ Indicates announcements related to actual GICs set-ups and expansions

Note: All references to GICs include only offshore GICs

Source: Everest Group analysis

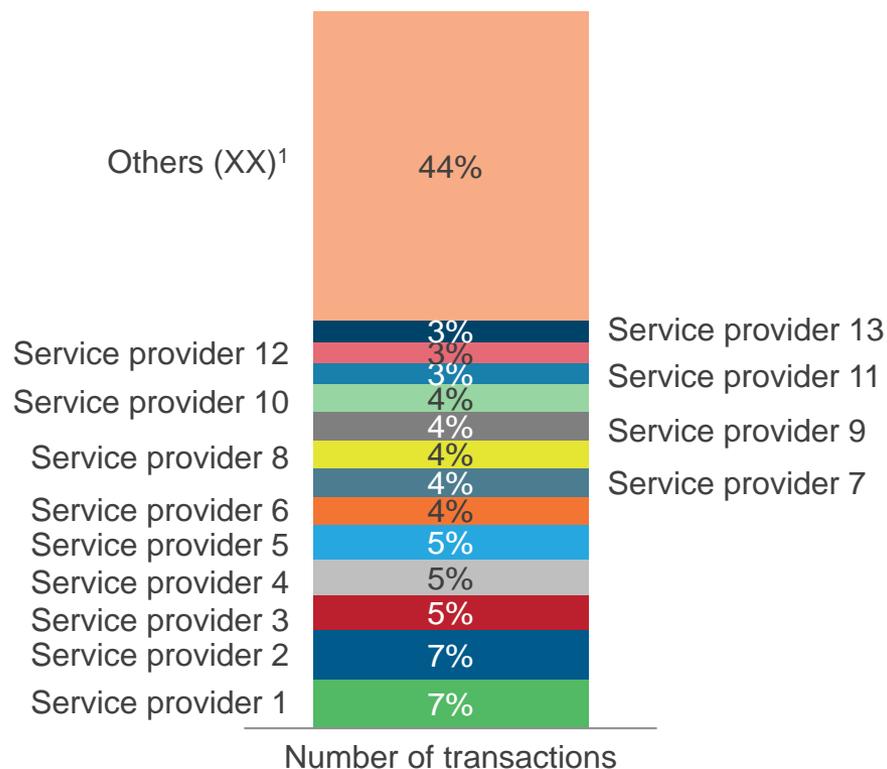
Section III: Service provider activity and deal information

Share of service providers in transaction activity

Share of service providers in transactions

QX Year Y; Number of transactions

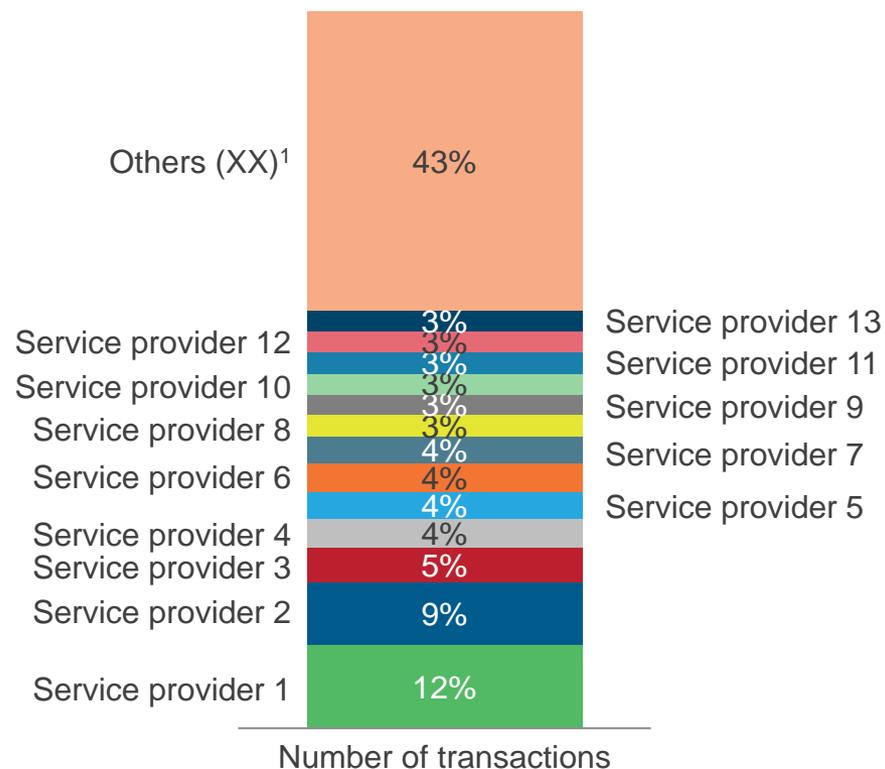
100% =



Share of service providers in transactions

Year Y-1; Number of transactions

100% =



¹ Figure in parenthesis indicate number of service providers

Source: Everest Group Transaction Intelligence Database

Section III: Service provider activity and deal information

Notable deals signed in the XX industry in QX Year Y

Buyer	Subvertical	Service provider	Deal value (US\$ million)	Contract duration (years)	Services
Buyer 1	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 2	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 3	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 4	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 5	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 6	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 7	XXXX	XXXX	XXXX	XXXX	XXXX

Source: Everest Group Transaction Intelligence Database

Section III: Service provider activity and deal information

Key developments in major companies

XXXX

Increased offshore adoption: XXXX announced plans to set up its back-office operations in XX by the end of Year Y. The center will support its XXXX expansion and will hire about XX employees

XXXX

BPO agreement: XXXX

XXXX

ITO agreement: XXXX

XXXX

ITO agreement: XXXX

Market Vista encompasses a suite of offerings

Multiple delivery formats allow global sourcing managers to access information in a way that supports the decision-making process

Market Vista offering	Description	Standard subscription access (annual)	Premium subscription access (annual)
Quarterly Report	Quarterly report with in-depth coverage of transaction, location, and service provider trends	✓	✓
Primer	Quarterly brief of expert perspectives on emerging market trends (e.g., new pricing models)	✓	✓
Location database	Annually updated database of location stats (e.g., cost, attrition, inflation rates) for 23 major cities	✓	✓
Breaking viewpoint	Flash reports highlighting breaking industry news and expert perspectives on key implications	✓	✓
Locations insights e-newsletter	Bi-monthly Global Location Insights e-newsletter containing detailed country and region info	✓	✓
Exclusive webinars	Exclusive quarterly webinars with stakeholders in the subscriber organization on key market trends and developments highlighted in Market Vista research		✓
Analyst consultation	10 hours of analyst access per year for personalized insights and additional perspectives		✓

Appendix: Additional research references

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

1. **Market Vista™: Q4 2016** ([EGR-2017-8-R-2091](#)); 2016. This report includes data, analysis, and insights on transaction trends, information on major deals, GIC market dynamics, and fact-based insights for offshoring destinations in Asia. Also included is the Standard Locations Database that tracks 23 leading offshore locations
2. **Energy & Utilities (E&U): Global Services Trends in Q3 2016**; This report provides E&U industry-specific data, developments, and insights that enable Global Sourcing Managers to navigate through the complexity and make clear, effective decisions, which are contextualized and suited to their specific industry. These reports provide deep-dive into transaction activity, GIC developments, service provider market share, and key outsourcing transactions specific to the E&U industry
3. **Market Vista™: Global Services 2015 Year in Review – A Maturing Market Facing Disruption** ([EGR-2016-8-R-1717](#)); 2016. This report gives an overview of the developments that took place in the global services industry in 2015. The report highlights key trends and drivers pertaining to GICs, offshore/ nearshore locations, select service providers, and outsourcing transactions

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

H. Karthik, Partner, Global Sourcing:
Salil Dani, Vice President, Global Sourcing:
Gargi Verma, Research Manager, Locations:
Anand Tiwari, Assistant Manager:
Shrotima Wadhwa, Senior Information Specialist:

h.karthik@everestgrp.com
salil.dani@everestgrp.com
gargi.verma@everestgrp.com
anand.tiwari@everestgrp.com
shrotima.wadhwa@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



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.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-804-276-4533

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-647-557-3475

Stay connected

Website



www.everestgrp.com

Social Media



@EverestGroup



@Everest Group

Blog

[Sherpas In Blue Shirts](http://www.sherpasinblueshirts.com)

www.sherpasinblueshirts.com