



## Global Services Trends in Q1 2017

January-March 2017

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**

## ▶ **Engineering 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**

## Subscription information

- This 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

## 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



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

	Original classification (reports released before 2017)	Revised classification (reports released from 2017 onward)
<b>No change</b>	Banking, Financial Services, and Insurance (BFSI)	Banking, Financial Services, and Insurance (BFSI)
	Energy and Utilities (E&U)	Energy and Utilities (E&U)
	Healthcare	Healthcare
<b>Reclassified</b>	Manufacturing, Distribution, and Retail (MDR)	Manufacturing
		Retail & Consumer Packaged Goods (CPG)
	Public Sector	Government
	Technology	Technology and Communication
	Telecom	
<b>Discontinued</b>	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

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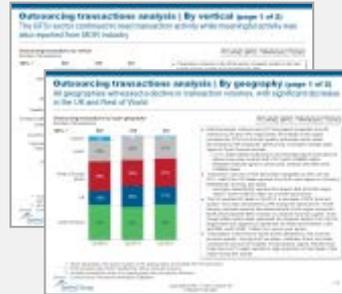
- **Product overview**
- Illustrative contents

# 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



### 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



# 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

## Key subverticals covered

- 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

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- Product overview
- **Illustrative contents**

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

## Illustrative Table of Contents

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### Topic

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#### **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**

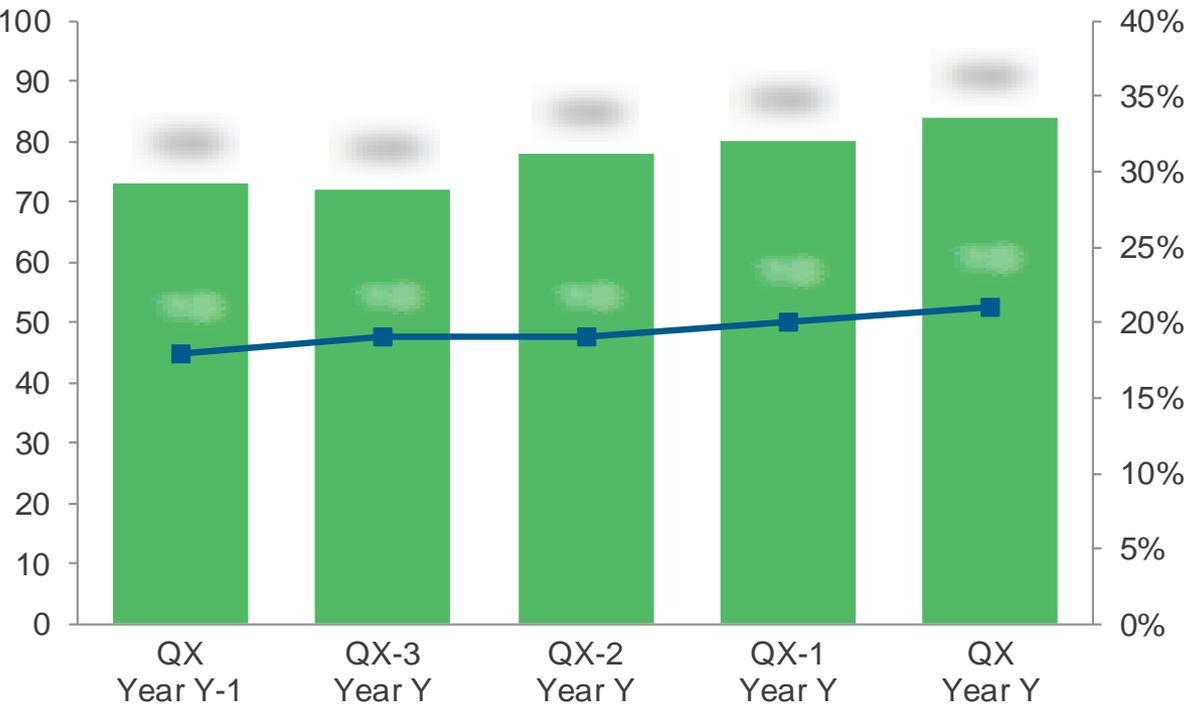
- Share of service providers in total transaction activity
- Notable deals signed by service providers
- Major outsourcing-related developments across leading companies

# 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 transactions<sup>1</sup> in Industry A and share in overall market**  
Number/percentage

- Number of transactions
- Share in overall market



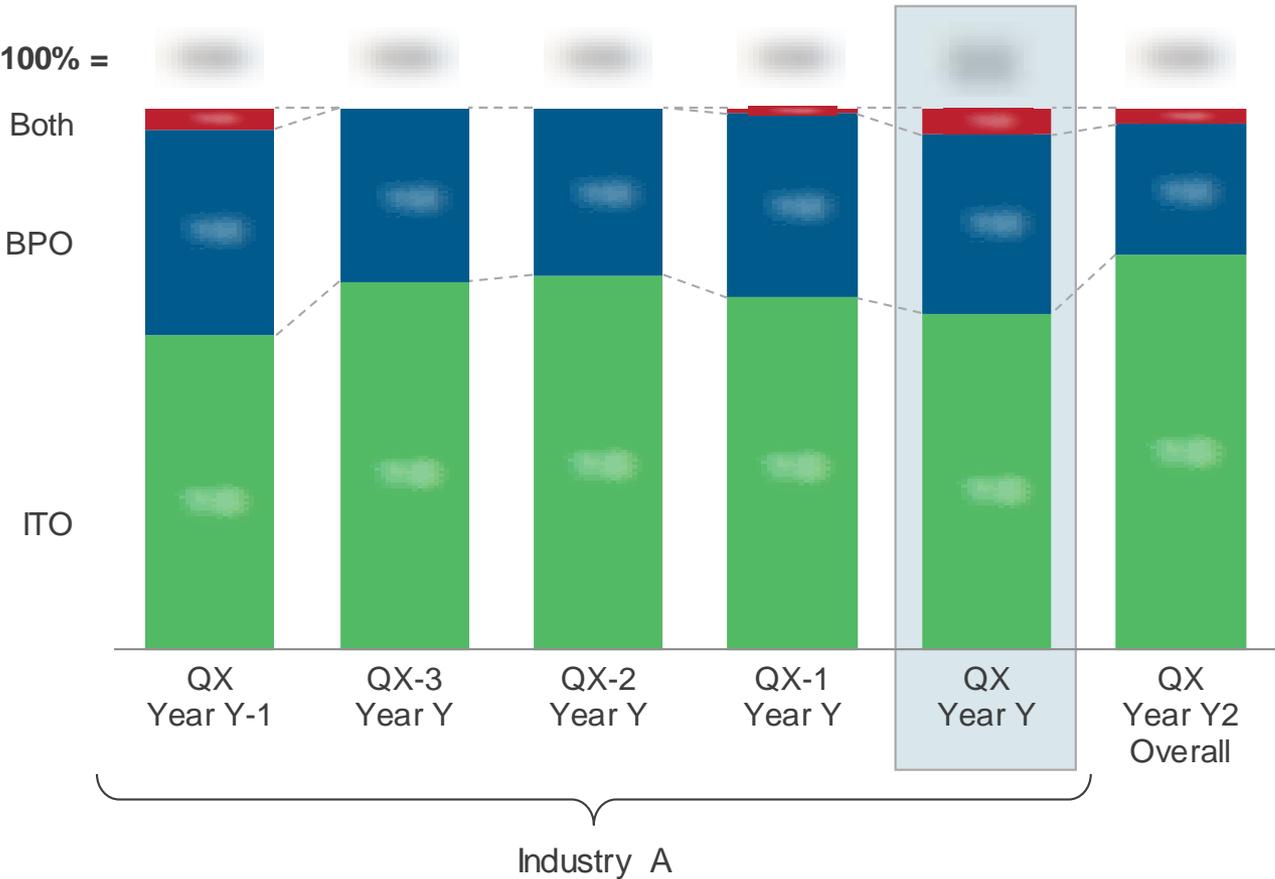
- The overall outsourcing market saw similar activity in QX Year Y, as in the previous quarters
- A total of XX transactions were reported in the industry vertical A in QX Year Y, accounting for XX% share of the total outsourcing market, similar to QX-1 Year Y

<sup>1</sup> 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



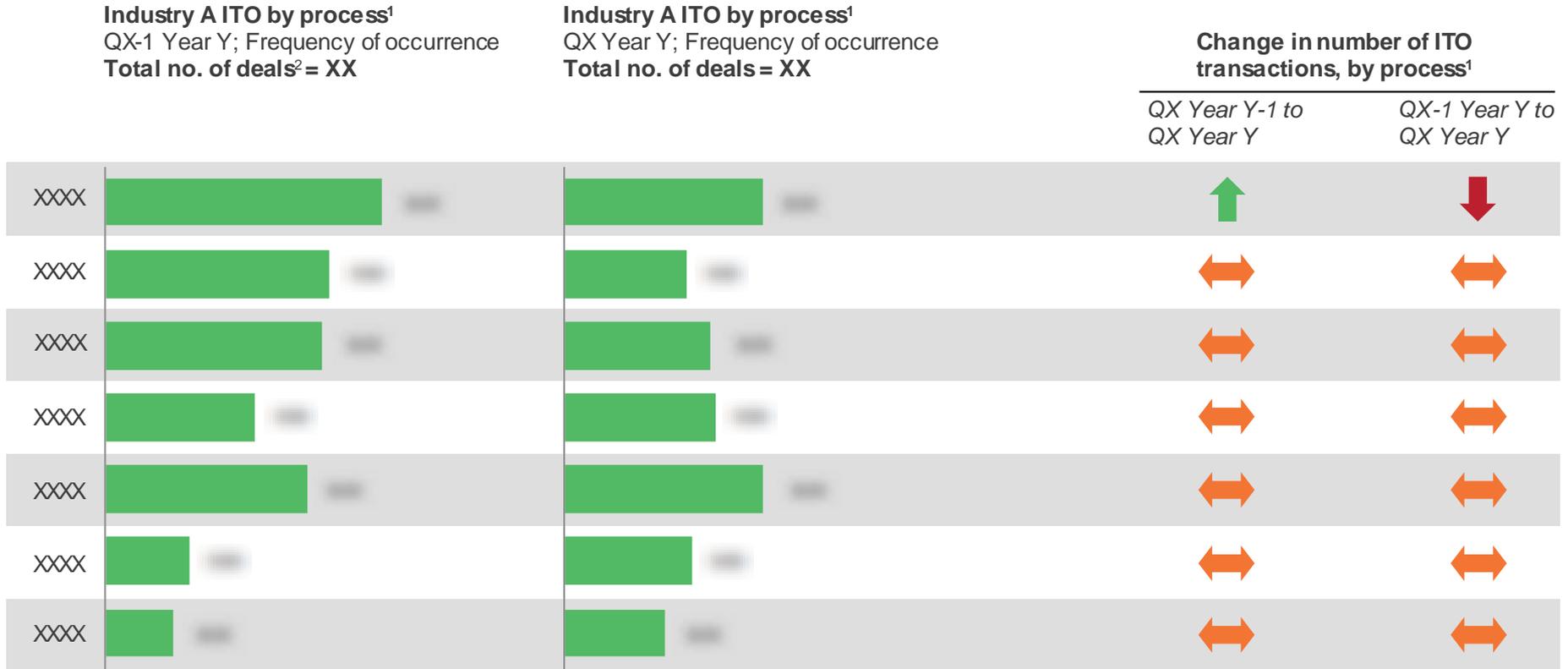
- A total of XX ITO transactions were reported in QX Year Y in the Industry vertical A, same as in QX-1 Year Y
- A total of XX BPO transactions were signed in QX Year Y, as compared to XX in QX-1 Year Y
- Increase was seen in transactions having both BPO and ITO components in QX Year Y

Source: Everest Group Transaction Intelligence Database

# Section I: Outsourcing transaction trends

## Higher outsourcing adoption in XXXX, XXXX, and XXXX

 Decreased 
  Similar 
  Increased



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

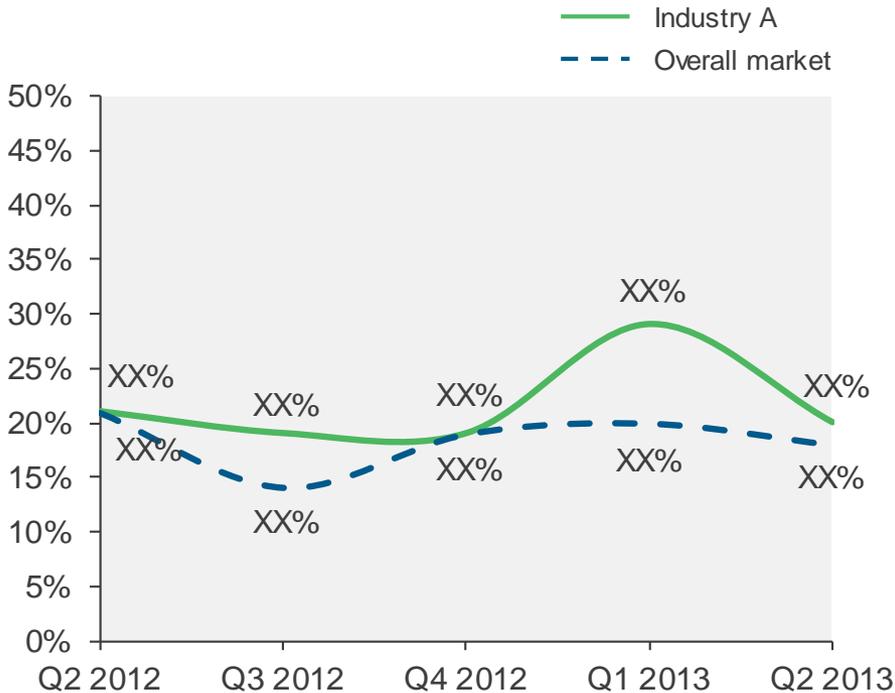
# Section I: Outsourcing transaction trends

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

### ITO AND BPO TRANSACTIONS

#### Share of renewals / restructured<sup>1</sup> 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

<sup>1</sup> Refers to contracts where the scope was extended or expanded

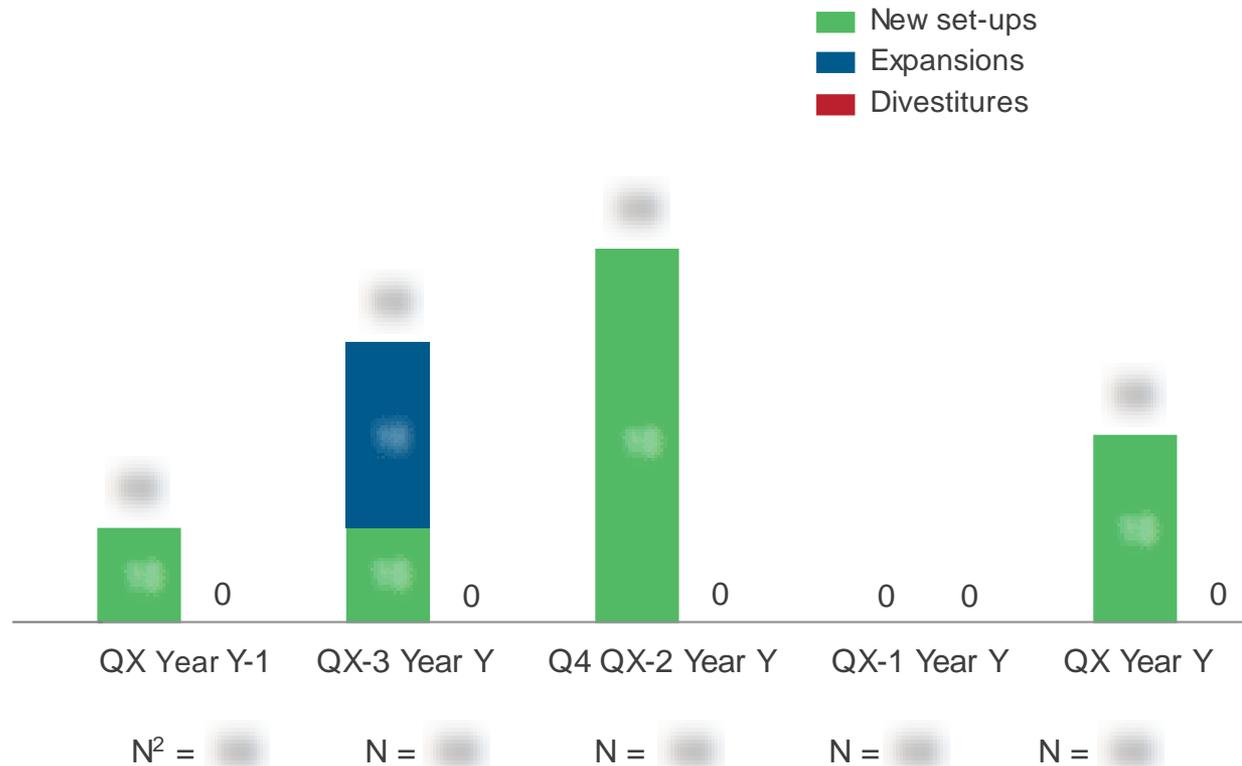
Source: Everest Group Transaction Intelligence Database

# 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 health<sup>1</sup>

Number of GICs



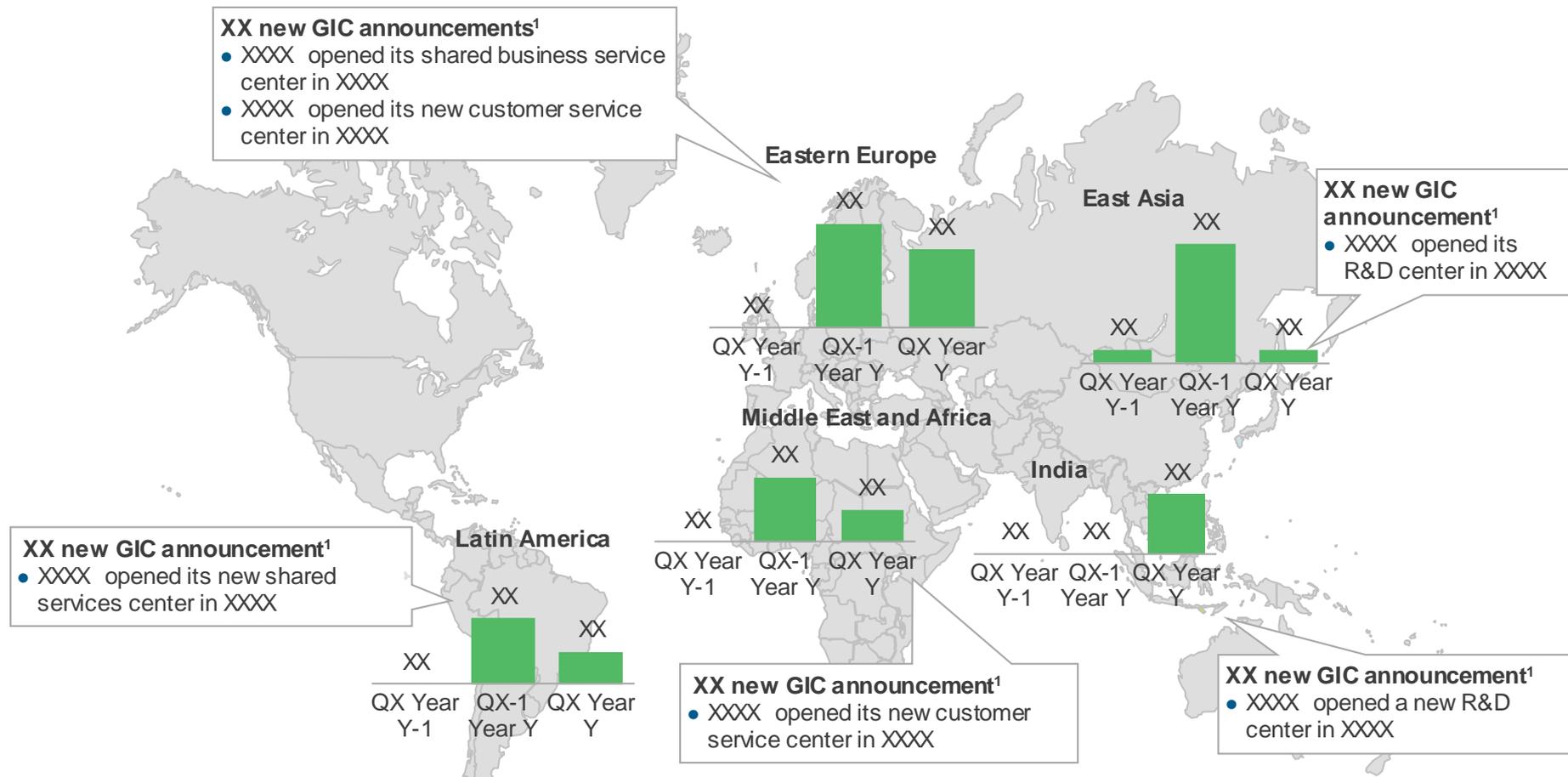
- There were XX new GIC announcements in the quarter
- Some well-known companies that made GIC announcements included XX, YY, and ZZ
- XX GIC divestitures were announced in this quarter

<sup>1</sup> Only includes data that has been publicly disclosed  
<sup>2</sup> N = Number of GIC announcements in the quarter, across all industries

Source: Everest Group (2017)

# GIC set-ups<sup>1</sup> | By region

## GIC activity was concentrated in XXXX and XXXX

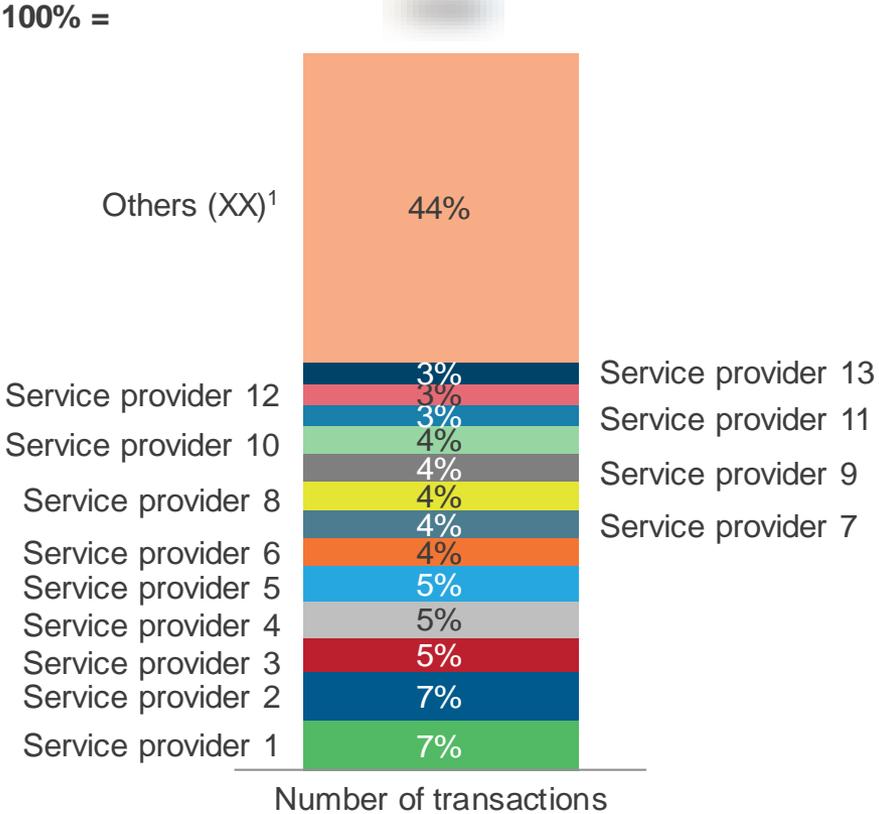


<sup>1</sup> Indicates announcements related to actual GICs set-ups and expansions  
 Note: All references to GICs include only offshore GICs  
 Source: Everest Group analysis

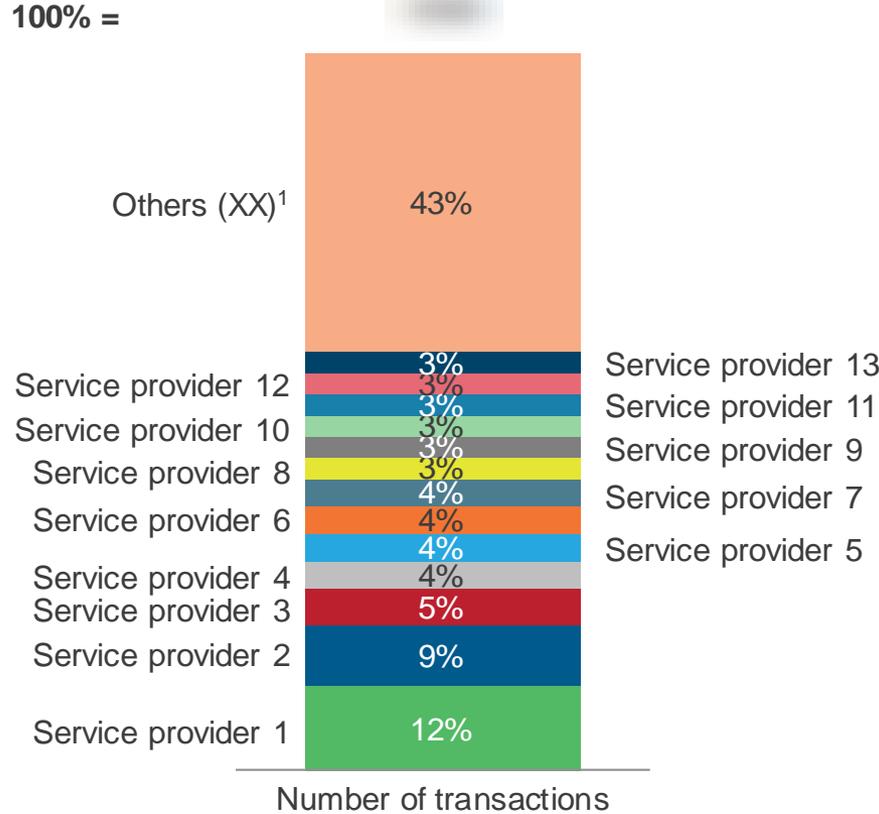
# Section III: Service provider activity and deal information

## Share of service providers in transaction activity

**Share of service providers in transactions**  
 QX Year Y; Number of transactions



**Share of service providers in transactions**  
 Year Y-1; Number of transactions



<sup>1</sup> 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

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

# Appendix: Additional research references

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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™: Q1 2017** ([EGR-2017-8-R-2091](#)); 2017. 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 Q1 2017**; 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](#)); 2017. 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

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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](http://www.everestgrp.com).

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