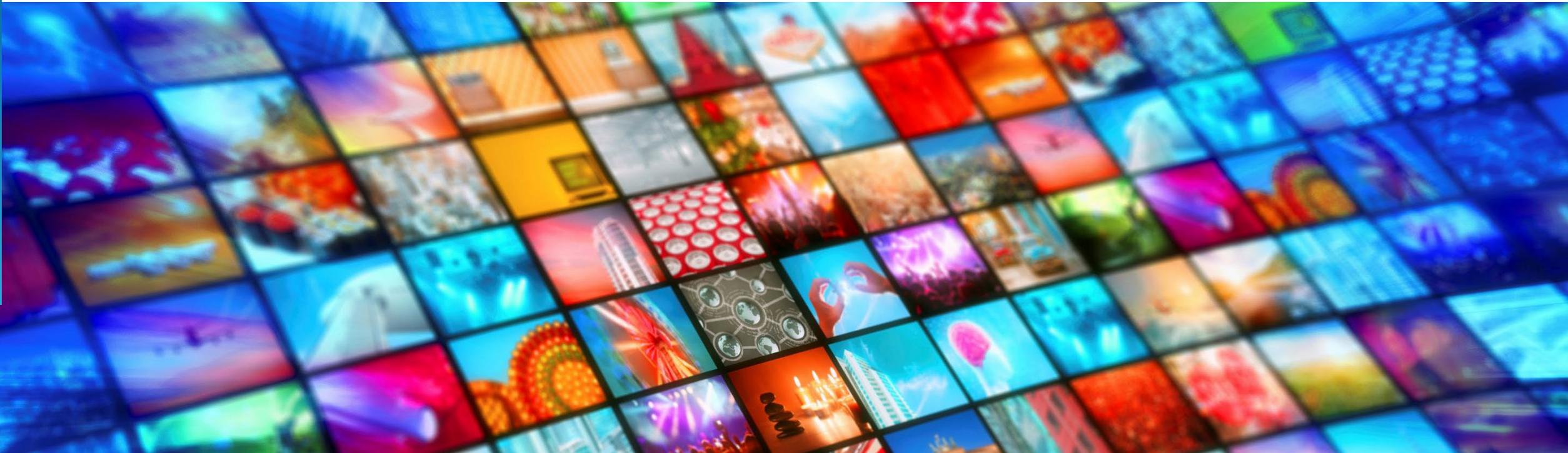


Key Issues for 2024: Creating Accelerated Value in a Dynamic World

Enterprise Perspective

January 2024: Complimentary Abstract / Table of Contents



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Introduction

Background of the research

2024 calls for businesses to focus on achieving heightened efficiency while operating with leaner resources, prioritizing revenue growth through streamlined efforts and cost-reduction strategies. While the looming fear of challenging macroeconomic conditions and geopolitical adversities persists, enterprises maintain a positive outlook on the transformative potential of emerging technology and evolving consumer behavior. While the global IT-BP services industry is expected to see modest growth, the GBS model is gaining traction. This evolving paradigm continually challenges service providers to meet ever-evolving enterprise anticipations. Productivity and resilience are set to take center stage in the technological landscape, with cautious progress in gen AI adoption despite high interest. This report provides perspectives on how leading global enterprises have been impacted in 2023 and are planning to deliver accelerated value in a dynamic world.

Methodology

Our global services market Key Issues research is based on annual surveys that capture the pulse of the market on key aspects of the global sourcing industry. This report presents the results of a study we conducted in October and November of 2023, with senior stakeholders from global enterprises across multiple departments to understand their thoughts as they undertook planning for 2024.

Report focus

- Top business challenges and critical business model changes in 2024
- Outlook and priorities for 2024
- Key themes defining the IT-BP industry during these uncertain times
- Anticipated changes to service provider portfolios and key service provider-related challenges and priorities

Scope of this report



Geography
Global



Industry
Cross-industry



Services
IT and business process
services

Summary of key messages



2024 will be the year of doing more with less

Capitalize on a global service delivery model for both volume and value



While growth in the global IT-BP services industry will be muted, the GBS model will have higher traction

Leverage new business models to accelerate GBS' benefits realization



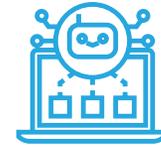
Offshore locations are expected to experience higher headcount growth than onshore and nearshore locations

Leverage the stabilization in the talent war as an opportunity to access high-quality talent at affordable rates



Continually evolving enterprise expectations will keep providers on their toes, with the bill rates likely to remain flat

Seize opportunities in a buyers' market; however, prioritize value over bargains



Productivity and resilience will be the key drivers for technology in 2024; despite high interest, gen AI adoption will be measured

Plan for gen AI with the awareness that we tend to overestimate the effect of a technology in the short run and underestimate it in the long run

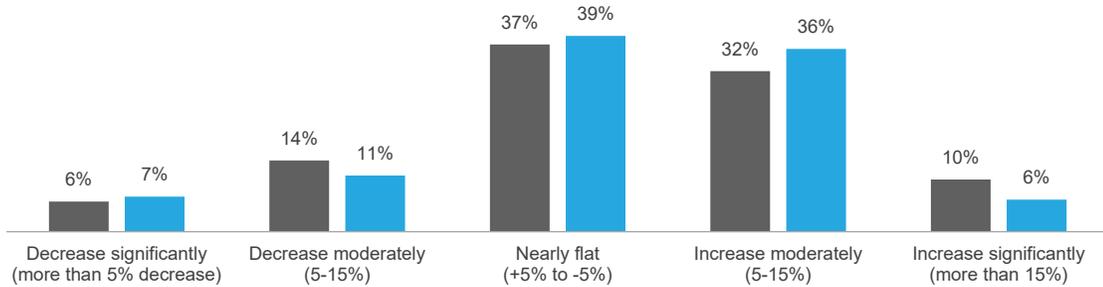
This reports offers insights into how leading enterprises have been impacted in 2023 and are planning to accelerate value as 2024 unfolds

Despite macroeconomic uncertainty, industry expects to remain resilient

Expected change to global services (outsourcing and GBS) budget in 2024

Percentage of enterprise respondents

2023 2024



Source: Everest Group Key Issues Studies 2024 and 2023

Enterprises continue to embrace the optimization wave in 2024

Top business priorities going into 2024

Percentage of respondents selecting as key priority



Key LEVERS that will be prioritized to achieve business goals include

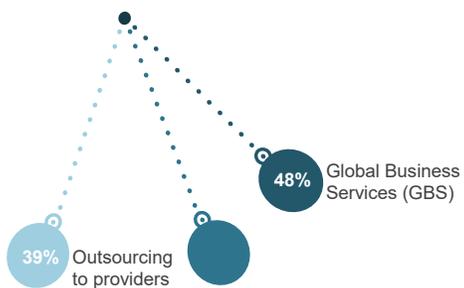
- Technology modernization/upgrade
- Data analytics and insights utilization
- Process optimization and operational efficiency

Source: Everest Group 2024 Key Issues Study

Enterprises are pivoting towards GBS model

Expected shift in sourcing model

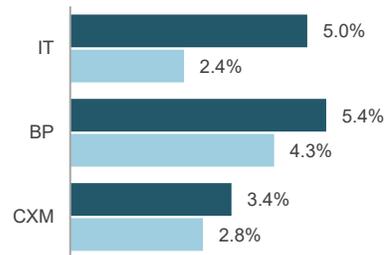
Based on percentage of respondents expecting an increase across different sourcing models



Expected change in demand by sourcing model across functions

Based on percentage of respondents expecting a change

Outsourcing to providers Global Business Services (GBS)



Source: Everest Group Key Issues Studies 2024 and 2023

Gen AI to witness cautious adoption

Top digital/next-generation investments for the next 6-12 months

Ranking based on percentage of respondents selecting as high priority

Growth in spend

Low (2 to 3%) Moderate (4 to 5%) Significant (more than 6%)

	Cybersecurity	Cloud solutions	Advanced automation, cognitive	Big data analytics	Generative AI
2024 rank	1	2	3	4	5
2023 rank	2	1	4	3	New addition in 2024
Expected growth in spend	Moderate	Low	Moderate	Moderate	Significant

Source: Everest Group Key Issues Studies 2024 and 2023

Research calendar

Market Vista™

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
Market Vista™: Industry Insights – Healthcare	October 2022
Market Vista™: Industry Insights – Retail and CPG	December 2022
Market Vista™: Q1 2023	March 2023
Market Vista™: 2022 Year in Review and Outlook for 2023	April 2023
2023 Key Issues in Global Sourcing	April 2023
Market Vista™: Q2 2023	June 2023
Market Vista™: Industry Insights – Oil and Gas	June 2023
Market Vista™: Q3 2023	September 2023
Market Vista™: Industry Insights – Life Sciences	December 2023
Market Vista™: Q4 2023	December 2023
Key Issues for 2024: Creating Accelerated Value in a Dynamic World – Enterprise Perspective	January 2024
Market Vista™: 2023 Year in Review and Outlook for 2024	Q1 2024
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