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**Recruitment Process Outsourcing (RPO)
Report: July 2011 – Preview Deck**

**Topic: Multi-Country Recruitment Process
Outsourcing: Hype vs. Reality**

Background and scope of the research

Background of the research

Historically, companies outsourced recruitment locally. Today, increasing number of multi-national companies realize that an integrated approach, across multiple countries of operations, has the potential to provide better management insight and control, provide access to the best talent at the global level, and at the same time help achieve the cost-reduction objectives through standardization and centralization. Hence, the heightened interest in Multi-Country Recruitment Process Outsourcing (RPO). However, there are some practical challenges that both buyers and service providers need to overcome to accelerate the adoption levels and realize its full potential.

In this research study, we analyze the multi-country RPO market across various dimensions:
- Market overview and key business drivers
- Buyer adoption
- Solution and transaction characteristics
- Service provider landscape

The scope of analysis includes RPO:
- Deals with a **minimum of four or more recruitment processes**
- Deals with **at least one year in deal length**
- Deals that are **not limited to temporary hires only**
- Deals covering **two or more countries**
- Service providers offering **stand-alone RPO services**

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Overview and abbreviated summary of key messages
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This research report provides a comprehensive coverage of the multi-country RPO market and analyzes it across various dimensions such as market overview and key business drivers, buyer adoption trends, transaction characteristics, and service provider landscape.

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

Market overview and key business drivers

- From a multi-country outsourcing maturity perspective, recruitment lags behind mature, stand-alone HR process outsourcing markets such as payroll
- Beyond cost reduction, a number of strategic considerations such as access to global talent, better management control and insight, and standardization are driving interest in multi-country RPO

Buyer adoption

- The origin of multi-country RPO deals is more broad-based now, with nearly half of such deals originating outside of North America
- Buyers include EMEA nearly as frequently as they include North America in multi-country RPO deals
- Besides developed economies such as the U.S., various West European countries, Japan, and Australia, buyers frequently include some of the emerging economies such as India, China, Brazil, and Russia in multi-country RPO deals

Solution and transaction characteristics

- There are three delivery models in multi-country RPO – centralized, hub-and-spoke, and de-centralized model; each with certain pros and cons. Hub-and-spoke model has more traction
- Compared to single-country RPO, a higher percentage of multi-county RPO deals leverage offshoring

Service provider landscape

- There is a stiff competition among the service providers in terms of number of deals signed and annual number of hires managed through multi-country RPO deals
- Several service providers enjoy success in the regional RPO space, however, only a few service providers have significant market share in the global RPO space
- Different service providers have varying degree of success in the different regions, underscoring the existence of regional leadership positions
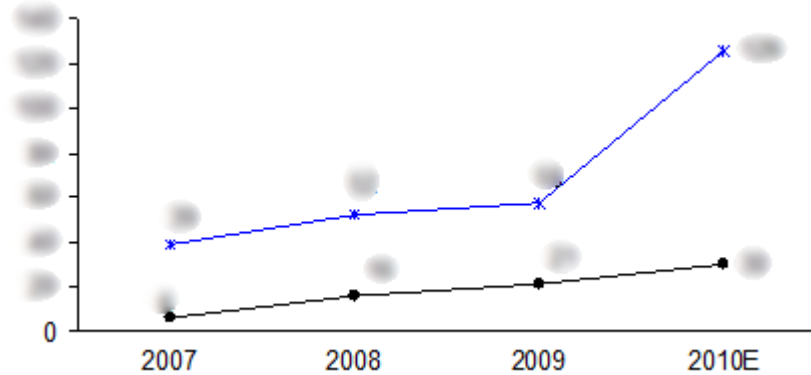
This study offers four distinct chapters providing a deep dive into key aspects of the multi-country RPO market; below are four charts to illustrate the depth of the report

Market growth

Growth curve of new-deal activity
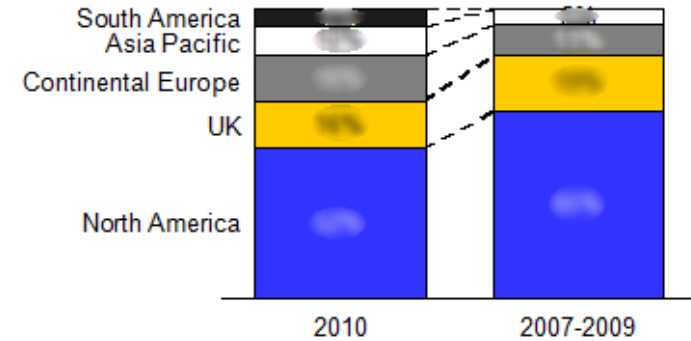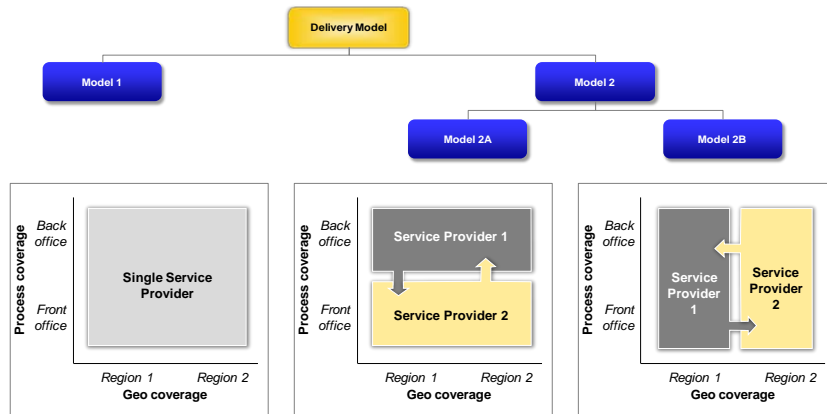Number of deals

- ✳ RPO overall
- ● Multi- country RPO

2007   2008   2009   2010E

Buyer adoption

Multi-country RPO by signing region
Number of deals

100% =

- South America
- Asia Pacific
- Continental Europe
- UK
- North America

2010   2007-2009

Delivery model

Delivery Model

Model 1   Model 2

Model 2A   Model 2B

Single Service Provider
Process coverage — Back office / Front office
Region 1   Region 2
Geo coverage

Service Provider 1
Service Provider 2
Process coverage — Back office / Front office
Region 1   Region 2
Geo coverage

Service Provider 1
Service Provider 2
Process coverage — Back office / Front office
Region 1   Region 2
Geo coverage

Service provider market success

Comparison of service providers in multi-country RPO deals with Europe in scope

Europe
Average number of countries per deal

- Service provider I
- Service provider H   Service provider G
- Service provider E   Service provider D
- Service provider F
- Service provider C
- Service provider B
- Service provider A

Number of deals
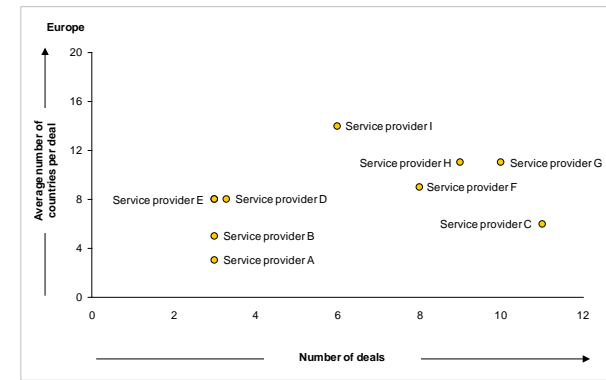
Source: Everest Group (2011)

Additional RPO research recommendations

The recommended documents either provide additional details on the topic or complementary content which may be of interest

1. **RPO – Service Provider Landscape and Capability Assessment** (ERI-2011-3-R-0488); 2011. This report examines the dynamics of the global RPO service provider landscape and its impact on the RPO market. It gives an overview of the market and the service providers, analyzes the key areas in which service providers are creating a differentiation for themselves, and provides a comparative assessment of delivery capabilities of 23 leading RPO service providers. These include: Accenture, Adecco, AMS, Aon Hewitt, Caliber Point, CDI World Concert, Futurestep, Hays, Hudson, hyphen, IBM, Infosys, KellyOCG, Kenexa, Manpower, Ochre House, PeopleScout, Pinstripe, SourceRight Solutions, Talent2, The RightThing, Wipro, and Yoh

2. **Mapping onto the Workforce of Tomorrow: How RPO Can Play a Role** (ERI-2010-3-W-0459); 2010. This report highlights the role that RPO can play in creating the workforce of tomorrow. It looks at the current value proposition of RPO, suggests ways of advancing the value proposition, and highlights the business and strategic impact that RPO can create

3. **Recruitment Process Outsourcing (RPO) Annual Report 2010 – "A Year of Rapid Growth and Intense Competition"** (ERI-2010-3-R-0487); 2010. This research report provides a comprehensive coverage of the 2010 RPO market and analyzes it across various dimensions such as market overview and key business drivers, buyer adoption trends, transaction characteristics, and service provider landscape. It also includes predictions for the 2011 RPO market

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

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