



Recruitment Process Outsourcing (RPO) Annual Report 2018: Orchestrating the Digital Talent Acquisition Symphony

Recruitment Process Outsourcing (RPO)

Annual Report – July 2018: Complimentary Abstract / Table of Contents

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

- Everest Group's proprietary database of **~2,500 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

- Everest Group's proprietary database of **operational capability of 21+ 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

- 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

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 activity in the last five years
- The sample size varies for different analyses based on the deal detail availability.

Service providers covered in detail in the analyses



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
The source of all content is Everest Group unless otherwise specified

Overview and abbreviated summary of key messages

This report examines the global 2017 RPO market landscape and the trends being witnessed. It focuses on evolving RPO value proposition, market overview, key trends, solution characteristics, buyer adoption trends and digital in talent acquisition.

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

Evolving RPO Value proposition

- Traditional benefits from leveraging RPO, such as flexibility/scalability, cost reduction, variable cost structure, and process improvement continue to drive the adoption of RPO among first generation buyers
- However, enterprises still continue to face significant challenges in the TA space

RPO market overview

- The RPO market is one of the fastest growing outsourcing markets in the world today with growth hovering above 15% consistently for the past 3 years
- Even as the RPO market has matured in certain regions, growth has remained high due to the entry of smaller buyers as well as newer industries into the market

RPO solution scope and buyer characteristics

- Talent consulting services are becoming more important as they provide a strategic client engagement that helps in creating a further downstream outsourcing opportunity
- Total Talent Management (TTM) is increasingly getting a prominent place in the discussion around the talent needs of enterprises. While still in its early stages, service providers would do well to develop TTM capabilities with an eye on the future

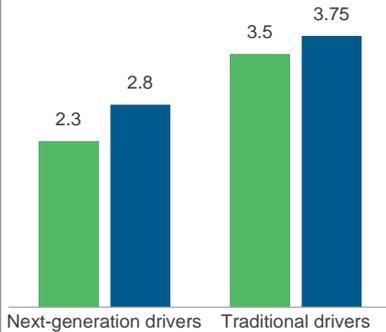
Digital in Talent Acquisition

- The technology model used in RPO is slowly evolving in line with the next-generation digital drivers
- Next-generation technologies have a huge potential to digitalize over 50% of all TA tasks that are currently performed manually

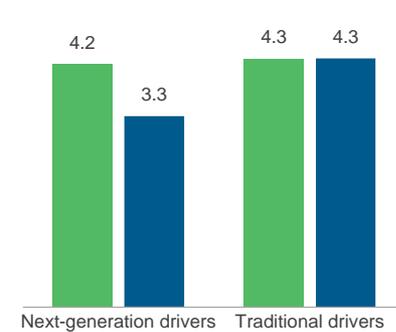
This study offers four distinct chapters providing a deep dive into key aspects of RPO market; below are four charts to illustrate the depth of the report

Importance and satisfaction of different RPO drivers

Level of importance for different drivers
2015-2018; Ratings on a scale of 1 to 5

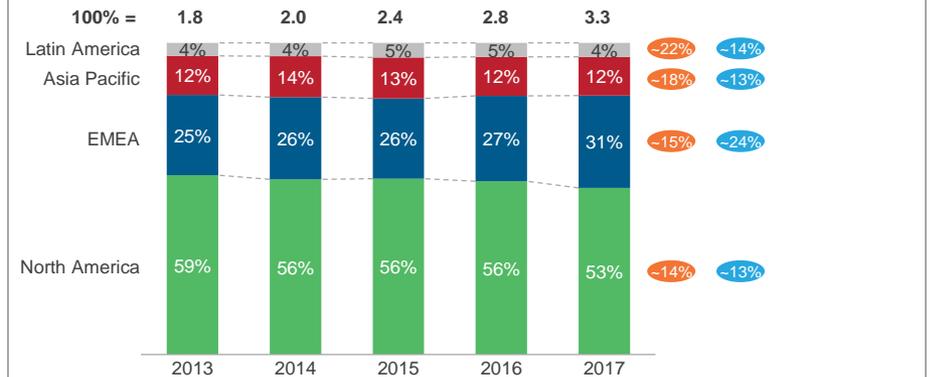


Buyers' satisfaction with service providers
2015-2018; Ratings on a scale of 1 to 5



Regional growth

RPO market size by geography
US\$ billion

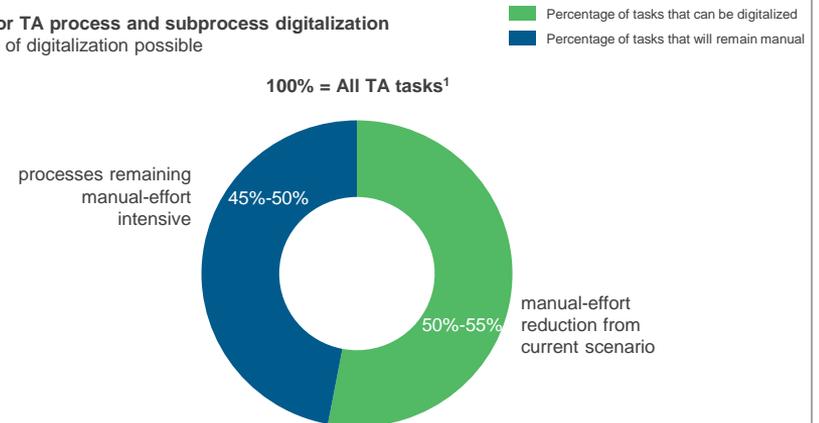


Challenges in TTA Adoption



Digitalization potential in TA

Potential for TA process and subprocess digitalization
Percentage of digitalization possible



Research calendar – Recruitment Process Outsourcing (RPO)

Published
 Planned
 Current release

Flagship RPO reports

Release date

Recruitment Process Outsourcing – Annual Report 2017.....	June 2017
"RPO Buyers are Satisfied" – Truth or Myth?.....	June 2017
Recruitment Process Outsourcing: Service Provider Landscape with PEAK Matrix™ Assessment 2017 – Asia Pacific.....	September 2017
Recruitment Process Outsourcing (RPO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018.....	April 2018
Recruitment Process Outsourcing (RPO) – Service Provider Profile Compendium 2018.....	June 2018
Recruitment Process Outsourcing (RPO) Annual Report 2018: Orchestrating the Digital Talent Acquisition Symphony	July 2018
Recruitment Process Outsourcing: Service Provider Landscape with PEAK Matrix™ Assessment 2018 – Europe	Q3 2018
Recruitment Process Outsourcing: Service Provider Landscape with PEAK Matrix™ Assessment 2018 – MCRPO.....	Q3 2018

Thematic RPO reports

Patient Care to Talent Care: Optimizing Talent Acquisition in Healthcare through Holistic Talent Management	March 2017
Enterprise Total Talent Acquisition (ETTA) – The Future-Ready Talent Approach	May 2017
Digital Technologies: The Next Frontier in Talent Acquisition	December 2017
Reimagining Talent Acquisition in a Digital-First Era	March 2018
Digital Startups in Talent Acquisition	Q3 2018
Mega RPO deals	Q3 2018

Note: For a list of all RPO reports published by us, please refer to our [website page](#)

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 or complementary content that may be of interest.

- 1. Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2018** ([EGR-2018-26-R-2610](#)); The global RPO market witnessed good traction in 2017 with over 250 new contracts signed. While the North American RPO slowed down a bit as compared to the previous year, there was a considerable up-tick in the EMEA RPO market. As the RPO model gains maturity, the marketplace is witnessing the entry of hither-to unknown buyers. Industries such as retail and healthcare & pharma as well as small-sized buyers (<3,000 FTEs) are entering the market in increasing numbers leading to newer avenue to tap for service providers
- 2. Recruitment Process Outsourcing (RPO) Annual Report 2017 – Strategic Value Creation in a Rapidly Evolving Market** ([EGR-2017-3-R-2236](#)); 2017. Recruitment Process Outsourcing (RPO) continued its momentum and grew at 16% to touch the US\$2.8 billion mark in annual revenue in 2016. This research provides comprehensive coverage of the market across dimensions such as market overview, key business drivers, buyer adoption trends, solution & transaction trends, and service provider landscape
- 3. Digital Technologies: The Next Frontier in Talent Acquisition** ([EGR-2017-3-V-2457](#)); 2017. The global services industry is undergoing a tremendous change from a receding arbitrage-first to a fast-growing digital-first model. The impact of such a transformation is being felt by every business function; HR and Talent Acquisition (TA) is no exception. The paper reviews evolution and relative maturity of different next-generation technologies – their current and future applications, factors fueling the growth of digital in TA, including the key outcomes of next-generation digital technologies, among others

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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 empower 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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