



**Global Sourcing (GS)**

**Market Vista Q2 2011 – Preview Deck**

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- **Product overview**
- Illustrative contents

# The increasing complexity of the outsourcing market has amplified the risk exposure for companies

## Factors driving increased risk

### Vendor and model proliferation

Multiple service providers and business models

### Large span of functions

Typically combination of many IT, BPO and some KPO services

### Increasing scope

Significant proportion of operations now in low cost locations

### Global delivery chain

Services often delivered from multiple locations with diverse risk footprint

### Dynamic economies

Most delivery locations are emerging economies going through rapid change

## Examples of risks

### Regulatory risk

Ensuring compliance with regulatory guidelines in source and destination countries across service providers

### Business case risk

Managing wage inflation without affecting quality of service

### Performance risk

Managing quality of service delivery, attrition, knowledge retention

### Data security and

intellectual property risk  
Implementing measures to safeguard data and intellectual property

### Concentration risk

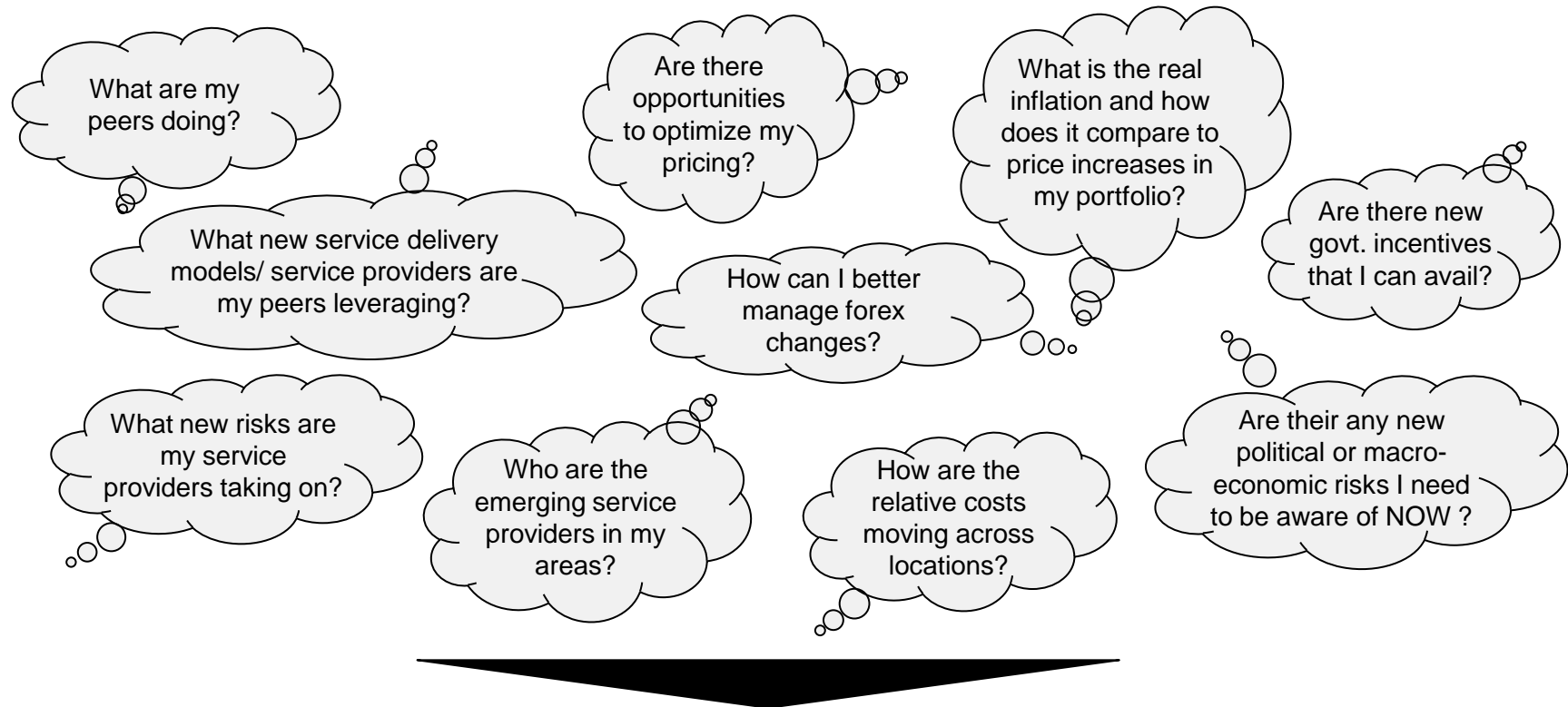
### Business continuity risk

### Currency risk

....

**Most large companies have capabilities in global risk management. However, the level and type of risk exposure that is emerging from the globalization of services is unprecedented**

# Sourcing leaders are being asked to manage risks associated with global sourcing and support the delivery of transformational results



## Key decisions that Sourcing managers need to support

- Comparison with peers
- Location risk management
- service provider selection and optimization
- Design of new deals
- Price benchmarking and contract renewals

# Market Vista provides continuously updated facts and analysis every quarter to enable effective management of global services portfolios

Each quarterly Market Vista report captures developments across three key areas

1

## Market overview

- Outsourcing transactions trends
  - Transaction analysis – By function, geography, deal size and duration, etc.
  - Transaction analysis by industry verticals (more details in Industry Trends reports)
  - Listing of major IT/BPO outsourcing deals
  - Large offshore deals
- Captives analysis
  - New captive set-ups, divestures
  - Plans for captive set-ups and expansion

2

## Location trends and risks

- Key location developments
  - Establishment of new offshore delivery centers
- Risk dashboard capturing key current and emerging risks
  - Geo-political / economic changes
  - Government initiatives
- Quarterly focus – Fact-base on one region
  - Sustainability of arbitrage
  - Operating costs across key cities, inflation rates, and currency trends

3

## Service provider developments

- Key developments among 20 leading global service providers
  - Financial performance
  - Transaction activity
  - Changes in delivery footprint
  - M&A and alliance activity
- Detailed profiles for each player capturing key developments across dimensions

# Additional Market Vista deliverables

## Global Location Insights newsletter



**4-6  
published  
every year**

- E-newsletter published every 2 months
- Recent topics included
  - China's offshore maturity
  - Buyer's offshoring plans
  - Brazil's offshore maturity
  - Impact of forex on arbitrage

## Breaking Viewpoints on key developments



**8-10  
published  
every year**

- Event/theme based e-briefings
- Recent topics included
  - Perspective on M&A events (Atos-Siemens IT, iGate-Patni, Wipro-SAIC's Oil & Gas IT Business)
  - Impact of political turmoil in Egypt and Tunisia

## Market Vista Primers



**4-5  
published  
every year**

- Published every quarter
- Recent topics included
  - Indian IT service provider landscape
  - Contact center service providers in Latin America
  - French language service providers in EMEA

- Product overview
- **Illustrative contents**

# Each section of the quarterly report comprises 30+ pages of insight and data

## Illustrative Table of Contents (page 1 of 2)

Topic	Page no.
<b>Section I A: Outsourcing transaction trends</b>	<b>I-3</b>
■ Outsourcing transactions analysis by function	I-4
■ Outsourcing transactions analysis by industry vertical	I-6
■ Outsourcing transactions analysis by geography	I-8
■ Outsourcing transactions analysis by deal type	I-10
■ Outsourcing transaction trends by function	I-13
■ Major deals in Q2 2011	I-17
■ Examples of large offshore deals	I-21
<b>Section I B: Captive market trends</b>	<b>I-22</b>
■ Captive set ups by vertical	I-23
■ Captive set ups by region	I-24
■ Captive development data (actual)	I-25
■ Captive planned by region	I-32
■ Captive development data (planned)	I-33
■ Captive closure	I-37
<b>Section II A: Trend analysis – Risk and opportunity dashboard and analysis</b>	<b>II-3</b>
■ Risk and opportunity dashboard	II-4
■ Risk and opportunity analysis	II-5

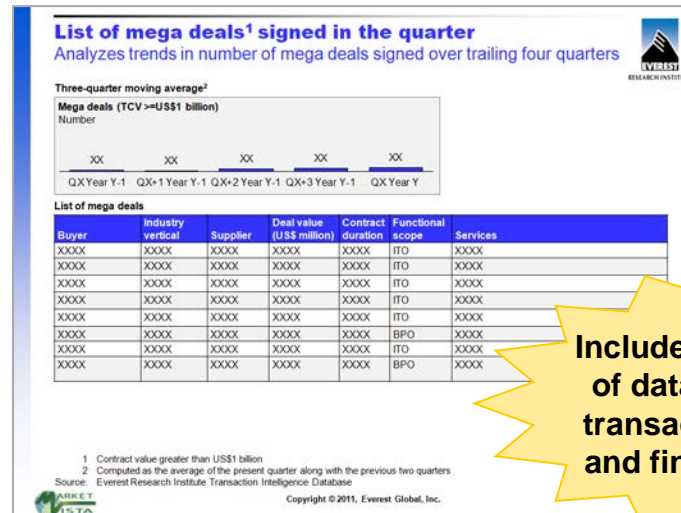
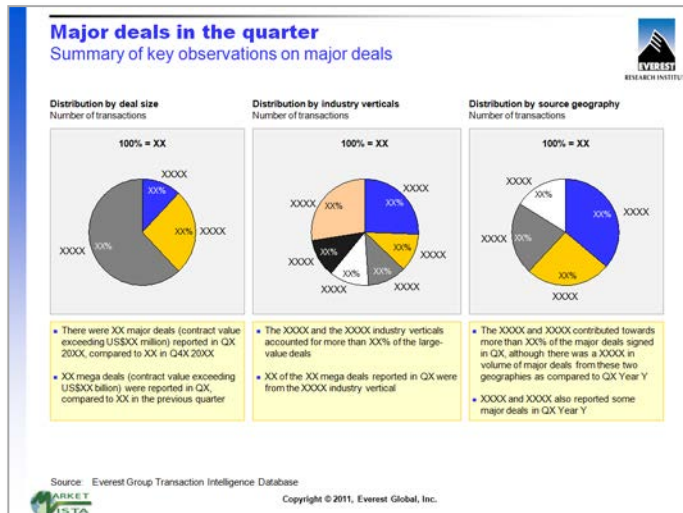
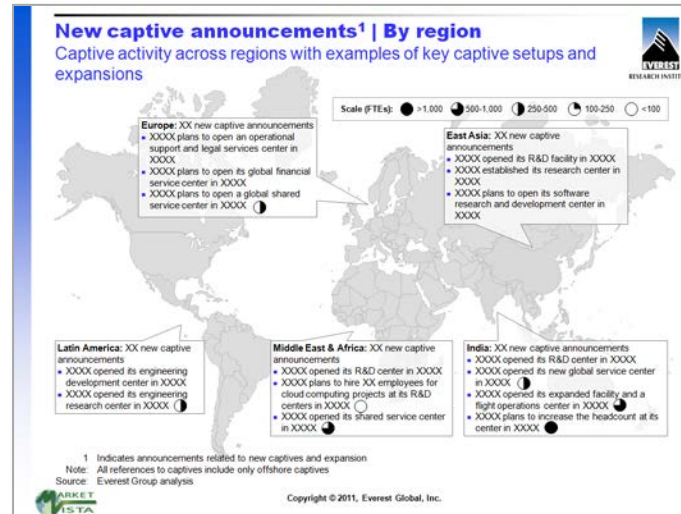
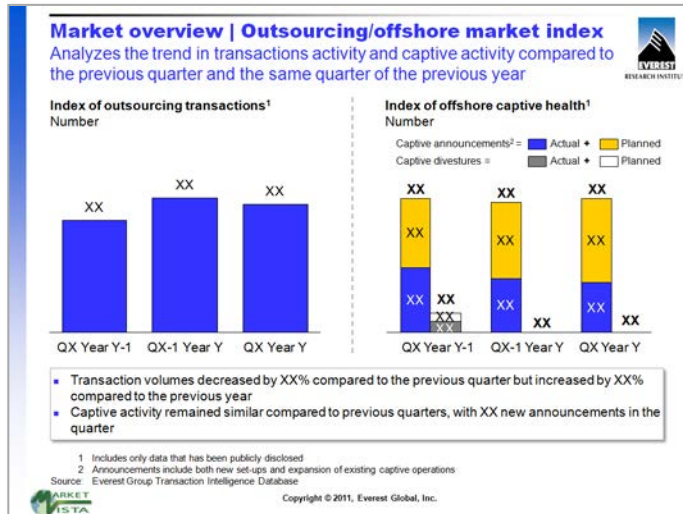
# Each section of the quarterly report comprises 30+ pages of insight and data

## Illustrative Table of Contents (page 2 of 2)

Topic	Page no.
<b>Section II B: Focus topic – Latin America</b>	<b>II-8</b>
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■ Operating costs	II-12
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■ Currency trends	II-15
<b>Section II C: Data snapshots</b>	<b>II-17</b>
■ Market activity: Delivery centers established in Q1 2011	II-18
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■ Regional developments: Geopolitical, macro-economic	II-29
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<b>Section III A: Trend analysis – Key developments across service providers</b>	<b>III-1</b>
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■ Recent M&A activity by service providers	III-19
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# Section I – Market section | Overview

## Captures outsourcing transactions trends, captive developments with an emphasis on large size contracts

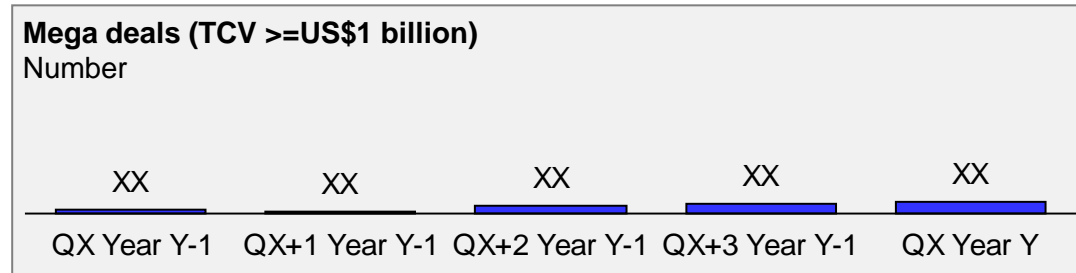


Includes over 15 pages of data tables across transactions, captives and financial services

# List of mega deals<sup>1</sup> signed in the quarter

## Analyzes trends in number of mega deals signed over trailing four quarters

### Three-quarter moving average<sup>2</sup>



### List of mega deals

Buyer	Industry vertical	Service provider	Deal value (US\$ million)	Contract duration	Functional scope	Services
Buyer 1	XXXX	XXXX	XXXX	XXXX	ITO	XXXX
Buyer 2	XXXX	XXXX	XXXX	XXXX	ITO	XXXX
Buyer 3	XXXX	XXXX	XXXX	XXXX	ITO	XXXX
Buyer 4	XXXX	XXXX	XXXX	XXXX	ITO	XXXX
Buyer 5	XXXX	XXXX	XXXX	XXXX	ITO	XXXX
Buyer 6	XXXX	XXXX	XXXX	XXXX	BPO	XXXX
Buyer 7	XXXX	XXXX	XXXX	XXXX	ITO	XXXX
Buyer 8	XXXX	XXXX	XXXX	XXXX	BPO	XXXX

1 Contract value greater than US\$1 billion

2 Computed as the average of the present quarter along with the previous two quarters

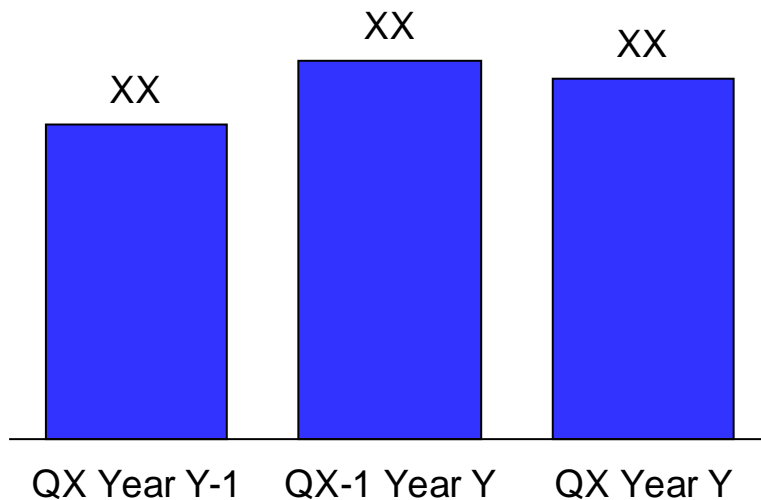
Source: Everest Group Transaction Intelligence Database

# Market overview | Outsourcing/offshore market index

Analyzes the trend in transactions activity and captive activity compared to the previous quarter and the same quarter of the previous year

## Index of outsourcing transactions<sup>1</sup>

Number

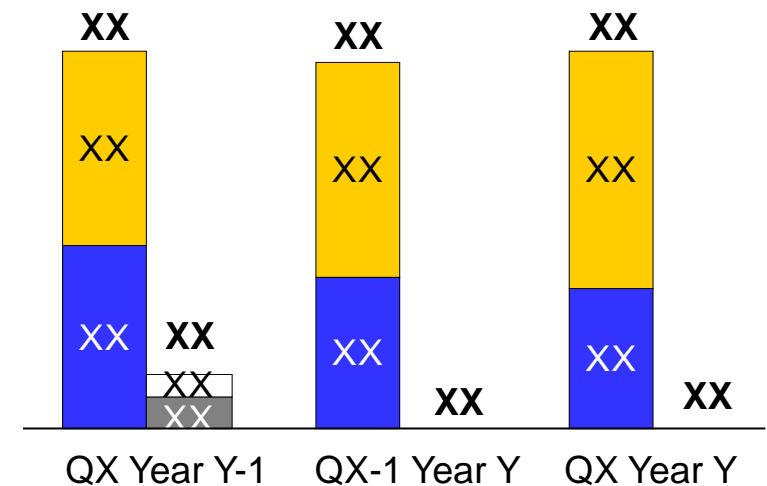


## Index of offshore captive health<sup>1</sup>

Number

Captive announcements<sup>2</sup> = ■ Actual + ■ Planned

Captive divestures = ■ Actual + ■ Planned



- Transaction volumes decreased by XX% compared to the previous quarter but increased by XX% compared to the previous year
- Captive activity remained similar compared to previous quarters, with XX new announcements in the quarter

<sup>1</sup> Includes only data that has been publicly disclosed

<sup>2</sup> Announcements include both new set-ups and expansion of existing captive operations

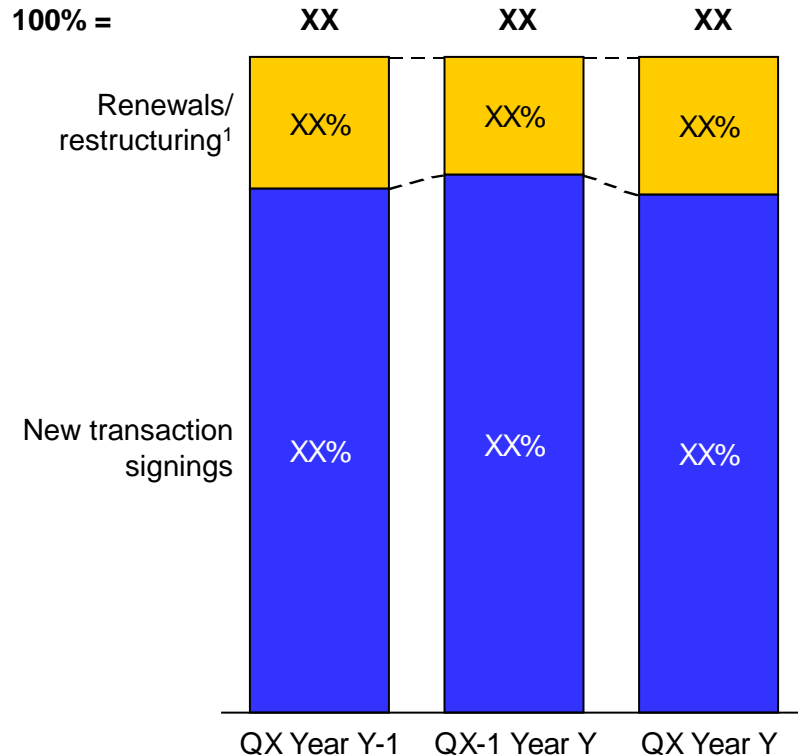
Source: Everest Group Transaction Intelligence Database

# Outsourcing transactions analysis | By deal type

Profiles the share of renewed/restructured deals compared to the previous quarter and the same quarter of the previous year

## Number of transactions by type

Number of transactions



## Major outsourcing transactions reaching the end of their contract duration over the next few months

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

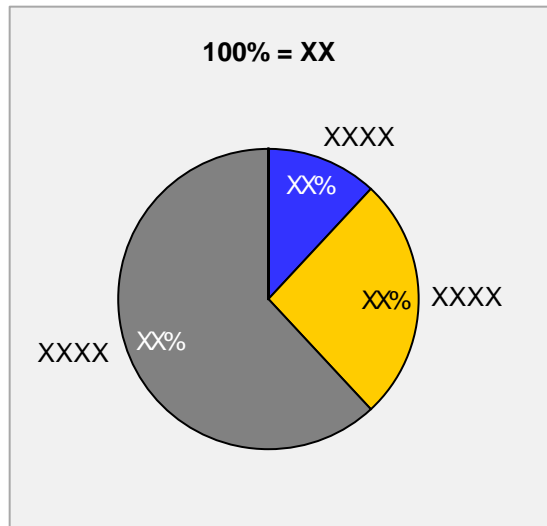
<sup>1</sup> Instances where the scope of existing contract was extended or expanded

Source: Everest Group Transaction Intelligence Database

# Major deals in the quarter

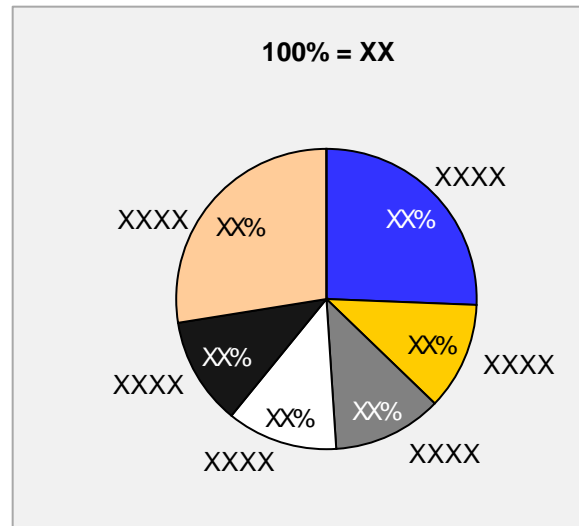
## Summary of key observations on major deals

**Distribution by deal size**  
Number of transactions



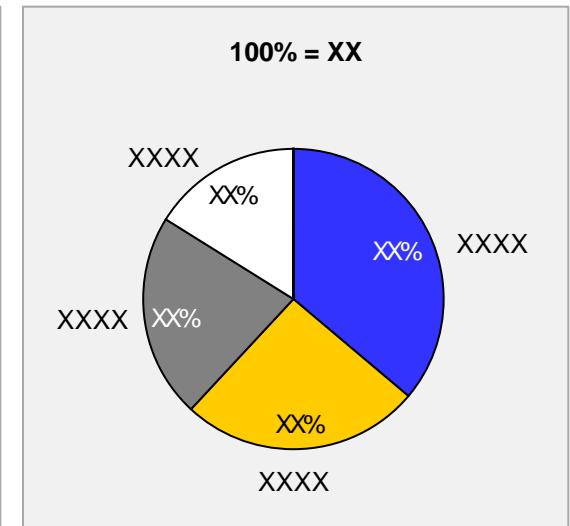
- There were XX major deals (contract value exceeding US\$XX million) reported in QX 20XX, compared to XX in Q4X 20XX
- XX mega deals (contract value exceeding US\$XX billion) were reported in QX, compared to XX in the previous quarter

**Distribution by industry verticals**  
Number of transactions



- The XXXX and the XXXX industry verticals accounted for more than XX% of the large-value deals
- XX of the XX mega deals reported in QX were from the XXXX industry vertical

**Distribution by source geography**  
Number of transactions

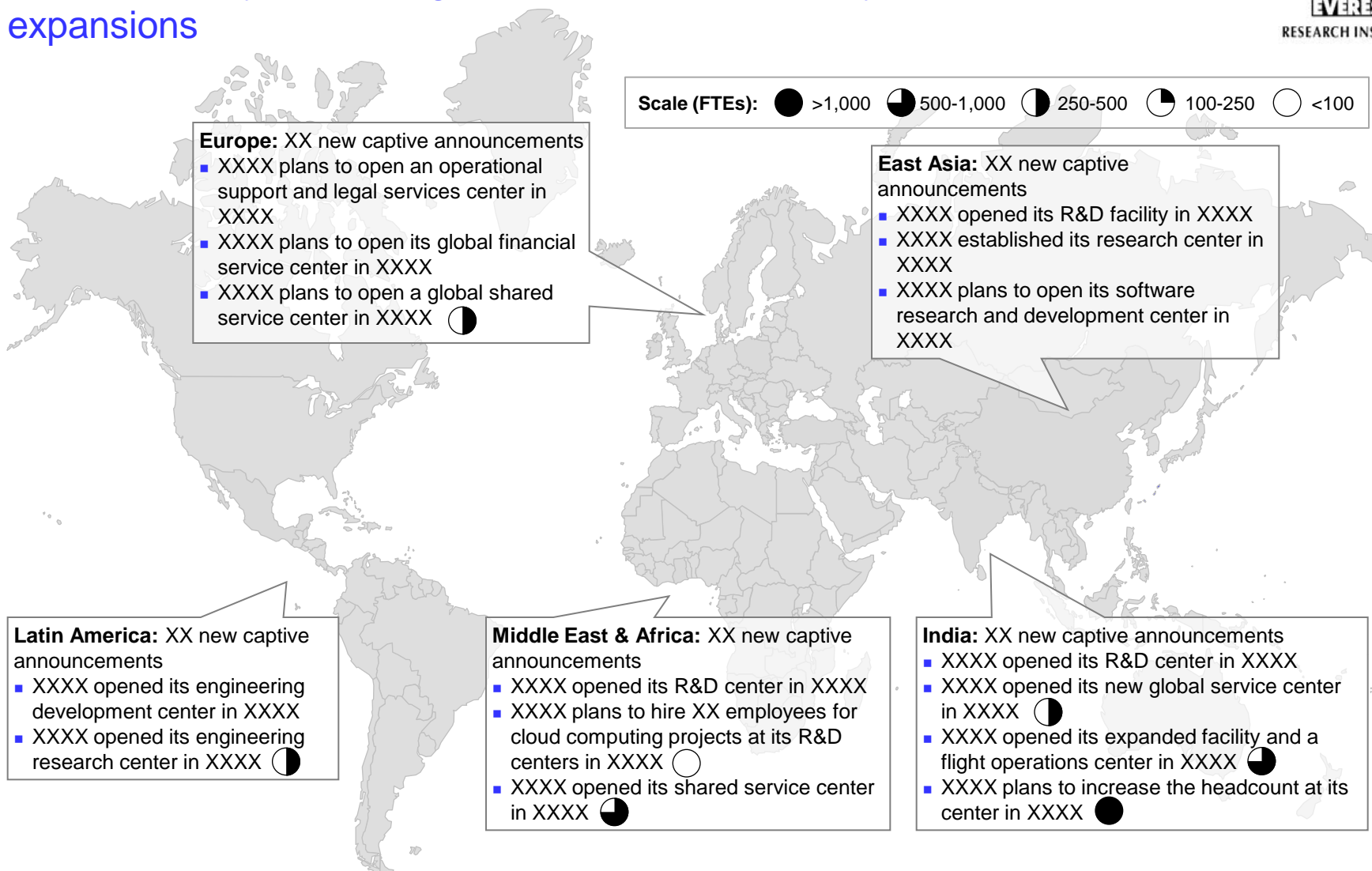


- The XXXX and XXXX contributed towards more than XX% of the major deals signed in QX, although there was a XXXX in volume of major deals from these two geographies as compared to QX Year Y
- XXXX and XXXX also reported some major deals in QX Year Y

Source: Everest Group Transaction Intelligence Database

# New captive announcements<sup>1</sup> | By region

Captive activity across regions with examples of key captive setups and expansions



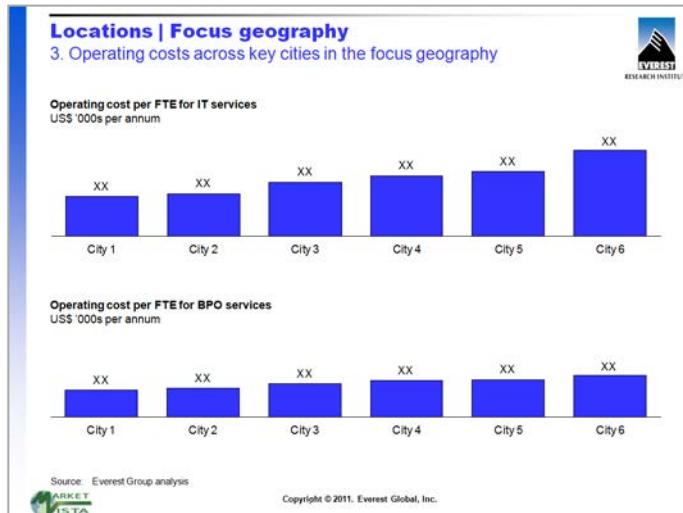
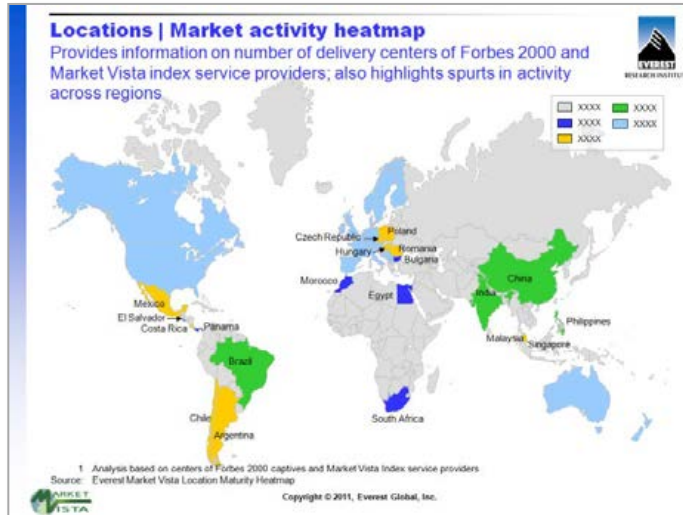
<sup>1</sup> Indicates announcements related to new captives and expansion

Note: All references to captives include only offshore captives

Source: Everest Group analysis

# Section II – Locations section | Overview

## Key developments and emerging risks and opportunities across locations



### Locations | Market activity data

Announcements of delivery centers established in the quarter (page 1 of 6)

Asia

Country	City	Month	Service provider/ captive	Number of FTEs	Other comments
China	XXXX	XXXX	XXXX	XXXX	XXXX
China	XXXX	XXXX	XXXX	XXXX	XXXX
China	XXXX	XXXX	XXXX	XXXX	XXXX
China	XXXX	XXXX	XXXX	XXXX	XXXX
India	XXXX	XXXX	XXXX	XXXX	XXXX
India	XXXX	XXXX	XXXX	XXXX	XXXX
Indonesia	XXXX	XXXX	XXXX	XXXX	XXXX
Malaysia	XXXX	XXXX	XXXX	XXXX	XXXX

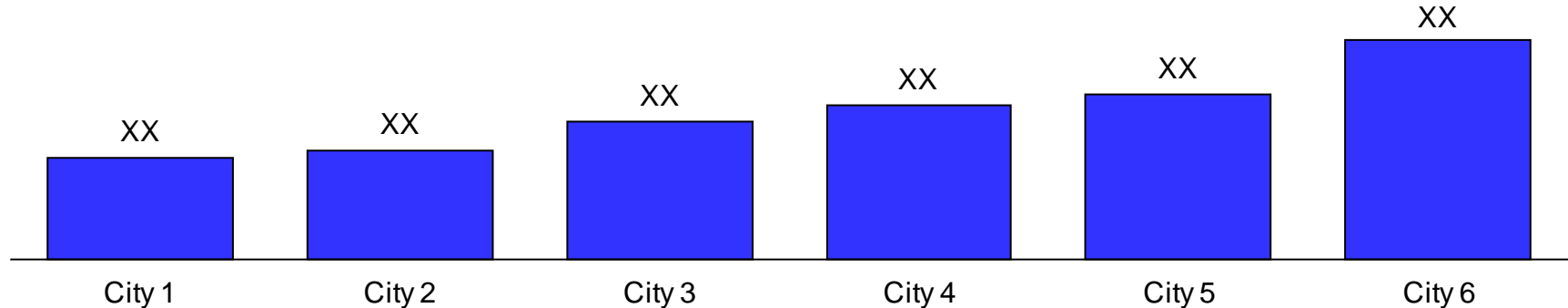
Source: Everest Group analysis  
Copyright © 2011, Everest Global, Inc.

Includes over 20 pages  
of data tables on  
market activity, costs,  
wage inflation, etc.

## 3 Operating costs across key cities in the focus geography

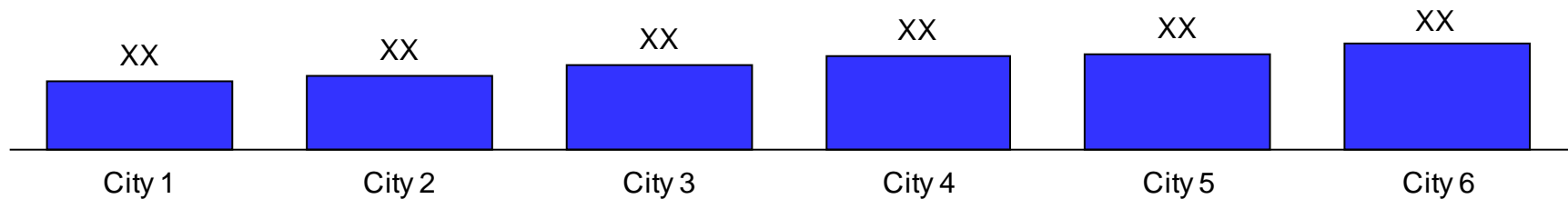
### Operating cost per FTE for IT services

US\$ '000s per annum



### Operating cost per FTE for BPO services

US\$ '000s per annum



Source: Everest Group analysis

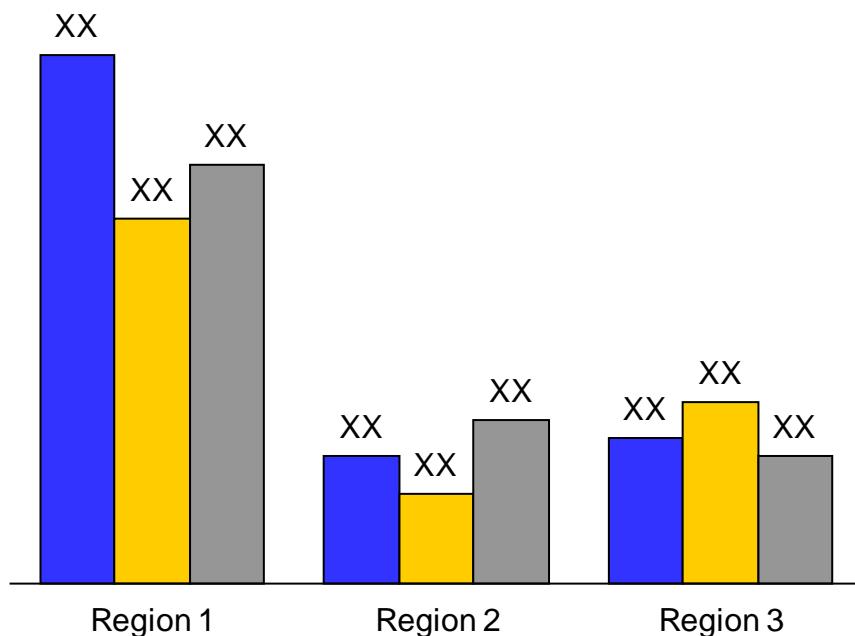
# Locations | Market activity index

Analyzes trends in activity across regions; also compares activity in Tier-1 cities and Tier-2 cities

■ QX Year Y-1 ■ QX Year Y ■ Year quarterly average

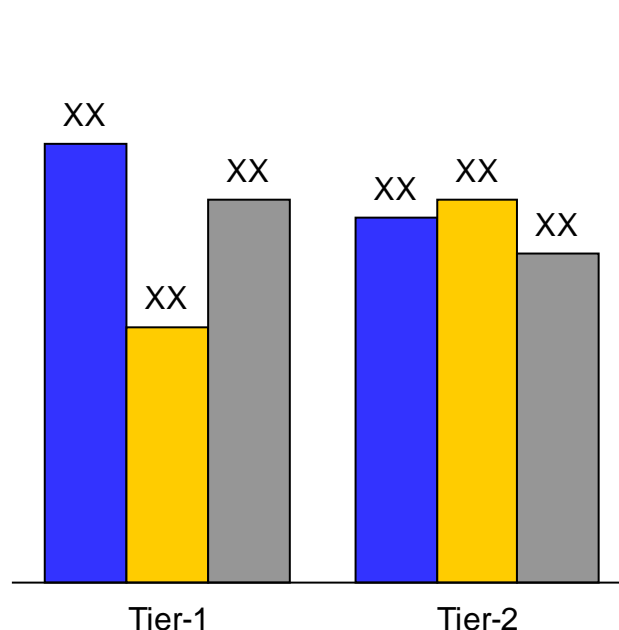
## Market activity across geographies

Number of service delivery centers set up



## Market activity across Tier-1 and Tier-2 locations

Number of service delivery centers set up

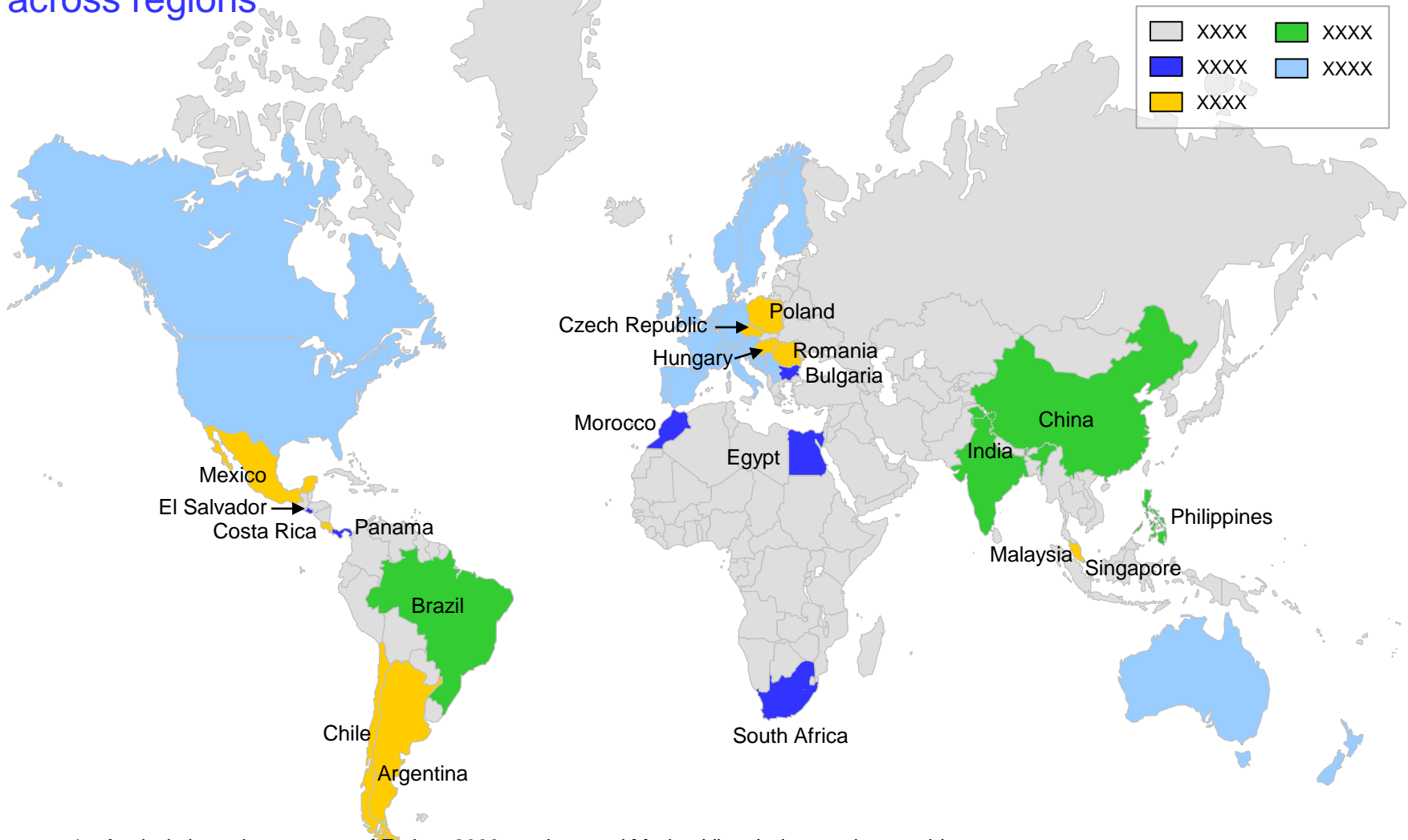


- XX delivery centers were set up during the first quarter of Year Y, which was XXXX than the last two quarters
- Activity dropped significantly in XXXX and XXXX. However, the number of delivery centers established in XXXX increased to a XX-month high
- Though players set up centers in both Tier-1 and Tier-2 locations, there was more activity in Tier-XX locations

Source: Everest Group analysis

# Locations | Market activity heatmap

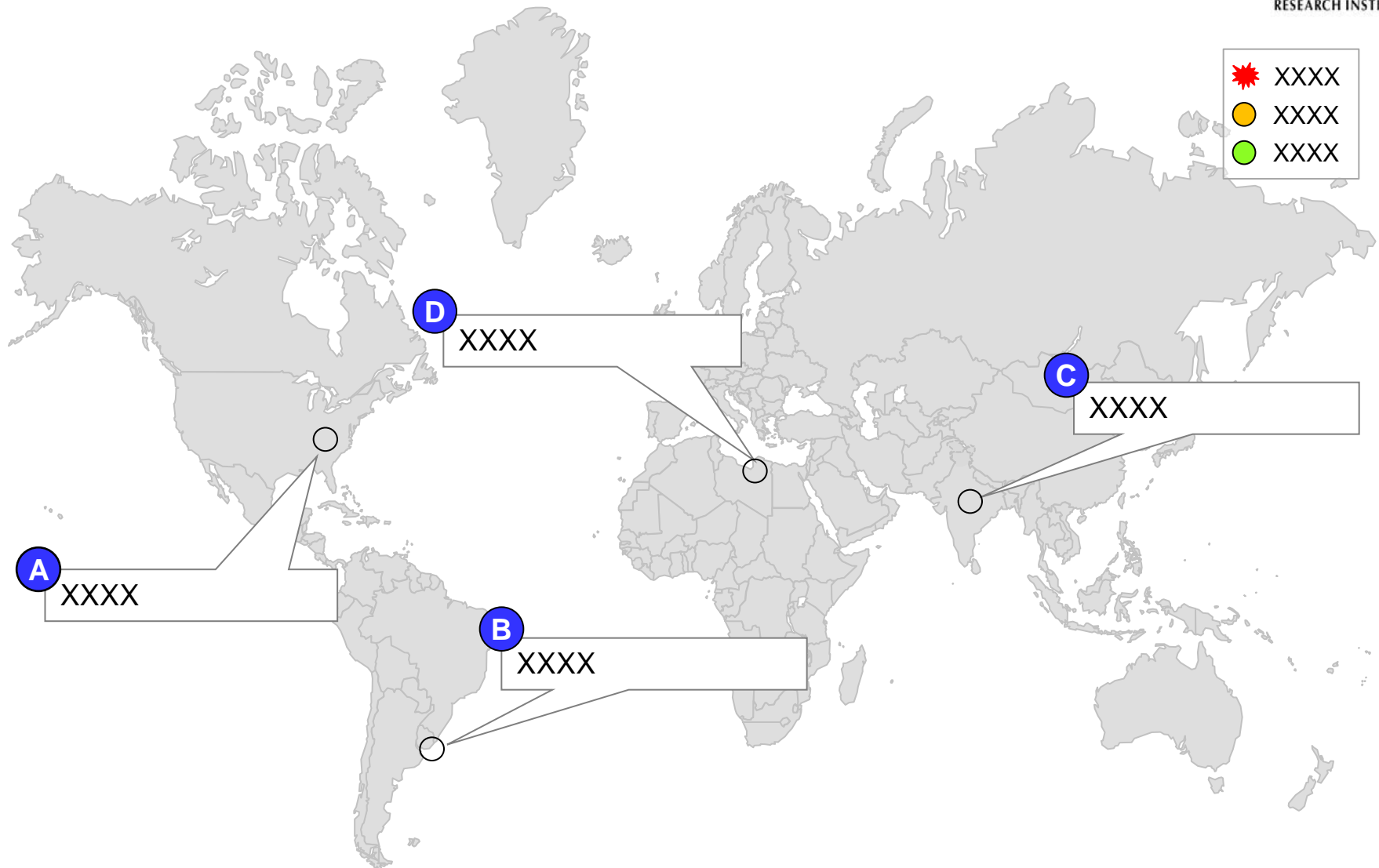
Provides information on number of delivery centers of Forbes 2000 and Market Vista index service providers; also highlights spurts in activity across regions



1 Analysis based on centers of Forbes 2000 captives and Market Vista Index service providers

Source: Everest Market Vista Location Maturity Heatmap

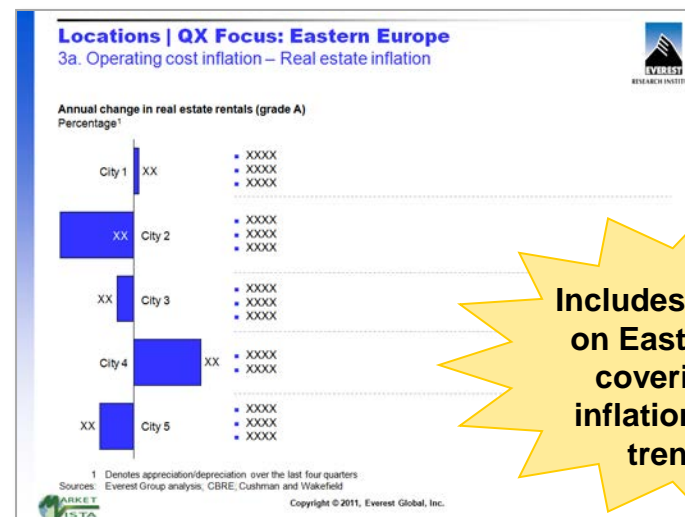
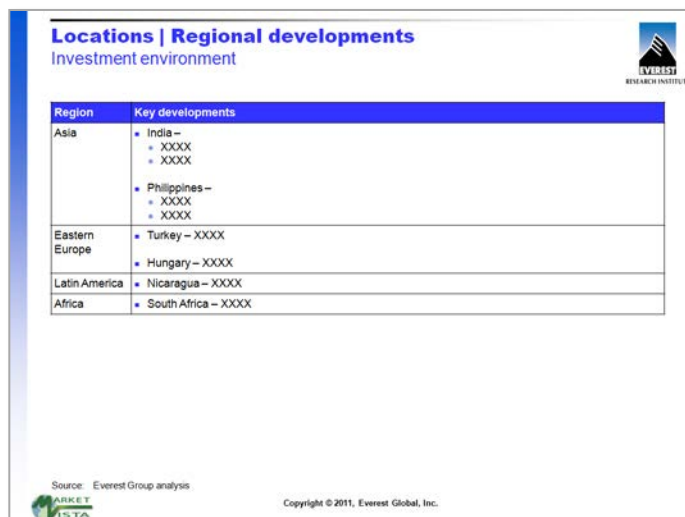
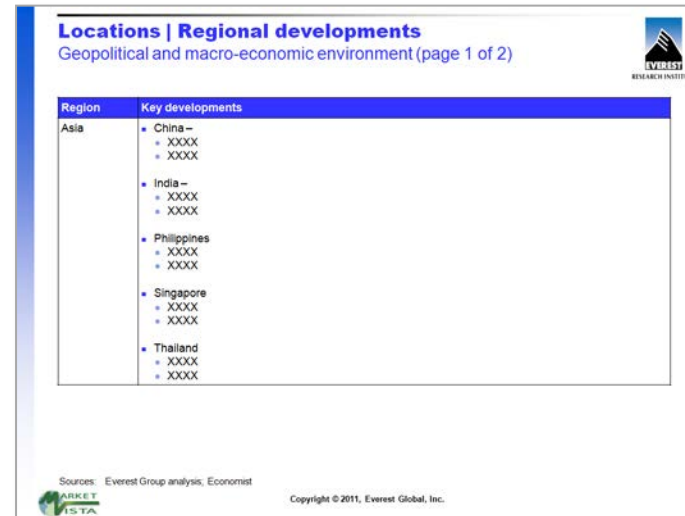
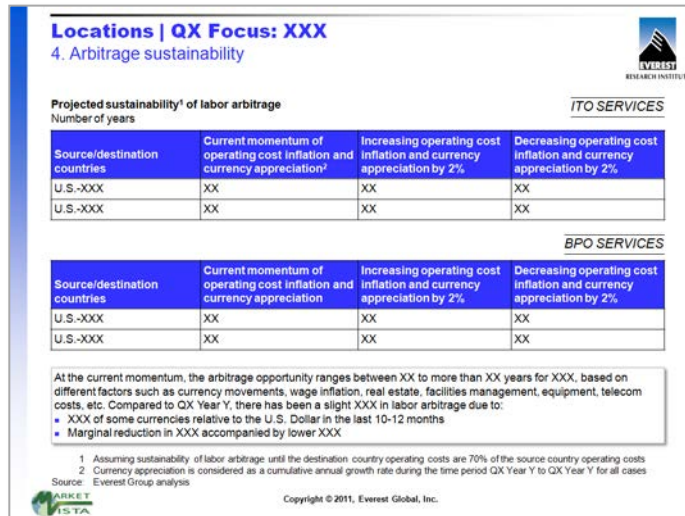
# Locations | Risk and opportunity dashboard



Source: Everest Group analysis

# Section II – Locations section | Illustrative output

Each quarterly report will cover a deep-dive on a specific geography/ theme



Includes a deep-dive on Eastern Europe covering costs, inflation, currency trends, etc.

## 4 Arbitrage sustainability

### Projected sustainability<sup>1</sup> of labor arbitrage

Number of years

#### ITO SERVICES

Source/destination countries	Current momentum of operating cost inflation and currency appreciation <sup>2</sup>	Increasing operating cost inflation and currency appreciation by 2%	Decreasing operating cost inflation and currency appreciation by 2%
U.S.-XXX	XX	XX	XX
U.S.-XXX	XX	XX	XX

#### BPO SERVICES

Source/destination countries	Current momentum of operating cost inflation and currency appreciation	Increasing operating cost inflation and currency appreciation by 2%	Decreasing operating cost inflation and currency appreciation by 2%
U.S.-XXX	XX	XX	XX
U.S.-XXX	XX	XX	XX

At the current momentum, the arbitrage opportunity ranges between XX to more than XX years for XXX, based on different factors such as currency movements, wage inflation, real estate, facilities management, equipment, telecom costs, etc. Compared to QX Year Y, there has been a slight XXX in labor arbitrage due to:

- XXX of some currencies relative to the U.S. Dollar in the last 10-12 months
- Marginal reduction in XXX accompanied by lower XXX

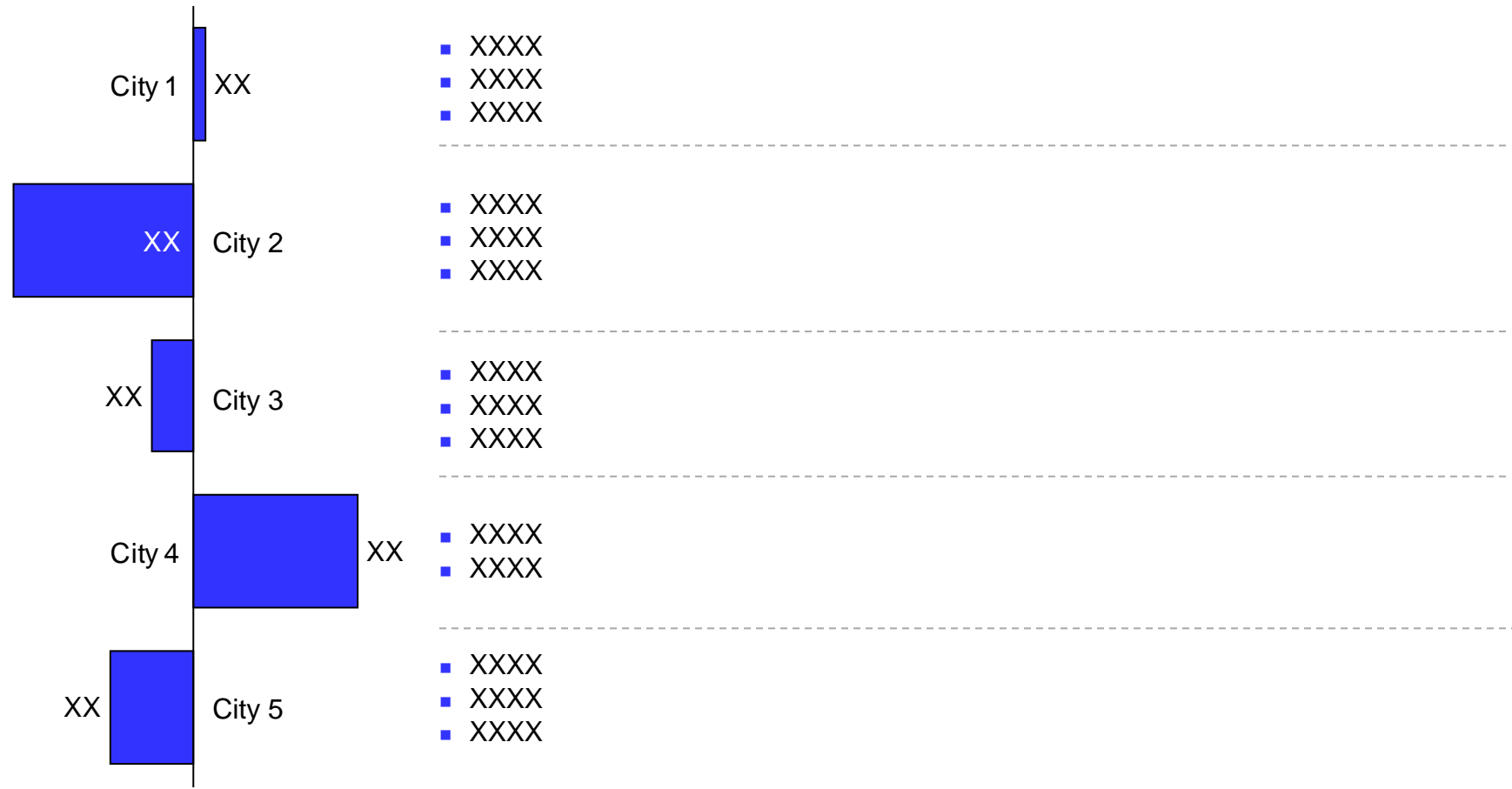
- 1 Assuming sustainability of labor arbitrage until the destination country operating costs are 70% of the source country operating costs
- 2 Currency appreciation is considered as a cumulative annual growth rate during the time period QX Year Y to QX Year Y for all cases

Source: Everest Group analysis

## 3a Operating cost inflation – Real estate inflation

### Annual change in real estate rentals (grade A)

Percentage<sup>1</sup>



<sup>1</sup> Denotes appreciation/depreciation over the last four quarters

Sources: Everest Group analysis; CBRE; Cushman and Wakefield

# Locations | Market activity data

Announcements of delivery centers established in the quarter (page 1 of 6)



RESEARCH INSTITUTE

## Asia

Country	City	Month	Service provider/ captive	Number of FTEs	Other comments
China	XXXX	XXXX	XXXX	XXXX	XXXX
China	XXXX	XXXX	XXXX	XXXX	XXXX
China	XXXX	XXXX	XXXX	XXXX	XXXX
China	XXXX	XXXX	XXXX	XXXX	XXXX
India	XXXX	XXXX	XXXX	XXXX	XXXX
India	XXXX	XXXX	XXXX	XXXX	XXXX
Indonesia	XXXX	XXXX	XXXX	XXXX	XXXX
Malaysia	XXXX	XXXX	XXXX	XXXX	XXXX

Source: Everest Group analysis



# Locations | Regional developments

## Geopolitical and macro-economic environment (page 1 of 2)

Region	Key developments
Asia	<ul style="list-style-type: none"><li>■ China –<ul style="list-style-type: none"><li>● XXXX</li><li>● XXXX</li></ul></li><li>■ India –<ul style="list-style-type: none"><li>● XXXX</li><li>● XXXX</li></ul></li><li>■ Philippines<ul style="list-style-type: none"><li>● XXXX</li><li>● XXXX</li></ul></li><li>■ Singapore<ul style="list-style-type: none"><li>● XXXX</li><li>● XXXX</li></ul></li><li>■ Thailand<ul style="list-style-type: none"><li>● XXXX</li><li>● XXXX</li></ul></li></ul>

Sources: Everest Group analysis; Economist

# Locations | Regional developments

## Leading economic indicators

Country	GDP growth rate				CPI inflation rates	
	QX Year Y <sup>1</sup>	QX Year Y <sup>1</sup>	QX Year Y <sup>1</sup>	QX Year Y <sup>1</sup>	Year Y (YoY)	Latest available for QX Year Y <sup>2</sup>
Argentina	XX	XX	XX	XX	XX	XX
Brazil	XX	XX	XX	XX	XX	XX
Bulgaria	XX	XX	XX	XX	XX	XX
Chile	XX	XX	XX	XX	XX	XX
China	XX	XX	XX	XX	XX	XX
Costa Rica	XX	XX	XX	XX	XX	XX
Czech Rep	XX	XX	XX	XX	XX	XX
Hungary	XX	XX	XX	XX	XX	XX
India	XX	XX	XX	XX	XX	XX
Malaysia	XX	XX	XX	XX	XX	XX
Mexico	XX	XX	XX	XX	XX	XX
Philippines	XX	XX	XX	XX	XX	XX
Poland	XX	XX	XX	XX	XX	XX
Romania	XX	XX	XX	XX	XX	XX
Slovakia	XX	XX	XX	XX	XX	XX

1 Real GDP growth, percentage change one year ago

2 Consumer prices, percentage change one year ago

Sources: Everest Group analysis; Economist

# Locations | Regional developments

## Investment environment

Region	Key developments
Asia	<ul style="list-style-type: none"><li>■ India –<ul style="list-style-type: none"><li>● XXXX</li><li>● XXXX</li></ul></li><li>■ Philippines –<ul style="list-style-type: none"><li>● XXXX</li><li>● XXXX</li></ul></li></ul>
Eastern Europe	<ul style="list-style-type: none"><li>■ Turkey – XXXX</li><li>■ Hungary – XXXX</li></ul>
Latin America	<ul style="list-style-type: none"><li>■ Nicaragua – XXXX</li></ul>
Africa	<ul style="list-style-type: none"><li>■ South Africa – XXXX</li></ul>

Source: Everest Group analysis

# Section III – Service provider developments | Overview

## Profiles developments across 20 leading service providers, highlighting key implications for sourcing managers

### Service provider developments analysis | Transaction activity

Relative momentum of transaction announcements

Transaction announcements' activity in QX Year Y and trend over QX Year Y<sup>1</sup>

Service providers	ITO deals		BPO deals		Both deals	
	Number	Trend	Number	Trend	Number	Trend
<b>High activity in QX Year Y</b>						
Service provider 1	XX	●	XX	●	XX	●
Service provider 2	XX	●	XX	●	XX	●
Service provider 3	XX	●	XX	●	XX	●
Service provider 4	XX	●	XX	●	XX	●
Service provider 5	XX	●	XX	●	XX	●
Service provider 6	XX	●	XX	●	XX	●
Service provider 7	XX	●	XX	●	XX	●
Service provider 8	XX	●	XX	●	XX	●
Service provider 9	XX	●	XX	●	XX	●
<b>Moderate activity in QX Year Y</b>						
Service provider 10	XX	●	XX	●	XX	●
Service provider 11	XX	●	XX	●	XX	●
Service provider 12	XX	●	XX	●	XX	●
Service provider 13	XX	●	XX	●	XX	●
Service provider 14	XX	●	XX	●	XX	●
Service provider 15	XX	●	XX	●	XX	●
<b>Low activity in QX Year Y</b>						
Service provider 16	XX	●	XX	●	XX	●
Service provider 17	XX	●	XX	●	XX	●
Service provider 18	XX	●	XX	●	XX	●
Service provider 19	XX	●	XX	●	XX	●
Service provider 20	XX	●	XX	●	XX	●

- Increased from last quarter
- Similar to last quarter
- Decreased from last quarter

• XXXX  
• XXXX  
• XXXX  
• XXXX

1. Analysis based only on publicly announced transactions
2. Analysis excludes XXXX
3. Deals that include both ITO and BPO services

Note: The high-activity group includes service providers with at least seven new deals; the moderate-activity group includes service providers with two to six new deals; the low-activity group includes service providers with one or no new deal announced in the quarter.

Source: Everest Group Transaction Intelligence Database; Everest analysis and estimates

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### Service provider developments analysis | M&A and alliances

M&A and alliance activity for both traditional and offshore-centric service providers

M&A by service provider category  
Number of acquisitions



Alliances by service provider category  
Number of alliances



• XXXX  
• XXXX

Sources: Company websites; press releases

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### Service provider developments | Market Vista Index service providers

This section explores market activity and insights from 20 leading global sourcing service providers

#### Traditional global service providers



#### Offshore-centric service providers



This section focuses on key developments for the above service providers across financial performance, recent transactions activity, developments in location footprint, and mergers, acquisitions, and alliance activity

1. Perot was acquired by Dell in Sep 2009 and has been rebranded as Dell Services
2. EDIS was integrated into HP, and the segment is now called HP Enterprise Services (HP ES)
3. Hewlett merged with Aon in October 2010 and the combined entity is now known as Aon Hewitt

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### Key market developments

XXXX (page 1 of 5)

Recent transaction activity				
Buyer name	Announcement date	TCV estimate (US\$ million)	Duration (years)	Services
Buyer 1	XXXX	XX	XX	BPO
Buyer 2	XXXX	XX	XX	AO
Buyer 3	XXXX	XX	XX	AO
Buyer 4	XXXX	XX	XX	AO
Buyer 5	XXXX	XX	XX	AO
Buyer 6	XXXX	XX	XX	AO
Buyer 7	XXXX	XX	XX	AO
Buyer 8	XXXX	XX	XX	AO
Buyer 9	XXXX	XX	XX	AO
Buyer 10	XXXX	XX	XX	FAO
Buyer 11	XXXX	XX	XX	AO
Buyer 12	XXXX	XX	XX	AO
Buyer 13	XXXX	XX	XX	AO
Buyer 14	XXXX	XX	XX	AO
Buyer 15	XXXX	XX	XX	AO
Buyer 16	XXXX	XX	XX	AO
Buyer 17	XXXX	XX	XX	AO
Buyer 18	XXXX	XX	XX	AO
Buyer 19	XXXX	XX	XX	AO
Buyer 20	XXXX	XX	XX	AO

Sources: Everest Group; company websites

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Includes over 40 pages of data tables on M&A, new delivery centers, management changes, etc.

# Service provider developments | Market Vista Index service providers

This section explores market activity and insights from 20 leading global sourcing service providers

## Traditional global service providers



## Offshore-centric service providers



This section focuses on key developments for the above service providers across financial performance, recent transactions activity, developments in location footprint, and mergers, acquisitions, and alliance activity

1 Perot was acquired by Dell in Sep 2009 and has been rebranded as Dell Services

2 EDS was integrated into HP, and the segment is now called HP Enterprise Services (HP ES)

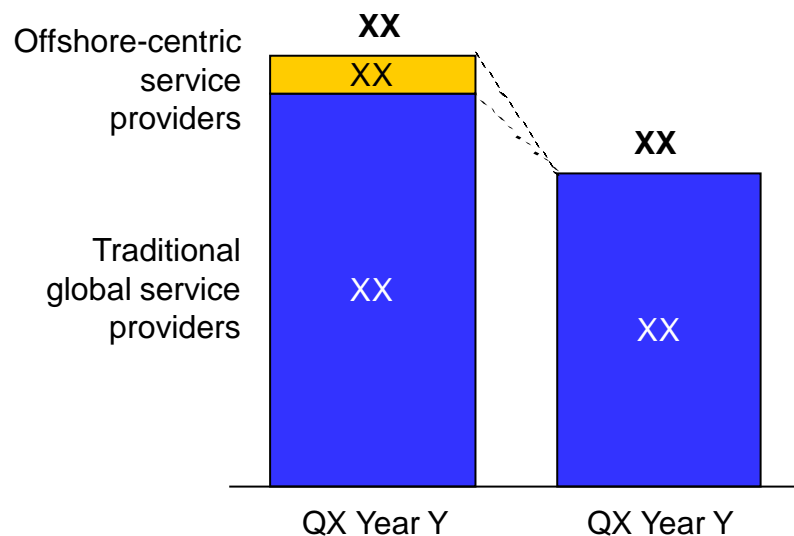
3 Hewitt merged with Aon in October 2010 and the combined entity is now known as Aon Hewitt

# Service provider developments analysis | M&A and alliances

## M&A and alliance activity for both traditional and offshore-centric service providers

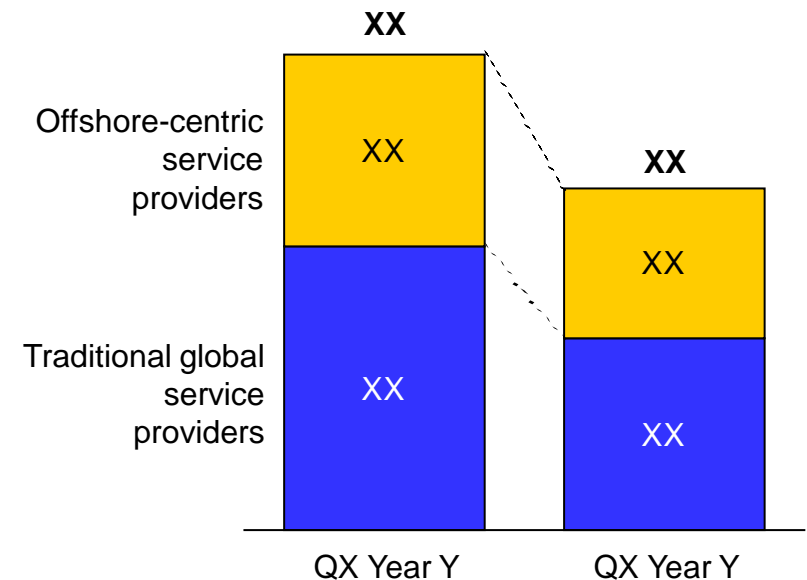
### M&A by service provider category

Number of acquisitions



### Alliances by service provider category

Number of alliances



■ XXXX

■ XXXX

Sources: Company websites; press releases

# Service provider developments analysis | Transaction activity



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## Relative momentum of transaction announcements

Transaction announcements<sup>1</sup> activity in QX Year Y and trend over QX Year Y<sup>2</sup>

- Increased from last quarter
- Similar to last quarter
- Decreased from last quarter

Service providers	ITO deals		BPO deals		Both deals <sup>2</sup>	
	Number	Trend	Number	Trend	Number	Trend
<b>High activity in QX Year Y</b>						
Service provider 1	XX	<span style="color: red;">●</span>	XX	<span style="color: red;">●</span>	XX	<span style="color: red;">●</span>
Service provider 2	XX	<span style="color: green;">●</span>	XX	<span style="color: green;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 3	XX	<span style="color: red;">●</span>	XX	<span style="color: red;">●</span>	XX	<span style="color: green;">●</span>
Service provider 4	XX	<span style="color: yellow;">●</span>	XX	<span style="color: green;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 5	XX	<span style="color: red;">●</span>	XX	<span style="color: green;">●</span>	XX	<span style="color: green;">●</span>
Service provider 6	XX	<span style="color: red;">●</span>	XX	<span style="color: yellow;">●</span>	XX	<span style="color: red;">●</span>
Service provider 7	XX	<span style="color: green;">●</span>	XX	<span style="color: green;">●</span>	XX	<span style="color: green;">●</span>
Service provider 8	XX	<span style="color: green;">●</span>	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 9	XX	<span style="color: green;">●</span>	XX	<span style="color: red;">●</span>	XX	<span style="color: yellow;">●</span>
<b>Moderate activity in QX Year Y</b>						
Service provider 10	XX	<span style="color: green;">●</span>	XX	<span style="color: red;">●</span>	XX	<span style="color: green;">●</span>
Service provider 11	XX	<span style="color: yellow;">●</span>	XX	<span style="color: green;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 12	XX	<span style="color: green;">●</span>	XX	<span style="color: green;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 13	XX	<span style="color: red;">●</span>	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 14	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 15	XX	<span style="color: red;">●</span>	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>
<b>Low activity in QX Year Y</b>						
Service provider 16	XX	<span style="color: red;">●</span>	XX	<span style="color: red;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 17	XX	<span style="color: red;">●</span>	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 18	XX	<span style="color: red;">●</span>	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 19	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>
Service provider 20	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>	XX	<span style="color: yellow;">●</span>

■ XXXX  
■ XXXX  
■ XXXX  
■ XXXX

1 Analysis based only on publicly announced transactions

2 Analysis excludes XXXX

3 Deals that include both ITO and BPO services

Note: The high-activity group includes service providers with at least seven new deals; the moderate-activity group includes service providers with two to six new deals; the low activity group includes service providers with one or no new deal announced in the quarter

Source: Everest Group Transaction Intelligence Database; Everest analysis and estimates

# Service provider developments analysis | Location activity

## Overall location activity and comparison of activity in offshore locations and onshore regions in terms of setting up of new centers

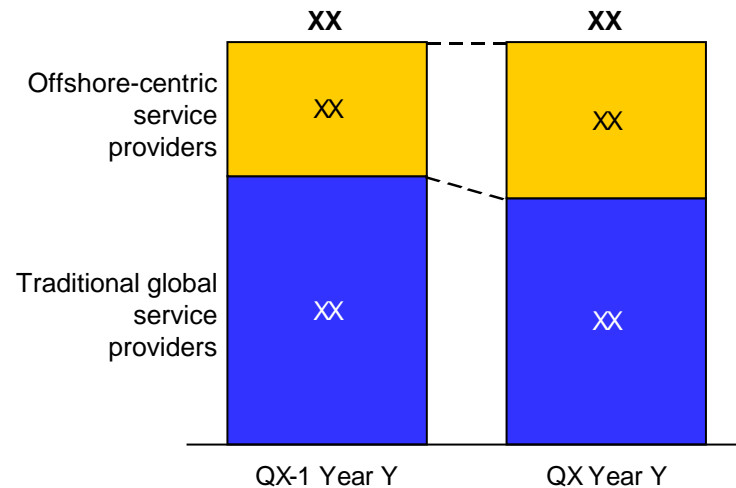


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● Decreased from last quarter ● Increased from last quarter ● Similar to last quarter

### Number of new centers opened by service provider category

Number of new centers<sup>1</sup>



- XXXX
- XXXX
- XXXX
- XXXX
- XXXX

### Service provider delivery footprint in QX Year Y and trend over QX Year Y

Service providers	Offshore centers		Onshore centers	
	Number	Trend	Number	Trend
<b>High activity in QX Year Y</b>				
Service provider 1	XX	●	XX	●
<b>Moderate activity in QX Year Y</b>				
Service provider 2	XX	●	XX	●
Service provider 3	XX	●	XX	●
Service provider 4	XX	●	XX	●
Service provider 5	XX	●	XX	●
Service provider 6	XX	●	XX	●
Service provider 7	XX	●	XX	●
Service provider 8	XX	●	XX	●
Service provider 9	XX	●	XX	●
Service provider 10	XX	●	XX	●
Service provider 11	XX	●	XX	●
Service provider 12	XX	●	XX	●
<b>No activity in QX Year Y</b>				
Service provider 13	XX	●	XX	●
Service provider 14	XX	●	XX	●
Service provider 15	XX	●	XX	●
Service provider 16	XX	●	XX	●
Service provider 17	XX	●	XX	●
Service provider 18	XX	●	XX	●
Service provider 19	XX	●	XX	●
Service provider 20	XX	●	XX	●

1 Includes new facilities in existing locations and excludes planned centers

Note: The high-activity group includes service providers with at least three new centers; the moderate-activity group includes service providers with one or two new centers; the no-activity group includes service providers with no centers announced in the quarter

Sources: Company websites; press releases

# Key market developments

XXXX (page 1 of 5)

Recent transaction activity				
Buyer name	Announcement date	TCV estimate (US\$ million)	Duration (years)	Services
Buyer 1	XXXX	XX	XX	BPO
Buyer 2	XXXX	XX	XX	AO
Buyer 3	XXXX	XX	XX	AO
Buyer 4	XXXX	XX	XX	AO
Buyer 5	XXXX	XX	XX	AO
Buyer 6	XXXX	XX	XX	AO
Buyer 7	XXXX	XX	XX	AO
Buyer 8	XXXX	XX	XX	AO
Buyer 9	XXXX	XX	XX	AO
Buyer 10	XXXX	XX	XX	FAO
Buyer 11	XXXX	XX	XX	AO
Buyer 12	XXXX	XX	XX	BPO and AO
Buyer 13	XXXX	XX	XX	AO
Buyer 14	XXXX	XX	XX	AO
Buyer 15	XXXX	XX	XX	AO
Buyer 16	XXXX	XX	XX	BPO, AO, and IO
Buyer 17	XXXX	XX	XX	AO
Buyer 18	XXXX	XX	XX	AO
Buyer 19	XXXX	XX	XX	AO
Buyer 20	XXXX	XX	XX	AO

Sources: Everest Group; company websites

# Service provider developments analysis | Ratings summary

○ Limited activity    ◐ Moderate activity    ● High activity

Service provider	New deals	Location changes	M&A and alliance activity	Overall rating
<b>Traditional global service providers</b>				
Service provider 1	◐	○	○	○
Service provider 2	●	●	◐	●
Service provider 3	●	○	●	◐
Service provider 4	●	◐	●	●
Service provider 5	●	○	●	◐
Service provider 6	○	◐	○	○
Service provider 7	●	○	●	◐
Service provider 8	◐	●	◐	◐
Service provider 9	●	◐	●	●
Service provider 10	●	●	●	●
Service provider 11	◐	○	◐	◐

Service provider	New deals	Location changes	M&A and alliance activity	Overall rating
<b>Offshore-centric service providers</b>				
Service provider 12	◐	◐	○	◐
Service provider 13	○	○	○	○
Service provider 14	○	○	○	○
Service provider 15	○	◐	●	◐
Service provider 16	◐	◐	◐	◐
Service provider 17	●	○	◐	◐
Service provider 18	◐	●	◐	◐
Service provider 19	●	◐	●	●
Service provider 20	○	◐	○	○

Source: Everest Group

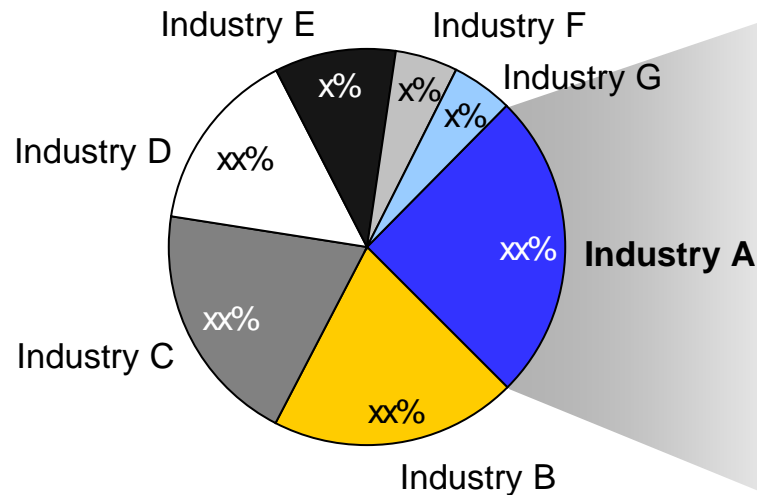
# Market Vista encompasses a suite of offerings

## 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>Service provider capability profiles</b>	Annually updated library of 200+ service provider profiles, including functional views (e.g., FAO, HRO)		✓
<b>Analyst consultation</b>	10 hours of analyst access per year for personalized insights and additional perspectives		✓

# Industry trends complement the Market Vista suite through quarterly reports focused on industry specific global sourcing data, developments and insights

## Outsourcing activity by industry



## Industry trends: Coverage

- A Outsourcing transaction trends
- B Captive market analysis
- C Service provider activity and deal information

20+ pages  
report for each  
industry every  
quarter

### Industries tracked

- Banking, Financial Services, and Insurance (BFSI)
- Manufacturing, Distribution, and Retail (MDR)
- Energy and Utilities (E&U)
- Healthcare
- Technology
- Telecom

### Offering summary

- Quarterly research reports covering key sourcing-related data, developments and insights in a specific industry
- Helps contextualize key decisions within an industry

# Appendix: Additional research references



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

1. **Market Vista: Q1 2011** (ERI-2011-8-R-0543); 2011. This report summarizes the key trends and developments for Q1 2011 in the global offshoring and outsourcing market
2. **Banking, Financial Services, and Insurance (BFSI): Trends for Q1 2011** (ERI-2011-8-R-0553); 2011. This report provides BFSI industry specific data, developments, and insights that enable Global Sourcing Managers to navigate through the complexity and make clear, effective decisions contextualized and suited to their specific industry. This report provide deep-dive into transaction activity, captive developments, service provider market share, and key outsourcing transactions specific to the BFSI industry
3. **Healthcare: Trends for Q1 2011** (ERI-2011-8-R-0555); 2011. This report provides BFSI industry specific data, developments, and insights that enable Global Sourcing Managers to navigate through the complexity and make clear, effective decisions contextualized and suited to their specific industry. This report provide deep-dive into transaction activity, captive developments, service provider market share, and key outsourcing transactions specific to the healthcare industry

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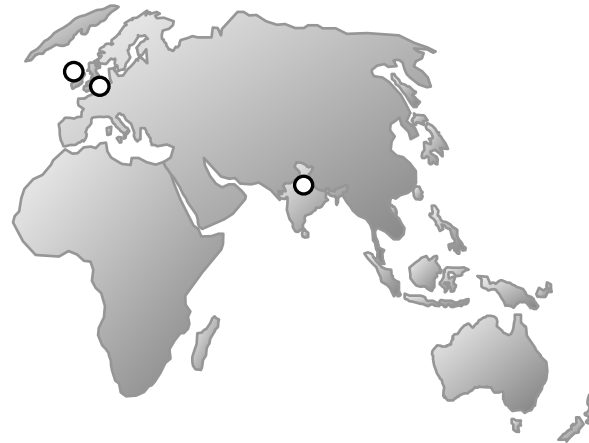
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