



Topic: Recruitment Process Outsourcing (RPO) Annual Report 2013 – Dichotomy of Market Exuberance and Subdued Economy

Recruitment Process Outsourcing (RPO)
Annual Report: February 2013 – Preview Deck

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Background and methodology of the research

Background of the research

- Recruitment Process Outsourcing (RPO) continued its momentum in 2012 with record new deal signings. However, due to a decrease in hiring volumes, the RPO market grew at a moderate rate of 12% to touch US\$ 1.5 billion. In addition to North America, Continental Europe and Asia-Pacific have also emerged as major adopters of RPO. RPO drivers differ across regions, posing different challenges and necessitating differing solution models. The successful implementation of these models will determine the success of RPO in the long run
- In this research, we analyze the RPO market across various dimensions
 - Market overview and key business drivers
 - Buyer adoption trends
 - Solution and transaction trends
 - Service provider landscape
 - Outlook for 2013

The scope and methodology of this report includes:

- Third-party RPO deals; it does not include shared services or captives
- RPO deals with a minimum of four recruitment processes, at least one year in contract length, and not limited to temporary hires only
- All RPO deals signed as of 2007
- Three key sources of proprietary information – database of over 900 RPO deals (updated annually), operational capability of around 25 RPO service providers (updated annually), and executive interview and data collection from more than 60 RPO buyers

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Overview and abbreviated summary of key messages

This research provides comprehensive coverage of the 2012 RPO market and analyzes it across various dimensions such as market overview, key business drivers, buyer adoption trends, solution and transaction trends, and service provider landscape. Additionally, it includes predictions for market size, buyer adoption, solution and transaction trends, and service provider landscape for the 2013 RPO market.

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

Market overview and business drivers

- RPO market continued its growth in 2012 with record new deal signings. However, due to a decrease in hiring volumes in North America and Europe, the growth rate moderated to 12%

Buyer adoption trends

- In addition to North America- and Europe-headquartered companies, Asia Pacific-headquartered companies emerged as the major RPO adopters in 2012
- Multi-Country RPO (MCRPO) growth slowed down in 2012 after rapid upswing over the previous two years

Solution and transaction trends

- The base-fee-plus-variable price is the most prevalent pricing structure. The inclusion of a variable component in pricing is increasing

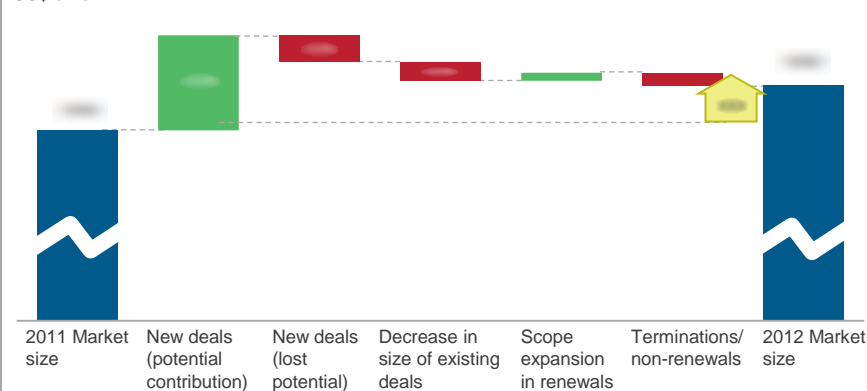
Service provider landscape

- The competitive environment remains intense with several providers competing fiercely to gain market share
- Service providers are looking to expand geographically through both organic or inorganic routes

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

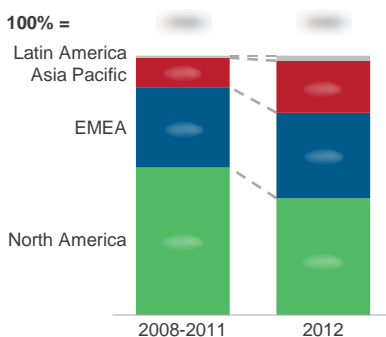
RPO market size and growth

RPO market size 2011-2012
US\$ billion

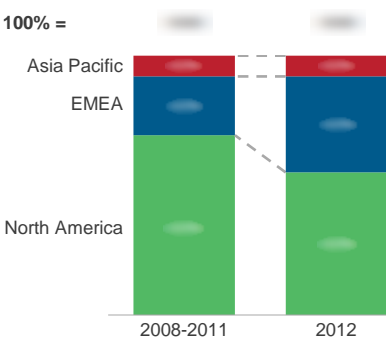


Multi-country RPO adoption by signing region and buyer headquarter region

Buyer adoption trend by signing region for MCRPO deals
Number of new deals



Buyer adoption trend by HQ region for MCRPO deals
Number of new deals

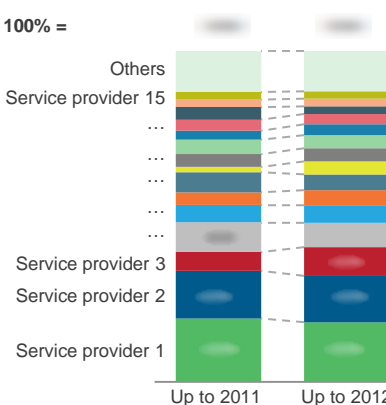


Inclusion of recruitment processes within RPO deals

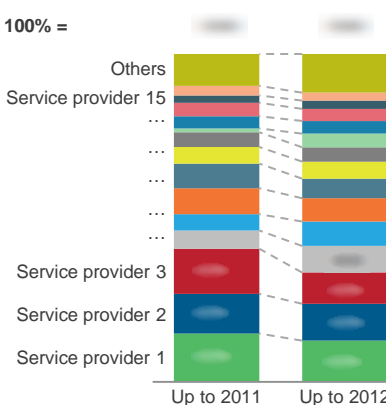


Service provider market share distribution

Overall service provider share distribution
Number of deals



Overall service provider share distribution
Annual number of hires



Source: Everest Group (2013)

RPO research agenda

Topic		
	Published	Current
	Release date	
Multi-Country RPO: Unveiling the Service Delivery Model Best Practices		July-2012
IBM's Acquisition of Kenexa – Advent of Holistic Talent Management “Solution”?		August-2012
RPO 2.0 – Paradigm shift in RPO Value Proposition		September-2012
RPO in Europe: Addressing Talent Acquisition in a Diverse Market		September-2012
RPO Annual Report 2013 – Dichotomy of Market Exuberance and Subdued Economy		February-2013
RPO Service Provider Landscape and Capability Assessment		Q1-2013
Sourcing Contingent Workforce – Rise of MSP model – Market report		Q2-2013
RPO Service Provider Compendium		Q2-2013
Sourcing Contingent Workforce – Service Provider Landscape		Q3-2013
Sourcing Contingent Workforce – Service Provider Compendium		Q3-2013
Rise of RPO in Emerging Markets		Q4-2013

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 on the topic or complementary content that may be of interest

1. **RPO Service Provider Landscape and Capability Assessment** ([EGR-2012-3-R-0668a](#)); 2012. This report provides a comprehensive analysis of the RPO service provider landscape along multiple dimensions and assesses service providers to position them on the Everest Group PEAK Matrix. Each of the 20+ RPO service providers analyzed are segmented into Leaders, Major Contenders, and Emerging Players, and Star Performers
2. **RPO Annual Report 2012 – Raising the Bar to Sustain Momentum** ([EGR-2012-3-R-0649b](#)); 2012. This report provides a comprehensive coverage of the 2011 RPO market and analyzes it across various dimensions such as market overview and key business drivers, buyer adoption trends, solution and transaction trends, and service provider landscape. Additionally, it includes predictions for market size, buyer adoption, solution and transaction trends, and service provider landscape for the 2012 RPO market
3. **Multi-Country RPO: Unveiling the Service Delivery Model Best Practices** ([EGR-2012-3-R-0722](#)); 2012. Multi-Country RPO (MCRPO) is increasingly being adopted by multinational corporations. However, the outcomes achieved, along with the level of satisfaction among MCRPO buyers, are mixed. The key objectives of this study are to assess variations in MCRPO delivery models and to identify best practices. The study's primary methodology is a set of executive interviews combined with detailed engagement data collection with MCRPO buyers

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