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**Topic: Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix Assessment 2013**

Recruitment Process Outsourcing (RPO)
Market Report: April 2013 – Preview Deck

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# Background and methodology of the research

**Background of the research**

The landscape of US$1.5 billion RPO market continues to be shaped by mergers and acquisitions. However, it still remains a fragmented space with small and specialized service providers competing for market share with large-scale players. To succeed in the RPO market, service providers differentiate their offerings by specializing across geographies, industry verticals, job families, and buyer segments. Service providers also provide strategic value-added services, technology-based services such as analytics and mobile recruiting, in addition to, managing their internal recruiter talent to attract new buyers and retain their existing ones.

**In this research, we analyze the global RPO market across the following dimensions:**
- Market overview and service provider landscape
- 2013 RPO PEAK Matrix and Star Performers
- Key insights into PEAK Matrix dimensions
- Key areas of differentiation and specialization

**The scope and methodology of this report includes:**
- Third-party RPO deals collected from over 25 RPO providers; it does not include shared services or GICs
- RPO deals with a minimum of four recruitment processes, at least one year in contract length, and not limited to temporary hires only
- All geographies and industries
- Buyer objectives and satisfaction levels gathered through executive interviews and survey questionnaire

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# Overview and abbreviated summary of key messages
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This report examines the global 2013 RPO service provider landscape and its impact on the RPO market. It focuses on service provider position and growth in the RPO market, changing market dynamics, emerging service provider trends and differentiating factors, and assessment of service provider delivery capabilities. It also identifies the key implications of the research findings for buyers and service providers.

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

| | |
|---|---|
| **Market overview and service provider landscape** | • RPO market continued its growth in 2012 with record new deal signings<br>• However, due to a decrease in hiring volumes in North America and Europe, the growth rate moderated to 12% |
| **2013 RPO PEAK Matrix and Star Performer** | • Based on Everest Group's comprehensive evaluation framework, PEAK Matrix, the 25 established RPO service providers evaluated are segmented into three categories – Leaders, Major Contenders and Emerging Players<br>• Everest Group selected RPO Star Performers 2013 based on the relative year-on-year movement of each service provider on the PEAK Matrix |

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# Overview and abbreviated summary of key messages
## (page 2 of 2)

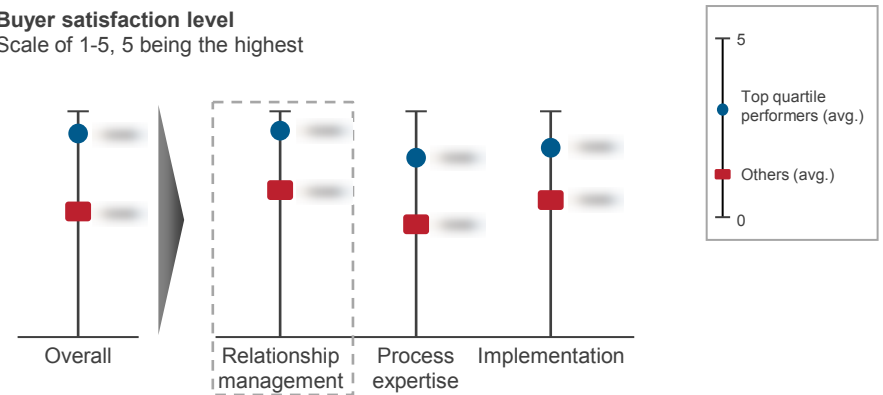| **Key insights into PEAK Matrix dimensions** | ● Key insights on comparing the top quartile performers and other performers on delivery capability dimensions: <br>   – Market success: Top quartile performers have not experienced runaway success due to the difficulty in creating a "one-stop-shop" for different buyer segments <br>   – Buyer satisfaction: Top quartile performers are significantly better in relationship management |
|---|---|
| **Key areas of differentiation and specialization** | ● RPO providers differentiate themselves along multiple dimensions – geographic coverage, industry and buyer size, strategic value-added services, type and source of hires, technology strategy, global sourcing, and internal talent management <br> ● The provider landscape continues to be segmented and specialized by geographic regions with only few providers demonstrating significant success across multiple regions <br> ● There is no single global sourcing model of choice in the RPO industry |

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# This study offers four distinct chapters providing a deep dive into key aspects of the RPO service provider landscape; below are four charts to illustrate the depth of the report
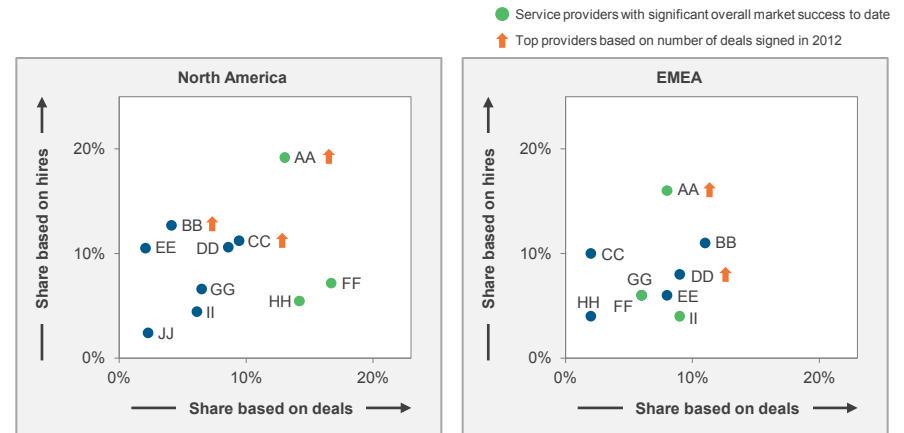
## Everest Group PEAK Matrix for RPO



Market success (Low to High) vs RPO delivery capability (Low to High)

**Leaders:** ManpowerGroup, The RightThing, Randstad Sourceright, Pinstripe, Kenexa, Pontoon Solutions, AMS

**Major Contenders:** PeopleScout, Allegis Group Services, Hays, KellyOCG, Hudson RPO, Talent 2, Accenture, Ochre House, Futurestep, Aon Hewitt, Resource Solutions, Capita Resourcing, Advantage xPO

**Emerging Players:** Peoplestrong, Seven Step RPO, Neeyamo, Yoh, Wilson HCG

## Comparative analysis

**Buyer satisfaction level**
Scale of 1-5, 5 being the highest



Categories: Overall, Relationship management, Process expertise, Implementation

Legend:
- Top quartile performers (avg.)
- Others (avg.)

Scale 0 to 5

## Service provider investments

| Analytics | |
|---|---|
| **Basic** | **Advanced** |
| Building data repositories/warehouse to consolidate data and provide tools/services that enable improved management reporting and insights | Goes beyond reporting to find patterns and casualty among various factors, thus having a greater strategic impact, for example:<br>• What kind of hires perform well in the organization?<br>• Which sourcing channel is most efficient/effective? |

| Illustrative examples of service providers providing advanced analytics | |
|---|---|
| Service Provider X | X's ABC solution uses a hosted HR analytics engine to address strategically important problems and align recruitment with strategic and business objectives |

| Mobile recruiting |
|---|
| Mobile recruiting helps in increasing reach (especially for job families that are mostly "on the move"), quicker communication, and potentially increased efficiency of the back-office operations |

| Service providers who invested in mobile recruiting | Service Provider A | Service Provider B | Service Provider C | Service Provider D |
|---|---|---|---|---|

## Service provider differentiation (geography focus)

Legend:
- Service providers with significant overall market success to date
- Top providers based on number of deals signed in 2012



North America and EMEA charts: Share based on hires (y-axis, 0% to 20%) vs Share based on deals (x-axis, 0% to 20%)

Providers: AA, BB, CC, DD, EE, FF, GG, HH, II, JJ

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# RPO research calendar

| Topic | Release date |
|---|---|
| **RPO Annual Report 2013 – Dichotomy of Market Exuberance and Subdued Economy** | **February-2013** |
| **RPO – Service Provider Landscape with PEAK Matrix Assessment 2013** | **April-2013** |
| Sourcing Contingent Workforce – Rise of MSP model | Q2-2013 |
| RPO – Service Provider Compendium 2013 | Q2-2013 |
| Sourcing Contingent Workforce – Service Provider Landscape with PEAK Matrix Assessment 2013 | Q3-2013 |
| Sourcing Contingent Workforce – Service Provider Compendium 2013 | Q3-2013 |
| Rise of RPO in Emerging Markets | Q4-2013 |
| Recruitment Process Outsourcing (RPO) – Annual Report 2014 | Q1-2014 |
| RPO Service Provider Landscape with PEAK Matrix Assessment 2014 | Q1-2014 |

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# 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. **Recruitment Process Outsourcing (RPO) – Service Provider Profile Compendium 2013**. This report provides information on service providers' RPO service capability and strategy, their client portfolio and delivery locations, and detailed assessment of their RPO capabilities. The compendium provides key stakeholders a snapshot of the offerings and capabilities of major RPO service providers

2. **Recruitment Process Outsourcing (RPO) Annual Report 2013 – Dichotomy of Market Exuberance and Subdued Economy** (EGR-2013-3-R-0850); 2013. 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 & transaction trends, and service provider landscape for the 2013 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

For more information on this and other researches published by Everest Group, please contact us:

**Rajesh Ranjan**, Vice President:       rajesh.ranjan@everestgrp.com
**Arkadev Basak**, Senior Analyst:       arkadev.basak@everestgrp.com
**Avinish Mittal**, Analyst:       avinish.mittal@everestgrp.com

**Everest Group**
Two Galleria Tower
13455 Noel Road, Suite 2100       Phone:   +1-214-451-3110
Dallas, TX 75240       Email:   info@everestgrp.com

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**Dallas (Corporate Headquarters)**
info@everestgrp.com
+1-214-451-3000

**Toronto**
canada@everestgrp.com
+1-416-865-2033

**India / Middle East**
india@everestgrp.com
+91-124-496-1000

**New York**
info@everestgrp.com
+1-646-805-4000

**London**
unitedkingdom@everestgrp.com
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