



Topic: Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Landscape with PEAK Matrix Assessment 2014

Human Resources Outsourcing (HRO)
Market Report: August 2014 – Preview Deck

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Background and scope of the research

Background of the research

The Multi-Process Human Resources Outsourcing (MPHRO) market is witnessing rapid evolution – the dynamics have changed in the last couple of years and its reach has broadened. While the incumbents still dominate the more mature MPHRO markets (North America and Western Europe), they are facing tough competition from newer entrants in the emerging markets, which are the primary growth levers in MPHRO. The focus is steadily shifting towards the emerging markets (majorly APAC), where an understanding of the local dynamics is becoming the proverbial “key to success”. Buyers are demanding more than just cost-reduction, and, hence, cloud and analytics are growing in importance. Companies such as Workday and SuccessFactors have disrupted the market landscape, prompting HRO service providers to take notice. What we are also witnessing is that service providers are moving out of their “comfort zone” to adapt to this changing environment.

In this research, we analyze the MPHRO service provider landscape across various dimensions:

- MPHRO service provider landscape overview
- MPHRO PEAK Matrix 2014 and Star Performers 2014
- Key insights on PEAK Matrix dimensions
- Emerging trends

The scope of the analysis includes:

- HRO deals with a minimum of three HR processes are included
- All HRO deals signed as of December 2013
- Deals where buyer employee size is 3,000 or more
- All geographies and industries

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Overview and abbreviated summary of key messages

This report gives an overview of the provider landscape and analyzes how the service providers differentiate themselves. Based on the comprehensive Everest Group PEAK Matrix, each of the 18 MPHRO service providers are segmented into Leaders, Major Contenders, and Emerging Players. Additionally, this report identifies the 2014 MPHRO Star Performers and provides key insights on individual PEAK dimensions.

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

MPHRO service provider landscape overview

- The MPHRO market showed marginal increase in growth in 2013 compared to 2012; moderate number of new deal signings was offset by increase in new deal sizes
- In a significant turnaround, local Asia Pacific-headquartered organizations emerged as key adopters of MPHRO, in addition to western-headquartered organizations

MPHRO PEAK Matrix 2014 and Star Performers 2014

- Everest Group classifies 18 MPHRO service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into the three categories of Leaders, Major Contenders, and Emerging Players

Key insights on PEAK Matrix dimensions

- Leaders across each PEAK Matrix dimension were compared with others to identify differentiating strategy and operational capability

Emerging trends

- Service providers are back with mega-sized and global deals
- Local players are driving growth in APAC
- Cloud and Analytics are becoming increasingly important in MPHRO deals

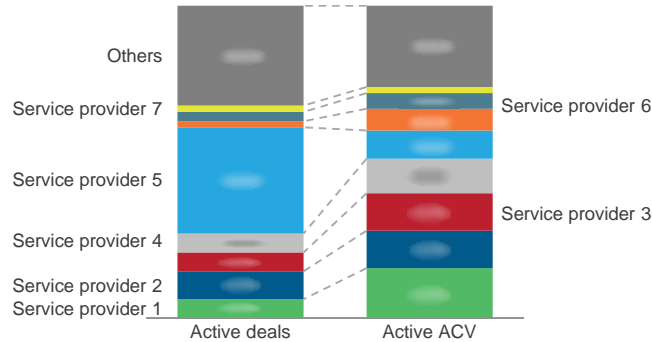
This study offers four distinct chapters providing a deep dive into key aspects of MPHRO service provider landscape; below are four charts to illustrate the depth of the report

Service provider market share

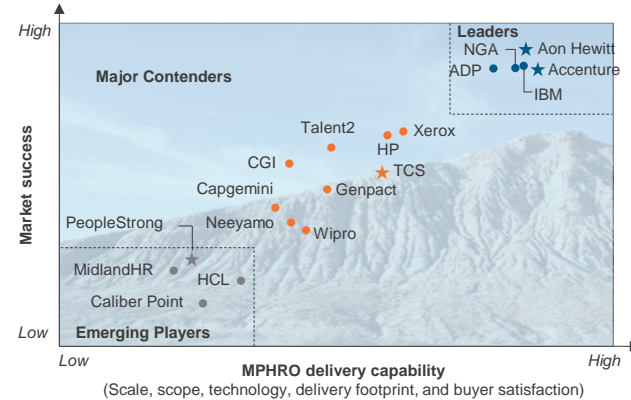
Service provider share distribution

2013; Number of active deals and active ACV in US\$ billion

100% =



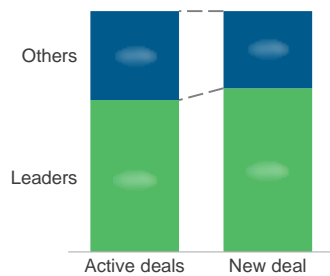
Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for MPHRO



Key insights into PEAK dimensions – market success

Deals split
Number of deals

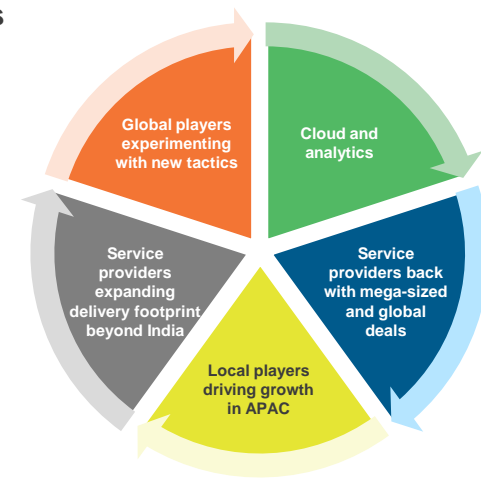
100% =



Average number of MPHRO FTEs
Number of FTEs



Emerging trends



Source: Everest Group (2014)

HRO research agenda

■ Published ■ Current

Topic	Release date
Analytics Business Process Services (BPS) - Deciphering the Analytics Code	November 2013
Learning Services Outsourcing (LSO) – Resurgent Market in the Post-Crisis World	December 2013
Growth of horizontal BPO in LATAM	February 2014
Benefits Administration Outsourcing (BAO) – Annual Report 2014	May 2014
Multi-Process Human Resources Outsourcing (MPHRO) – Annual Report 2014	May 2014
The Rise of Procurement and HR Collaboration – Effectively Managing HR-spend	May 2014
Benefits Administration Outsourcing (BAO) – Service Provider Landscape with PEAK Matrix Assessment 2014	July 2014
MPHRO – Service Provider Landscape with PEAK Matrix™ Assessment 2014	August 2014
Benefits Administration Outsourcing (BAO) – Service Provider Profile Compendium 2014	Q3 2014
MPHRO – Service Provider Profile Compendium 2014	Q3 2014
Evaluation of BPaaS solutions for FAO/PO/HRO	Q4 2014
Multi-Country Payroll Outsourcing (MCPO) – Annual Report 2014	Q4 2014
Multi-Country Payroll Outsourcing (MCPO) – Service Provider Landscape with PEAK Matrix Assessment 2014	Q4 2014

Additional HRO research recommendations

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

1. **Benefits Administration Outsourcing (BAO) Annual Report 2014: *Benefits in Alternate Paths*** ([EGR-2014-3-R-1099](#)); 2013. This research provides comprehensive coverage of the 2013 BAO market and analyzes it across various dimensions such as market overview, buyer adoption trends, solution and transaction trends, and service provider landscape. Additionally, this report includes the value proposition and adoption trends in the private health exchange space
2. **Learning Services Outsourcing (LSO) – Resurgent Market in the Post-Crisis World** ([EGR-2013-3-R-1035](#)); 2013. This report provides comprehensive coverage of the 2013 LSO market and analyzes it across various dimensions such as market overview, buyer adoption trends, solution & transaction characteristics, and service provider landscape. Additionally, it includes emerging trends in the LSO market
3. **Analytics Business Process Services (BPS) – Deciphering the Analytics Code** ([EGR-2013-10-R-1002](#)); 2013. This report provides a comprehensive understanding of an analytics solution with a focus on the business process services aspect. It analyzes the analytics business process services market across various dimensions such as market size and expected growth, value proposition and key business drivers, buyer adoption trends, solution characteristics, and service provider landscape
4. **Creating Value through Analytics in HR – Role of Third-Party Services** ([EGR-2013-3-R-0930](#)); 2013. This report examines the role of analytics in HR and identifies the ways to capture its value within an outsourcing construct

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