



Topic: Recruitment Process Outsourcing (RPO) – Service Provider Landscape with PEAK Matrix™ Assessment 2014

Recruitment Process Outsourcing (RPO)
Market Report: September 2014 – Preview Deck

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Background and methodology of the research

Background of the research

The landscape of US\$1.8 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. Moreover, the competition is further intensified by the continuous entry of new service providers. To succeed in the RPO market service providers differentiate their offerings by specializing across geographies, buyer segments (industry, size, and job family), and alternate recruitment models. Service providers also provide strategic value-added services such as analytics, employer branding, talent community management, and assessment.

In this research, we analyze the global RPO market across the following dimensions:

- Market overview and service provider landscape
- 2014 RPO PEAK Matrix and Star Performers
- Key insights into PEAK Matrix dimensions
- Key areas of differentiation and specialization

The scope of this report includes:

- Third-party RPO deals; it does not include shared services or Global In-house Centers (GICs)
- RPO deals with a minimum of four recruitment processes, which are at least one year in contract length, and are not limited to temporary hires only
- All geographies and industries

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

1

- Everest Group's proprietary database of over **1,100 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

2

- Everest Group's proprietary database of **operational capability of 22 RPO service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
 - RPO clients, RPO revenue, RPO service suite, and RPO 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

3

- Ongoing buyer surveys and interactions
 - Everest Group's **executive interview and data collection** from **RPO buyers**
 - The data contains the following detailed buyer perspective about RPO deals:
 - ◆ Drivers for adopting RPO and buyer-provider relationships
 - ◆ The level of buyer satisfaction and the underlying reasons

Service providers covered in detail in the analyses

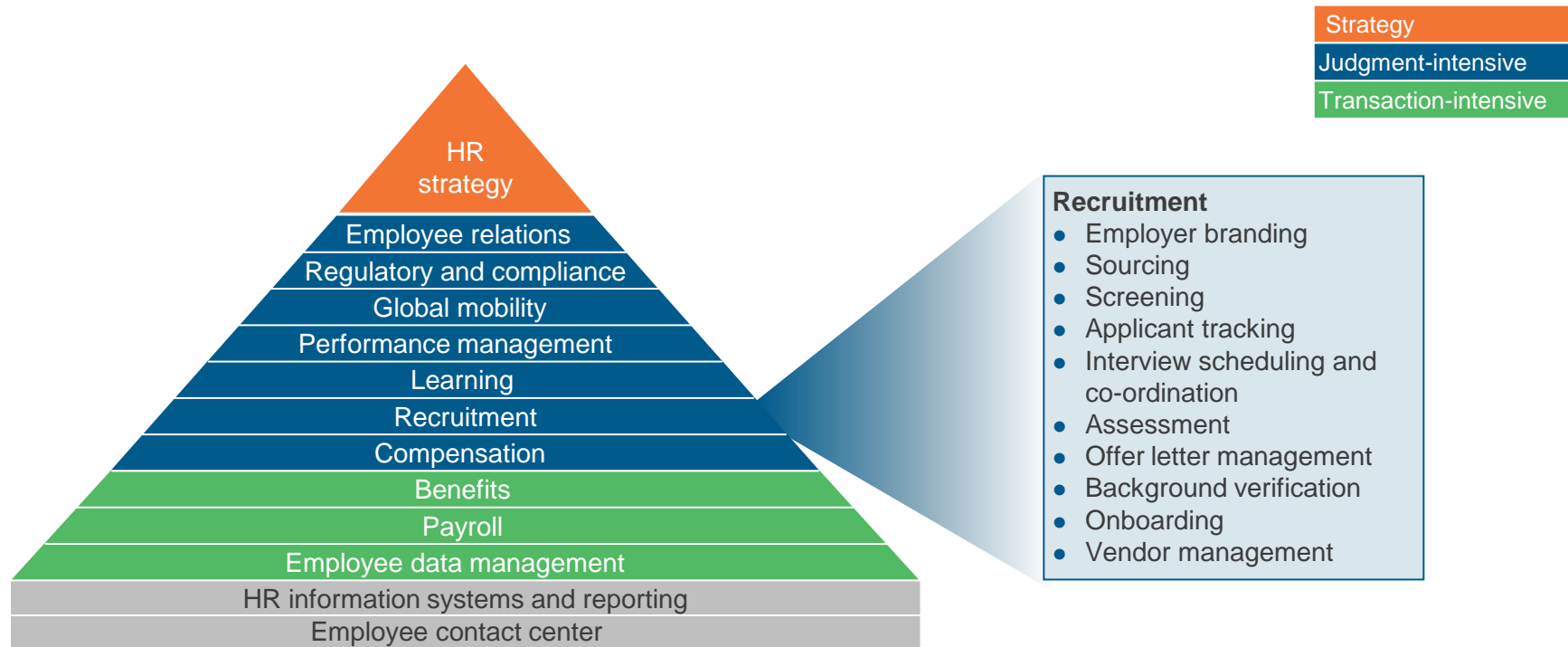


The analyses in this report are presented at two levels:

- Overall market analysis that highlights the market composition/dynamics
 - The current market trends based on deal activities in the last five years
- The sample size varies for different analyses based on the deal detail availability

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

We define RPO as transfer of ownership of all or part of recruitment processes or activities on an ongoing basis



For this study, we include RPO deals in which:

- A **minimum of four or more recruitment processes** are included
- The outsourcing deal is active and is **at least one year in deal length**
- The deal scope should **not be limited to only temporary hires**
- The buyer employee size is 3,000 or more

This study **does not** include “out-tasking” arrangements (typically handled by recruitment agencies, staffing companies, or executive search firms) that are managed on a project-by-project basis rather than through an ongoing long-term arrangement

Overview and abbreviated summary of key messages

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.

Some of the findings in this report are:

Everest Group PEAK Matrix for RPO

- Based on Everest Group's comprehensive evaluation framework, PEAK Matrix, 22 established PO service providers evaluated are segmented into three categories – Leaders, Major Contenders, and Emerging Players
- Alexander Mann Solutions, Allegis Global Solutions, Cielo, Kenexa, ManpowerGroup, PeopleScout, and Randstad Sourceright are Leaders on 2014 RPO PEAK Matrix

2014 RPO Star Performers

- Everest Group identified seven service providers as the “2014 RPO Market Star Performers” based on the relative year-on-year movement of each service provider on the PEAK Matrix – Allegis Global Solutions, Futurestep, KellyOCG, Hays, PeopleScout, Seven Step RPO, and WilsonHCG

Key insights into PEAK Matrix dimensions

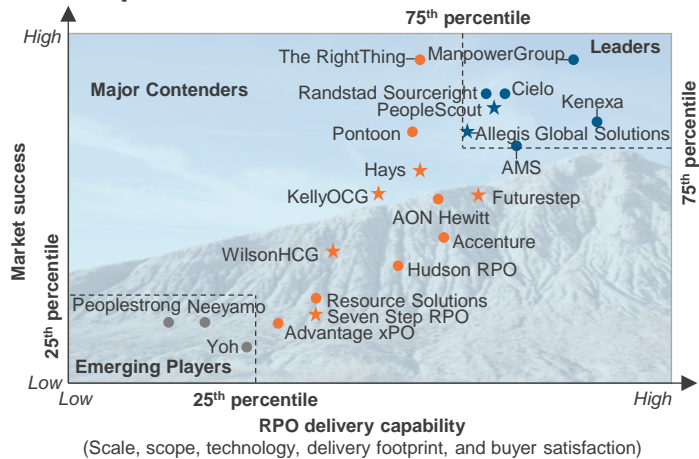
- We assessed the overall RPO capability of service providers by evaluating them along six dimensions – market success, scale, scope, technology, delivery footprint, and buyer satisfaction levels

Key areas of differentiation and specialization

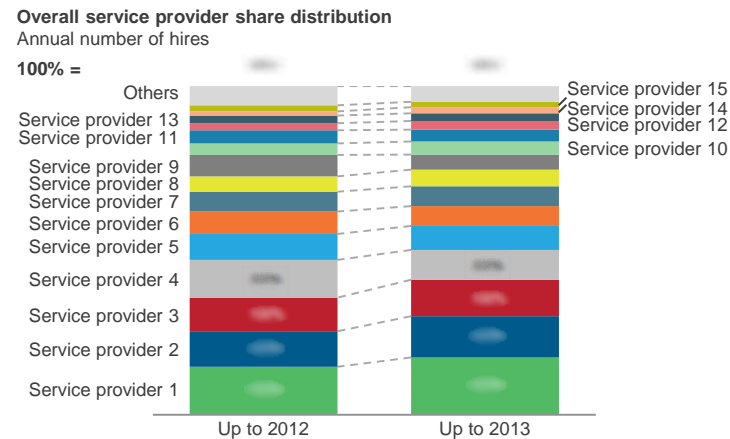
- RPO providers differentiate themselves along multiple dimensions – strategic value-added services, geographic focus, buyer segment focus, alternate recruitment models, and global sourcing

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

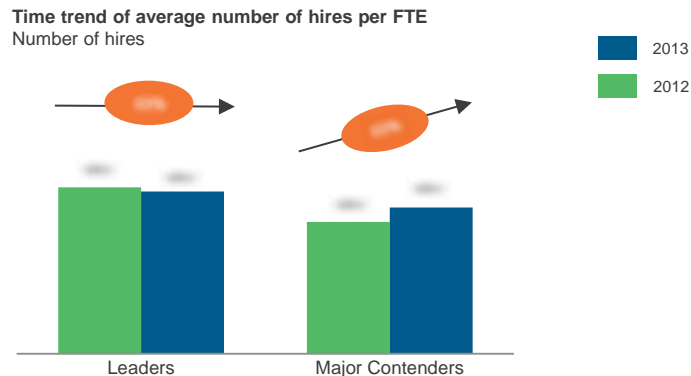
Everest Group PEAK Matrix for RPO



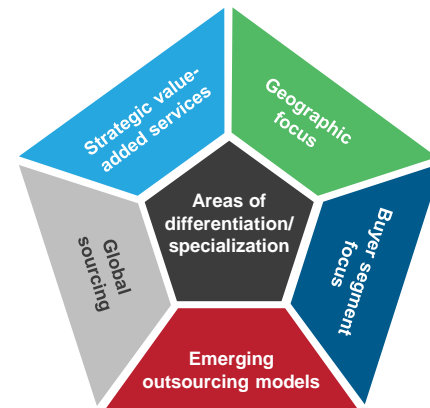
Global RPO service provider market share



Service provider assessment parameters – scale



Key areas of differentiation and specialization



Source: Everest Group (2014)

RPO research calendar

Published Current

Topic	Release date
Global Location Insights: Sun Is Rising in the “Middle” East	October-2013
Enabling Business Agility – How HR Organizations can Lead the Way and the Role of HR Outsourcing	November-2013
Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2013	December-2013
Rise of RPO in Emerging Markets – APAC	December-2013
Global RPO: Addressing Globalization Imperatives – How Global RPO Helps Multi-National Corporations Slay the Global Talent Dragon	January-2014
Capturing Strategic Value in RPO	April-2014
WilsonHCG Merges with CPH – Responding to Cross-Atlantic RPO Demand	May-2014
Recruitment Process Outsourcing (RPO) Annual Report 2014 – Time to be strategic	June-2014
Managed Service Provider (MSP) – Service Provider Profile Compendium 2014	July- 2014
Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2014	September 2014
RPO – Service Provider Profile Compendium 2014	Q3 2014
MSP – Annual Report 2014	Q4 2014
MSP – Service Provider Landscape with PEAK Matrix Assessment 2014	Q4 2014
MSP – Service Provider Profile Compendium 2014	Q4 2014
RPO Service Provider Landscape for LATAM region with PEAK Matrix Assessment	Q4 2014

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) Annual Report 2014 – Time to be strategic** ([EGR-2014-3-R-1121](#)); 2014. This research provides comprehensive coverage of the 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 2014 RPO market
2. **Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix Assessment 2013** ([EGR-2013-3-R-0860](#)); 2013. 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 25 RPO service providers analyzed are segmented into Leaders, Major Contenders, Emerging Players, and Star Performers. Additionally, it provides key insights on the areas in which service providers differentiate themselves
3. **Global RPO: Addressing Globalization Imperatives – How Global RPO Helps Multi-National Corporations Slay the Global Talent Dragon** ([EGR-2014-3-R-1054](#)); 2014. This report takes a close look at how the rapidly evolving global RPO market strives to enable MNCs across many regions to address the challenges outlined above. It explores the key considerations driving companies to engage in global RPO, how global RPO solutions are evolving to meet client needs, and outlines the potential challenges and pitfalls, that both the clients and providers of global RPO may encounter along the way. By wrapping up with the recommended best practices, we offer useful guidance based on the experiences of one particular global RPO client and the many observations Everest Group has developed in its years of working with global RPO buyers

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At a glance

- With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of the next generation of global services
- Through its practical consulting, original research, and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies, and management approaches
- Established in 1991, Everest Group serves users of global services, providers of services, country organizations, and private equity firms in six continents across all industry categories

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