



Multi-Country Payroll Outsourcing (MCPO) – Service Provider Landscape with PEAK Matrix™ Assessment 2015

Human Resources Outsourcing (HRO)
Market Report: March 2015 – Preview Deck

Our research offerings for global services

Subscription information

- | The full report is included in the following subscription(s)
 - **Human Resources Outsourcing (HRO)**
- | In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- | If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us:

Corporate Headquarters

Office: +1-214-451-3000

info@everestgrp.com

European Headquarters

Office: +44-207-129-1318

unitedkingdom@everestgrp.com

Market Vista™

Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

BFSI¹ information technology

PricePoint™

BFSI¹ business process

Finance & accounting

Healthcare & Life Sciences

Procurement

Application and Digital

Human resources

Cloud and Infrastructure

Recruitment process

Global sourcing

Contact center

Locations Insider™

Transaction Intelligence

Custom research capabilities

- | Benchmarking | Pricing, delivery model, skill portfolio
- | Peer analysis | Scope, sourcing models, locations
- | Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- | Tracking services | Service providers, locations, risk
- | Other | Market intelligence, service provider capabilities, technologies, contract assessment

¹ Banking, financial services, and insurance

Table of contents

Topic	Page no.
Background and methodology	5
Summary of key messages	10
Section I: Market overview	12
Market size	13
MCPO service provider landscape	14
Section II: MCPO PEAK Matrix 2015	17
Summary	18
MCPO PEAK Matrix 2015	21
Service provider assessment	22
Service provider commentary	24
Section III: Key insights on the PEAK Matrix dimensions	32
Context	33
Market success	34
Delivery capability – scale	35
Delivery capability – scope	36
Delivery capability – technology capability	37
Delivery capability – delivery footprint	38
Appendix	39
Glossary of terms	40
HRO research calendar	42
References	43

Everest Group's MCPO research is based on multiple sources of proprietary information

- 1** Everest Group's proprietary database of over **750 MCPO deals**
 - The database tracks the following elements of each MCPO deal:
 - Buyer details: Including industry, location, and headquarter region
 - Deal details: Including TCV, ACV, term, start date, buyer employees served, pay-slips processed, and the primary pricing structure
 - Scope: Process coverage and geographic coverage (in terms of number of countries covered within each region)
 - Technology ownership and maintenance
 - Global sourcing
- 2** Everest Group's proprietary database of **operational capability of over 16 MCPO service providers**
 - The database tracks the following capability elements for each service provider:
 - Major MCPO clients and recent wins
 - Overall MCPO revenue, total clients, pay-slips processed, and buyer employees served
 - Geographic coverage by employees and split of clients by industry, number of countries, and employee-size coverage
 - MCPO service suite, delivery locations, and level of offshoring
 - Technology offerings within MCPO
 - Overall country coverage and partnerships
- 3** Ongoing interaction with buyers, both as part of syndicated research relationships as well as custom research engagements

Service providers covered in detail in the analyses



The analyses in this report are presented at two levels:

- Overall market analysis that highlights the overall market composition/dynamics
 - The current market trends based on deal activities in the last three 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

Overview and abbreviated summary of key messages

This report examines the dynamics of the global MCPO service provider landscape and its impact on the MCPO market. It gives an overview of the market and analyzes how the service providers differentiate themselves. Based on the comprehensive Everest Group PEAK Matrix, each of the 16 MCPO service providers are segmented into Leaders, Major Contenders, and Emerging Players. Additionally, it provides key insights on the individual PEAK Matrix dimensions and service provider assessment of all the 16 MCPO service providers

Some of the findings in this report are:

MCPO market overview

- | Multi-Country Payroll Outsourcing (MCPO) market is one of the fastest growing markets within the HR space. It grew at a fast rate of 20% to reach ~US\$1.2 billion in annualized revenue in 2014
- | The growth story is expected to continue in the coming years with an expected CAGR of 20-25%
- | The service provider landscape can be divided into three categories of players, each with their own distinct value proposition – MCPO specialists, broader HRO-only providers, and broad-based BPO/HRO providers

MCPO PEAK Matrix 2015

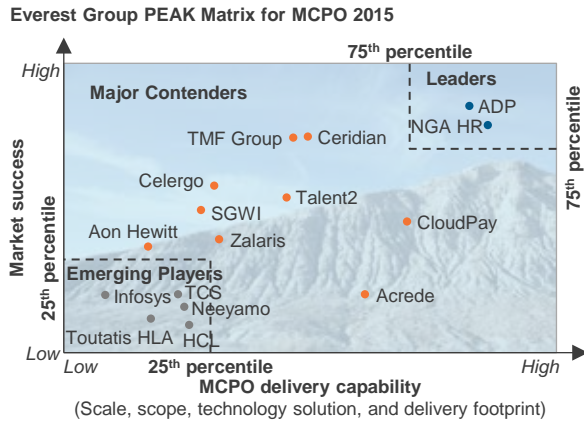
- | Everest Group classifies 16 MCPO service providers on Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories of Leaders, Major Contenders, and Emerging Players
- | Everest Group also provides service provider assessment and remarks for each of these providers

Key insights into PEAK Matrix dimensions

- | Top service providers across each PEAK Matrix dimension are compared with others to identify differentiating strategy and operational capability

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

MCPO PEAK Matrix 2015



Market overview

Overall service provider share distribution
ACV (US\$ million)

100% =

Service provider 7

Service provider 6

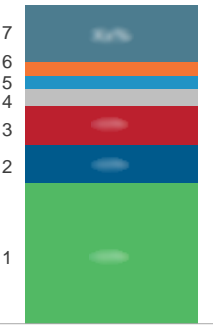
Service provider 5

Service provider 4

Service provider 3

Service provider 2

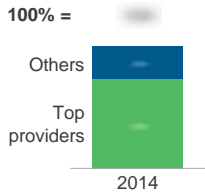
Service provider 1



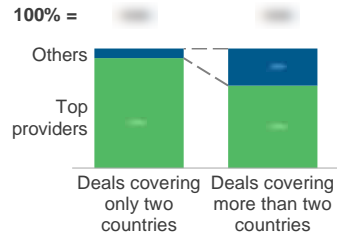
ACV

Key insights on PEAK Matrix dimensions – Market Success

Overall market share distribution
ACV in US\$ million



Market share distribution by country coverage
MCPO deals covering two countries; MCPO deals covering more than two countries



Top providers by market success

Service provider 1 Service provider 2 Service provider 3

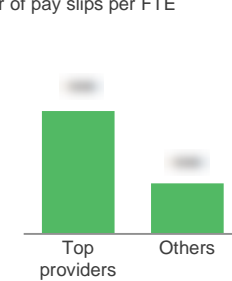
Key insights on PEAK Matrix dimensions

Delivery capability – Scale

Average number of MCPO pay slips processed and client employees served
In million



Average number of pay slips processed per provider FTE
Number of pay slips per FTE



Top providers by scale

Service provider 1 Service provider 2 Service provider 3

Source: Everest Group (2015)

HRO research calendar

Published Current

Topic	Release date
BPS Code of Conduct: A Shared Solution for Protecting Confidential Information	October 2014
Benefits Administration Outsourcing (BAO) – Service Provider Profile Compendium 2014	October 2014
Rising Anti-Incumbency in Outsourcing: Breaking Up Is Not Hard to Do	October 2014
Service Delivery Automation (SDA) Market in 2014 – Moving Business Process Services Beyond Labor Arbitrage	October 2014
MPHRO – Service Provider Profile Compendium 2014	November 2014
Multi-Country Payroll Outsourcing (MCPO) – Service Provider Landscape and Capability Assessment	March 2015
HR Outsourcing in APAC	Q1 2015
Multi-Country Payroll Outsourcing (MCPO) – Annual Report 2014	Q1 2015
Technology in business process services (BPS) – Next step in the evolution	Q1 2015
Benefits Administration Outsourcing (BAO) – Annual Report 2015	Q2 2015
Multi-Country Payroll Outsourcing (MCPO) – Service Provider Profile Compendium 2015	Q2 2015
Multi-Process Human Resources Outsourcing (MPHRO) – Annual Report 2015	Q2 2015
Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Landscape with PEAK Matrix Assessment 2015	Q3 2015

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. **Multi-Process Human Resources Outsourcing (MPHRO) Annual Report 2014 – The Times Are Changing** ([EGR-2014-3-R-1107](#)); 2014. This report provides comprehensive coverage of the MPHRO market and analyzes it across various dimensions such as market overview & key regional trends, buyer adoption & solution trends, and service provider landscape
2. **Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Landscape with PEAK Matrix™ Assessment 2014** ([EGR-2014-3-R-1192](#)); 2014. 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 Matrix dimensions
3. **Analytics Business Process Services (BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2015** ([EGR-2015-10-R-1371](#)); 2015. 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 19 Analytics service providers are segmented into Leaders, Major Contenders, and Emerging Players. Additionally, this report provides key insights on individual PEAK Matrix dimensions

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

Rajesh Ranjan, Partner:

rajesh.ranjan@everestgrp.com

Arkadev Basak, Practice Director:

arkadev.basak@everestgrp.com

Rachit Saran, Senior Analyst:

rachit.saran@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



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

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-647-557-3475

London

unitedkingdom@everestgrp.com
+44-207-129-1318

Delhi

india@everestgrp.com
+91-124-284-1000

Stay connected

Websites

www.everestgrp.com
research.everestgrp.com



Twitter

@EverestGroup
@Everest_Cloud



Blog

www.sherpasinblueshirts.com

