Recruitment Process Outsourcing (RPO) Annual Report 2015 – Broader Adoption, Deeper Execution, Greater Innovation

Recruitment Process Outsourcing (RPO)
Annual Report: August 2015 – Preview Deck

Our research offerings for global services

▶ **Market Vista™**
Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

▶ **BFSI[1] Information Technology**

▶ **BFSI[1] Business Process**

▶ **Healthcare & Life Sciences**

▶ **Application & Digital**

▶ **Cloud & Infrastructure**

▶ **Global Sourcing**

▶ **Locations Insider™**

▶ **PricePoint™**

▶ **Finance & Accounting**

▶ **Procurement**

▶ **Human Resources**

▶ **Recruitment Process**

▶ **Contact Center**

▶ **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

Subscription information

- The full report is included in the following subscription(s)
  - **Recruitment Process Outsourcing (RPO)**

- 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

1   Banking, financial services, and insurance

Everest Group
RESEARCH

Table of contents (page 1 of 2)

Table of contents (page 2 of 2)

Everest Group
RESEARCH

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

1
- Everest Group's proprietary database of over **1,500 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

accenture — High performance. Delivered.
ADP — A more human resource.
alexander mann solutions
ALLEGIS GLOBAL SOLUTIONS
AMN Healthcare
AON Hewitt
CAPITA RESOURCING
CIELO
futurestep — A Korn/Ferry Company
HAYS — Recruiting experts worldwide
IBM
Infosys
KELLYOCG — OUTSOURCING & CONSULTING GROUP
ManpowerGroup
NEEYAMC
peoplescout — a TRUEBLUE company
PeopleStrong
randstad sourceright
RESOURCESOLUTIONS
SEVENSTEP
WilsonHCG — HUMAN CAPITAL GROUP
Yoh

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
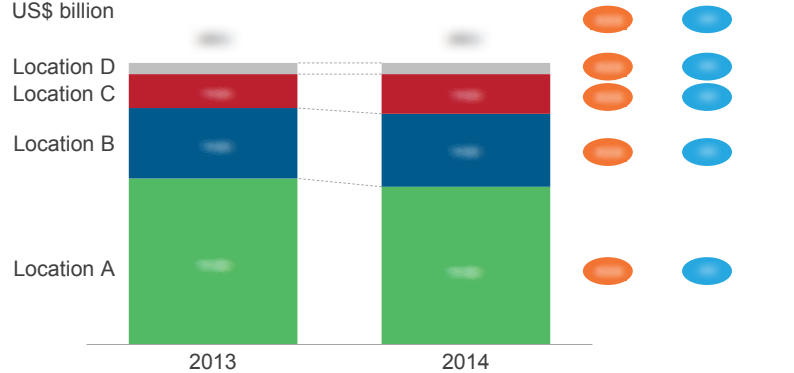
Everest Group
RESEARCH

Overview and abbreviated summary of key messages

Dimension	Key RPO market insight

1 — Market overview
- RPO market continued its momentum and grew at 13% in 2014 to cross US$ 2.0 billion in annualized spend
- While North American market grew at a sluggish pace, a much needed push was received from the Europe, Middle East, and Africa (EMEA) and Asia Pacific (APAC) markets

2 — Technology, mobility, and analytics
- With growing maturity of the RPO market, numerous add-on / peripheral recruitment tools are being introduced in the market that enhance the recruitment value chain
- Demand for analytics has also seen a surge amongst RPO buyers. Many service providers have made dedicated investments to develop capabilities in analytics tools/services to gain a greater share of this fast-emerging market

3 — Evolving solution characteristics
- Value-added recruitments services, such as employer branding and talent communities, are increasingly becoming table-stakes and especially play an important role during renewals
- The market is also evolving in terms of more advanced and outcome-oriented pricing constructs and SLAs, wherein the buyers exercise greater control and the provider's interests align with that of the buyer's

4 — Other market trends
- Multi-Country RPO (MCRPO) engagements are on the rise with higher number of multi-continent deals, which reflects the increased maturity of the MCRPO model
- There is a steady increase in the offshore play in RPO. With increasing maturity, global sourcing in RPO will move towards an "ideal" model that balances cost with quality of service

5 — Service provider landscape
- The RPO competitive landscape continues to remain intense, forcing the service providers to continually bring in greater innovation in their solution elements so as to remain relevant

Everest Group
RESEARCH

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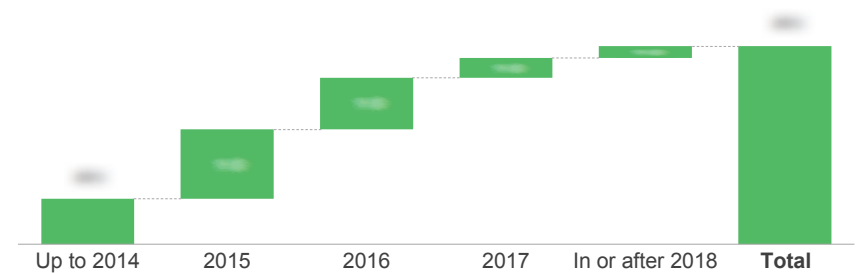
RPO market size and growth

Growth rate:
🔴 2012-2013   🔵 2013-2014

RPO market size by geography
US$ billion

Location D
Location C
Location B
Location A

2013   2014

Share of deals up for renewal in RPO

Share of deals up for renewal in RPO
Percentage of deals

Up to 2014   2015   2016   2017   In or after 2018   **Total**

Evolving pricing constructs in RPO deals

Strategic intent and sophistication of different pricing models
Market share

Strategic intent and value to buyer

Futuristic pricing models
Examples: Outcome-based pricing

Evolved pricing models
Examples: Base-fee plus variable

Traditional pricing models
Examples: Pure variable – price per hire

Increasing sophistication
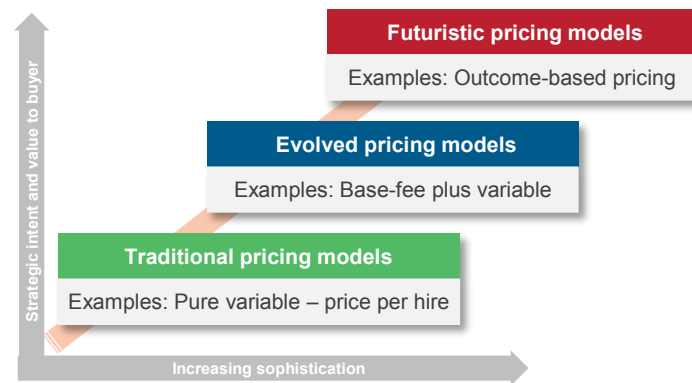
Service provider market share distribution

Overall service provider share distribution
Annual number of hires

100% =

Service provider 11   Service provider 10
Service provider 9
                                        Service provider 8
Service provider 7
Service provider 6
Service provider 5
Service provider 4
Service provider 3
Service provider 2
Service provider 1

Up to 2013   Up to 2014
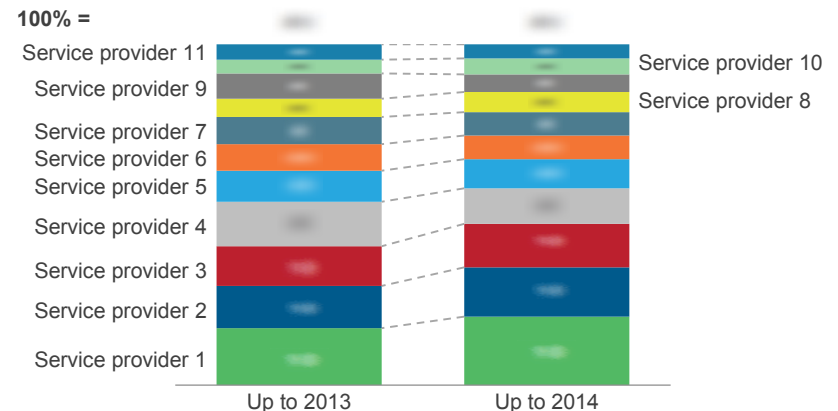
Everest Group
RESEARCH

RPO research calendar

Topic	Release date
RPO – Service Provider Profile Compendium 2014	January 2015
Analytics Business Process Services (BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2015	February 2015
Recruitment Process Outsourcing (RPO) – Rise of RPO in Latin America	February 2015
Reinventing Business Process Services (BPS) – Leveraging Technology to Deliver on New Expectations	March 2015
Recruitment Process Outsourcing (RPO): Good Medicine for Healthcare Recruiting	March 2015
Recruitment Process Outsourcing (RPO) – Annual Report 2015	August 2015
RPO Service Provider Landscape with PEAK Matrix Assessment 2015	Q3 2015
Talent Acquisition Outsourcing – RPO & MSP in Asia Pacific	Q3 2015
Blended Model in Talent acquisition – A new age	Q4 2015
RPO Service Provider Landscape in Latin America with PEAK Matrix	Q4 2015
RPO - Service Provider Profile Compendium 2015	Q4 2015

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. **Rise of HR Outsourcing in Asia Pacific: Enabling HR to be Strategic** (EGR-2015-3-R-1374); 2015. As the global HR Outsourcing market moves towards maturity in the developed economies of the West, Asia Pacific has emerged as a stellar performer with an eye-catching growth rate and vast untapped potential. Interestingly, global players are lagging behind their locally entrenched counterparts here. This report examines the interesting dynamics of the Asia Pacific HR Outsourcing market

1. **Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix Assessment 2014** (EGR-2014-3-R-1216); 2014. 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 22 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

2. **Recruitment Process Outsourcing (RPO) – Rise of RPO in Latin America** (EGR-2015-3-R-1398); 2015. Latin America, with its diverse cultural heritage, is a relatively young and emerging market for Recruitment Process Outsourcing (RPO). This research provides comprehensive coverage of the RPO market in Latin America and analyzes it across various dimensions such as market overview, RPO drivers and challenges, buyer adoption & solution trends, service provider landscape, and key characteristics of RPO in various Latin American countries

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
Vishal Gupta, Senior Analyst: vishal.gupta@everestgrp.com

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

Everest Group
RESEARCH

Everest Group

From **insight** to *action*.

About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empowers clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.ererestgrp.com and research.everestgrp.com.

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

Blog

SHERPAS
IN BLUE SHIRTS

www.sherpasinblueshirts.com