



Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Profile Compendium 2015

Human Resources Outsourcing (HRO)

Market Report: December 2015 – Preview Deck

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▶ 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

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
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¹ Banking, financial services, and insurance

Everest Group's Multi-Process Human Resources Outsourcing (MPHRO) research is based on multiple sources of proprietary information (page 1 of 2)

- 1
- Everest Group's proprietary database of **625+ MPHRO deals** (updated annually)
 - The database tracks the following elements of each MPHRO deal
 - Buyer details including industry, location, and signing region
 - Deal details including TCV, ACV, contract term, start date, buyer employees served, and primary pricing structure
 - Scope including process coverage and geographic coverage (employees covered by each region)
 - Technology ownership and maintenance
 - Global sourcing

- 2
- Everest Group's proprietary database of **operational capability of 20+ MPHRO service providers** (updated annually)
 - The database tracks the following capability elements for each service provider
 - Major MPHRO clients and recent wins
 - Overall MPHRO revenue, total clients, and buyer employees served
 - Recent HRO-related developments (investments and partnerships)
 - HRO delivery locations and level of offshoring
 - Technology offerings within HRO
 - HRO service suite

Service providers covered in the analysis



Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information collected will only be presented back to the industry in an aggregated fashion

Everest Group's Multi-Process Human Resources Outsourcing (MPHRO) research is based on multiple sources of proprietary information (page 2 of 2)

3

Buyer surveys and interactions

Global surveys and one-on-one executive-level interviews are undertaken to understand how organizations perceive performance of their MPHRO provider. The surveys/interviews focus on different aspects of an outsourcing relationship including:

- Key drivers for outsourcing MPHRO
- Contract details (including process scope, signing year, and duration)
- Overall performance of the service provider including key strengths and improvement areas
- Detailed assessment of service provider performance across elements such as:
 - Key HRO metrics
 - HR processes
 - Implementation and transition phases
 - Governance and relationship management

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 up to December 2014

The sample size varies for different analyses, based on the deal detail availability.

Table of contents

| Topic | Page no. |
|---|-----------|
| Section I: MPHRO service provider landscape snapshot | 6 |
| • Definition of MPHRO | 7 |
| • MPHRO service provider landscape | 9 |
| Section II: Service provider profiles | 12 |
| • Accenture | 13 |
| • ADP | 17 |
| • Aon Hewitt | 21 |
| • Capita | 25 |
| • CGI | 29 |
| • HCL | 33 |
| • Hexaware | 37 |
| • HP | 41 |
| • IBM | 45 |
| • Infosys | 49 |
| • MidlandHR | 53 |
| • Neeyamo | 57 |
| • NGA Human Resources | 61 |
| • PeopleStrong | 65 |
| • Ascender (formerly Talent2 HRMS) | 69 |
| • TCS | 73 |
| • Wipro | 77 |
| • WNS | 81 |
| • Xerox | 85 |
| • Zalaris | 89 |
| Appendix | 93 |
| • Everest Group PEAK Matrix methodology | 94 |
| • Glossary of terms | 97 |
| • HRO research agenda | 99 |
| • References | 100 |

ABC (page 1 of 4)

MPHRO service capability and strategy

Company profile: ABC provides talent, retirement, and health solutions
Headquarters: Xxx, United Kingdom
Key leaders (BPO/HRO business): Xxx, CEO, HR BPO
Website: www.xyz.com

Current MPHRO market segment focus

- Buyer segment: Targets primarily the large-market² segment
- Geography: North America, Asia Pacific, and EMEA

Current MPHRO technology strategy

- Overview: ABC offers ERP-based solutions, augmented with proprietary and best-of-breed point solutions
- Technology models supported:

| Tie-and-run | Support/ augmentation | Customized replacement/ implementation | Platform-based solution |
|-------------|--------------------------|--|----------------------------|
| ✓ | ✓ | ✓ | ✓ |

Recent HRO-related developments/investments in 2013-2014

| Areas | Developments/investments |
|---------------------------|--|
| M&A/ partnership | <ul style="list-style-type: none"> • Xxx • Xxx |
| HR technology- related | <ul style="list-style-type: none"> • Xxx • Xxx |
| Analytics and mobile | <ul style="list-style-type: none"> • Xxx |
| Others | <ul style="list-style-type: none"> • Xxx |

Total HRO delivery FTEs = ~XXX

| Offshore ¹ | Nearshore ¹ | Onshore |
|-----------------------|------------------------|---------|
| ~XXX | ~XXX | ~XXX |

SERVICE SUITE

■ Offered as MPHRO solution
 ■ Offered on a stand-alone basis
 ■ Not offered

| | | | | | | | | | | |
|--------------------|------------------------|---------------------------|-----------------|----------|---------------------------|--------------|----------|---------|------|----------------|
| Employee relations | Performance management | Regulatory and compliance | Global mobility | Learning | Recruitment and selection | Compensation | Benefits | Payroll | HRIS | Contact center |
|--------------------|------------------------|---------------------------|-----------------|----------|---------------------------|--------------|----------|---------|------|----------------|

1 FTEs located in offshore (India, China, and Southeast Asia) or nearshore locations (Eastern Europe and Latin America) and delivering services for North America or Western Europe

2 Mid-market includes 3,000 to 15,000 employees managed. Large market includes over 15,000 employees managed

Source: Everest Group (2015)

ABC (page 2 of 4)

MPHRO client portfolio

MPHRO experience

Total number of current MPHRO clients – XX

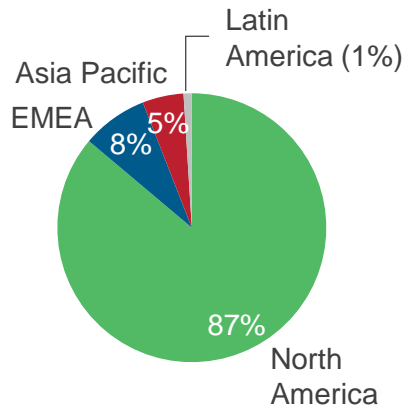
Recent MPHRO wins

- Xxx
- Xxx

Major MPHRO clients

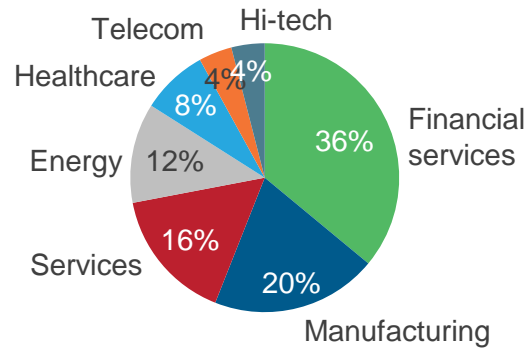
MPHRO revenue (ACV) geography mix

100% = US\$XX million



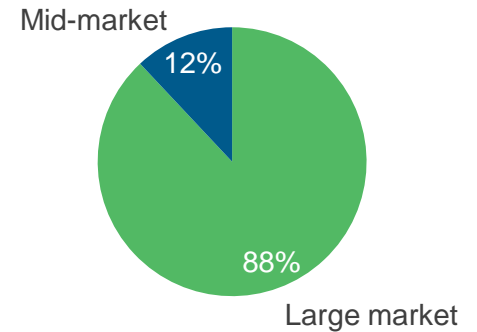
MPHRO revenue (ACV) industry mix

100% = US\$XX million



MPHRO buyer size mix

100% = XX deals



Source: Everest Group (2015)

ABC (page 3 of 4)

Key MPHRO delivery locations



Source: Everest Group (2015)



MPHRO strengths and areas of improvement

Delivery capability assessment

● Best-in-class ● Not matured

| Dimension | Rating | Remarks |
|-------------------------------------|--------|--|
| Scale | ● | Very large overall revenue with low contribution of MPHRO to it |
| Scope | ● | Wide scope of processes, deal complexity, and buyer industry |
| Technology solutions and innovation | ● | Partnerships with company X and company Y; strong play in analytics and mobility |
| Delivery footprint | ● | Broad delivery footprint with a balanced offshore-onshore mix |
| Buyer satisfaction | ● | Received high scores, especially in relationship management |

Strengths

- ABC, a Leader in MPHRO, also emerged as a Star Performer due to a steady growth of MPHRO revenue on the back of XX new deals
- With a strong foothold in developed markets, it has the expertise to combine HRO with Finance and Accounting Outsourcing (FAO) and/or Procurement Outsourcing (PO), to offer multi-tower solutions
- It has leveraged partnerships extensively, especially the one with Workday on which it has a large number of clients
- Through both organic and inorganic investments, it demonstrated application of advanced analytics and offered flexible options such as ongoing, project-based, and as-a-service analytics
- Reference clients cite high service quality, implementation capabilities, and superior technology as its strengths

Areas of improvement

- ABC's market success in the fast-growing Asia Pacific space, is relatively low for a large global player, accentuating the need to adapt to this fast growing market
- Buyers highlight the highly contract driven nature of engagements as preventing a more flexible and agile implementation

HRO research agenda

Published Current

Topic

Release date

| | |
|--|----------------|
| Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Profile Compendium 2014 | November 2014 |
| Analytics Business Process Services (BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2015 | November 2014 |
| Multi-Country Payroll Outsourcing (MCPO) – Service Provider Landscape with PEAK Matrix™ Assessment 2015 | March 2015 |
| Reinventing Business Process Services (BPS) – Leveraging Technology to Deliver on New Expectations | March 2015 |
| Rise of HR Outsourcing in Asia Pacific: Enabling HR to be Strategic | April 2015 |
| Multi-Country Payroll Outsourcing (MCPO) – On the Verge of a Quantum Leap | June 2015 |
| Technology in BPS –Service Provider Compendium 2015 | June 2015 |
| Technology in Business Process Services (BPS) – The Pecking Order | August 2015 |
| Multi-Country Payroll Outsourcing (MCPO) – Service Provider Profile Compendium 2015 | September 2015 |
| Multi-Process Human Resources Outsourcing (MPHRO) – Annual Report 2015 | September 2015 |
| Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Landscape with PEAK Matrix™ Assessment 2015 | October 2015 |
| Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Profile Compendium 2015 | December 2015 |
| Benefits Administration Outsourcing (BAO) – Annual Report 2015 | Q1 2016 |
| Benefits Administration Outsourcing (BAO) – Service Provider Landscape with PEAK Matrix Assessment 2015 | Q1 2016 |
| Global HR Trends Handbook 2015 – Innovation, technology, outsourcing, and vendors | Q1 2016 |

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 – Transition to Changing Realities** ([EGR-2015-3-R-1570](#)); 2015. This report provides a comprehensive coverage of the 2014 global MPHRO market and analyzes it across various dimensions such as market overview and key regional trends, buyer adoption and solution trends, and service provider landscape.
2. **Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Landscape with PEAK Matrix™ Assessment 2015** ([EGR-2015-3-R-1581](#)); 2015. This report examines the dynamics of the MPHRO service provider landscape. It provides a deep-dive analysis into how the service providers shape up in terms of their market success and delivery capability. Based on the comprehensive Everest Group PEAK Matrix, 19 MPHRO service providers are segmented into Leaders, Major Contenders, and Aspirants. Additionally, this report also contains Everest Group's remarks on each service provider's strengths and areas of improvement, besides insights into each of the PEAK Matrix dimensions.
3. **Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2015** ([EGR-2015-3-R-1595](#)); 2015. we analyze the RPO service provider landscape across the following dimensions - RPO service provider landscape overview, RPO PEAK Matrix and Star Performers for 2015, service provider delivery capability assessment, and emerging service provider trends.
4. **Technology in Business Process Services (BPS) – The Pecking Order** ([EGR-2015-10-R-1533](#)); 2015. This study includes classification of 13 broad-based service providers on BPS technology evaluation framework's four categories: Achievers, Executors, Strategists, and Strivers, remarks on key strengths and areas of improvement for each of the service providers along with relative rating on each of the evaluation dimensions and analysis of the key BPS technology strategies of the service providers

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