



## Global Services Trends in Q4 2014

October-December 2014  
Market Vista™: Industry Trends – Preview Deck

Everest Group  
**MARKET** VISTA™

# Our research offerings for global services

## Subscription information

- | The full report is included in the following subscription(s)
  - **Market Vista™**
- | 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](mailto:info@everestgrp.com)

European Headquarters  
Office: +44-207-129-1318  
[unitedkingdom@everestgrp.com](mailto:unitedkingdom@everestgrp.com)

## Market Vista™

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

**BFSI<sup>1</sup> Information Technology**

**PricePoint™**

**BFSI<sup>1</sup> 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

<sup>1</sup> Banking, financial services, and insurance

# Table of contents

---

- I **Product overview**

- I Illustrative contents

# Market Vista enables effective decision-making

## Global sourcing managers need research, analysis, and insight to demystify the market and direct clear, impactful decisions

### Overall sourcing market

- ▮ Detailed analysis of trends by vertical and geography
- ▮ Report of transaction volume, size, and momentum
- ▮ Perspective on events with significant industry impact (e.g., M&A)
- ▮ Implications of regulatory changes



### Service provider landscape

- ▮ Updates on service provider market share, capabilities, and performance
- ▮ Service provider profiles, including data on:
  - Transactions
  - Location footprint
  - M&A activity



Everest Group  
**MARKET VISTA™**

### Location data and dynamics

- ▮ Data on market activity in key offshore geographies
  - Political
  - Macroeconomic
  - Promotion incentives
- ▮ Trends in wage inflation, attrition, and arbitrage



### Processes and models

- ▮ Process-level trends
- ▮ Global In-house Center (GIC) set-ups, divestitures, and overall trends
- ▮ Fact-based insights on adoption of emerging pricing models
- ▮ Data and perspectives on new opportunity areas



Quarterly  
report

Primer

Location  
database

Breaking  
viewpoint

Location insights  
e-newsletter

Service provider  
capability profiles

Industry  
trends

# Trends reports complement Market Vista quarterly reports by providing in-depth coverage of global sourcing across verticals and regions



## Market Vista Buyer Geography Trends reports

### Regions tracked

- United States and Canada
- Europe
- Rest of the World (RoW), including Asia Pacific (APAC), Latin America (LATAM), and Middle East & Africa (MEA)

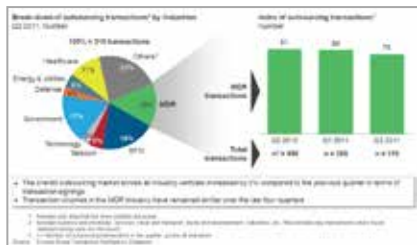
## Market Vista Industry Trends reports

### Industries tracked

- Banking, Financial Services, & Insurance (BFSI)
- Manufacturing, Distribution, and Retail (MDR)
- Energy & Utilities (E&U)
- Healthcare
- Technology
- Telecom
- Public Sector
- Travel & Hospitality

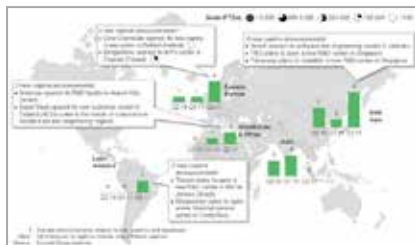
30+ pages of analysis on each vertical/region every quarter

### Outsourcing transaction activity



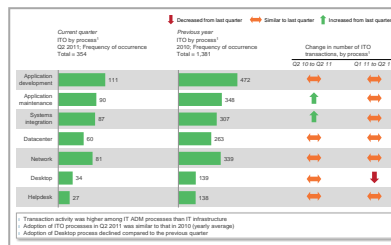
- Trends in transaction volumes, contract values, and momentum
- Events with industry impact

### GIC set-up and expansion activity



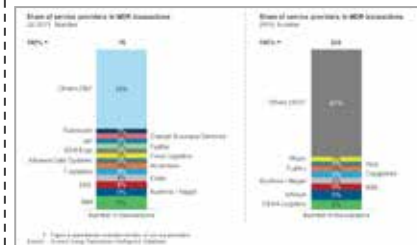
- GIC set-ups, expansions, and divestures
- Analysis of buyers, locations, and scope of work offshored

### Processes and models



- Process-level and subprocess-level transaction trends
- Emerging opportunity areas

### Service provider trends and developments



- Service provider performance (transactions, market shares)
- Significant deals signed by leading enterprises

# Industry trends comprise of four quarterly reports for each of the eight key industries comprising majority of the global sourcing industry

ILLUSTRATIVE

## Key subverticals covered

- 1 **Banking, Financial Services, and Insurance (BFSI)**
- | Banking
  - | Insurance
  - | Other financial services

- 2 **Manufacturing, Distribution, and Retail (MDR)**
- | Automotives and auto-components
  - | Consumer packaged goods
  - | Heavy and light manufacturing
  - | Retail, distribution, and logistics

- 3 **Energy and Utilities (E&U)**
- | Oil and gas
  - | Petro-chemicals
  - | Utilities

- 4 **Healthcare**
- | Pharmaceutical and Life sciences
  - | Healthcare payers
  - | Healthcare providers

## Key subverticals covered

- 5 **Technology**
- | Software – products and R&D
  - | Semiconductors
  - | Computer hardware and peripherals

- 6 **Telecom**
- | Telecom service providers and manufacturers
  - | Telecom networks

- 7 **Public Sector**
- | Government sector
  - | Defence sector

- 8 **Travel and Hospitality**
- | Travel
  - | Hospitality

20+ pages in each industry trends report

Quarterly industry trends reports for each industry

32 industry trends reports across eight industries in a year

# Table of contents

---

| Product overview

| **Illustrative contents**

# Each Industry Trends quarterly report comprises 20+ pages of insight and data

## Illustrative Table of Contents

---

### Topic

---

#### **Section I: Outsourcing transaction trends**

- | Outsourcing transactions overview
- | Break-up of industry specific transactions by function
- | Break-up of industry specific transactions by processes and subprocesses
- | Transaction renewal/restructuring activity

#### **Section II: GIC analysis**

- | GIC market analysis overview
- | GIC market analysis by geography

#### **Section III: Service provider activity and deal information**

- | Share of service providers in total transaction activity
- | Notable deals signed by service providers
- | Major outsourcing-related developments across leading companies

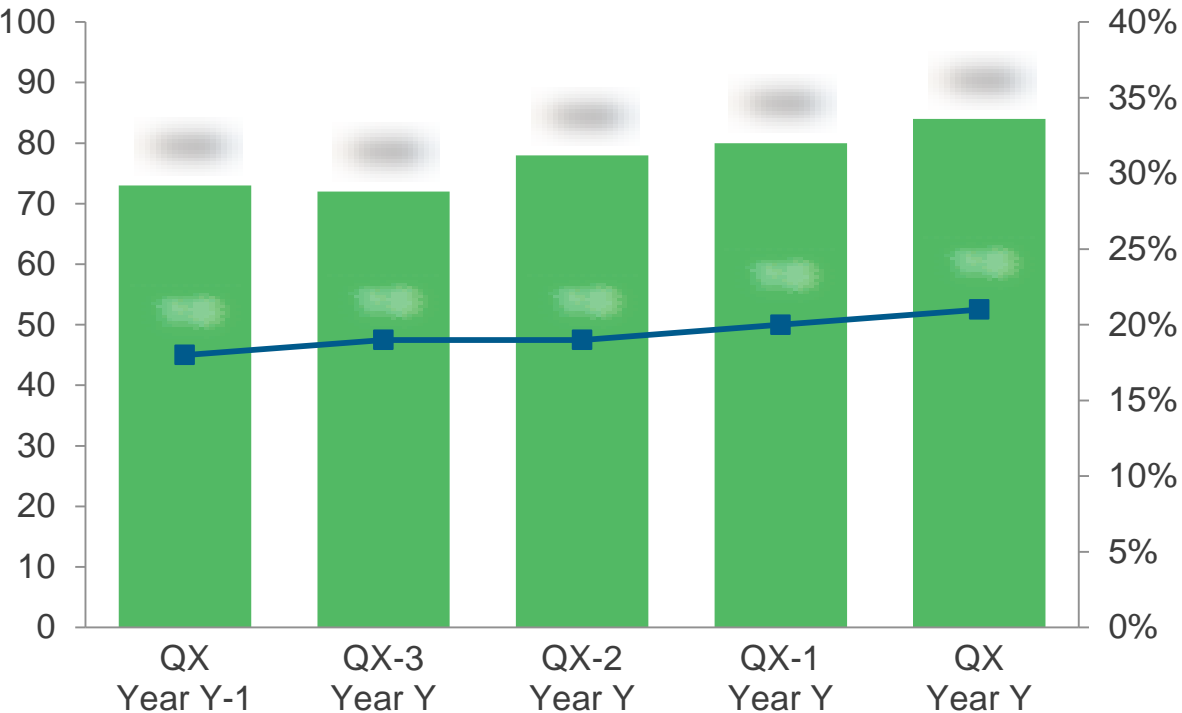


# Section I: Outsourcing transaction trends

## Industry A accounted for XX% of total reported outsourcing transactions in QX Year Y with volumes increasing compared to XX

**Number of outsourcing transactions<sup>1</sup> in Industry A and share in overall market**  
Number/percentage

■ Number of transactions  
—■ Share in overall market



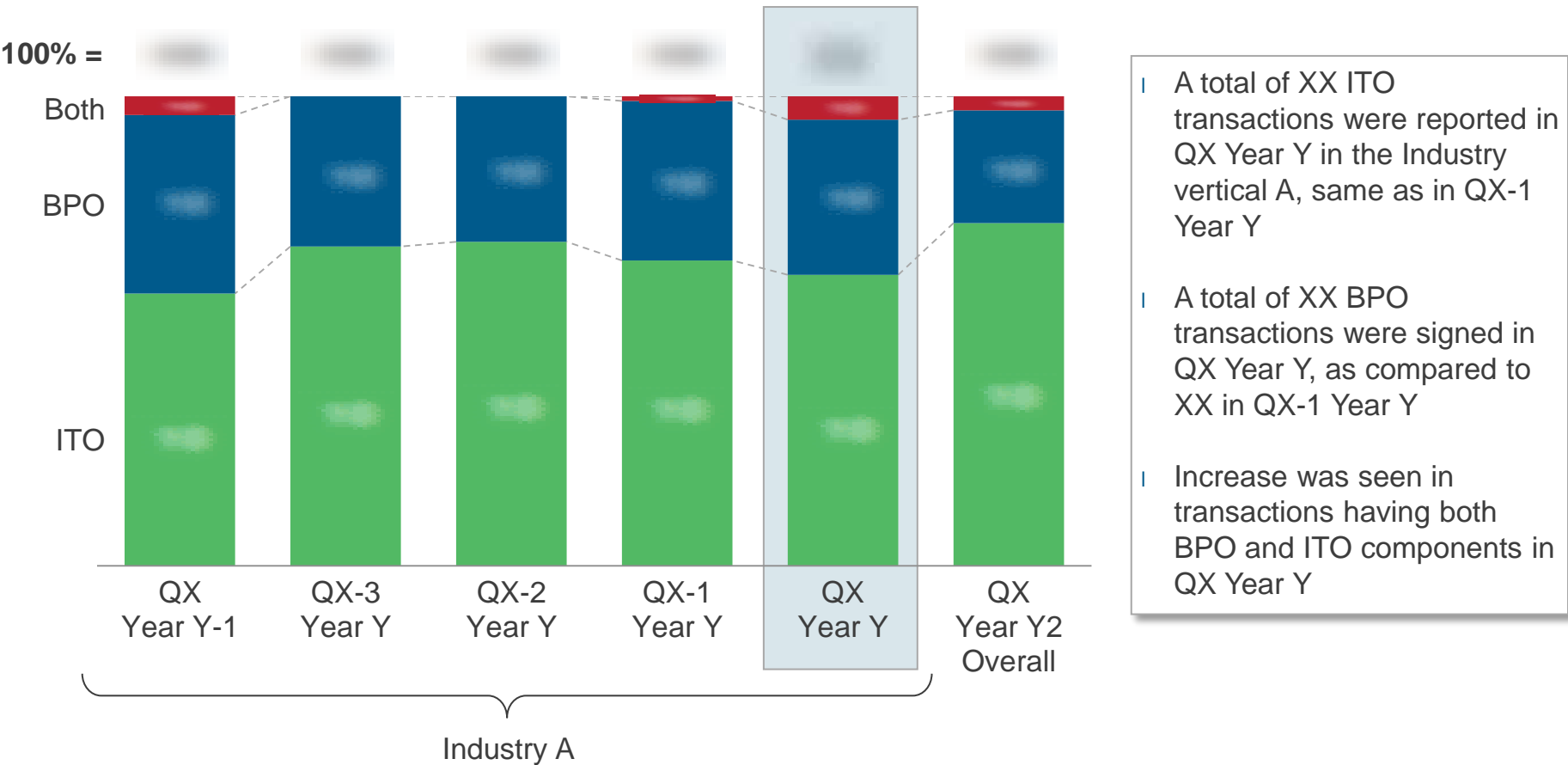
- | The overall outsourcing market saw similar activity in QX Year Y, as in the previous quarters
- | A total of XX transactions were reported in the industry vertical A in QX Year Y, accounting for XX% share of the total outsourcing market, similar to QX-1 Year Y

<sup>1</sup> Only includes data that has been publicly disclosed  
Source: Everest Group Transaction Intelligence Database

# Section I: Outsourcing transaction trends

## Transaction volumes XXXX across both ITO and BPO functions

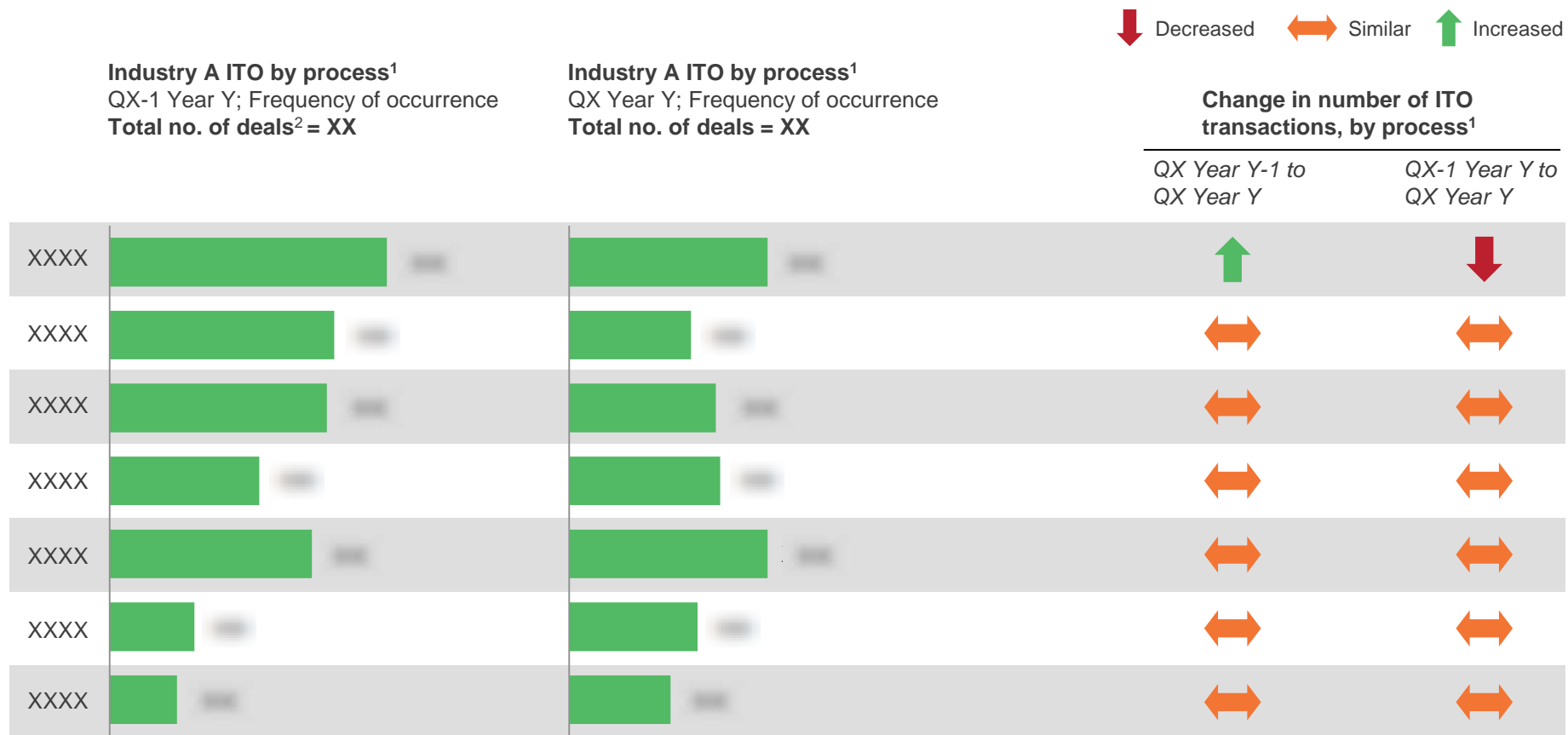
**Breakdown of Industry vertical A transactions by function**  
Number of transactions



Source: Everest Group Transaction Intelligence Database

## Section I: Outsourcing transaction trends

### Higher outsourcing adoption in XXXX, XXXX, and XXXX



1 Includes ITO transactions that have a BPO component

2 Frequency of occurrences of individual processes may not add up to the total, as the scope of an outsourcing transaction often involves multiple processes

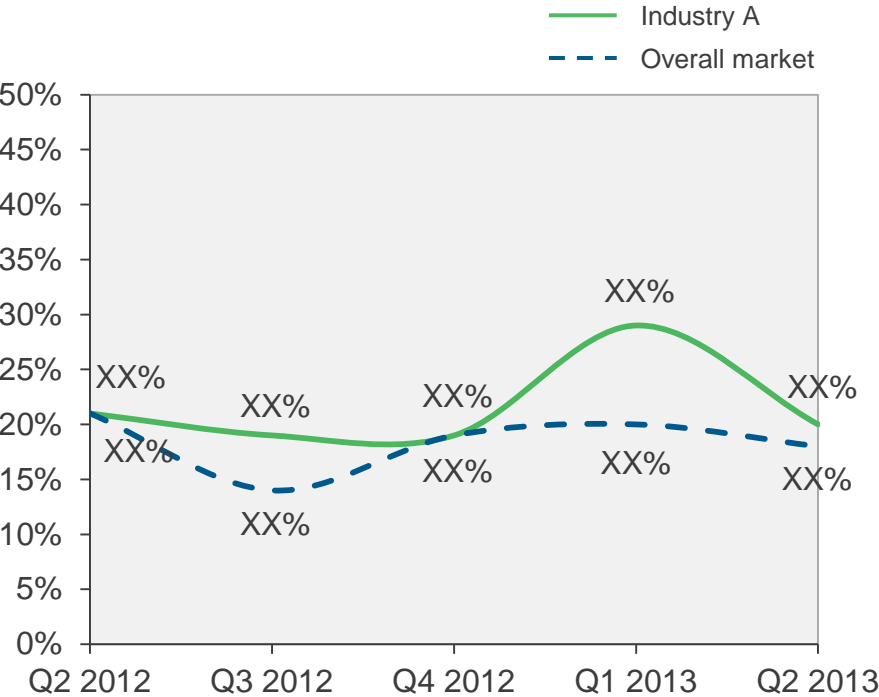
Source: Everest Group Transaction Intelligence Database

# Section I: Outsourcing transaction trends

## Share of new transactions signed in QX Year Y was XX%

### ITO AND BPO TRANSACTIONS

Share of renewals / restructured<sup>1</sup> deals  
Percentage



Major Industry A transactions nearing the end of their contract duration over the next few months

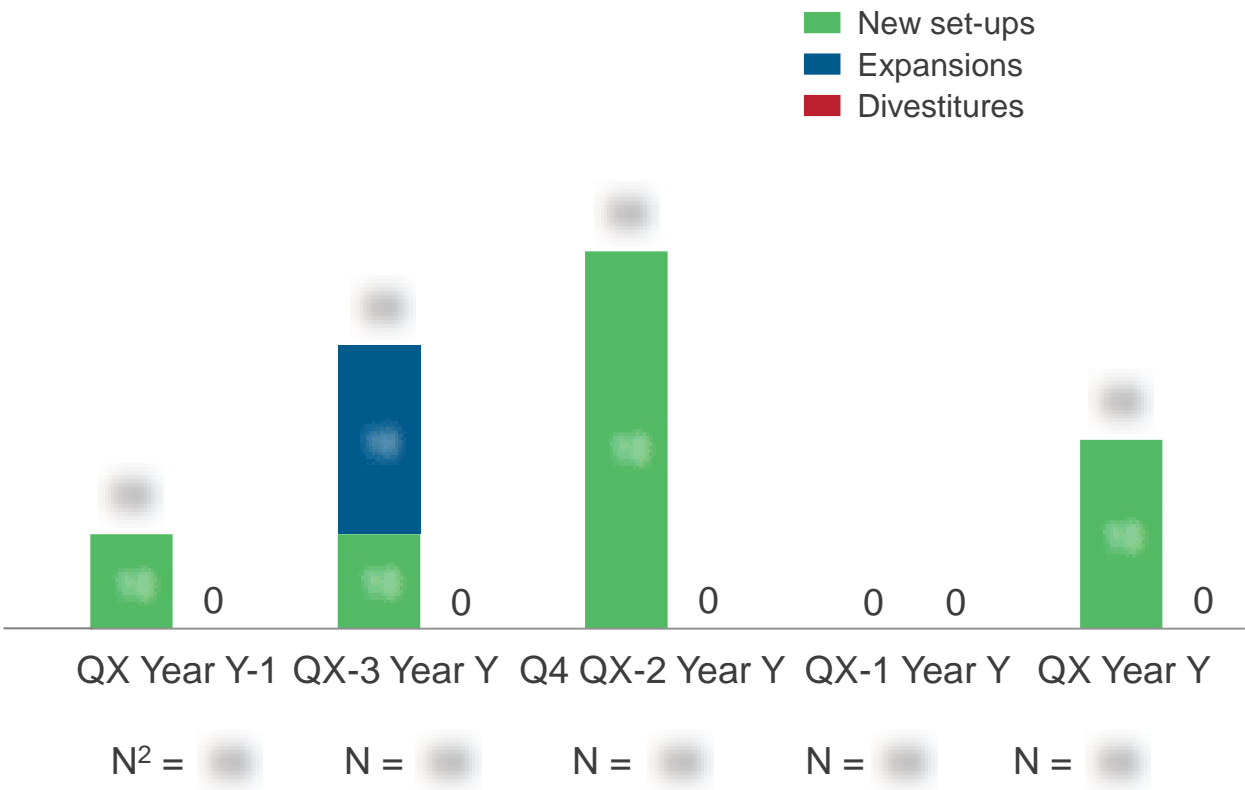
Buyer	Service provider	Function scope
Buyer 1	Service provider 1	XX
Buyer 2	Service provider 2	XX
Buyer 3	Service provider 3	XX
Buyer 4	Service provider 4	XX
Buyer 5	Service provider 5	XX

<sup>1</sup> Refers to contracts where the scope was extended or expanded  
Source: Everest Group Transaction Intelligence Database

# Section II: GIC market analysis

## Overall number of GIC announcements in QX Year Y witnessed an XXXX compared to the previous quarter

Index of offshore GIC health<sup>1</sup>  
Number of GICs

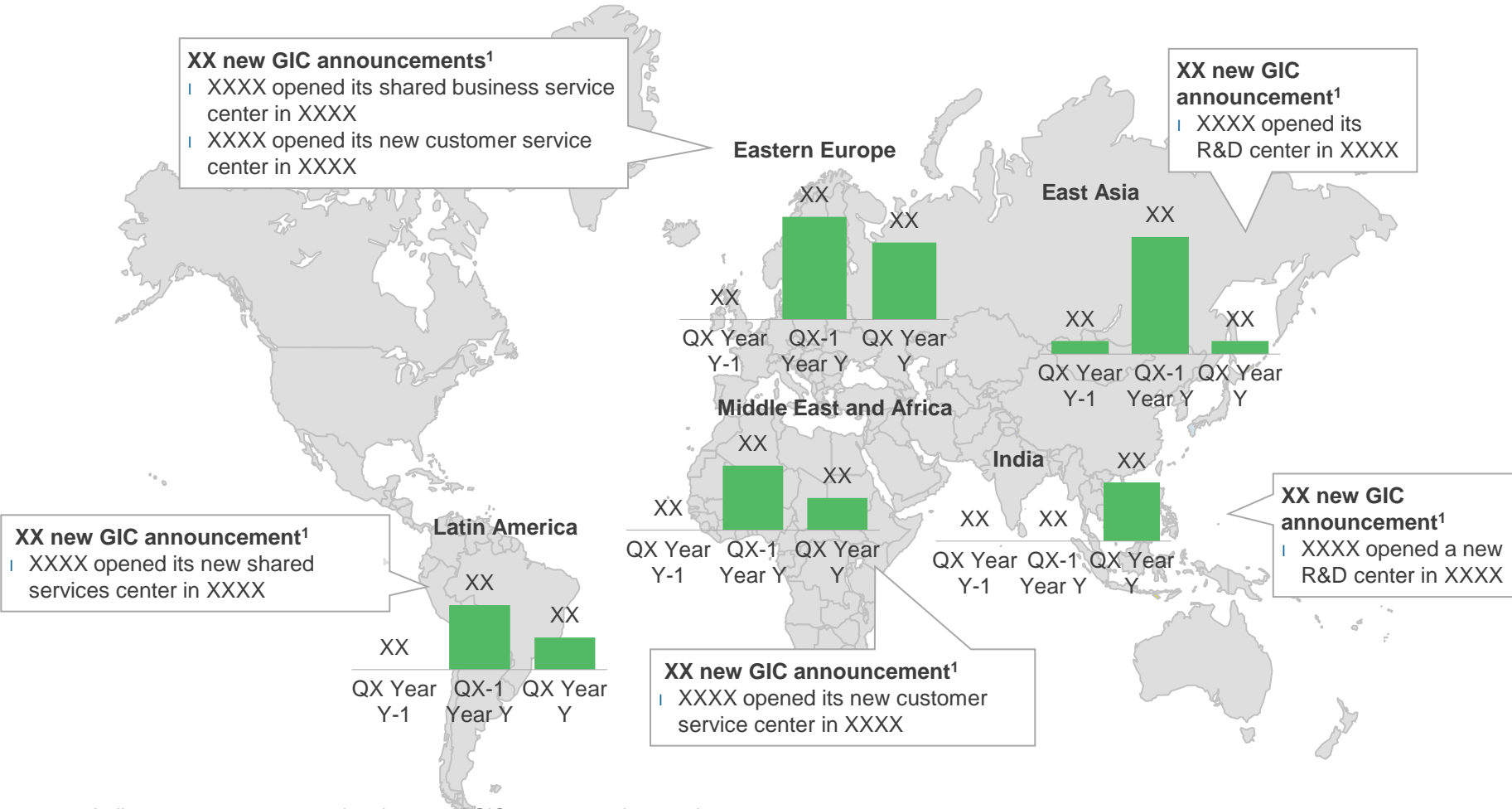


- | There were XX new GIC announcements in the quarter
- | Some well-known companies that made GIC announcements included XX, YY, and ZZ
- | XX GIC divestitures were announced in this quarter

<sup>1</sup> Only includes data that has been publicly disclosed  
<sup>2</sup> N = Number of GIC announcements in the quarter, across all industries  
Source: Everest Group (2015)

# GIC set-ups<sup>1</sup> | By region

## GIC activity was concentrated in XXXX and XXXX



<sup>1</sup> Indicates announcements related to actual GICs set-ups and expansions

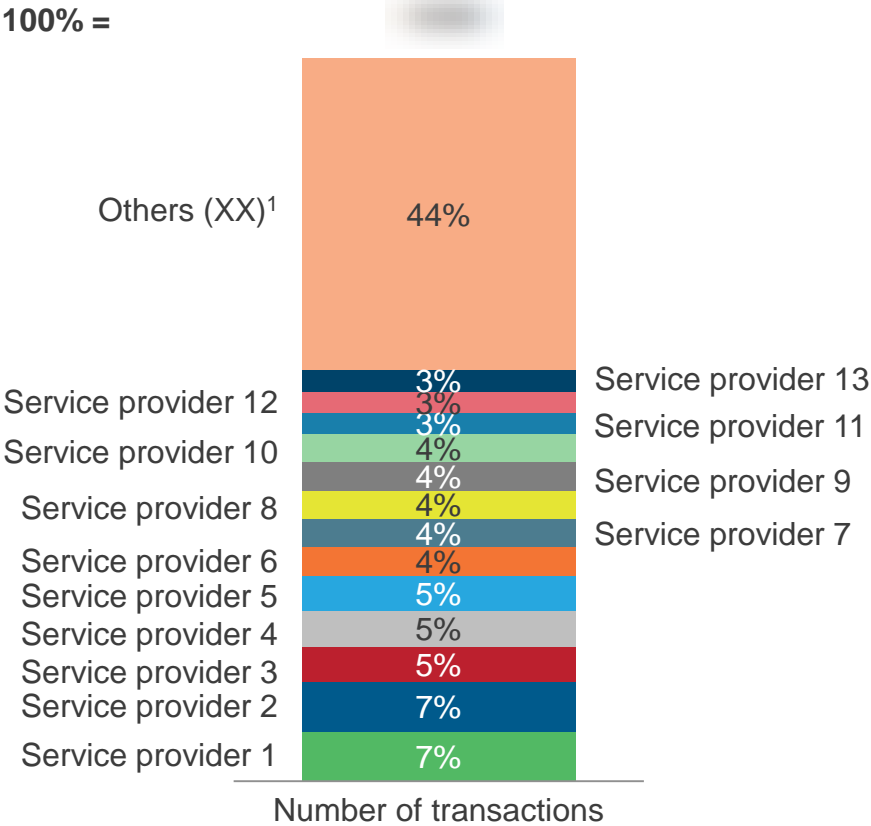
Note: All references to GICs include only offshore GICs

Source: Everest Group analysis

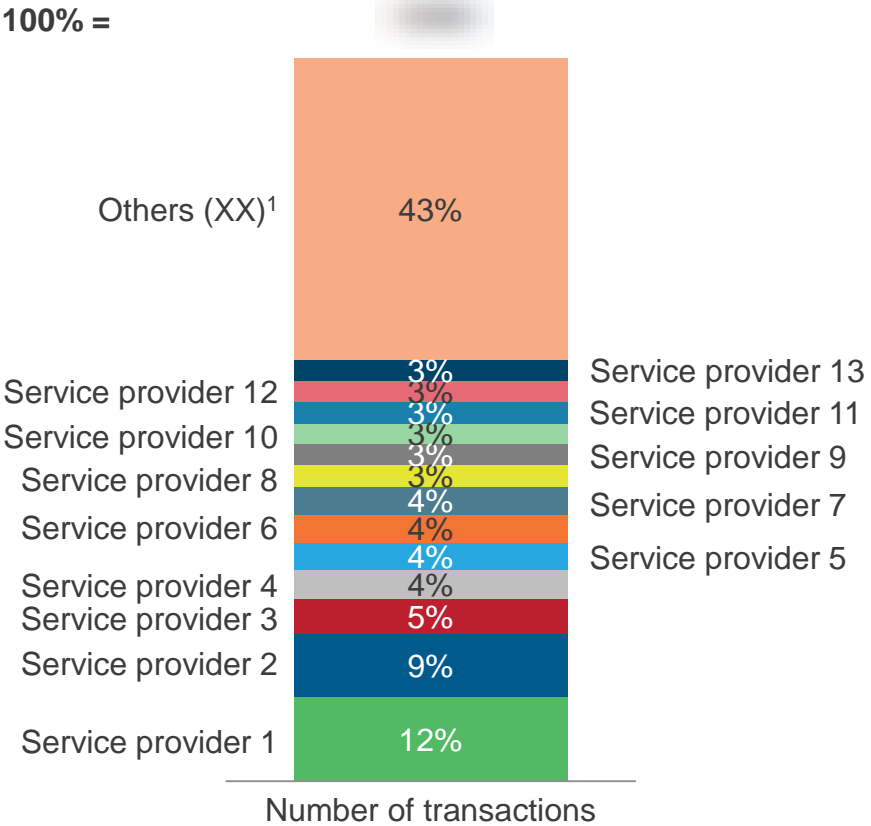
# Section III: Service provider activity and deal information

## Share of service providers in transaction activity

Share of service providers in transactions  
QX Year Y; Number of transactions



Share of service providers in transactions  
Year Y-1; Number of transactions



<sup>1</sup> Figure in parenthesis indicate number of service providers  
Source: Everest Group Transaction Intelligence Database

## Section III: Service provider activity and deal information

### Notable deals signed in the XX industry in QX Year Y

Buyer	Subvertical	Service provider	Deal value (US\$ million)	Contract duration (years)	Services
Buyer 1	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 2	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 3	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 4	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 5	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 6	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 7	XXXX	XXXX	XXXX	XXXX	XXXX

Source: Everest Group Transaction Intelligence Database



# Section III: Service provider activity and deal information

## Key developments in major companies

**XXXX**

**Increased offshore adoption:** XXXX announced plans to set up its back-office operations in XX by the end of Year Y. The center will support its XXXX expansion and will hire about XX employees

**XXXX**

**BPO agreement:** XXXX

**XXXX**

**ITO agreement:** XXXX

**XXXX**

**ITO agreement:** XXXX

# Market Vista encompasses a suite of offerings

Multiple delivery formats allow global sourcing managers to access information in a way that supports the decision-making process

Market Vista offering	Description	Standard subscription access (annual)	Premium subscription access (annual)
Quarterly Report	Quarterly report with in-depth coverage of transaction, location, and service provider trends	ü	ü
Primer	Quarterly brief of expert perspectives on emerging market trends (e.g., new pricing models)	ü	ü
Location database	Annually updated database of location stats (e.g., cost, attrition, inflation rates) for 23 major cities	ü	ü
Breaking viewpoint	Flash reports highlighting breaking industry news and expert perspectives on key implications	ü	ü
Locations insights e-newsletter	Bi-monthly Global Location Insights e-newsletter containing detailed country and region info	ü	ü
Exclusive webinars	Exclusive quarterly webinars with stakeholders in the subscriber organization on key market trends and developments highlighted in Market Vista research		ü
Analyst consultation	10 hours of analyst access per year for personalized insights and additional perspectives		ü

# Appendix: Additional research references

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

1. **Market Vista: Q4 2014** ([EGR-2015-8-R-1378](#)); 2015. This report includes data, analysis and insights on transaction trends, information on major deals, GIC market dynamics, and fact-base for offshoring destinations in Asia. Also included is the Standard Locations Database that tracks 23 leading offshore locations
2. **Industry Trends reports: Trends for Q3 2014**. These reports provide industry-specific data, developments, and insights that enable global sourcing managers to navigate through the complexity, and make clear, effective decisions, contextualized and suited to their specific industry. These reports provides a deep-dive into the transaction activity, GIC developments, service provider market share, and key outsourcing transactions specific to the industry. Industries covered include: Banking, Financial Services, and Insurance (BFSI); Manufacturing, Distribution, and Retail (MDR); Energy and Utilities (E&U); Healthcare; Technology; Telecom; Public Sector; and Travel and Hospitality
3. **Buyer Geography Trends reports: Trends for Q3 2014**. These reports provide data, developments, and insights on outsourcing and offshoring trends for a particular buyer geography/region. These reports provide the research and analysis that enable users to navigate through complexity and make clear, effective decisions suited to their focus region. These reports provide detailed information on transaction activities, Global In-house Center (GIC) developments, service providers' market shares, and key outsourcing transactions specific to particular regions. Regions covered include: U.S. and Canada; Europe; and Rest of the World

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

H. Karthik, Vice President – Global Sourcing:  
Salil Dani, Practice Director:  
Anurag Srivastava, Practice Director:  
Shyam Sundar Amara, Knowledge Associate:

[h.karthik@everestgrp.com](mailto:h.karthik@everestgrp.com)  
[salil.dani@everestgrp.com](mailto:salil.dani@everestgrp.com)  
[anurag.srivastava@everestgrp.com](mailto:anurag.srivastava@everestgrp.com)  
[shyam.amara@everestgrp.com](mailto:shyam.amara@everestgrp.com)

Everest Group  
Two Galleria Tower  
13455 Noel Road, Suite 2100  
Dallas, TX 75240

Phone: +1-214-451-3110  
E-mail: [info@everestgrp.com](mailto: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

**SHERPAS**  
IN BLUE SHIRTS

www.sherpasinblueshirts.com