



# **Bridging the Talent Gap: Global Hotspots for Analytics Services**

Locations Insider™

Market Report: September 2016 – 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<sup>1</sup> Information Technology

## ▶ PricePoint™

## ▶ BFSI<sup>1</sup> Business Process

## ▶ Finance & Accounting

## ▶ Healthcare & Life Sciences ITS

## ▶ Procurement

## ▶ Healthcare & Life Sciences BPS

## ▶ Human Resources

## ▶ Application & Digital

## ▶ Recruitment & Talent Acquisition

## ▶ Cloud & Infrastructure

## ▶ Contact Center

## ▶ Global Sourcing

## ▶ Service Optimization Technologies

## ▶ 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)
  - **Locations Insider™ (LI)**
- 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)

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

# Table of contents (page 1 of 2)

---

Topic	Page no.
<b>Background and scope of the research</b> .....	<b>5</b>
• Overview of analytics .....	5
• Drivers for adoption and industry trends .....	6
• Scope and methodology of the report .....	8
<b>Section I: Executive summary</b> .....	<b>10</b>
• Overview of analytics services global sourcing market .....	11
• Comparative assessment of locations .....	12
• Implications for industry stakeholders .....	13
<b>Section II: Analytics services global sourcing landscape</b> .....	<b>15</b>
• Summary .....	16
• Analytics services global sourcing market size by segments .....	17
• Analytics services global sourcing market size by delivery locations .....	18
• Analytics services global sourcing market size by functions .....	19
• Global distribution of analytics services market .....	20
• Regional delivery landscape .....	21

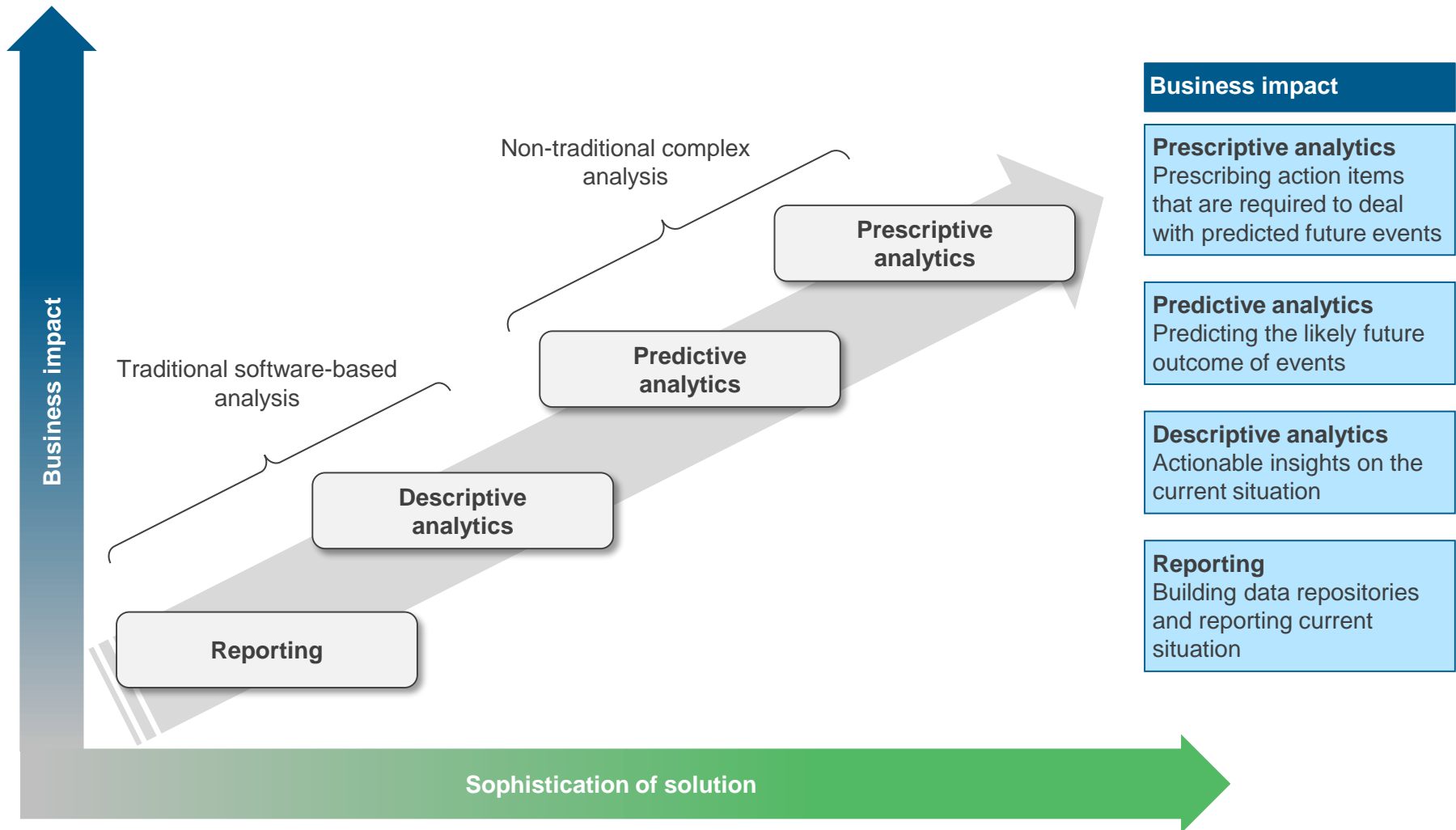
# Table of contents (page 2 of 2)

---

Topic	Page no.
<b>Section III: Comparative assessment of locations</b> .....	<b>27</b>
• Employed talent pool across analytics services .....	31
• Entry-level talent pool assessment .....	34
• Operating cost for analytics services .....	37
<b>Section IV: MAP Matrix™</b> .....	<b>38</b>
• Overview of Everest Group’s MAP Matrix™ framework .....	39
• Scope of MAP Matrix™ for analytics services .....	40
• MAP Matrix™   Analytics services .....	41
<b>Section V: Implications for industry stakeholders</b> .....	<b>42</b>
<b>Appendix</b> .....	<b>45</b>
• Glossary of terms .....	46
• LI research calendar .....	47
• References .....	48

# Background of the report

Everest Group classifies analytics solutions based on their sophistication and business impact



Source: Everest Group (2016)

# Methodology - Everest Group's extensive databases, proprietary market intelligence, and inputs from market participants formed the foundation for this report

- Proprietary intelligence
- Market thought leadership
- Actionable and insightful research

**1** Robust definitions and frameworks – location assessment, sustainability, and scalability

**2** Proprietary databases (global in-house centers, service providers, market activity, cost/labor, and transaction intelligence)

**3** Diverse set of touch-points with key global- services stakeholders for on-the-ground perspectives

**4** Fact-based research adequately informed by deep domain expertise and experience

- A dedicated team for global sourcing research, comprehensively supporting all location-related requirements of clients (information, strategy, tracking, etc.)
- Comprehensive, year-round tracking of global sourcing activity across outsourcing transactions, locations, Global In-house Centers (GICs), and service providers
- More than 20 years of advising clients on global sourcing decisions spanning strategy, optimization, and implementation
- Executive-level relationships with buyers, service providers, country/industry associations, and other industry stakeholders (recruiters, real estate firms, and legal firms)

# Scope and methodology of the research

This report provides perspective on the global sourcing market for analytics services

---

## The scope and methodology of this report

- It analyzes the global landscape and current distribution of analytics talent across key service delivery geographies. It also covers the emerging locations that are suitable for analytics services delivery
- It assesses the comparative value proposition of leading locations for analytics services in terms of talent availability and financial attractiveness
- Further, it also provides the MAP Matrix™, which segregates delivery geographies into “Leaders”, “Major Contenders”, and “Aspirants” based on their overall cost-talent-risk value proposition in the analytics services delivery industry
- Finally, the report highlights implications for industry stakeholders with regard to the adoption of analytics services
- The scope of the analysis includes the four analytics segments – reporting, descriptive, predictive, and prescriptive, across all major industry verticals

*The research is anchored on interactions and/or RFIs with 50+ players (GICs and service providers), augmented with Everest Group’s analytics expertise and proprietary locations activity databases that are updated quarterly with new setups and expansions/contractions of both GICs and service providers*

Source: Everest Group (2016)

# Comparative assessment of locations

## Long list of cities with evidence of analytics services delivery

North America (onshore tier-2)	
Country	City
United States	Atlanta
United States	Austin
United States	Baltimore
United States	Boston
United States	Dallas
United States	Denver
United States	Houston
United States	Minneapolis
United States	Philadelphia
United States	Phoenix
United States	Portland
United States	Raleigh-Durham
United States	Seattle

India	
Country	City
India	Bengaluru
India	Chennai
India	Delhi NCR
India	Hyderabad
India	Mumbai
India	Pune

Europe (onshore tier-2)	
Country	City
England	Manchester
England	Reading
France	Toulouse
Germany	Cologne
Germany	Stuttgart
Italy	Milan
Spain	Barcelona
Spain	Madrid
United Kingdom	Guildford

Latin America (LATAM)	
Country	City
Argentina	Buenos Aires
Brazil	Sao Paulo
Brazil	Rio de Janeiro
Chile	Santiago
Colombia	Bogota
Mexico	Mexico City

- This list represents the leading cities being leveraged for analytics services delivery
- We have included representative cities from all leading sourcing geographies to present a holistic view of the sourcing landscape for analytics services

Nearshore Europe	
Country	City
Bulgaria	Sofia
Czech Republic	Prague
Hungary	Budapest
Ireland	Dublin
Northern Ireland	Belfast
Poland	Krakow
Poland	Warsaw
Romania	Bucharest
Russia	Moscow
Scotland	Glasgow
Scotland	Edinburgh
Slovakia	Bratislava
Turkey	Istanbul
Ukraine	Kiev

Asia Pacific (APAC) (excluding India)	
Country	City
China	Beijing
China	Shanghai
China	Hong Kong
Malaysia	Kuala Lumpur
Philippines	Manila
Singapore	Singapore
South Korea	Seoul



# Overview and abbreviated summary of key messages

Analytics, which accounts for approximately 2-4% of the global Information Technology / Business Process Services (IT-BPS) industry, is witnessing rapid adoption across verticals. This is driven by changing business needs – the need to be agile, customer centric and focused on quick turn-around times.

The report provides an overview of analytics industry, emerging trends, adoption across industry verticals, and drivers for growth. As companies look at leveraging analytics for strategic decision making and understanding consumer preferences and trends, it provides an in-depth analysis on the value proposition offered by different locations across the globe, acting as a comprehensive guide for making location selection decisions.

## Some findings of the report

### India is the leading geography for traditional analytics delivery

- Availability of a large graduate pool along with significant cost arbitrage makes India attractive for supporting traditional and some medium-high complexity work
- Bengaluru and Mumbai are the key locations, although, Delhi NCR, Chennai, and Hyderabad are fast catching up

### Nearshore locations are increasingly being leveraged for analytics delivery

- With demand growing rapidly, buyers are looking for locations beyond India to support analytics
- Nearshore locations offer time zone proximity, cultural similarity, and better stakeholder interaction, leading to agility in operations and faster response times
- Major locations within nearshore Europe, being leveraged for analytics delivery, include Edinburgh, Prague, Dublin, and Warsaw

### Onshore tier-2 locations house majority of complex analytics services

- Onshore tier-2 locations such as Dallas, Raleigh-Durham, and Madrid are significantly mature for analytics services
- High market maturity, availability of skilled talent, and well developed infrastructure, provides a platform for innovation, making them hubs for research and development

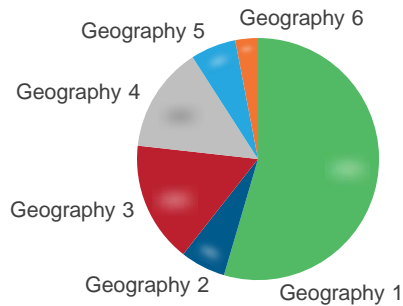
### Non-traditional complex analytics requires industry-oriented skills

- Analytics industry is primarily driven by talent; with the industry in its formative stages, the market is witnessing a huge demand-supply gap in terms of skilled talent
- Companies are tapping talent from “analytics hotspots” by adopting skill-centric hiring practices and establishing innovation labs & centers of excellence across these locations

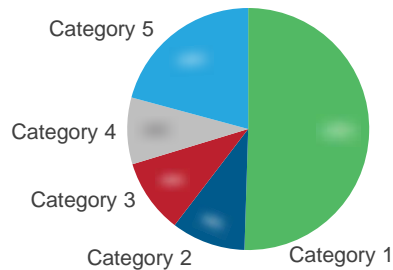
# The report provides insights on the existing analytics market and emerging locations for sourcing analytics delivery

## Analytics services global sourcing market size

**By delivery geography**  
2016; Number of FTEs in '000s



**By industry**  
2016; Number of FTEs in '000s

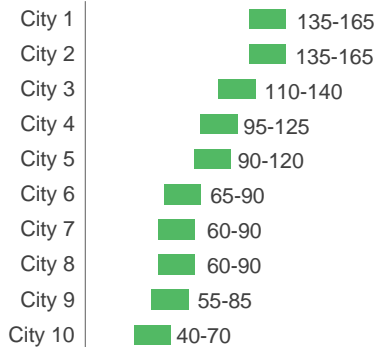


## Analytics services global sourcing market size 2016; Number of FTEs in '000s

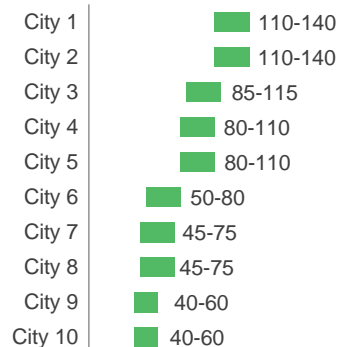


## Annual operating cost per FTE 2016; US\$ in '000s per annum

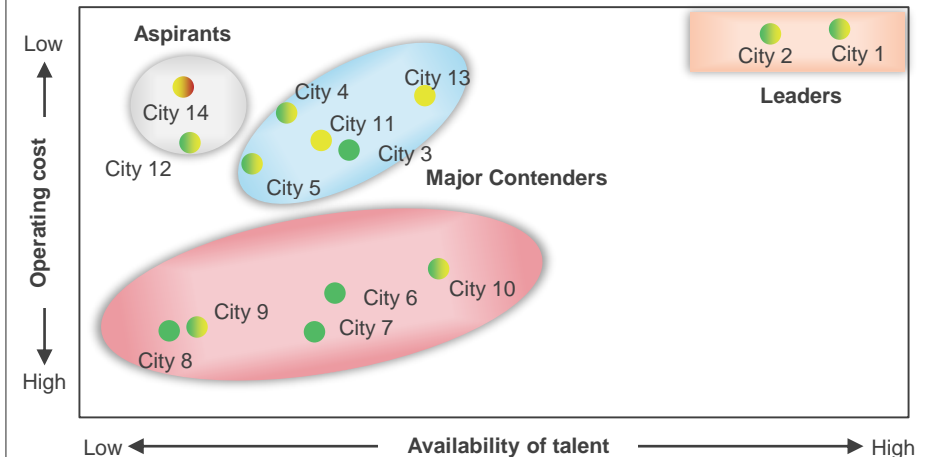
### Analytics tool development



### Analytics implementation



## MAP Matrix™ | Analytics Services



Source: Everest Group (2016)

# Locations Insider research calendar

Published
  Current

Topic	Release date
Many Voices, Many Locations: Understanding the Multi-lingual Contact Center Market in East and Southeast Asia .....	April 2016
"Next-wave" location profiles: Dalian, China .....	May 2016
"Next-wave" location profiles: Iasi, Romania .....	June 2016
Global Hotspots For Digital Services .....	June 2016
IT Services Delivery from Latin America (LATAM) .....	June 2016
"Next-wave" location profiles: Dominican Republic .....	July 2016
"Next-wave" location profiles: Jordan .....	July 2016
"Next-wave" location profiles: Estonia .....	August 2016
Innovation Beyond Borders – Global Talent Hotspots for Engineering Services and Research & Development (ER&D) .....	August 2016
Banking middle- and back-office services delivery from Nearshore Europe .....	September 2016
IT Services Delivery from the U.S.: Making Location Decisions as Onshoring Increases .....	September 2016
Bridging the Talent Gap: Global Hotspots for Analytics Services .....	September 2016
"Next-wave" location profiles: Chandigarh, India .....	Q3 2016
"Next-wave" location profiles: Cape Town, South Africa .....	Q3 2016
"Next-wave" location profiles: Morocco .....	Q3 2016
Global Locations Annual Report .....	Q3 2016
"Next-wave" location profiles: Kiev, Ukraine .....	Q4 2016

# 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. **Global Hotspots For Digital Services** ([EGR-2016-2-R-1778](#)); 2016. This report provides an in-depth view of the global digital services industry from a talent perspective. It covers the global distribution of digital talent coupled with cost trade-offs and provides readers with an up close view of global “sweet-spots” for various digital services
2. **Analytics in Global In-house Centers (GICs): Running Deep and Wide** ([EGR-2015-2-R-1437](#)); 2015. The report provides information on the current market size and growth of the analytics services that are delivered from offshore and nearshore GICs. It also discusses the key growth drivers and delivers an in-depth analysis of the four leading verticals (BFSI, CPG & retail, technology, and consulting & professional services) supporting analytics from GICs. The report also provides our perspective on the future outlook and the key emerging trends for analytics growth in GICs
3. **Global Locations Annual Report 2015: Resurgence of Activity Amidst Evolving Propositions** ([EGR-2015-2-R-1619](#)); 2015. The global sourcing locations landscape showed definite signs of recovery in 2014, after a slump in 2013. The Global Locations Annual Report 2014 is a unique and comprehensive guide to understanding the nuances of the locations landscape and interpreting locations-related developments and trends to frame locations strategy. It presents insights into the size and growth of the global services market, update of locations activity, changes in risk profiles of locations, and an analysis of the maturity, arbitrage, and potential of locations (MAP Matrix™)

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

**Anurag Srivastava**, Vice President – Global Sourcing  
**Alok Singh**, Senior Analyst – Global Sourcing  
**Aditi Goenka**, Senior Analyst – Global Sourcing

[anurag.srivastava@everestgrp.com](mailto:anurag.srivastava@everestgrp.com)  
[alok.singh@everestgrp.com](mailto:alok.singh@everestgrp.com)  
[aditi.goenka@everestgrp.com](mailto:aditi.goenka@everestgrp.com)

Website: [www.everestgrp.com](http://www.everestgrp.com) | Phone: +1-214-451-3000 | Email: [info@everestgrp.com](mailto:info@everestgrp.com)



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.everestgrp.com](http://www.everestgrp.com) and [research.everestgrp.com](http://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](http://www.everestgrp.com)  
[research.everestgrp.com](http://research.everestgrp.com)



### Twitter

@EverestGroup



### Blog

[www.sherpasinblueshirts.com](http://www.sherpasinblueshirts.com)

**SHERPAS**  
IN BLUE SHIRTS