



## **Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2016**

Recruitment Process Outsourcing (RPO)  
Market Report – July 2016 – Preview Deck

# Our research offerings for global services

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

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## ▶ Locations Insider™

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## ▶ Service Optimization Technologies

## 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

- This report is included in the following subscription(s)
  - **Recruitment Process Outsourcing (RPO)**
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<sup>1</sup> Banking, financial services, and insurance

# Table of contents (page 1 of 2)

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Topic	Page no.
<b>Introduction and overview</b>	<b>5</b>
<b>Summary of key messages</b>	<b>9</b>
<b>Section I: RPO PEAK Matrix 2016</b>	<b>11</b>
• Summary	12
• RPO PEAK Matrix	16
• Assessment of service providers	17
<b>Section II: Everest Group’s remarks on service providers</b>	<b>21</b>
• ADP RPO	22
• Alexander Mann Solutions	23
• AMN Healthcare	24
• Allegis Global Solutions	25
• Capita Resourcing	26
• Cielo	27
• Futurestep	28
• Hays	29
• Hudson RPO	30
• IBM Kenexa	31
• KellyOCG	32
• ManpowerGroup Solutions	33
• Neeyamo	34
• PeopleScout	35

# Table of contents (page 2 of 2)

---

Topic	Page no.
<b>Section II: : Everest Group’s remarks on service providers (continued)</b>	
• Randstad Sourceright	36
• Recruit Career	37
• Resource Solutions	38
• Seven Step RPO	39
• WilsonHCG	40
• Yocto	41
• Yoh	42
<b>Appendix</b>	<b>43</b>
• Glossary of terms	44
• RPO research calendar	46
• References	47

# Background and methodology of the research

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## Background of the research

- The global RPO market witnessed good traction in 2016 with over 200 new contracts signed. The market in North America showed an uptick as compared to last year and the Asia Pacific continued to exhibit strong growth. Last year especially saw a lot of M&A activity in the RPO market. As the market is becoming more competitive, service providers are taking the inorganic route to strengthen their capabilities in different geographies, industries, or recruitment technology.

## In this research, we analyze the global RPO market across the following dimensions:

- RPO service provider landscape overview
- RPO PEAK Matrix and Star Performers for 2016
- Service provider delivery capability assessment

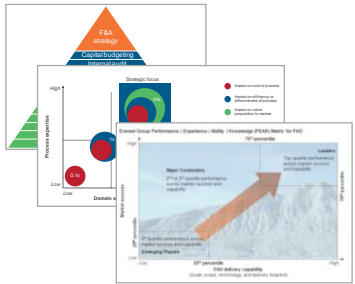
## The scope of this report includes:

- Third-party RPO deals; it does not include shared services or Global In-house Centers (GICs)
- Over 2,000 multi-process RPO deals signed as of 2015, with a minimum of four or more recruitment processes, 3,000 or more buyer employees, and a minimum contract term of one year
- Coverage across 21 RPO service providers, namely ADP RPO, Alexander Mann Solutions, Allegis Global Solutions, AMN Healthcare, Capita Resourcing, Cielo, Futurestep, Hays, Hudson RPO, IBM Kenexa, KellyOCG, ManpowerGroup Solutions, Neeyamo, PeopleScout, Randstad Sourceright, Recruit Career, Resource Solutions, Seven Step RPO, WilsonHCG, Yocto, and Yoh
- Global survey and one-on-one executive-level buyer interviews to understand how organizations perceive their RPO engagements

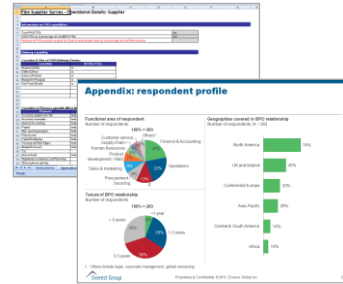
# Our research methodology is based on four pillars of strength to produce fact-based actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

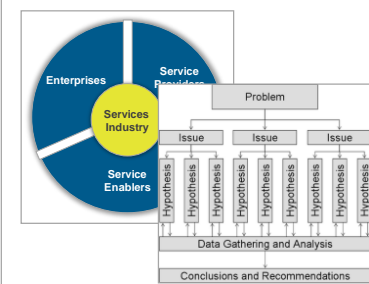
**1 Robust definitions and frameworks**  
 (Function-specific pyramids – Human Resource Outsourcing (HRO), RPO, Total Value Equation (TVE), capability-success matrix, and market maturity)



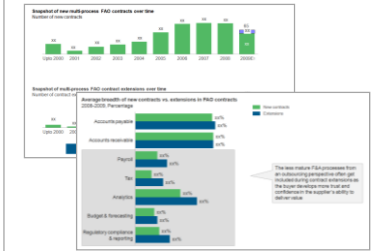
**2 Primary sources of information**  
 (Annual contractual and operational RFIs, service provider briefings, theme-based executive interviews, and web-based surveys)



**3 Diverse set of market touch-points**  
 (Ongoing interactions across key stakeholders, inputs from a mix of perspectives and interests, supports both data analysis and thought leadership)



**4 Fact-based research**  
 (Data-driven analysis with expert perspectives and trend-analysis across market adoption, contracting, and service providers)



- Proprietary contractual database of over 2,000 RPO deals signed up to December 2015 (updated annually)
- Round the year tracking of all the service providers in the RPO market
- Dedicated team for HRO/RPO/MSP research spread over two continents
- Over 20 years' experience of advising clients on BPO-related decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

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

1

- Everest Group's proprietary database of over **2,000 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 21 RPO service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
  - RPO clients, revenue, service suite, and 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 interviews and data collection** from **RPO buyers**
  - The data contains the following detailed buyer perspectives 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



CAPITA RESOURCING



Recruit Career Co., Ltd.

SEVENSTEP



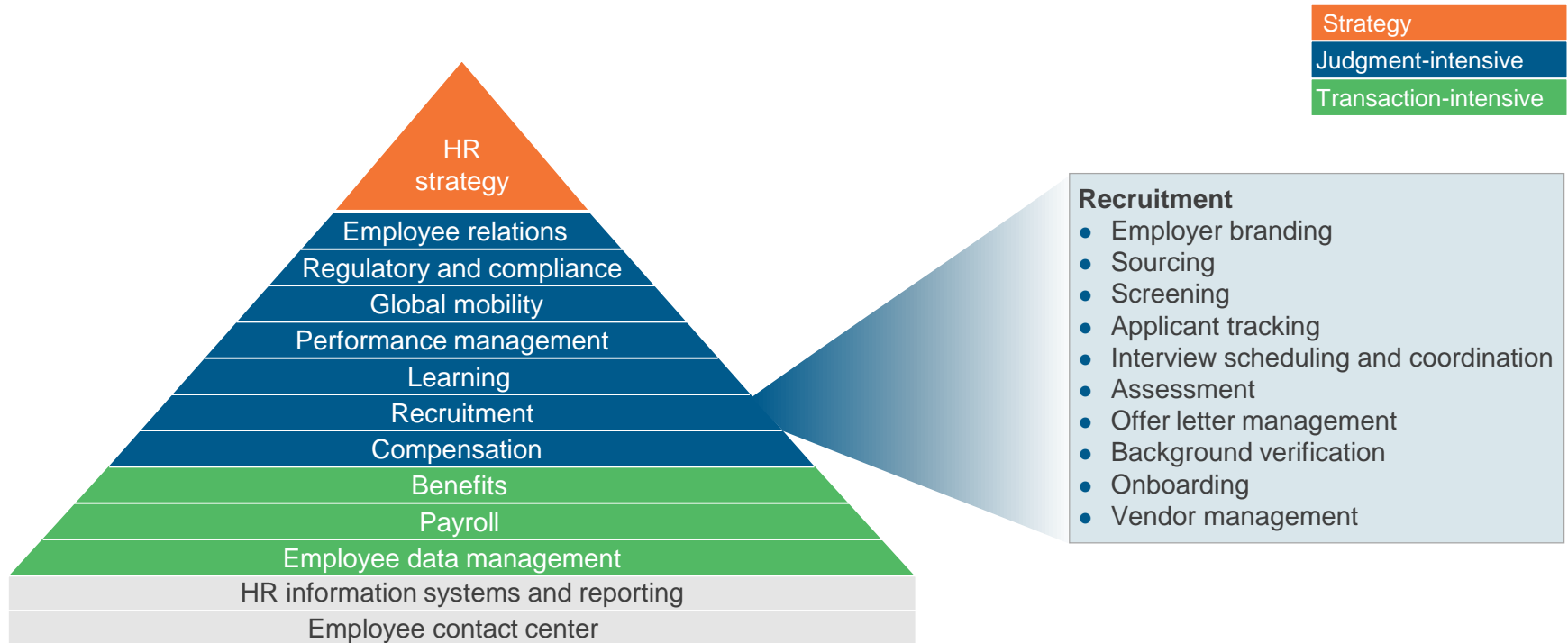
## The analyses in this report are presented at two levels:

- 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

# We define RPO as transfer of responsibility of all or part of the recruitment processes or activities on an ongoing basis



## For this study, we included RPO deals in which:

- A **minimum of four or more recruitment processes** are included
- The outsourcing deal is active and is **at least one year in deal length**
- The deal scope should **not be limited to only temporary hires**
- The buyer employee size is 3,000 or more

This study **does not** include “out-tasking” arrangements (typically handled by recruitment agencies, staffing companies, or executive search firms) that are managed on a project-by-project basis rather than through an ongoing long-term arrangement



# Overview and abbreviated summary of key messages

This report examines the dynamics of the global RPO service provider landscape and its impact on the RPO market. Based on the comprehensive Everest Group PEAK Matrix, each of the 21 RPO service providers are segmented into Leaders, Major Contenders, and Aspirants. The report also provides key insights on service provider position & growth in the market, changing market dynamics, and assessment of service provider delivery capabilities. It will assist key stakeholders (service providers, buyers, and technology providers) understand the current state of the RPO service provider landscape

Some of the findings in this report are:

## 2016 RPO PEAK Matrix and Star Performers

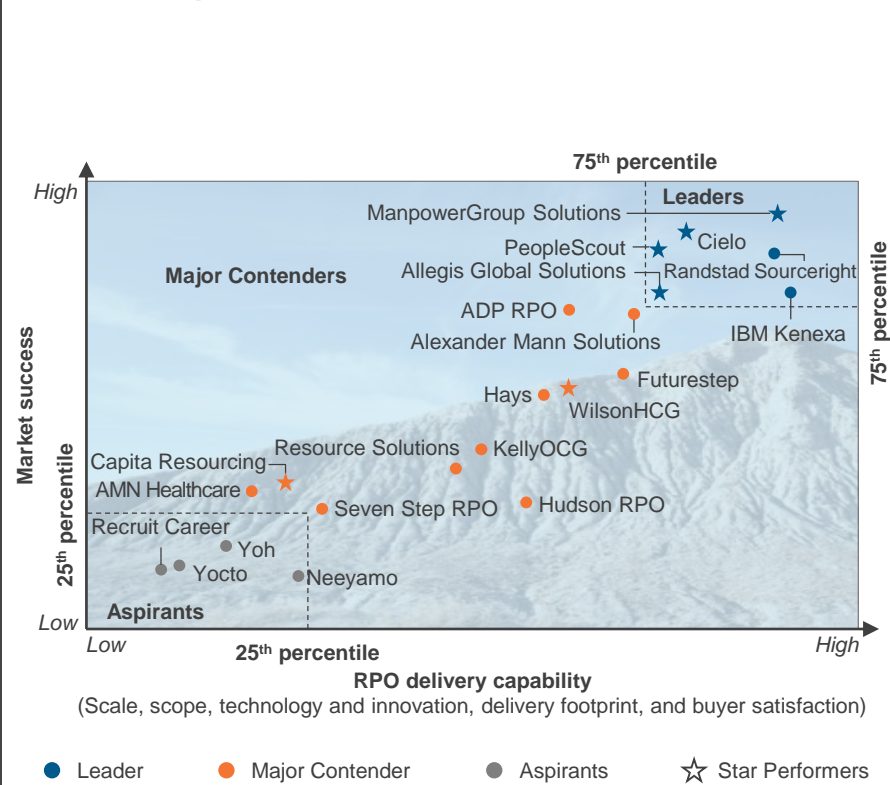
- Everest Group classified 21 RPO service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories of Leaders, Major Contenders, and Aspirants
- The 2016 RPO PEAK Matrix positioning is as follows:
  - **Leaders:** Allegis Global Solutions, Cielo, IBM Kenexa, ManpowerGroup Solutions, PeopleScout, and Randstad Sourceright
  - **Major Contenders:** ADP RPO, AMN Healthcare, Alexander Mann Solutions, Capita Resourcing, Futurestep, Hays, Hudson RPO, KellyOCG, Resource Solutions, Seven Step RPO, and WilsonHCG
  - **Aspirants:** Neeyamo, Recruit Career, Yocto, and Yoh
- Based on YoY movement of different service providers on the PEAK Matrix, Everest Group identified six service providers as the “2016 RPO Market Star Performers” – Allegis Global Solutions, Capita Resourcing, Cielo, ManpowerGroup Solutions, PeopleScout, and WilsonHCG

## Everest Group analysis on service providers

- We assessed the overall RPO capability of service providers by evaluating them along six dimensions – market success, scale, scope, technology and innovation, delivery footprint, and buyer satisfaction levels

# This study offers a deep dive into key aspects of RPO service provider landscape; below are some extracted pages from the report to illustrate its depth

## Everest Group PEAK Matrix for RPO



## Capability assessment

Legend: Not matured, Low, Medium low, Medium, Medium high, High, Very high, Best-in-Class

Service provider	Delivery capability						Market success
	Scale	Scope	Technology solutions and innovation	Delivery footprint	Buyer satisfaction <sup>3</sup>	Overall	
Service provider - 1	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Service provider - 2	Medium	Low	Medium	Medium	Medium	Medium	Medium
Service provider - 3	Medium	Medium	Medium	High	Medium	Medium	Medium
Service provider - 4	Medium	Low	Medium	Medium	Medium	Medium	Medium
Service provider - 5	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Service provider - 6	Medium	Medium	Medium	Medium	Medium	Medium	Medium
Service provider - 7	Medium	Medium	Medium	Medium	Medium	Medium	Medium

## Everest Group's remarks on service provider performance

Legend: Not matured, Low, Medium low, Medium, Medium high, High, Very high, Best-in-Class

Delivery capability						Market success <sup>1</sup>
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	
Medium	Medium	Medium	Medium	High	Medium	Medium

### Strengths

- XXX is a xxx company, which provides staffing services and comprehensive workforce solutions. It is primarily focused on the North American market
- It can serve clients across the entire spectrum of services ranging from end-to-end engagements to short term, or project RPO to on-demand recruitment services
- It has strong MSP capabilities and can offer blended recruitment services
- Its focus on understanding and then developing the client's brand helps it provide a holistic recruitment solution to the client
- It has niche capabilities in hiring technology professionals. Additionally, it is now focusing on hard-to-fill positions
- Flexibility, good customer service, and high adherence to SLAs were cited as its major strengths

### Areas of improvement

- Due to its limited scale/experience and U.S.-only focus, XXX is losing in the fast-growing emerging markets of APAC and EMEA. Along with this, it also limits its ability to undertake large multi-country deals
- Lack of proprietary ATS and add-on tools is another area of concern. In order to compete with the best-in-class service providers, it needs to add significant technology capability
- Access to better technology and bringing in greater innovation were cited as key areas of improvement

Source: Everest Group (2016)

# RPO research calendar

■ Published    ■ Current

Topic	Release date
RPO – Service Provider Profile Compendium 2015 .....	January 2016
RPO in Middle East and Africa: Managing complexity for competitive advantage .....	January 2016
Blended Model in Talent Acquisition - A Rosy Path Strewn with Thorns .....	March 2016
Heralding a New Era of Transformative Business Process Services through Technology .....	April 2016
Robotic Process Automation in HR Outsourcing: Not the Same as Other Business Process Service Lines .....	April 2016
Talent Acquisition in Asia Pacific: Diverse Demands Ensuring Growth .....	May 2016
Recruitment Process Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2016 .....	July 2016
Recruitment Process Outsourcing – Annual Report 2016 .....	Q3 2016
Recruitment Process Outsourcing – Service Provider Landscape in Latin America with PEAK Matrix™ Assessment .....	Q3 2016
RPO - Service Provider Profile Compendium 2016 .....	Q4 2016
Recruitment Process Outsourcing – Service Provider Landscape in Europe with PEAK Matrix™ Assessment .....	Q4 2016
Technology in RPO .....	Q4 2016

# Additional RPO research recommendations

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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. **Talent acquisition in Asia Pacific: Diverse demands ensuring growth** ([EGR-2016-3-R-1764](#)); 2016. This report provides a comprehensive coverage of the talent acquisition services market (including RPO and MSP) in Asia Pacific and analyzes it across various dimensions such as market overview and key business drivers, buyer adoption trends, solution and transaction trends, and service provider landscape
2. **Blended model in talent acquisition: A rosy path strewn with thorns** ([EGR-2016-3-R-1724](#)); 2016. Today, many organizations are viewing talent management, including talent acquisition, through a singular lens as opposed to the traditional method of segregating it into contingent and permanent – blended recruitment is emerging as the new mantra of the day. This report explores the various nuances of executing the blended recruitment model and provides insights into market dynamics, execution levers, and models of engagement in blended recruitment outsourcing
3. **RPO in Middle East and Africa: Managing complexity for competitive advantage** ([EGR-2016-3-R-1677](#)); 2016. Increased RPO traction has been witnessed in the emerging geographies of Middle East and Africa. This report provides a comprehensive coverage of the RPO market in Middle East and Africa, and analyzes it across various dimensions such as market overview and key business drivers, buyer adoption trends, solution and transaction trends, and service provider landscape

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