



Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2016

Managed Service Provider (MSP)
Market Report: December 2016 – Preview Deck

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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)
 - **Managed Service Provider (MSP)**
- 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

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

1

- Everest Group's proprietary database of over **500 MSP deals** (updated annually)
- The database tracks the following elements of each MSP deal:
 - Buyer details including industry, size, location, and signing region
 - Deal details including ACV, term, start date, spend 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 19 MSP service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
 - MSP clients, revenue, service suite, and employees
 - Recent MSP-related developments (investments and partnerships)
 - MSP clients split by geography, industry, scope, and buyer size
 - MSP spend split by geography, source of hires, and type of sourcing model
 - MSP delivery locations and level of offshoring
 - MSP supplier partners by geography

3

- Ongoing buyer surveys and interactions
 - Everest Group's **executive interview and data collection** from **MSP buyers**
 - The data contains the following detailed buyer perspective about MSP deals:
 - ◆ Drivers for adopting MSP and buyer-provider relationships
 - ◆ The level of buyer satisfaction and the underlying reasons

Service providers covered in detail in the analyses



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

Overview and abbreviated summary of key messages

This report examines the dynamics of the Managed Service Provider (MSP) market. It provides a deep-dive analysis of how the service providers shape up in terms of their market success and delivery capability. Based on the comprehensive Everest Group PEAK Matrix, 19 MSP service providers are segmented into Leaders, Major Contenders, and Aspirants. Additionally, this report contains Everest Group's remarks on each service provider's strengths and areas of improvement.

Some of the findings in this report are:

1

MSP PEAK Matrix 2016

- Everest Group's PEAK Matrix categorizes MSP service providers into Leaders, Major Contenders, and Aspirants, based on their market success and overall MSP delivery capability
- Based on Everest Group's 2016 MSP PEAK Matrix, the 19 established MSP service providers evaluated are segmented into three categories (in alphabetical order within each category):
 - **Leaders:** Allegis Global Solutions, KellyOCG, ManpowerGroup Solutions TAPFIN, Pontoon, and RandstadSourceright
 - **Major Contenders:** Agile•1, Alexander Mann Solutions, AMN Healthcare, Geometric Results Inc., Hays, HCMWorks, Impellam Group, nextSource, PRO Unlimited, Superior Group, and ZeroChaos
 - **Aspirants:** Capita Resourcing, Hudson RPO, and Yoh

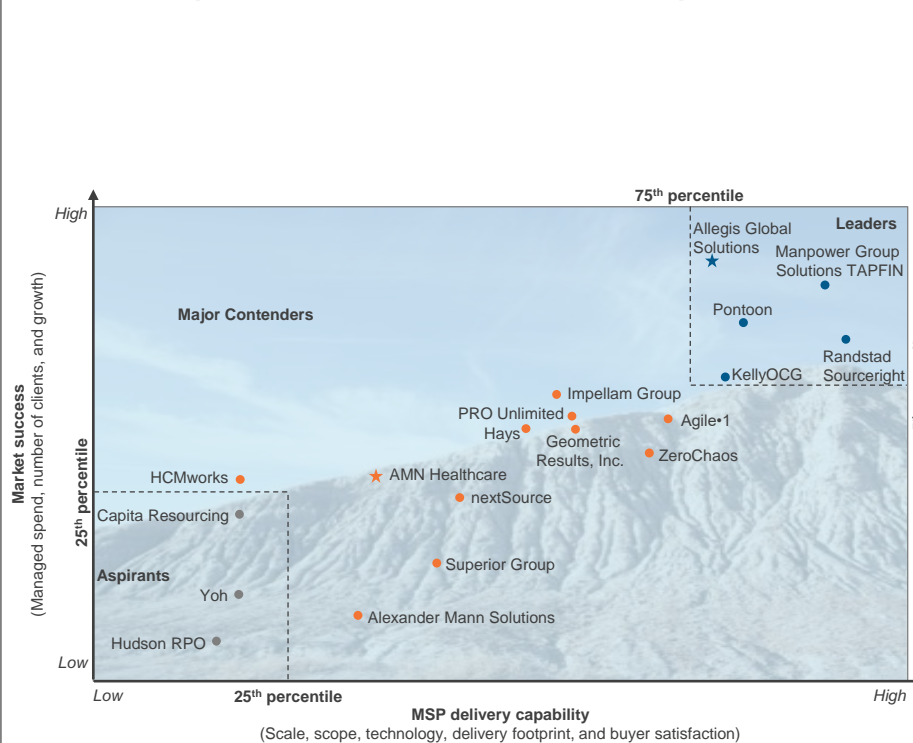
2

MSP service provider commentary

- Everest Group delineates each of the 19 service provider's strengths and areas of improvement
- The in-depth commentary is intended to help service providers, enterprise buyers and other stakeholders to understand the current situation and possible future direction of the provider landscape

This study contains two sections – Everest Group PEAK Matrix and remarks on each of the service providers; below are few snapshots from the report

Everest Group PEAK Matrix – 2016 MSP market positions



Capability assessment

Legend: Best in Class (dark blue), Very High (medium blue), High (light blue), Medium High (lightest blue), Medium (white), Medium Low (lightest blue), Low (white), Not Matured (white). Categories: Leaders (blue), Major Contenders (orange), Aspirants (grey).

Service provider	Delivery capability						Market success
	Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	
Service provider 1	High	High	High	High	High	High	High
Service provider 2	High	High	High	High	High	High	High
Service provider 3	High	High	High	High	High	High	High
Service provider 4	High	High	High	High	High	High	High
Service provider 5	High	High	High	High	High	High	High
Service provider 6	High	High	High	High	High	High	High
Service provider 7	High	High	High	High	High	High	High
Service provider 8	High	High	High	High	High	High	High
Service provider 9	High	High	High	High	High	High	High
Service provider 10	High	High	High	High	High	High	High

Everest Group explains each service provider's strengths and areas of improvement

Delivery capability							Market success
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall		
High	High	High	High	High	High	High	

Strengths

- Service Provider 1 has strong capabilities and coverage across almost all the industries as well as all job categories
- High inclusion of multi-country regional and global deals in its portfolio highlights its experience in managing large-market deals (~65% of deals are large-market deals)

Areas of improvement

- Service provider 1 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

Source: Everest Group (2016)

MSP research calendar

■ Published ■ Current

Topic	Release date
Clever Machines at Your Service	February 2016
MSP: A Partnership Approach Through Gainsharing	February 2016
The Future of MSP: Next-generation Workforce Management	February 2016
MSP in Europe: A Homogenous Solution for a Heterogeneous Market?	February 2016
Managed Service Provider (MSP) – Service Provider Profile Compendium 2015	March 2016
Multi-Country Payroll Outsourcing (MCPO): A Must-check Buffet for MNCs in Asia Pacific	April 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
Analytics BPS – Service Provider Landscape with PEAK™ Matrix Assessment	April 2016
Talent Acquisition in Asia Pacific: Diverse Demands Ensuring Growth	May 2016
Analytics BPS – Service Provider Profile Compendium	May 2016
Offshoring in MSP: A Scenario – Based Analysis of Potential Savings	October 2016
MSP Service Provider Landscape with PEAK Matrix Assessment 2016	December 2016
MSP Service Provider Profile Compendium 2016	Q4 2016
MSP Annual Report 2016	Q1 2017
MSP Service Provider Landscape in Europe with PEAK Matrix	Q1 2017
Technology in Business Process Services (BPS) – Service Provider Landscape	Q1 2017

Additional MSP related 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. **MSP in Europe: A Homogenous Solution for a Heterogeneous Market?** ([EGR-2016-3-R-1698](#)); 2016. This report provides an overview of the MSP market in Europe detailing the various heterogeneities in the market. Historically pioneered by US-headquartered organizations that had a presence in Europe, the MSP market in Europe has reached a tipping point where many locally headquartered buyers have started embracing MSP solutions. This is further fueling the growth engine and resulting in double digit growth in many European countries.
2. **The Future of MSP: Next-generation Workforce Management** ([EGR-2015-3-E-1695](#)); 2016. This report provides an insight into the emerging themes in contingent workforce management space. The Managed Service Provider (MSP) market is growing and evolving quickly. Related markets, such as Recruitment Process Outsourcing (RPO), and Indirect Procurement Outsourcing (PO) are influencing and shaping the MSP market, leading to the emergence of a futuristic MSP model through next-generation workforce management. This influence is causing both enterprises and MSP providers to view MSP differently.
3. **Managed Service Provider (MSP) – Annual Report 2015: Moving Beyond the Horizon** ([EGR-2015-3-R-1645](#)); 2015. The global MSP market is witnessing fundamental changes that are altering the dynamics of the market. MSP buyers, having obtained the relatively low hanging fruits, are now looking for additional strategic gains from their MSP programs. This, in a way, has also provided opportunity for service providers to differentiate themselves by bringing in innovative solutions and best practices from allied industries in the broader Business Process Outsourcing (BPO) area such as RPO, HRO, and PO

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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.

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