



Managed Service Provider (MSP) – Service Provider Profile Compendium 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
- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**



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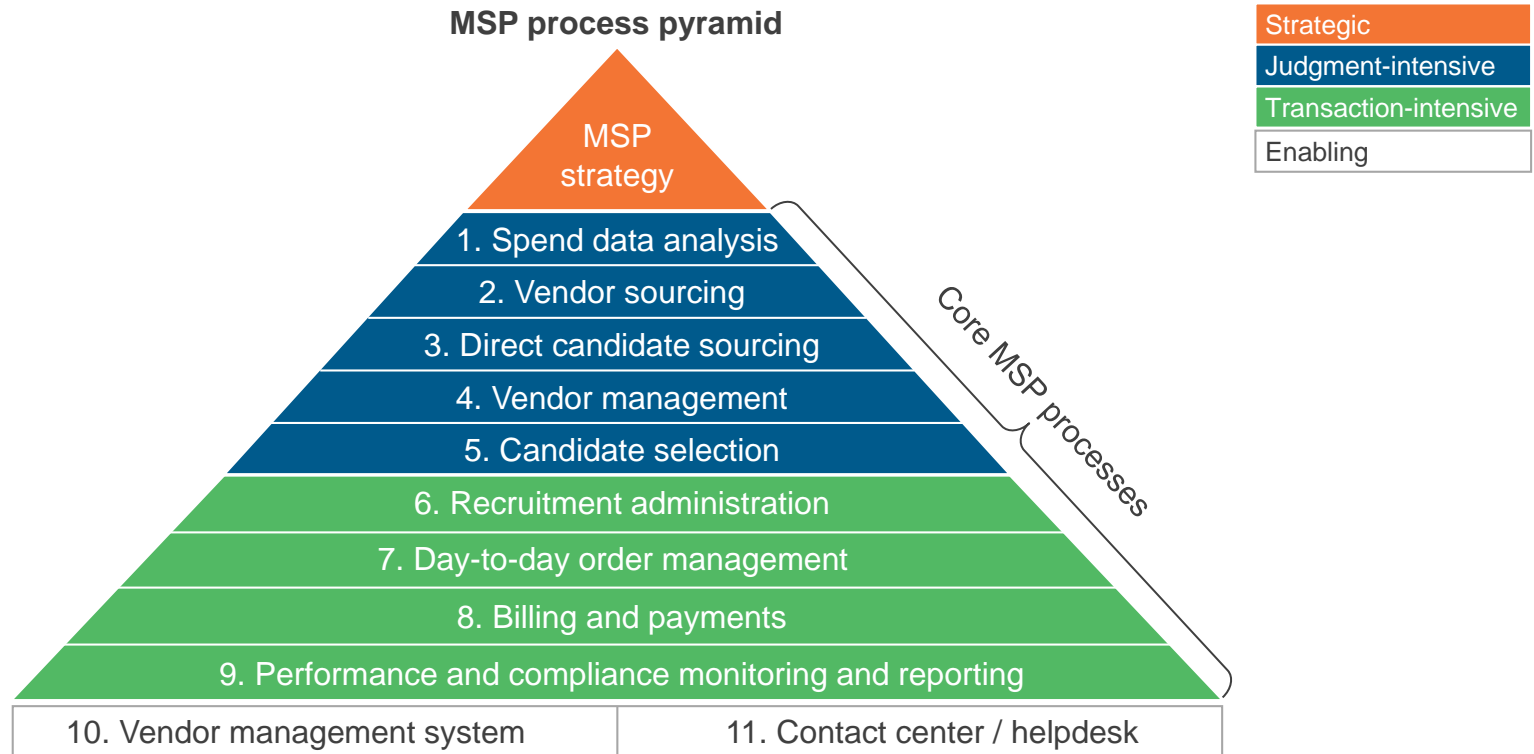
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¹ Banking, financial services, and insurance

Everest Group defines MSP as the transfer of ownership of all or part of the management of an organization's contingent/temporary staffing activities on an ongoing basis



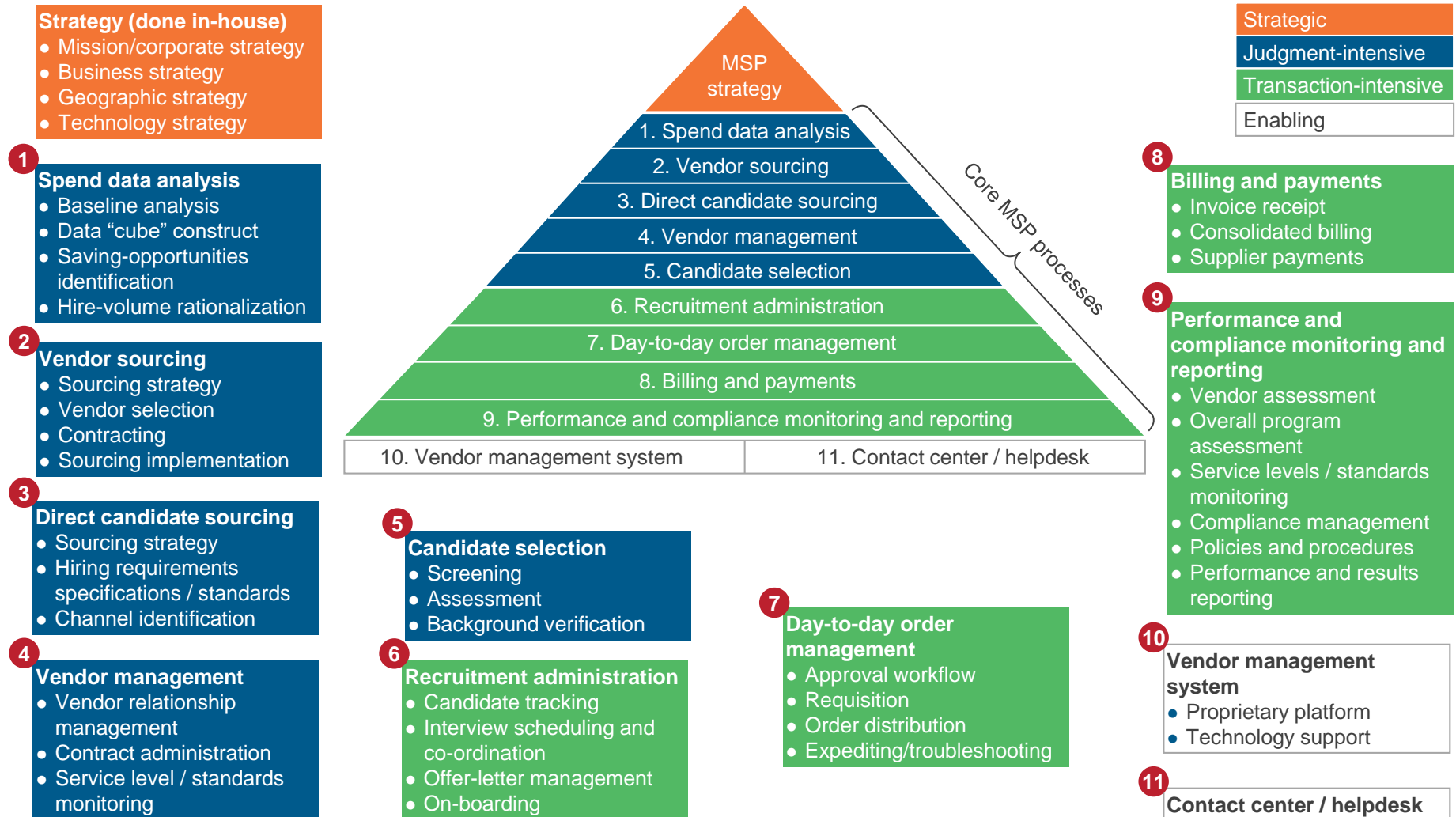
Everest Group defines MSP deals as ones which satisfy the following key characteristics:

- A minimum of four core processes are included
- A minimum contract term of one year
- Scope of hires includes temporary/contingent hires, SoW consultants¹, and independent contractors

¹ Statement of Work (SoW) consultants are contracted for project-based work with pre-determined deliverables (as specified in the SoW) to be completed within a fixed amount of time. They are often paid on the basis of final outcome/deliverable, but maybe paid on an hourly basis as well

Source: Everest Group (2016)

A detailed view of MSP processes



Source: Everest Group (2016)

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MSP service capability and strategy

Company profile

XXXX
Headquarters: xx
Leadership: XX
Ownership: Private
Parent company: XX
Stock exchange/symbol: XX
Website: www.xyz.com

MSP experience (2014)

- Total managed spend: **xx**
- Total number of current MSP clients: **xx**
- Total number of contingent workers managed: **xx**

Technology strategy

Proprietary Vendor Management System (VMS)
Name: XX
Number of current deployments: xx
Technology partnerships
VMS: XX
Others: XX
Number of technology-related FTEs: xx

Geography focus

As percentage of managed spend



MSP engagement model¹

As percentage of managed spend



Global sourcing²

Total MSP delivery FTEs = **XX**



1 MSP engagement model (based on percentage of requisitions filled by MSP (or subsidiary / sister company): Vendor-neutral (0 to 10% requisitions), hybrid (10 to 50% requisitions), and master-supplier (greater than 50% requisitions)
2 FTEs in low-cost offshore or nearshore locations and delivering services to high-cost locations

Source: Everest Group (2016)

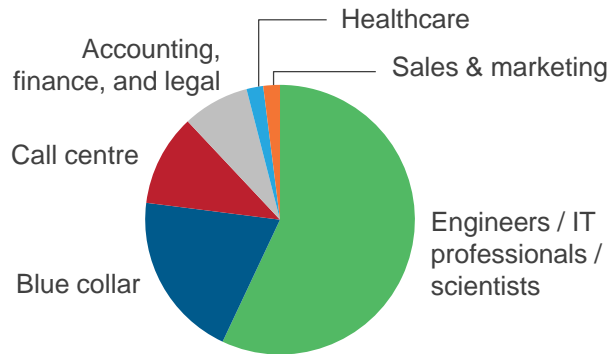
MSP portfolio

Major MSP clients

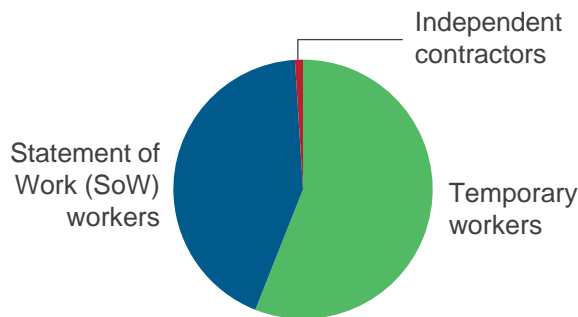
Not disclosed

Nature of workforce managed

Managed spend split by job family

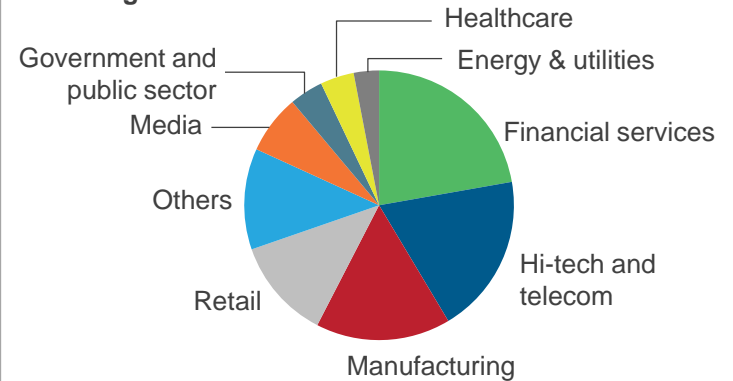


Managed spend split by type of worker



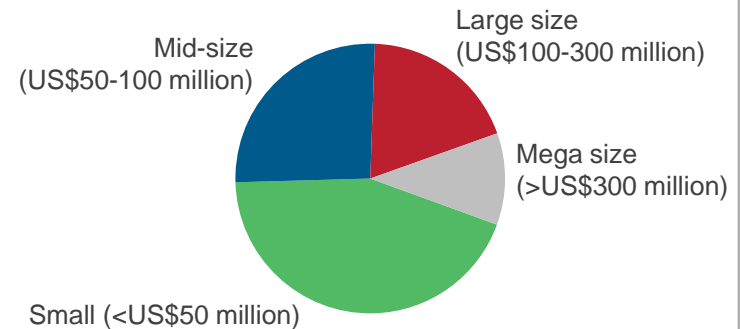
Buyer industry

Percentage of current clients



Deal size (based on spend managed)

Percentage of current deals



Source: Everest Group (2016)

Key MSP delivery locations



Source: Everest Group (2016)

Everest Group assessment

Measure of capability: Best-in-class Very high High Medium high Medium Medium low Low Not mature

Leaders Major Contenders Aspirants

Delivery capability ¹						Market success ¹
Scale	Scope	Technology & innovation	Delivery footprint	Buyer satisfaction	Overall	

Strengths

- XXX is a North America-based provider with supplier partners around the globe. It has good coverage across all the major industries. It has strong capabilities in hiring blue collar as well as engineers / IT workers
- XXX's core competency lies in designing customized solutions for its customers by using the most advanced technology to improve the underlying processes
- It has a core suite of proprietary technologies to manage every kind of labor including temp, SoW, and Independent Contractors (IC)
- It leverages direct sourcing effectively by utilizing tools such as its freelancer management system, employer branding, and social media
- Apart from managing the SoW spend for its buyers, it also has the capability to manage their tail-end procurement spend effectively and, thus, offering them additional savings
- Agility, effective relationship management, very low attrition in the internal team, and flexibility are some of the strengths cited by buyers

Areas of improvement

- XXX's country coverage is limited as most of its clients are based out of North America and a number of deals in its portfolio are single-country deals. It needs to aggressively expand its coverage in other geographies to emerge as a major player in the MSP space
- Buyers cited that in certain instances, the resolution of issues takes more time than expected. However, they are able to identify the root cause of the problem

¹ Based on contractual and operational information as of 2015
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	December 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-2016-3-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) – Service Provider Landscape with PEAK Matrix™ Assessment 2016** ([EGR-2016-3-R-2032](#)); 2016. The global MSP market is undergoing a transformation due to evolving business requirements of buyers. As a result, service providers are reshaping their value proposition as well as bringing in innovative solutions to cater to the market demand. The service provider landscape of MSP is also undergoing a transition, with increasing number of non-staffing legacy players joining the fray

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About Everest Group

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