



## **Procurement Outsourcing (PO) – Service Provider Landscape with PEAK Matrix™ Assessment 2017**

Procurement Outsourcing (PO)

Market Report – June 2017 – 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

## ▶ Application Services

## ▶ BPS | Banking Financial Services

## ▶ BPS | Healthcare & Life Sciences

## ▶ BPS | Insurance

## ▶ Catalyst™

## ▶ Cloud & Infrastructure

## ▶ Contact Center

## ▶ Digital Services

## ▶ Engineering Services

## ▶ Finance & Accounting

## ▶ Human Resources

## ▶ ITS | BFSI\*

## ▶ ITS | Healthcare & Life Sciences

## ▶ IT Services Forecaster™

## ▶ Locations Insider™

## ▶ PricePoint™

## ▶ Procurement

## ▶ Recruitment & Talent Acquisition

## ▶ Service Optimization Technologies

## ▶ 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

- This full report is included in the following subscription(s)
  - **Procurement Outsourcing (PO)**
- 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**

\* Banking, financial services, and insurance



### 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)



### Delhi Office

Office: +91-124-284-1000

[india@everestgrp.com](mailto:india@everestgrp.com)

# Background and methodology of the research

---

## Background of the research

The PO service provider landscape is transforming at a fast pace, as players evaluate several alternatives to build differentiated capabilities. Service providers are exploring the role of talent vs technology to achieve the right balance required to serve an increasingly competitive market. Nevertheless, procurement is heading towards a digital revolution given the rise of disruptive technologies. The value proposition for procurement might witness a change against the backdrop of technologies such as advanced/cognitive analytics, Robotic Process Automation (RPA), Internet of Things (IoT) and Blockchain.

**In this research, we analyze the global PO service provider landscape in 2016. We focus on:**

- 2017 PO PEAK Matrix and Star Performers
- Service provider delivery capability assessment
- Everest Group analysis on service providers

**The scope and methodology of this report includes:**

- Third-party PO deals; it does not include shared services or Global In-house Centers (GICs)
- Over 1,500 multi-process PO deals signed as of 2016, with a minimum of three procurement processes, over US\$1 million in ACV, and a minimum contract term of three years. Typically, managed spend is greater than US\$50 million
- Coverage across 15 PO service providers with multi-process capability, namely Accenture, Aegis, Aquanima, Capgemini, Corbus, Conduent, Genpact, GEP, HCL, IBM, Infosys, Optimum Procurement, TCS, Wipro, and WNS

# Table of contents (page 1 of 2)

Topic	Page no.
<b>Background and methodology</b>	<b>5</b>
<b>Executive summary</b>	<b>12</b>
• Summary of key messages	13
<b>Section I: 2017 PO PEAK Matrix and Star Performers</b>	<b>14</b>
• Summary	15
• PEAK Matrix for PO	19
• Service provider capability assessment	20
• 2017 PO Star Performers	23
<b>Section II: Everest Group analysis on service providers</b>	<b>24</b>
• Accenture	25
• Aegis	26
• Aquanima	27
• Capgemini	28
• Conduent	29
• Corbus	30
• Genpact	31
• GEP	32
• HCL	33
• IBM	34
• Infosys	35
• Optimum Procurement	36
• TCS	37
• Wipro	38
• WNS	39

# Table of contents (page 2 of 2)

---

Topic	Page no.
<b>Service provider landscape</b>	<b>40</b>
• Market share	41
• Market share trends by	
– Geography	42
– Industry	43
– Buyer size	44
<b>Appendix</b>	<b>45</b>
• Glossary of terms	46
• PO research calendar	48
• References	49

# Everest Group's PO research is based on various sources of proprietary information

1

- Everest Group's proprietary database of **1,500 PO contracts** (updated annually)
- The database tracks the following elements of each multi-process PO contract:
  - Buyer details including industry, size, and signing region
  - Contract details including Total Contract Value (TCV), Annualized Contract Value (ACV), term, start date, managed spend, and pricing structure
  - Scope including coverage of buyer geography, process, and category
  - Technology including core procurement technology, service provider's add-on tools (if any), ownership, and maintenance
  - Global sourcing including delivery locations and level of offshoring

2

- Everest Group's proprietary database of **operational capability of 15+ PO service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
  - Key leaders
  - Major PO clients and recent wins
  - Overall revenue, total managed spend, and PO employees
  - Recent PO-related developments
  - PO revenue-split by geography, industry, and client size
  - PO delivery locations
  - PO service suite
  - Quality certifications
  - Procurement-related technological capabilities

3

- **Ongoing buyer surveys and interactions**
  - Everest Group's **executive interviews and data collected** from **various buyers**
  - The data contains detailed buyer perspective about PO contracts, specifically on:
    - ◆ Drivers for adopting PO and assessment of service provider performance
    - ◆ The level of buyer satisfaction and the underlying reasons

## Service providers covered in the analysis



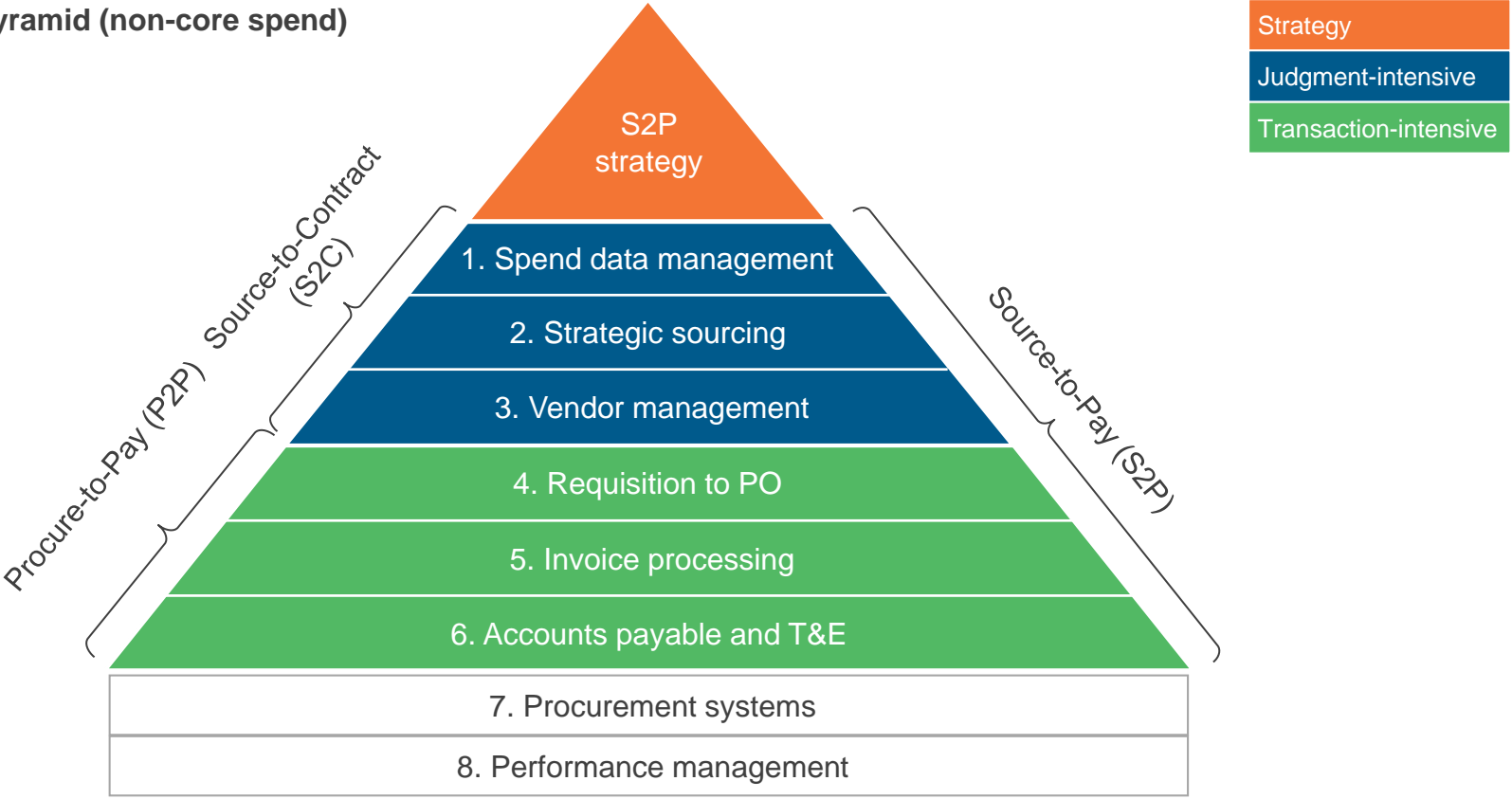
**TATA CONSULTANCY SERVICES**



Note: Assessment for Conduent excludes service provider inputs on this particular study and is based on Everest Group's estimates which leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of Conduent's public disclosures, and interaction with buyers

# Everest Group distinguishes between the Source-to-Contract (S2C) and Procure-to-Pay (P2P) processes

Procurement pyramid (non-core spend)



- Everest Group’s analyses include multi-process PO contracts with a minimum of three procurement processes, over US\$1 million in ACV, and a minimum contract term of three years. Typically, the managed spend is greater than US\$50 million
- Everest Group’s analyses include all multi-process PO contracts signed as of 2016

# Overview and abbreviated summary of key messages

This report examines the dynamics of the global PO service provider landscape and its impact on the PO market. Based on the comprehensive Everest Group PEAK Matrix, each of the 15 PO 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 PO service provider landscape.

Some of the findings in this report, among others, are:

## 2017 PO PEAK Matrix and Star Performers

- Everest Group classified 15 PO service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories of Leaders, Major Contenders, and Aspirants
- The 2017 PO PEAK Matrix positioning is as follows:
  - Leaders: Accenture, GEP, IBM, and Infosys
  - Major Contenders: Aquanima, Capgemini, Corbus, Genpact, HCL, Optimum Procurement, TCS, Wipro, WNS
  - Aspirants: Aegis and Conduent
- Based on YoY movement of different service providers on the PEAK Matrix, Everest Group identified five service providers as the “2017 PO Market Star Performers” – Accenture, GEP, and WNS

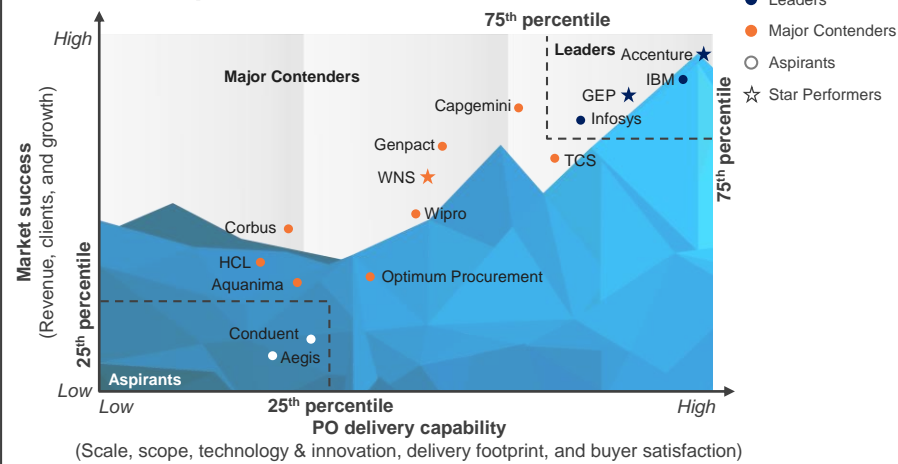
## Everest Group analysis on service providers

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



# This study offers two distinct chapters providing a deep dive into key aspects of PO service provider landscape; below are four charts to illustrate the depth of the report

## Everest Group PEAK Matrix for PO

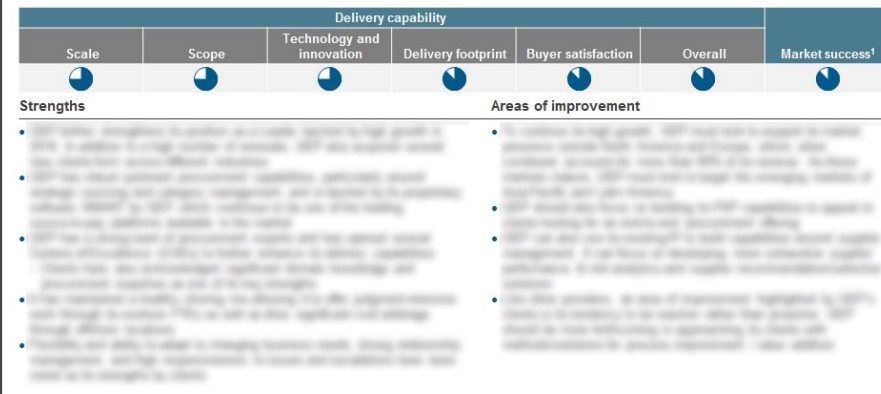


## PO market success

2017 PO Star Performers	Distinguishing features in capability enhancement	Distinguishing features in market success	Change in PEAK Matrix position
Star Performer – X		• Added XX new contracts worth ~US\$XX million in TCV	Consolidated its position as Major Contender
Star Performer – Y		• Added XX new contracts worth ~US\$XX million in TCV • ACV grew by more than XX% in 2015	Consolidated its position as Leader
Star Performer – Z		• Signed XX new multi-process deals worth ~US\$XXX million in TCV	Consolidated its position as Leader

## PO Service provider market share

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



## Capability assessment

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

Service provider	Delivery capability						Market success
	Scale	Scope	Technology & innovation	Delivery footprint	Buyer satisfaction	Overall	
Service provider 1	●	●	●	●	●	●	●
Service provider 2	●	●	●	●	●	●	●
Service provider 3	●	●	●	●	●	●	●
Service provider 4	●	●	●	●	●	●	●
Service provider 5	●	●	●	●	●	●	●
Service provider 6	●	●	●	●	●	●	●

Source: Everest Group (2017)

# PO research calendar

■ Published ■ Current

Topic	Release date
Seizing the Robotic Process Automation (RPA) Market Opportunity .....	October 2015
SDA – The Story Beyond Marketing Messages and an Assessment of SDA Tools .....	December 2015
Service Delivery Automation (SDA) – Technology Provider Profile Compendium .....	December 2015
Category Management Outsourcing: The Bridge to Strategic Procurement .....	December 2015
Clever Machines at Your Service .....	February 2016
Analytics BPS – Analytics Goes Mainstream – Scope Expands Beyond Traditional Clients and Offerings .....	March 2016
Heralding a New Era of Transformative Business Process Services through Technology .....	April 2016
Procurement Outsourcing (PO) – Service Provider Landscape with PEAK Matrix™ Assessment .....	June 2016
Driving Business Outcomes in Aftersales Supply Chain .....	May 2016
PO – Annual Report 2016 .....	September 2016
PO – Viewpoint – Procurement Analytics 3.0 .....	February 2017
SCM Service Provider Landscape with PEAK Matrix™ Assessment .....	March 2017
Procurement Outsourcing (PO) – Service Provider Landscape with PEAK Matrix™ Assessment 2017 .....	June 2017
Is the market gearing up for a 3PL revolution in SCM BPO? .....	Q2 2017
Supply Chain Management (SCM) Annual Report – Annual Report 2017 .....	Q3 2017

# Additional PO 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. **Procurement Outsourcing (PO) – Annual Report 2016: Analytics and Beyond** ([EGR-2016-1-R-1942](#)); 2016. This report will assist key stakeholders (buyers, service providers, and technology providers) understand the changing dynamics of the PO market and help them identify the trends and outlook for 2015. In this backdrop, the report provides comprehensive coverage of the global PO market including detailed analysis of market size and growth, buyer adoption trends, PO value proposition, solution characteristics, and service provider landscape
2. **Procurement Outsourcing (PO) – Viewpoint – Procurement Analytics 3.0** ([EGR-2017-2-V-1868](#)); 2016. This report examines the ever-changing dynamics in the PO market, with the focus shifting to improved business outcomes achieved by leveraging powerful tools such as analytics. The report further discusses the evolution, application and the future of analytics in area of procurement along with the factors facilitating its operationalization in this field.
3. **Supply Chain Management (SCM) – Service Provider Landscape with PEAK Matrix™ Assessment 2017** ([EGR-2017-1-R-2122](#)); 2017. This report examines the global SCM service provider landscape and its impact on the SCM market. It focuses on service provider position and growth in the SCM market, changing market dynamics & emerging service provider trends, and assessment of service provider delivery capabilities

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

**Rajesh Ranjan**, Partner  
**Megan Weis**, Vice President  
**Vikas Gujral**, Practice Director  
**Vatsal Gupta**, Senior Analyst  
**Mansi Arora**, Analyst  
**BPS Team:**

[rajesh.ranjan@everestgrp.com](mailto:rajesh.ranjan@everestgrp.com)  
[megan.weis@everestgrp.com](mailto:megan.weis@everestgrp.com)  
[vikas.gujral@everestgrp.com](mailto:vikas.gujral@everestgrp.com)  
[vatsal.gupta@everestgrp.com](mailto:vatsal.gupta@everestgrp.com)  
[mansi.arora@everestgrp.com](mailto:mansi.arora@everestgrp.com)  
[BPOresearch@everestgrp.com](mailto:BPOresearch@everestgrp.com)

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



## 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