Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Landscape with PEAK Matrix™ Assessment 2017

Human Resources Outsourcing (HRO)
Market Report – September 2017: Complimentary Abstract / Table of Contents

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▶ Finance & Accounting	▶ 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)
  - **Human Resources Outsourcing (HRO)**
- 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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Everest Group's MPHRO research is based on multiple sources of proprietary information (page 1 of 2)

1
- Everest Group's proprietary database of **700+ MPHRO deals** (updated annually)
- The database tracks the following elements of each MPHRO deal:
  – Buyer details including industry, location, and signing region
  – Deal details including TCV, ACV, contract term, start date, buyer employees served, and primary pricing structure
  – Scope: Process coverage and geographic coverage (employees covered by each region)
  – Technology ownership and maintenance
  – Global sourcing

2
- Everest Group's proprietary database of **operational capability of 22+ MPHRO service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
  – Major MPHRO clients and recent wins
  – Overall MPHRO revenue, total clients, and buyer employees served
  – Recent HRO-related developments (investments and partnerships)
  – MPHRO delivery locations and level of offshoring
  – Technology offerings within MPHRO
  – MPHRO service suite

Service providers covered in the analysis[1]

1   Assessment for **Ascender, Capita, DXC Technology, MHR , Infosys, and TCS** 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, the service provider's public disclosures, and interaction with buyers

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information collected, will only be presented back to the industry in an aggregated fashion

3

Buyer surveys and interactions

Global surveys and one-on-one executive-level interviews of buyers are undertaken to understand how organizations perceive performance of their MPHRO provider. The surveys/interviews focus on different aspects of an outsourcing relationship including:

- Key drivers for outsourcing MPHRO
- Contract details (including process scope, signing year, and duration)
- Overall performance of the service provider including key strengths and improvement areas
- Detailed assessment of service provider performance across elements such as:
  - Key MPHRO metrics
  - HR processes
  - Implementation and transition phases
  - Governance and relationship management

The analyses in this report are presented at two levels:
- Overall market analysis that highlights the overall market composition/dynamics
- The current market trends based on deal activities up to December 2016

The sample size varies for different analyses, based on the deal detail availability.

Overview and abbreviated summary of key messages

This report examines the dynamics of the Multi-Process Human Resources Outsourcing (MPHRO) service provider landscape. 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, 22 MPHRO 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, among others, are:
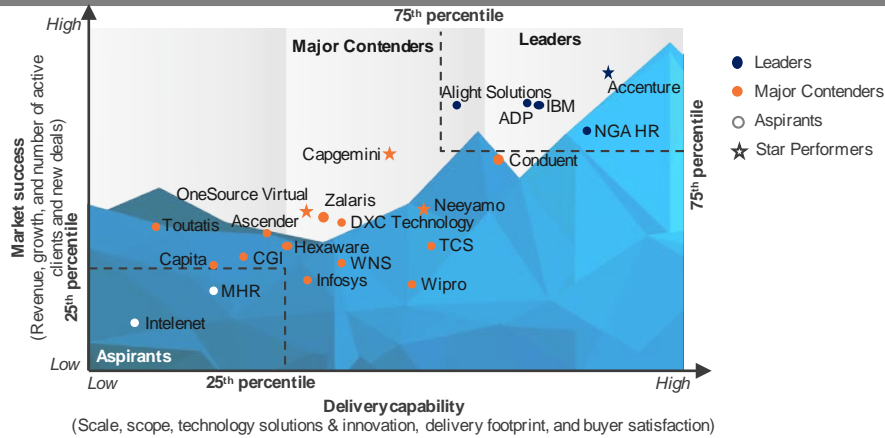
MPHRO PEAK Matrix 2017

- Everest Group classifies 22 MPHRO service providers on the Everest Group PEAK Matrix into the three categories of Leaders, Major Contenders, and Aspirants
- Based on the 2017 MPHRO PEAK Matrix, the segmentation of service providers is as follows (in alphabetical order within each category):
  - **Leaders:** Accenture, ADP, Alight Solutions, IBM, and NGA Human Resources (NGA)
  - **Major Contenders:** Ascender, Capita, Capgemini, CGI, Conduent, DXC Technology, Hexaware, Infosys, Neeyamo, OneSource Virtual, TCS, Toutatis, Wipro, WNS, and Zalaris
  - **Aspirants:** Intelenet and MHR
- Based on the relative Year-on-Year (YOY) movement of service providers on the PEAK Matrix, Everest Group identified four service providers as the "2017 MPHRO Market Star Performers" – Accenture, Capgemini, Neeyamo, and OneSource Virtual
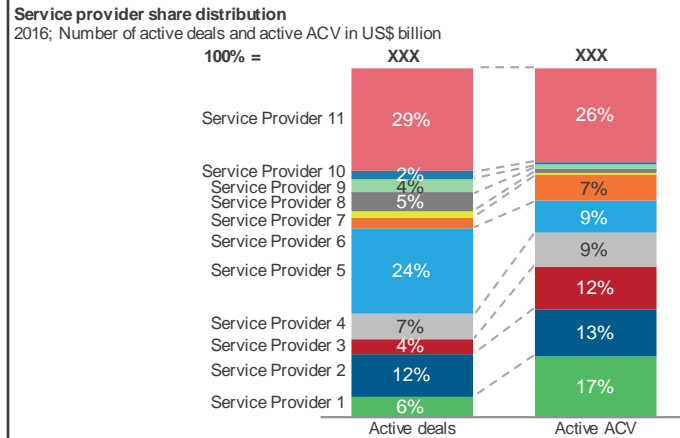
MPHRO service provider commentary

- Everest Group delineates each of the 22 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

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This study offers three distinct chapters providing a deep dive into key aspects of MPHRO market; below are four charts to illustrate the depth of the report

Everest Group PEAK Matrix™ for MPHRO

High

Major Contenders

Leaders

75th percentile

Market success
(Revenue, growth, and number of active clients and new deals)

25th percentile

Alight Solutions
ADP ● IBM
● Accenture
Capgemini ★
● NGA HR
● Conduent

OneSource Virtual
Zalaris
Ascender
Neeyamo
Toutatis
DXC Technology
Hexaware
TCS
Capita ● CGI
WNS
MHR
Infosys
Wipro
Intelenet

Aspirants

Low
Low   25th percentile   High

75th percentile

Delivery capability
(Scale, scope, technology solutions & innovation, delivery footprint, and buyer satisfaction)

- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ★ Star Performers

MPHRO competitive landscape

Service provider share distribution
2016; Number of active deals and active ACV in US$ billion

100% =   XXX   XXX

	Active deals	Active ACV
Service Provider 11	29%	26%
Service Provider 10	2%	
Service Provider 9	4%	7%
Service Provider 8	5%	9%
Service Provider 7		
Service Provider 6		9%
Service Provider 5	24%	12%
Service Provider 4	7%	13%
Service Provider 3	4%	
Service Provider 2	12%	17%
Service Provider 1	6%	

Capability assessment

Service provider	Delivery capability						Market success
	Scale	Scope	Technology solutions and innovation	Delivery footprint	Buyer satisfaction[3]	Overall	
Service Provider 1							
Service Provider 2							
Service Provider 3							
Service Provider 4							
Service Provider 5							
Service Provider 6							

Everest Groups comments on service provider's strengths and areas of improvement

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

Strengths

- Service provider 1, a Leader in MPHRO, also emerged as a Star Performer due to a steady growth of MPHRO revenue on the back of seven new deals
- With a strong foothold in developed markets, especially North America, it has the expertise to combine HRO with Finance and Accounting Outsourcing (FAO) and/or Procurement Outsourcing (PO), to offer multi-tower solutions

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 (2017)

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HRO research calendar

Flagship HRO reports	Release date
Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Profile Compendium 2016	December 2016
Technology in BPS – Service Provider Profile Compendium 2016	January 2017
Workday-Based HR BPS – Service Provider Landscape with PEAK Matrix™ Assessment 2017	June 2017
Workday-Based Human Resources Business Process Services (HR BPS) – Market Report 2017	June 2017
Multi-Country Payroll Outsourcing (MCPO) – Service Provider Landscape with PEAK Matrix™ Assessment 2017	June 2017
Multi-Country Payroll Outsourcing (MCPO) – Annual Report 2017 – Evolution of Drivers and Enablers in a Rapidly-growing Market	July 2017
Multi-Country Payroll Outsourcing (MCPO) – Service Provider Profile Compendium 2017	August 2017
MPHRO – Service Provider Landscape with PEAK Matrix™ Assessment 2017	September 2017

Thematic HRO reports	
Global HR Outsourcing Trends Handbook 2016	November 2016
The Impact of Technology on HR GICs – A Call to Action	January 2017
Aon Goes Back to its Roots; the (Re-) Birth of an HR Outsourcing Specialist	March 2017
Payroll Outsourcing in Asia Pacific: Climbing Up the Maturity Ladder	March 2017
Long-Tail HR Operations: Key Challenges and How to Overcome Them	March 2017
The Future of HR Services – An Employee-Centric, Digital-First Approach	September 2017

Note: For a list of all Human Resources Outsourcing reports published by us, please refer to our website page

Additional HRO research recommendations

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents provide either additional details on the topic or complementary content that may be of interest:

1. **Global HR Outsourcing Trends Handbook 2016** (EGR-2016-3-R-1996); 2016. This report provides a comprehensive overview on the state of the HRO market − both single- and multi-process. The report also identifies key business drivers trends, and the evolving needs of the buyers in the market

2. **Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Profile Compendium 2016** (EGR-2016-3-R-2002); 2016. The objective of this compendium is to provide key stakeholders a snapshot of the offerings and capabilities of 20 major MPHRO service providers. While service providers will be able to benchmark their areas of strength and those of development vis-à-vis other service providers in the marketplace, buyers and potential buyers of MPHRO will be able to assess service providers on their desired set of capabilities

3. **The Future of HR Services – An Employee-Centric, Digital-First Approach** (EGR-2017-3-V-2316); 2017. This viewpoint looks at the downsides of the traditional model of HR services, the evolving paradigm of HR services driven by focus on employee experience & engagement, and a new model of digital-first HR services that is differentiated from the traditional model in terms of technology, people, and process. It provides use cases in HR for the disruptive technologies of advanced analytics and Service Delivery Automation (SDA). Further, it describes the immense potential of the new model for service providers and best practices that can drive success for enterprises

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

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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 empower 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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