



Managed Service Provider (MSP) Annual Report 2018 – Towards the Next Frontier – Boldly Going Where Few Have Gone Before

Managed Service Provider (MSP)
Annual Report – December 2017: Complimentary Abstract / Table of Contents

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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

- This 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**

* Banking, financial services, and insurance



Corporate Headquarters

Office: +1-214-451-3000

info@everestgrp.com



European Headquarters

Office: +44-207-129-1318

unitedkingdom@everestgrp.com



Delhi Office

Office: +91-124-284-1000

india@everestgrp.com

Table of contents (page 1 of 2)

Topic	Page no.
Introduction and overview	5
Executive summary	10
Section I: State of the temporary labor market	12
• Agency work	13
• Key drivers	14
• Trends	15
• Challenges	16
• MSP solutions	17
Section II: MSP market size and adoption	18
• Contingent workforce management	19
• MSP market overview	20
• North America	22
• EMEA	23
• Asia Pacific	24
Section III: Key MSP market themes	25
• Services procurement	27
• Digital technologies	32
• Consulting services	36
• Operational efficiencies	38
• Total talent management	39

Table of contents (page 2 of 2)

Topic	Page no.
• Global and mega MSP deals	40
Section IV: Buyer adoption trends	41
• Buyer size	42
• Buyer industry	43
• Deal size	44
• Deal duration	45
Appendix	46
• Glossary of terms	47
• MSP research calendar	49
• References	50

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

1

- Everest Group's proprietary database of over **600 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 17 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 interviews 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



CAPITA RESOURCING



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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 global 2016-17 MSP service provider landscape and its impact on the MSP market. It focuses on service provider position and growth in the MSP market, changing market dynamics and emerging service provider trends, and assessment of service provider delivery capabilities. It also identifies the key implications of the research findings for buyers and service providers.

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

Market overview and growth

- The usage of contingent workers across the globe continues to grow at a steady pace driven by changing preferences of both employees as well as employers
- While enterprises still face significant hurdles such as technology adoption, rules and regulations, etc. in the adoption of contingent workforce, Managed Service Providers (MSPs) can help mitigate these to a large extent
- The overall contingent workforce management industry continues to grow on the back of this demand temporary labor as well as services procurement from enterprises
- The North American and Asia Pacific MSP markets witnessed good growth in 2016; however, the European market was shaken up by the exit of the United Kingdom from the European Union and lagged behind other geographies

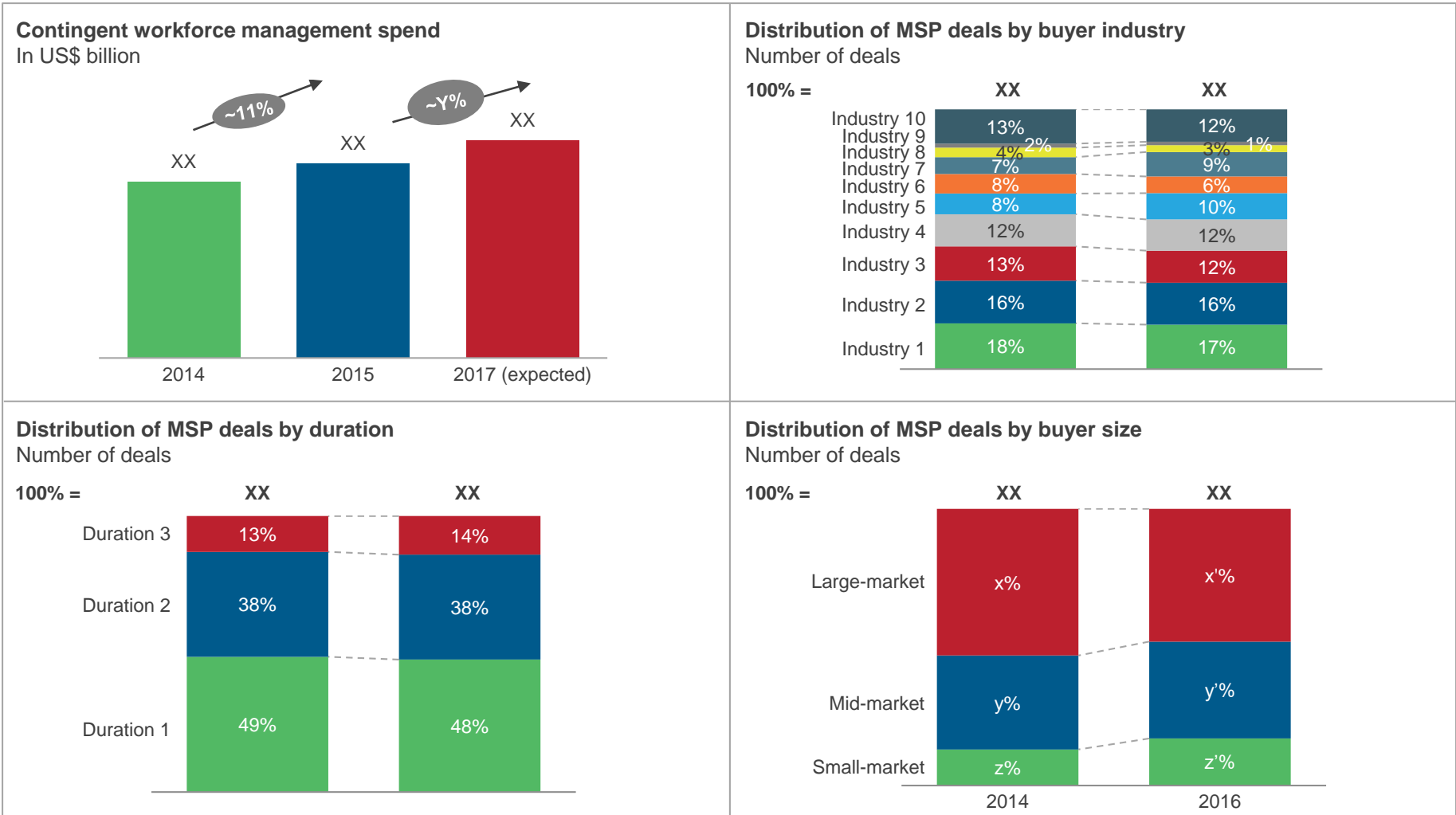
Changing market dynamics

- Digital technologies such as advanced analytics, Artificial Intelligence (AI), Machine Learning (ML), Natural Language Processing (NLP) are increasingly making their presence felt in the talent acquisition industry arena
- Consulting and value-added services are becoming more important as buyers are getting increasingly strategic in their approach towards talent acquisition

Buyer adoption trends

- As enterprise confidence in MSP service providers increases, there has been a steady rise in both mega as well as global MSP deals
- There has also been a consistent increase in the adoption of MSP by mid-market and small-market buyers in absolute terms over the past few years

This study offers 4 distinct chapters providing a deep dive into key aspects of the MSP market; below are four charts to illustrate the depth of the report



Source: Everest Group (2017)

Research calendar – Managed Service Provider (MSP)

Published
 Planned
 Current release

Flagship MSP reports

Release date

Managed Service Provider (MSP) Service Provider Landscape with PEAK Matrix Assessment 2016	December 2016
Managed Service Provider (MSP) Service Provider Profile Compendium 2016	December 2016
Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2016 – Europe	January 2017
Managed Service Provider (MSP) Annual Report 2016 – Embracing the New Talent Landscape	June 2017
Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2017	September 2017
Managed Service Provider (MSP) Service Provider Profile Compendium 2017	October 2017

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Where Few Have Gone Before	December 2017
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MSP Service Provider Landscape in Asia Pacific with PEAK Matrix	Q4 2017
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Thematic MSP reports

Release date

Offshoring in MSP: A Scenario-Based Analysis of Potential Savings	October 2016
Managed Service Provider (MSP): A Peek into the Buyer’s Mind – Continuous Innovation is the Key to Buyer Delight	February 2017
Freelancer Management	Q1 2018

Note: For a list of all MSP reports published by us, please refer to our [website page](#)

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 or complementary content that may be of interest

1. **Managed Service Provider (MSP) Annual Report 2016 – Embracing the New Talent Landscape** ([EGR-2017-3-R-2212](#)); 2017. The global Managed Service Provider (MSP) market continued to remain one of the fastest growing single-process HRO markets. It posted a strong growth rate of 12% in 2016, backed by strong growth in the emerging markets of Asia Pacific and Latin America. The market is also undergoing a significant change, as other service providers from the BPO and PO areas make inroads in what was earlier the exclusive domain of traditional MSP providers
2. **Talent Acquisition in Asia Pacific: Diverse Demands Ensuring Growth** ([EGR-2016-3-R-1764](#)); 2016. The concept of Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP) is picking up pace in Asia Pacific. Historically pioneered by West-headquartered organizations that had a presence in Asia Pacific, the RPO and MSP markets have reached a tipping point, where many locally-headquartered buyers have started embracing these solutions
3. **Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2017** ([EGR-2017-3-R-2354](#)); 2017. In an age of rapid economic, demographic, and digital & technological evolution, the MSP market is undergoing transformative changes as well. Providers investing substantially and continuously in innovation over the next few months will be able to meet the upcoming challenges most effectively and surge ahead of competition

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

Arkadev Basak, Practice Director:

arkadev.basak@everestgrp.com

Ankaj Mohindroo, Senior Analyst:

ankaj.mohindroo@everestgrp.com

Nisarga Vichare, Senior Analyst:

nisarga.vichare@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: 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 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.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-804-276-4533

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

Stay connected

Website



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