



Procurement Outsourcing (PO) BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018

Procurement Outsourcing (PO)

Market Report – March 2018: Complimentary Abstract / Table of Contents

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

▶ Customer Experience Management Services

▶ 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

- The 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



European Headquarters

Office: +44-207-129-1318

unitedkingdom@everestgrp.com



Delhi Office

Office: +91-124-284-1000

india@everestgrp.com

Table of contents

Topic	Page no.
Background and methodology	5
Executive summary	11
• Summary of key messages	12
Section I: 2018 PO PEAK Matrix™ and Star Performers	13
• Summary	14
• PEAK Matrix™ for PO	18
• Service provider capability assessment	19
• 2018 PO Star Performers	22
Section II: Everest Group analysis on service providers	23
• Everest Group's remarks on service providers	24
Section III: Service provider landscape	37
• Market share	38
• Market share trends by	
– Geography	39
– Industry	40
– Buyer size	41
Appendix	42
• Glossary of terms	43
• PO research calendar	45
• References	46

Background and methodology of the research

Background of the research

The PO service provider landscape is changing rapidly as providers look at enabling end-to-end transformation journeys for clients by adopting a partner-led approach. This is leading to a fast rise of digital along with a shifting focus from reducing cost to driving business outcomes. Increasing investments and application of advanced/cognitive analytics, Robotic Process Automation (RPA), Internet of Things (IOT) and Blockchain are fueling this scenario.

In this research, we analyze the global PO service provider landscape in 2017. We focus on:

- 2018 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 2017, with a minimum of three procurement processes, over US\$1 million in Annual Contract Value (ACV), and a minimum contract term of three years. Typically, managed spend is greater than US\$50 million
- Coverage across 13 PO service providers with multi-process capability, namely Accenture, Aegis, Aquanima, Capgemini, Corbus, Genpact, GEP, HCL, IBM, Infosys, TCS, Wipro, and WNS

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

- 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

- Everest Group's proprietary database of **operational capability of 13+ 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

- **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

 accenture

 AEGIS

 aquanima

 Capgemini

 CORBUS
A Soin Company

 genpact

 GEP
Insight Drives Innovation

 HCL

 IBM

 Infosys

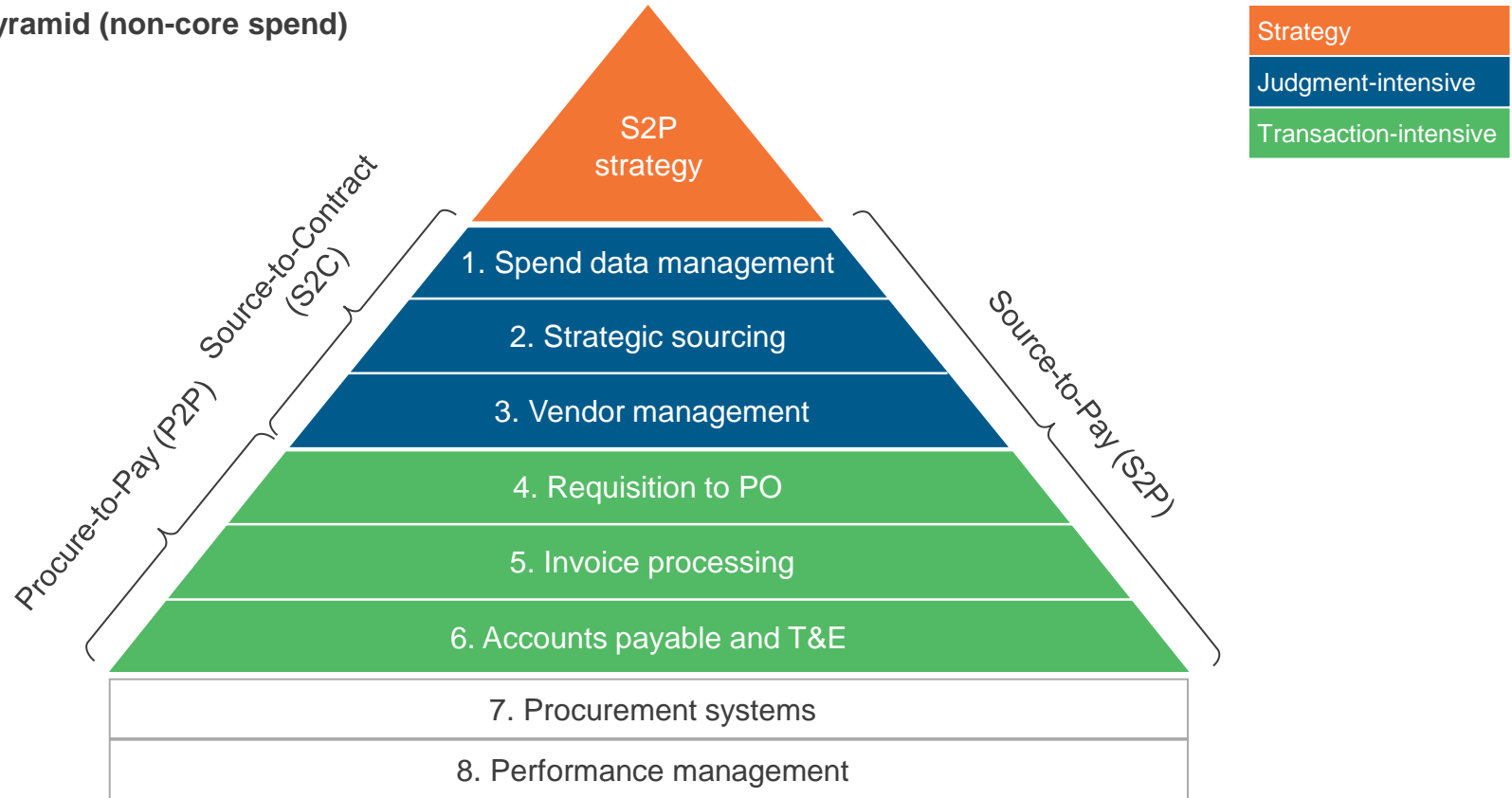
 TATA CONSULTANCY SERVICES

 wipro

 WNS
Extending Your Enterprise

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 2017

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 13 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:

2018 PO PEAK Matrix and Star Performers

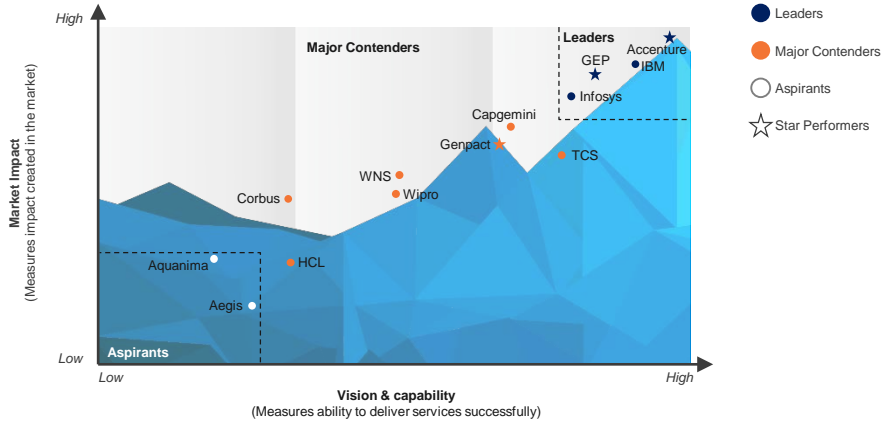
- Everest Group classified 13 PO service providers on the Everest Group PEAK Matrix™ into three categories of Leaders, Major Contenders, and Aspirants
- The 2018 PO PEAK Matrix positioning is as follows:
 - Leaders: Accenture, GEP, IBM, and Infosys
 - Major Contenders: Capgemini, Corbus, Genpact, HCL, TCS, Wipro, WNS
 - Aspirants: Aegis and Aquanima
- Based on YoY movement of different service providers on the PEAK Matrix, Everest Group identified five service providers as the “2018 PO Market Star Performers” – Accenture, GEP, and Genpact

Everest Group analysis on service providers

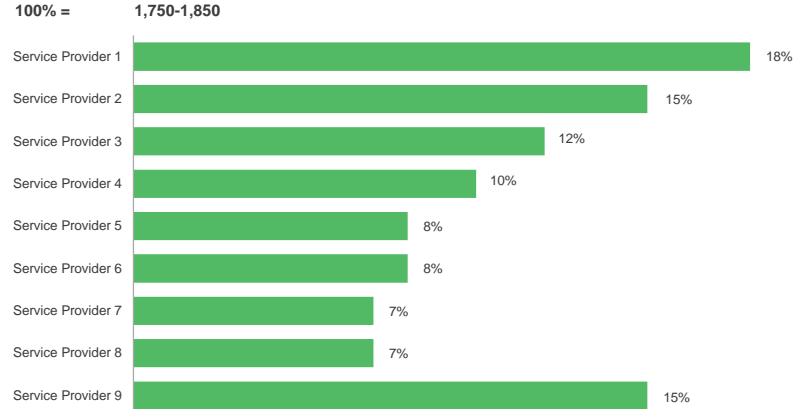
- We assessed the overall PO capability of service providers by evaluating them along seven dimensions – Scope, innovation and investments, delivery footprint, vision and strategy, market adoption, portfolio mix, and value delivered

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

Everest Group Services PEAK Matrix™ for PO BPO



Market share by service provider



PO Service provider assessment

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

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
●	●	●	●	●	●	●	●	●

Strengths

- XYZ has had a good run in P&C insurance in 2017 with addition of new accounts to its client base and double-digit revenue growth
- It has developed a substantial resource base in terms of FTEs employed and technology solutions, which qualifies it to provide large-scale and value-adding services to its clients
- It services clients across the buyer-size spectrum and P&C insurance service lines such as property, motor, and workers compensation, as well as across the P&C insurance value chain spanning product development to claims processing
- It has a wide array of point and comprehensive platforms as well as augmentation technology solutions that it employs in a majority of its contracts in order to digitally enhance its BPO delivery. It has a strong focus on leveraging RPA, cognitive, and analytics in its deliveries
- It is well-positioned to commit cost savings to its clients, given it has a considerable leverage of offshore resources in its delivery model

Areas of improvement

- XYZ's focus largely remains on the North American P&C insurance market and it should aim to initiate traction into other favorable geographies such as the United Kingdom, Rest of Europe, and Asia Pacific, which will also place it as a global partner for service delivery
- Although it does service small-sized buyers, its customer portfolio is largely inclined toward large-sized buyers. XYZ should target a well-balanced portfolio in order to mitigate any possibility of concentration risk
- XYZ has a potential to expand into the non-core operations of its clients such as regulatory reporting and risk management, which have considerable demand given the regulatory dynamics
- In order to deliver judgment-intensive processes for its clients and cover the P&C insurance value chain in terms of depth as well, it needs to start expanding its onshore and nearshore delivery capabilities

Capability assessment

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

	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
Service Provider 1	●	●	●	●	●	●	●	●	●
Service Provider 2	●	●	●	●	●	●	●	●	●
Service Provider 3	●	●	●	●	●	●	●	●	●
Service Provider 4	●	●	●	●	●	●	●	●	●
Service Provider 5	●	●	●	●	●	●	●	●	●
Service Provider 6	●	●	●	●	●	●	●	●	●
Service Provider 7	●	●	●	●	●	●	●	●	●
Service Provider 8	●	●	●	●	●	●	●	●	●

Research calendar – Procurement Outsourcing (PO)

Published
 Planned
 Current release

Flagship PO reports

Release date

PO Service Provider Landscape with PEAK Matrix™ Assessment 2017	June 2017
BPS Delivery Automation (BPSDA) – Service Provider Landscape with PEAK Matrix™ Assessment 2017	July 2017
Procurement Outsourcing (PO) Annual Report – 2017: Leap towards Digital Transformation	July 2017
SCM BPO Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	December 2017
Procurement Outsourcing (PO) Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	March 2018
Supply Chain Management (SCM) Annual Report – Annual Report 2018	Q2 2018
Procurement Outsourcing (PO) Annual Report – Annual Report 2018	Q2 2018

Thematic PO reports

Release date

Driving Business Outcomes in Aftersales Supply Chain	May 2016
Unlocking Next-Generation Value through Technology-Embedded Business Process Services	July 2016
PO – Viewpoint – Procurement Analytics 3.0	February 2017
3PL or 4PL: An Increasingly Complex Decision	June 2017
The Future of Procurement in the Digital Age	March 2018
Supplier Management - More than Just Managing Cost and Risk	Q2 2018
Looking beyond the savings - Emerging value levers for CPOs	Q3 2018

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

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. The Future of Procurement in the Digital Age** ([EGR-2018-22-V-2416](#)); 2018. This paper is intended for enterprise operations executives who are looking to understand the changing procurement ecosystem, its potential implications, and the challenges they must overcome to truly transform the function
- 2. Supply Chain Management (SCM) BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018** ([EGR-2017-10-R-2496](#)); 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
- 3. Procurement Outsourcing (PO) Annual Report – 2017: Leap Towards Digital Transformation** ([EGR-2017-1-R-2245](#)); 2017. This report assists key stakeholders (buyers, service providers, and technology providers) to understand the changing dynamics of the PO market and help them identify the trends and outlook for 2016-2017. In this backdrop, this report provides comprehensive coverage of the global PO market including detailed analysis of market size and growth, PO value proposition, solution characteristics, buyer adoption trends, and service provider landscape

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

Rajesh Ranjan, Partner:

rajesh.ranjan@everestgrp.com

Katrina Menzigian, Vice President:

katrina.menzigian@everestgrp.com

Vikas Gujral, Practice Director:

vikas.gujral@everestgrp.com

Vatsal Gupta, Senior Analyst:

vatsal.gupta@everestgrp.com

Mansi Arora, Analyst:

mansi.arora@everestgrp.com

BPS Team:

BPOresearch@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



www.everestgrp.com

Social Media



@EverestGroup



@Everest Group

Blog

[Sherpas In Blue Shirts](http://www.sherpasinblueshirts.com)

www.sherpasinblueshirts.com