



SuccessFactors-Based Human Resources Business Process Services (HR BPS) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018

Human Resources Outsourcing (HRO)
Market Report – June 2018: Complimentary Abstract

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- Others | Market intelligence, service provider capabilities, technologies, contract assessment

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Background and scope of the research

Background of the research

There has been a paradigm shift in the expectations and requirements of HR departments across the globe. HR processes and systems continue to evolve with time, accompanied with a change in enterprise approach towards improving employee experience at the workplace. Modern HR technology has enabled leaders to engage their employees by providing a better experience. Next-generation technologies have not just made the resources available to employees, but also made these resources more easily accessible and usable. These technologies have aided in breaking down the silos in which HR processes generally operate. Moreover, this growing need to provide an integrated platform globally, for a better employee experience, has paved a way to the adoption of unified end-to-end Software as a Service (SaaS) platforms such as SuccessFactors, Workday, and Oracle HCM.

SuccessFactors' distinctive features, such as its intuitive consumer-style experience and built-in decision support system, have helped it position itself distinctively in the market. Its association with SAP and its analytics services have added to the demand. SAP has backed SuccessFactors with a reliable and differentiating payroll package, an offering that very few solution providers can boast of. It has undergone remarkable growth over the recent years and has emerged as one of the most preferred HR solutions by many enterprises. The SuccessFactors-based HR BPS market has also been enjoying its fair share of success and is expected to continue to grow manifold in the coming few years.

In terms of geographic adoption, Europe dominates; however, North America and Asia Pacific are closely following suit. Leading HRO providers are front runners in the SuccessFactors-based HR BPS market. A majority of the service providers in this space have been investing considerably in building strength in next-generation technologies such as advanced analytics, Artificial Intelligence (AI), mobile solutions, and automation.

Scope and methodology

In this research, we analyze the SuccessFactors-based HR BPS service provider landscape. We focus on:

- Overall SuccessFactors-based HR BPS market size and growth
- SuccessFactors-based HR BPS adoption and solution trends
- Service provider landscape

Overview and abbreviated summary of key messages (page 1 of 2)

This report examines the dynamics of the SuccessFactors-based HR BPS 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, 11 SuccessFactors 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:

Service provider position and growth

- The SuccessFactors-based HR BPS market is experiencing a spectacular growth. In terms of Annual Contract Value (ACV), we expect the market to grow by 30-35% in 2020
- The rising adoption of SuccessFactors-based HR BPS is increasingly being driven by the shift in preferences of enterprises towards a more employee-centric approach, in addition to the traditional levers of cost reduction and efficiency gains

Market dynamics

- Europe leads in terms of SuccessFactors-based HR BPS adoption, with North America and Asia Pacific following suit
- Manufacturing, Banking Financial services & Insurance (BFSI) and high-tech & telecom industries are the biggest adopters of services

Overview and abbreviated summary of key messages (page 2 of 2)

SuccessFactors-based HR BPS PEAK Matrix 2018

- Everest Group classifies SuccessFactors-based HR BPS providers on the Everest Group PEAK Matrix into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework used to assess the market impact, overall vision, and delivery capability of service providers for SuccessFactors
- Based on Everest Group's comprehensive evaluation framework, the PEAK Matrix, the 11 SuccessFactors-based HR BPS providers evaluated are segmented into three categories (in alphabetical order within each category):
 - **Leaders:** Accenture, Alight Solutions, and NGA HR
 - **Major Contenders:** Capgemini, Conduent, HR Path, IBM, Neeiamo, and Zalaris
 - **Aspirants:** Gavdi and Rolling Arrays

SuccessFactors service provider commentary

- Everest Group delineates each of the 11 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

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

Everest Group PEAK Matrix™ for SuccessFactors HR BPS 2018



Note: Assessment for **Cargemini, IBM, Gavdi and Rolling Arrays** excludes service provider inputs on this particular study, and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage & public disclosures, and interaction with buyers

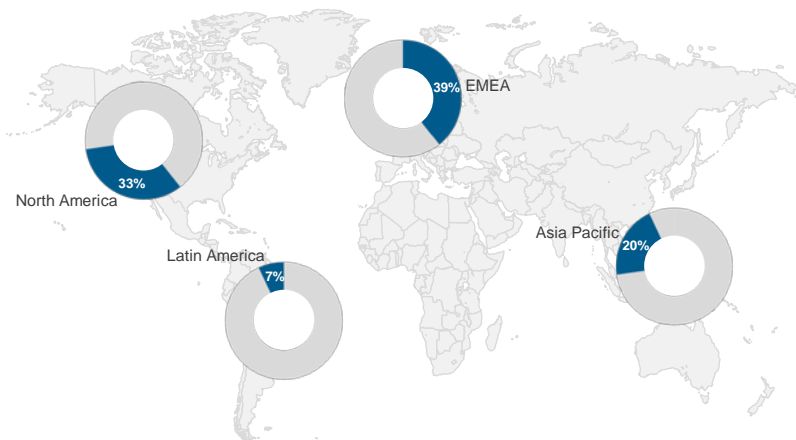
Capability assessment

Illustrative example

Measure of capability: ● High ○ Low

Service provider	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	○	○	○	○	○	○	○	○	○
Service provider 9	○	○	○	○	○	○	○	○	○

Geographic adoption of SuccessFactors-based HR BPS



Everest Group's remarks on service providers

Illustrative example

Measure of capability: ● High ○ Low

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

- Service provider 1, a leading HR service provider in the European region, is a Major Contender on the SuccessFactors-based HR BPS PEAK Matrix
- Service provider 1 has the capability to deliver services across the HR value chain, though it is particularly strong in delivering transactional processes, especially in employee data management, recruitment, performance and succession management and regulatory compliance
- Service provider 1 has a proven capability to deliver fairly complex, multi-country deals in the European region

Areas of improvement

- After its recent acquisitions, Service provider 1 is well-positioned to effectively increase its base in the large market segment (>15,000 buyer employees)
- Service provider 1 can look to potentially target enterprises outside of the European region, particularly in fast-growing regions such as South East Asia and the Middle East

Research calendar – Human Resources Outsourcing (HRO)

■ Published ■ Planned □ Current release

Flagship HRO reports

Release date

Multi-Process Human Resources Outsourcing (MPHRO) – Buyer Satisfaction Report 2018	March 2018
Heath and Welfare (H&W) Benefits Administration Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2018	March 2018
SuccessFactors-Based Human Resources Business Process Services (HR BPS) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	June 2018
Heath and Welfare (H&W) Benefits Administration Outsourcing – Market Report 2018	Q3 2018
Heath and Welfare (H&W) Benefits Administration Outsourcing – Service Provider Profile Compendium 2018	Q3 2018
Multi-Country Payroll Outsourcing (MCPO) – Service Provider Landscape with PEAK Matrix™ Assessment 2018.....	Q3 2018
Multi-Country Payroll Outsourcing (MCPO) – Annual Report 2018	Q3 2018
Multi-Country Payroll Outsourcing (MCPO) – Service Provider Profile Compendium 2018.....	Q3 2018

Thematic HRO reports

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
Ulrich model – recasting in a digital light	Q3 2018

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

Additional HRO research references

The following documents are recommended for additional insight on 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. **Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Landscape with PEAK Matrix™ Assessment 2017** ([EGR-2017-3-R-2342](#)); 2017. This report assesses the MPHRO capabilities of different service providers and evaluates their positioning on the Everest Group PEAK Matrix. It provides insights on how 20 MPHRO service providers are beefing up their capabilities and are differentiating themselves in the light of these shifts. These providers have been segmented into Leaders, Major Contenders, and Aspirants on the Everest Group PEAK Matrix. The report also includes remarks on service providers, highlighting their key strengths and development areas
2. **Multi-Process Human Resources Outsourcing (MPHRO) – Annual Report 2018** ([EGR-2017-3-R-2509](#)); 2017. This research provides comprehensive coverage of the 2016-17 MPHRO market across dimensions such as state of the market, MPHRO market size & adoption, key MPHRO market themes, and buyer adoption trends. It focuses on how the HRO market gained momentum due to the shift in the HR services paradigm
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

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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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