



## **Health & Welfare Benefits Administration Outsourcing – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018**

Human Resource Outsourcing(HRO)

Market Report – June 2018: Complimentary abstract / Table of contents

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MATRIX™

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  - **Human Resources Outsourcing (HRO)**
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In addition to a suite of published research, a membership may include

- Price book
- Pinnacle Accelerators
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- Virtual Roundtables
- Workshops

## 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

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# Everest Group's H&W BAO research is based on multiple sources of proprietary information (page 1 of 2)

- Everest Group's proprietary database of over **1,100 H&W BAO deals** (updated annually)
- The database tracks the following elements of each H&W BAO deal
  - **Buyer details:** Including industry, size, and signing region
  - **Deal details:** Including TCV, ACV, term, start date, total participants managed, and the primary pricing structure
  - **Scope:** Process coverage and geographic coverage
  - Technology ownership and maintenance
  - Global sourcing

- Everest Group's proprietary database of **operational capability of over 11 H&W BAO service providers**
- The database tracks the following capability elements for each service provider
  - Major H&W BAO clients and recent wins
  - Overall H&W BAO revenue, total number of participants managed, and number of H&W BAO FTEs
  - H&W BAO clients split by geography scope and coverage, industry, headquarter location, and buyer size
  - H&W BAO service suite, delivery locations, and level of offshoring
  - H&W Benefits-related technology capability
  - Recent H&W BAO-related developments (investments and partnerships)

## Service providers covered in the analyses<sup>1</sup>



<sup>1</sup> This assessment excludes Mercer, Businessolver, and Secova's inputs on this particular study and is based on Everest Group's estimates that leverage its proprietary Transaction Intelligence (TI) database, service provider public disclosures, and interaction with buyers

# Everest Group's H&W BAO research is based on multiple sources of proprietary information (page 2 of 2)

## 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 H&W BAO provider. The surveys/interviews focus on different aspects of an outsourcing relationship including:

- Key drivers for outsourcing H&W BAO
- 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 H&W BAO metrics
  - H&W BAO 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 2017

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 Health and Welfare Benefits Administration Outsourcing (H&W BAO) 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 H&W BAO 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:

## H&W BAO PEAK Matrix 2018

- Everest Group classifies 11 H&W BAO service providers on the Everest Group PEAK Matrix into the three categories of Leaders, Major Contenders, and Aspirants
- Based on the 2018 H&W BAO PEAK Matrix, the segmentation of service providers is as follows (in alphabetical order within each category):
  - **Leaders:** Alight Solutions, Conduent, and Willis Towers Watson
  - **Major Contenders:** ADP, Bswift, Businessolver, Empyrean, Mercer, and Secova
  - **Aspirants:** Benefitexpress and OneSource Virtual

## Key insights into service provider categories

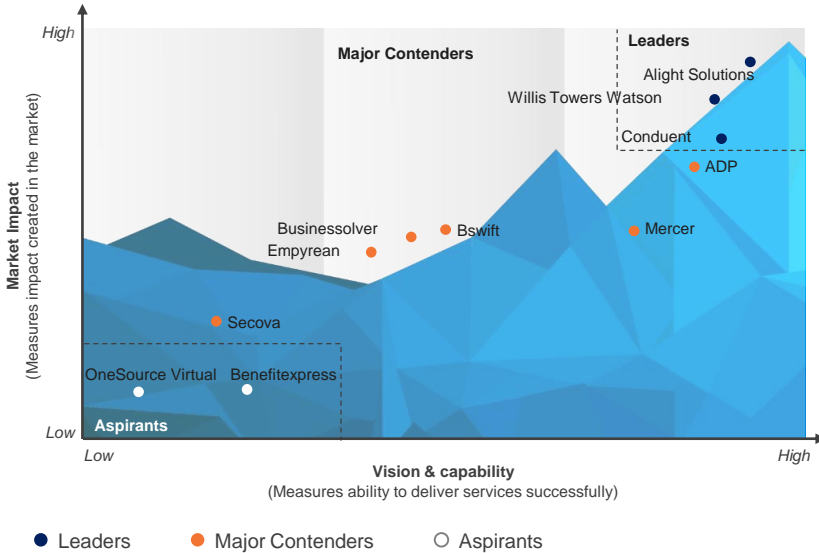
The H&W BAO PEAK Matrix Leaders are compared with other service providers to identify differentiating strategy and operational capability

## H&W BAO 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 three distinct chapters providing a deep dive into key aspects of H&W BAO market; below are some charts to illustrate the depth of the report

Everest Group PEAK Matrix™ for H&W BAO 2018



Note 1: Service providers scored using Everest Group's proprietary scoring methodology given on page 13 in its main report

Note 2: Assessment for Businessolver, Mercer, and Secova excludes service provider inputs on this particular study, and is based on Everest Group's estimates which leverages 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	○	○	○	○	●	○	○	○	○

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 is a Leader on the H&W BAO PEAK Matrix with the highest revenue in the industry
- Service provider 1 has invested in next-generation technologies that enable it to provide seamless customer experience
- Service provider 1 has a balanced client portfolio with clients from all buyer sizes

**Areas of improvement**

- Service provider 1 needs to leverage offshore locations to benefit from the associated cost savings
- Buyers highlight the highly contract driven nature of engagements as preventing a more flexible and agile implementation
- Service provider 1 can look to emerging markets to expand its global footprint

# 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
<b>Heath and Welfare (H&amp;W) Benefits Administration Outsourcing – Service Provider Landscape with PEAK Matrix™ Assessment 2018</b>	June 2018
Heath and Welfare (H&W) Benefits Administration Outsourcing – Market Report 2018	Q2 2018
Heath and Welfare (H&W) Benefits Administration Outsourcing – Service Provider Profile Compendium 2018	Q2 2018
SuccessFactors Business Process Services – Service Provider Landscape with PEAK Matrix™ Assessment 2018	Q2 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 of our Human Resources Outsourcing reports, please visit the [HRO](#) on our reports portal



# 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](http://www.everestgrp.com).

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