Managed Service Provider (MSP) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018

Managed Service Provider (MSP)
Market Report – September 2018: Complimentary Abstract / Table of Contents

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Membership information

- This report is included in the following research program(s)
  – **Managed Service Provider (MSP)**
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In addition to a suite of published research, a membership may include

- Price book
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- Analyst access
- 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
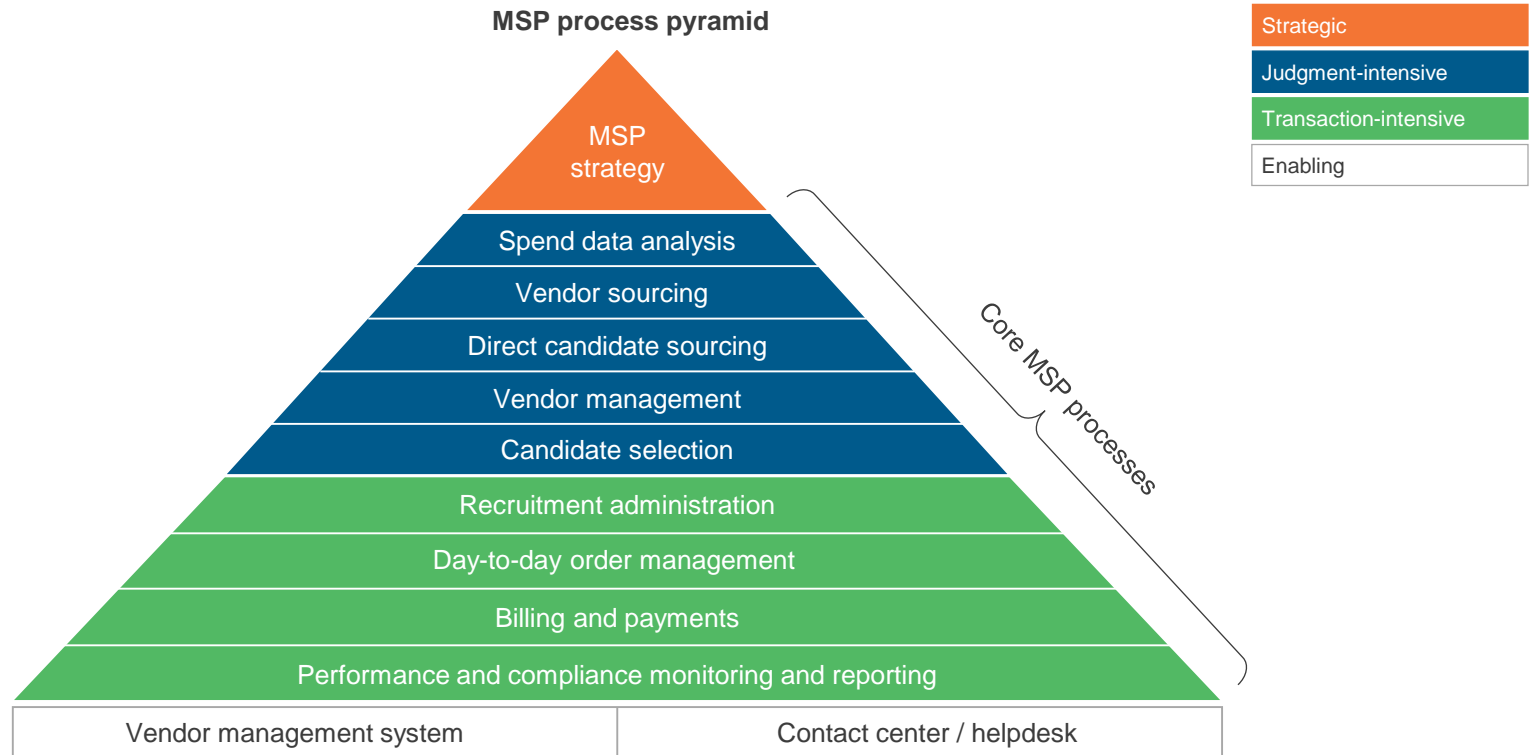- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Everest Group defines MSP as the <u>transfer of responsibility of</u> all or part of the management of an organization's contingent/temporary staffing activities <u>on an ongoing basis</u>

MSP process pyramid

Strategic	
Judgment-intensive	
Transaction-intensive	
Enabling	

Pyramid (top to bottom):
- MSP strategy
- Spend data analysis
- Vendor sourcing
- Direct candidate sourcing
- Vendor management
- Candidate selection
- Recruitment administration
- Day-to-day order management
- Billing and payments
- Performance and compliance monitoring and reporting

Core MSP processes

Vendor management system	Contact center / helpdesk

Everest Group defines MSP deals as ones which satisfy the following key characteristics:
- A minimum of four core processes are included
- A minimum contract term of one year
- Scope of hires includes temporary/contingent hires, SOW consultants[1], and independent contractors

1   Statement of Work (SOW) consultants are contracted for project-based work with pre-determined deliverables (as specified in the SOW) to be completed within a fixed amount of time. They are often paid on the basis of the final outcome/deliverable, but may be paid on an hourly basis as well

Source: Everest Group (2018)

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

1
- Everest Group's proprietary database of over **800 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 20 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

AgileOne · ALLEGIS GLOBAL SOLUTIONS · AMN Healthcare · B · Brainnet · CAPITA RESOURCING · CROSS COUNTRY HEALTHCARE · FIRCROFT · GRI · guidant global · HAYS Talent Solutions · HCMWORKS · KELLYOCG · pontoon · PROUnlimited · randstad sourceright · TAPFIN ManpowerGroup Solutions · VOLT Consulting Group · Yoh · zerochaos

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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

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Overview and abbreviated summary of key messages

This report examines the dynamics of the Managed Service Provider (MSP) market. 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, 20 MSP 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 are:

MSP PEAK Matrix 2018

- Everest Group's PEAK Matrix categorizes MSP service providers into Leaders, Major Contenders, and Aspirants, based on their market success and overall MSP delivery capability
- Based on Everest Group's comprehensive evaluation framework, the PEAK Matrix, the 20 MSP service providers evaluated are segmented into three categories
(in alphabetical order within each category):
    - **Leaders:** Allegis Global Solutions, Geometric Results, Inc., Guidant Global, KellyOCG, ManpowerGroup Solutions TAPFIN, and Randstad Sourceright
    - **Major Contenders:** AgileOne, AMN Healthcare, Broadleaf Results, Hays, HCMWorks, Pontoon, PRO Unlimited, Volt Consulting Group, Yoh and ZeroChaos
    - **Aspirants:** Brainnet, Capita Resourcing, Cross Country Healthcare, and Fircroft

MSP service provider commentary

- Everest Group delineates each of the 20 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 MSP market; below are three charts to illustrate the depth of the report

Everest Group PEAK Matrix™ for MSP 2018
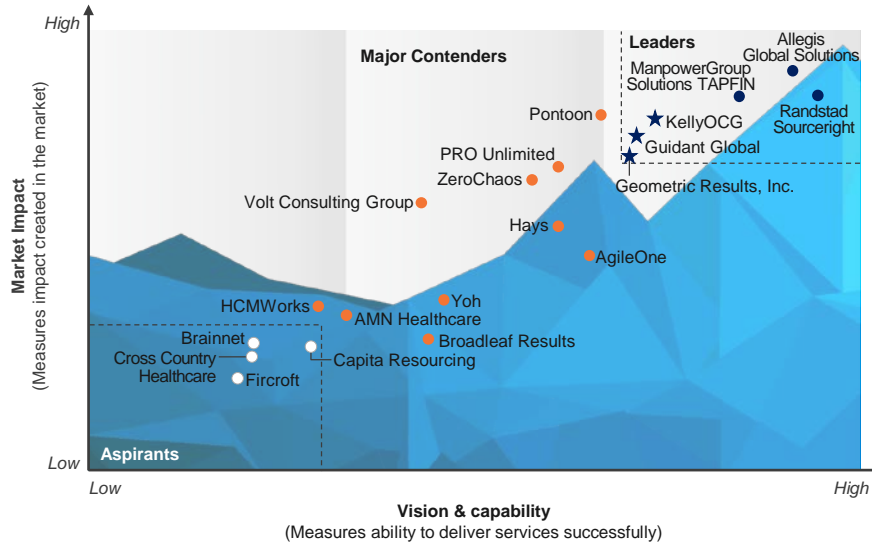
Note 1: Amongst the Leaders, Geometric Results, Inc. did not participate in the study. Amongst the Aspirants and Major Contenders, Capita Resourcing, Hays and Yoh participated. For other providers, inputs are based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage & public disclosures, and interaction with buyers

Note 2: For a detailed service provider profile, please refer to the forthcoming MSP – Service Provider Profile Compendium 2018 report

Source: Everest Group (2018)

● Leaders   ● Major Contenders   ○ Aspirants   ☆ Star Performers

Capability assessment

Illustrative example

Measure of capability: ● High   ◐ Low

Everest Group's remarks on service providers

Illustrative example

Measure of capability: ● High   ◐ Low

Strengths

- Service provider 1, has a robust delivery presence in Asia Pacific with multiple delivery centers in India, Australia, the Philippines, and China, enabling it to service client requirements efficiently
- It has a good number of multi-country as well as single-country clients across the world

Areas of improvement

- Service provider 1 should increase offerings of value-added services such as employer branding, talent communities and workforce planning
- It should try to expand into larger multi-country deals and also scout for engagements in other Asia Pacific markets to strengthen its presence in the region

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Research calendar – Managed Service Provider (MSP)

■ Published　　■ Planned　　▢ Current release

Flagship MSP reports	Release date
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
Managed Service Provider (MSP) Annual Report 2018 – Towards the Next Frontier – Boldly Going Where Few Have Gone Before	December 2017
Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2018 – Asia Pacific	December 2017
Managed Service Provider (MSP) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	**September 2018**
Managed Service Provider (MSP) Service Provider Profile Compendium 2018	Q3 2018
Managed Service Provider (MSP) Annual Report 2019	Q4 2018

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
Enterprise Total Talent Acquisition (ETTA) – The Future Ready Talent Approach	May 2017
Managed Service Provider (MSP): A Peek into the Buyer's Mind – Digital and Futuristic Outlook is the Key to Buyer Delight	August 2018
The clash of MSP & PO	Q3 2018

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

Additional MSP 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. **Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix™ Assessment 2018 – Asia Pacific** (EGR-2017-3-R-2501); 2017. This report examines the dynamics of the Asia Pacific MSP service provider landscape and its impact on the MSP market. Based on the comprehensive Everest Group PEAK Matrix, each of the MSP service providers are segmented into Leaders, Major Contenders, and Aspirants. The report also provides key insights into the capabilities of various service providers. It will assist key stakeholders (service providers, buyers, and technology providers) understand the current state of the regional MSP service provider landscape

2. **Managed Service Provider (MSP) Annual Report 2018 – Towards the Next Frontier – Boldly Going Where Few Have Gone Before** (EGR-2017-3-R-2471); 2017. The global Managed Service Provider (MSP) market continued to remain one of the fastest-growing single-process HRO markets. It is expected to pose a high growth rate of 9-11% in 2017, backed by ever-increasing demand for contingent workers, rise in adoption of Statement of Work (SOW), and the emergence of the gig economy, resulting in rapidly-increasing numbers of freelancers/ICs.

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 research published by Everest Group, please contact us:

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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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