



Global Services Trends in Q1 2018

Data and analysis from October-December 2017
Market Vista™: Buyer Geography Trends –
Complimentary Abstract / Table of Contents

Everest Group[®]
MARKET VISTA™

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

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▶ Catalyst™

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▶ IT Services Forecaster™

▶ Locations Insider™

▶ PricePoint™

▶ Procurement

▶ Recruitment & Talent Acquisition

▶ Service Optimization Technologies

▶ Transaction Intelligence

Subscription information

- This report is included in the following subscription(s)
 - **Market Vista™**
- 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

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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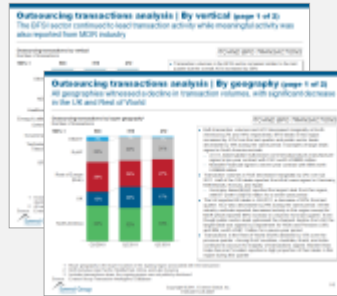
- **Product overview**
- Illustrative contents

Market Vista enables effective decision-making

Global sourcing managers need research, analysis, and insight to demystify the market and direct clear, impactful decisions

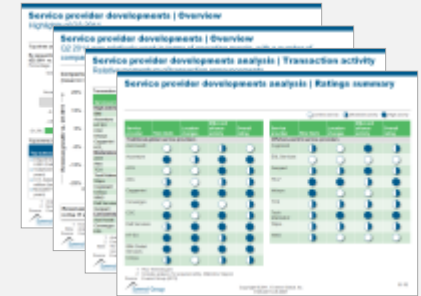
Overall sourcing market

- Detailed analysis of trends by vertical and geography
- Report of transaction volume, size, and momentum
- Perspective on events with significant industry impact (e.g., M&A)
- Implications of regulatory changes



Service provider landscape

- Updates on service provider market share, capabilities, and performance
- Service provider profiles, including data on:
 - Transactions
 - Location footprint
 - M&A activity



Everest Group®
MARKET VISTA™

Location data and dynamics

- Data on market activity in key offshore geographies
 - Political
 - Macroeconomic
 - Promotion incentives
- Trends in wage inflation, attrition, and arbitrage



Processes and models

- Process-level trends
- Global In-house Center (GIC) set-ups, divestures, and overall trends
- Fact-based insights on adoption of emerging pricing models
- Data and perspectives on new opportunity areas



Quarterly
report

Primer

Location
database

Breaking
viewpoint

Location insights
e-newsletter

Service provider
capability profiles

Industry
trends

Trends reports complement Market Vista quarterly reports by providing an in-depth coverage of global sourcing across verticals and regions



Market Vista Buyer Geography Trends reports

Regions tracked

- United States and Canada
- Europe
- Rest of the World (ROW) including Asia Pacific (APAC), Latin America (LATAM), and Middle East & Africa (MEA)

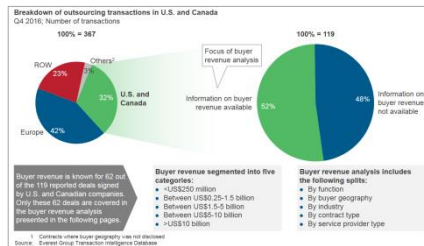
Market Vista Industry Trends reports

Industries tracked

- BFSI
- Manufacturing
- Energy & Utilities (E&U)
- Healthcare
- Technology and communication
- Government
- Retail & Consumer Packaged Goods (CPG)

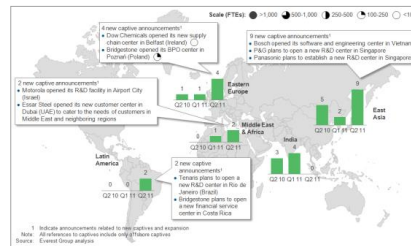
30+ pages of analysis on each vertical/region every quarter

Outsourcing transaction activity



- Trends in transaction volume, contract values, and momentum
- Events with industry impact

GIC set-up and expansion activity



- GIC setups, expansions, and divestitures
- Analysis of buyers, locations, and scope of work offshored

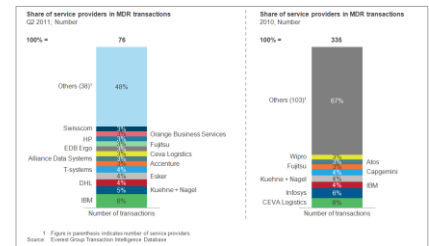
Processes and models

Application	Current quarter (Q4 2016) Frequency of occurrence: Total = 204	Previous year (Q4 2015) Frequency of occurrence: Total = 281	Change in number of ITO transactions, by process
Application development	111	472	↓
Application	50	240	↓
Systems integration	127	307	↓
Disaster recovery	60	263	↓
Network	81	330	↓
Desktop	34	130	↓
Helpdesk	27	138	↓

1. Transaction activity was higher among IT ADM processes than IT infrastructure. 2. Adoption of ITO processes in Q4 2016 was similar to that in 2016 (yearly average). 3. Adoption of Desktop process declined compared to the previous quarter.

- Process-level and subprocess-level transaction trends
- Emerging opportunity areas

Service provider trends and developments



- Service provider performance (transactions, market shares)
- Significant deals signed by leading enterprises

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- Product overview
- **Illustrative contents**

Each Geography Trends quarterly report comprises 20+ pages of insight and data

Illustrative Table of Contents

Topic

Section I: Outsourcing transaction trends

- Outsourcing transactions overview
- Break-up of transactions by function
- Break-up of transactions by processes and subprocesses
- Transaction renewal/restructuring activity

Section II: GIC analysis

- GIC market analysis overview
- GIC market analysis by geography

Section III: Service provider activity and deal information

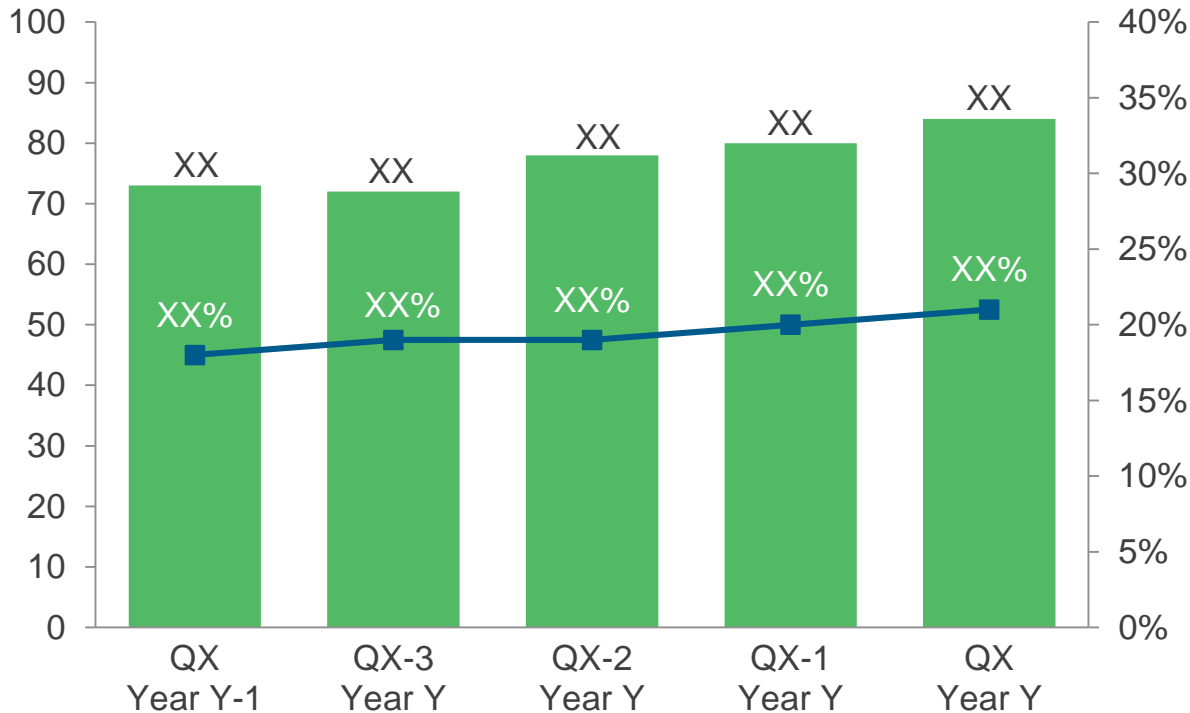
- Share of service providers in total transaction activity
- Notable deals signed by service providers
- Major outsourcing-related developments across leading companies

Section I: Outsourcing transaction trends

Geography A accounted for XX% of total reported outsourcing transactions in QX Year Y with volumes increasing compared to XX

Number of outsourcing transactions¹ in Geography A and share in overall market
Number/percentage

■ Number of transactions
—■ Share in overall market



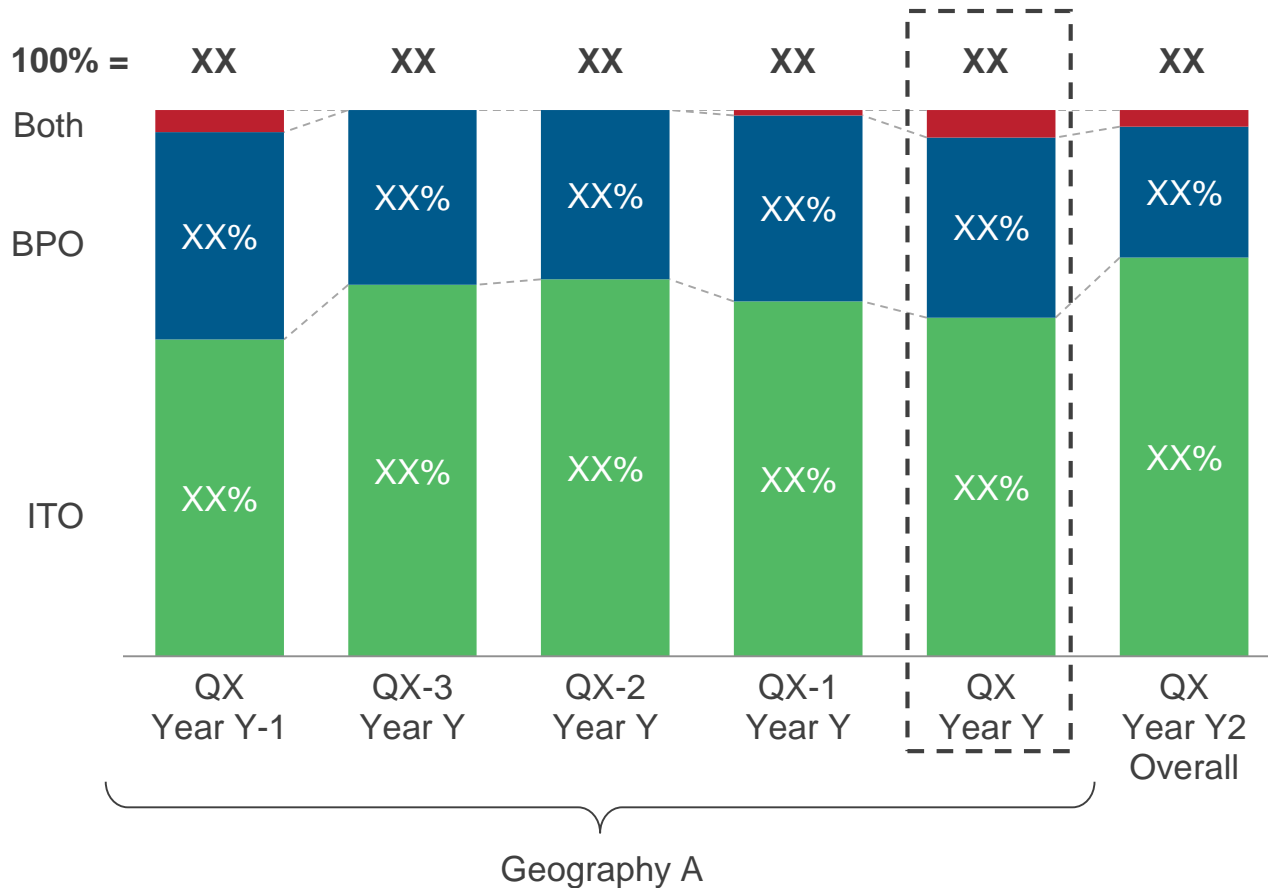
- The overall outsourcing market saw similar activity in QX Year Y as in the previous quarters
- A total of XX transactions were reported in the Geography A in QX Year Y, accounting for XX% share of the total outsourcing market, similar to QX-1 Year Y

¹ Only includes data that has been publicly disclosed
Source: Everest Group Transaction Intelligence Database

Section I: Outsourcing transaction trends

Transaction volumes XXXX across both ITO and BPO functions

Break-down of Geography A transactions by function
Number of transactions



- A total of XX ITO transactions were reported in QX Year Y in the Geography A, same as in QX-1 Year Y
- A total of XX BPO transactions were signed in QX Year Y, as compared to XX in QX-1 Year Y
- Increase was seen in transactions having both BPO and ITO components in QX Year Y

Source: Everest Group Transaction Intelligence Database

Section I: Outsourcing transaction trends

Higher outsourcing adoption in XXXX, XXXX, and XXXX

↓ Decreased
 ↔ Similar
 ↑ Increased















Geography A ITO by process¹
 QX-1 Year Y; Frequency of occurrence
 Total no. of deals² = XX

Geography A ITO by process¹
 QX Year Y; Frequency of occurrence
 Total no. of deals = XX

Change in number of ITO transactions, by process¹

QX Year Y-1 to
QX Year Y

QX-1 Year Y to
QX Year Y

XXXX	 XX	 XX	↑	↓
XXXX	 XX	 XX	↔	↔
XXXX	 XX	 XX	↔	↔
XXXX	 XX	 XX	↔	↔
XXXX	 XX	 XX	↔	↔
XXXX	 XX	 XX	↔	↔
XXXX	 XX	 XX	↔	↔

1 Includes ITO transactions having a BPO component

2 Frequency of occurrences of individual processes may not add up to the total as the scope of an outsourcing transaction often involves multiple processes

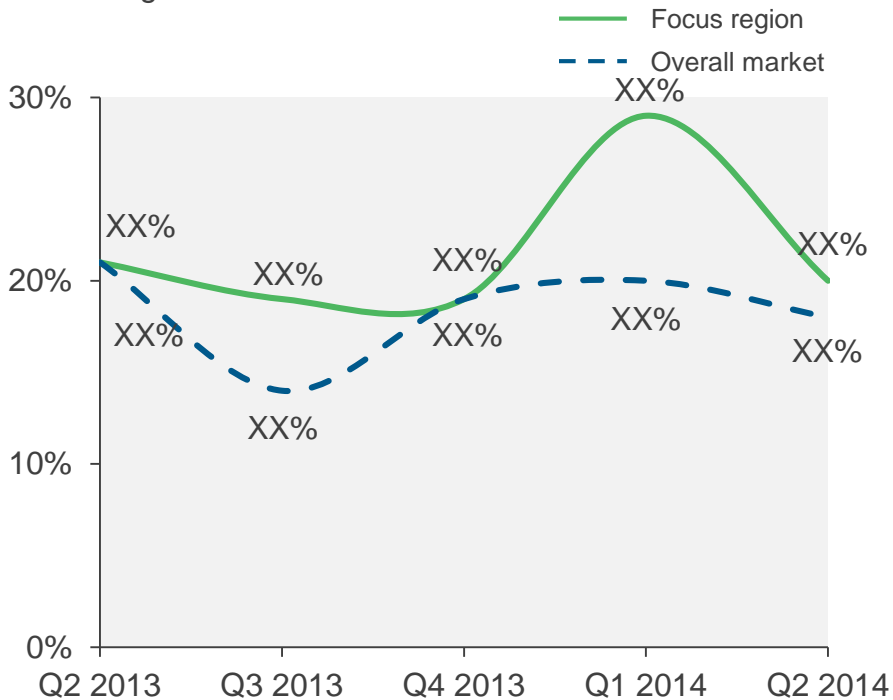
Source: Everest Group Transaction Intelligence Database

Section I: Outsourcing transaction trends

Share of new transactions signed in QX Year Y was XX%

ITO AND BPO TRANSACTIONS

Share of renewals / restructured¹ deals
Percentage



Major Geography A transactions nearing the end of their contract duration over the next few months

Buyer	Service provider	Function scope
Buyer 1	Service provider 1	XX
Buyer 2	Service provider 2	XX
Buyer 3	Service provider 3	XX
Buyer 4	Service provider 4	XX
Buyer 5	Service provider 5	XX

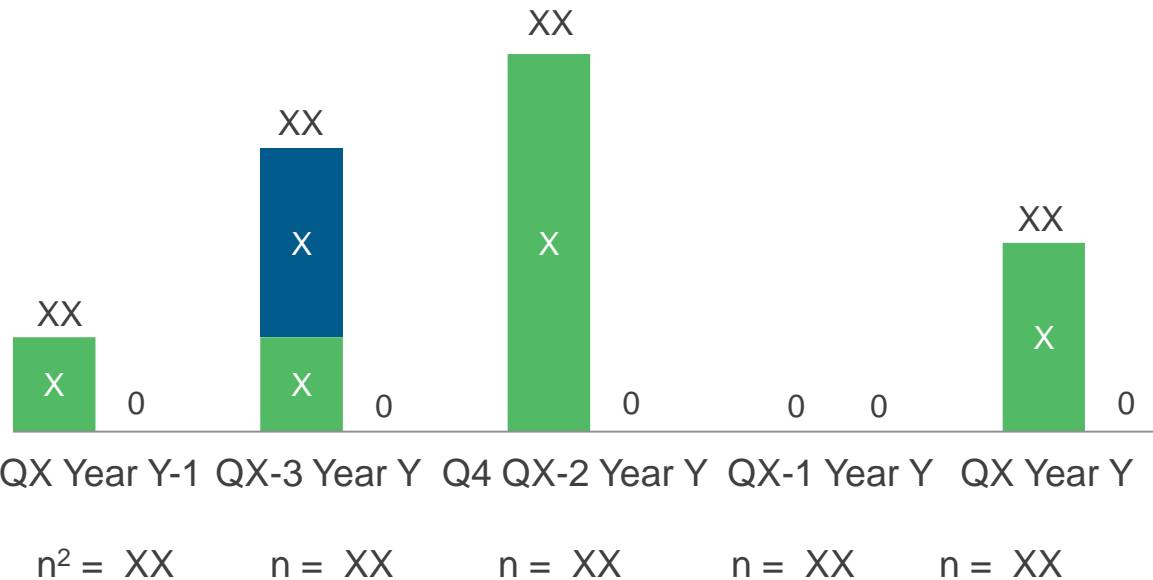
¹ Refers to contracts where the scope of existing contract was extended or expanded
Source: Everest Group Transaction Intelligence Database

Section II: GIC market analysis

Overall number of GIC announcements in QX Year Y witnessed an XXXX compared to the previous quarter

Index of offshore GIC health¹
Number of GICs

■ New set-ups
■ Expansions
■ Divestitures



- There were XX new GIC announcements in the quarter
- Some well-known companies from Geography A, that made GIC announcements included XX, YY, and ZZ
- XX GIC divestitures were announced in this quarter

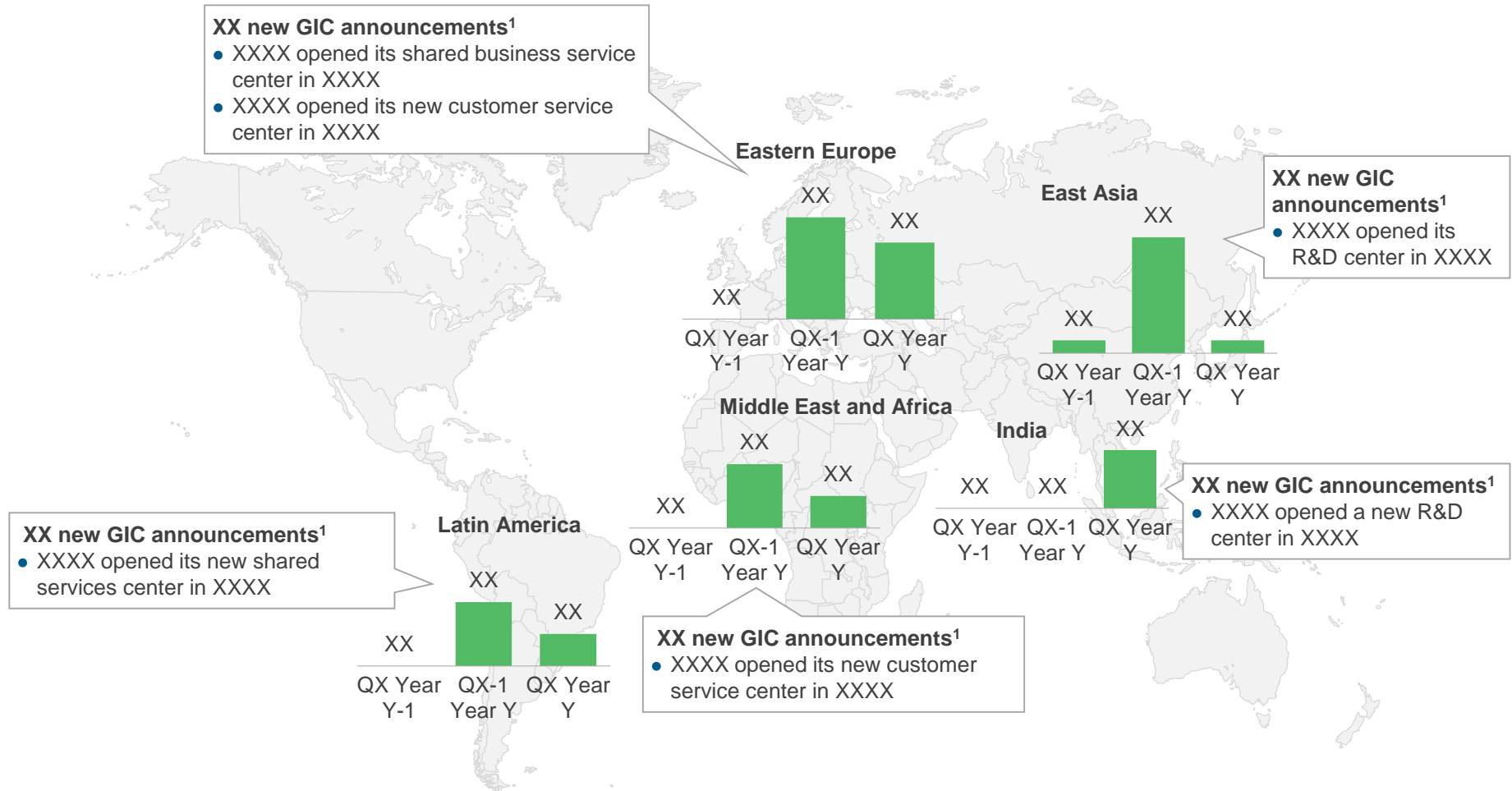
¹ Includes only data that has been publicly disclosed

² n = Number of GIC announcements in the quarter, across all industries

Source: Everest Group (2016)

GIC set-ups¹ | By region

GIC activity was concentrated in XXXX and XXXX



¹ Indicates announcements related to actual GICs set-ups and expansion

Note: All references to GICs include only offshore GICs

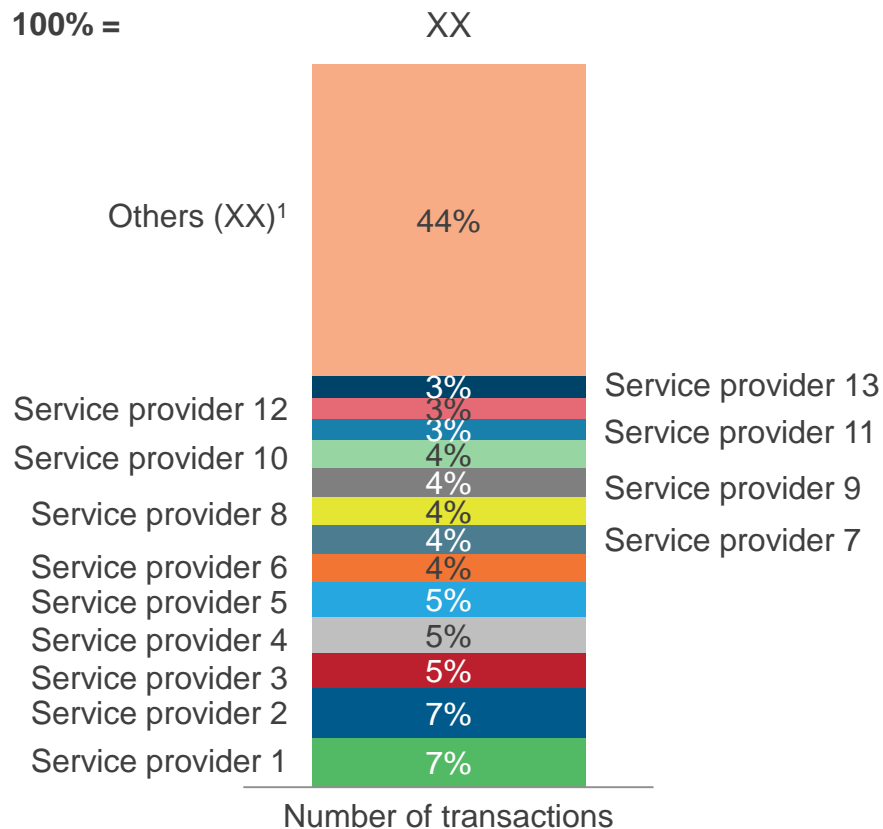
Source: Everest Group analysis

Section III: Service provider activity and deal information

Share of service providers in transaction activity

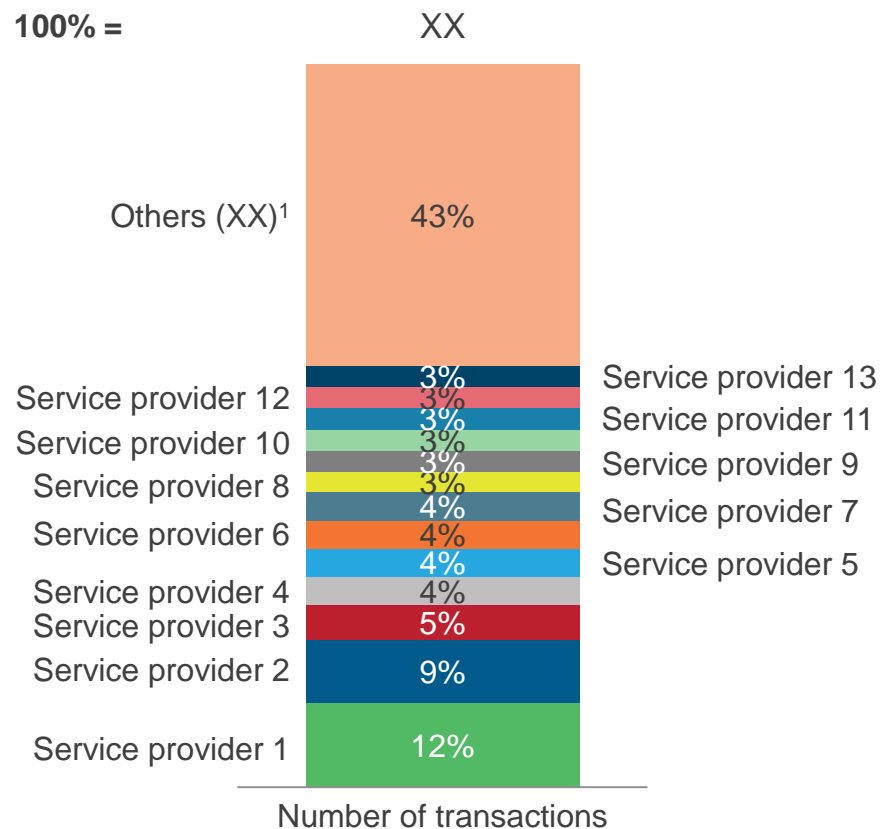
Share of service providers in transactions

QX Year Y; Number



Share of service providers in transactions

Year Y-1; Number



¹ Figure in parenthesis indicate number of service providers

Source: Everest Group Transaction Intelligence Database

Section III: Service provider activity and deal information

Notable deals signed in the XX Geography in QX Year Y

Buyer	Subvertical	Service provider	Deal value (US\$ million)	Contract duration (years)	Services
Buyer 1	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 2	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 3	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 4	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 5	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 6	XXXX	XXXX	XXXX	XXXX	XXXX
Buyer 7	XXXX	XXXX	XXXX	XXXX	XXXX

Source: Everest Group Transaction Intelligence Database

Section III: Service provider activity and deal information

Key developments in major Geography A companies

XXXX

Increased offshore adoption: XXXX announced plans to set up its back-office operations in XX by the end of Year Y. The center will support its XXXX expansion and will hire about XX employees

XXXX

BPO agreement: XXXX

XXXX

ITO agreement: XXXX

XXXX

ITO agreement: XXXX

Market Vista encompasses a suite of offerings

Multiple delivery formats allow Global Sourcing Managers to access information in a way that supports the decision-making process

Market Vista offering	Description	Standard subscription access (annual)	Premium subscription access (annual)
Quarterly Report	Quarterly report with in-depth coverage of transaction, location, and service provider trends	✓	✓
Primer	Quarterly brief of expert perspectives on emerging market trends (e.g., new pricing models)	✓	✓
Location database	Annually updated database of location stats (e.g., cost, attrition, inflation rates) for 23 major cities	✓	✓
Breaking viewpoint	Flash reports highlighting breaking industry news and expert perspectives on key implications	✓	✓
Locations insights e-newsletter	Bi-monthly Global Location Insights e-newsletter containing detailed country and region info	✓	✓
Exclusive webinars	Exclusive quarterly webinars with stakeholders in the subscriber organization on key market trends and developments highlighted in Market Vista research		✓
Analyst consultation	10 hours of analyst access per year for personalized insights and additional perspectives		✓

Additional research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest

1. **Market Vista™: Q1 2018** ([EGR-2018-35-R-2547](#)); 2018. This report includes data, analysis, and insights on transaction trends, information on major deals, GIC market dynamics, and fact-based insights for offshoring destinations in Asia. Also included is the Standard Locations Database that tracks 23 leading offshore locations
2. **BFSI: Global Services Trends in Q3 2017** ([EGR-2017-8-R-2484](#)); 2017. This report provides BFSI industry-specific data, developments, and insights that enable Global Sourcing Managers to navigate through the complexity and make clear, effective decisions, which are contextualized and suited to their specific industry. These reports provide deep-dive into transaction activity, GIC developments, service provider market share, and key outsourcing transactions specific to the BFSI industry
3. **Market Vista™: 2016 Year in Review – Global Services Industry Facing “Winds of Change”** ([EGR-2017-8-R-2138](#)); 2017. This report gives an overview of the developments that took place in the global services industry in 2016. The report highlights key trends and drivers pertaining to GICs, offshore/ nearshore locations, select service providers, and outsourcing transactions

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About Everest Group

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