



## **Global Services Trends in Q3 2018**

Data and Analysis from April-June 2018  
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

## ▶ BPS | Healthcare & Life Sciences

## ▶ BPS | Insurance

## ▶ Catalyst™

## ▶ Cloud & Infrastructure

## ▶ Customer Experience Management Services

## ▶ Digital Services

## ▶ Engineering Services

## ▶ Finance & Accounting

## ▶ Human Resources

## ▶ ITS | Banking & Financial Services

## ▶ ITS | Healthcare & Life Sciences

## ▶ ITS | Insurance

## ▶ IT Services Forecaster™

## ▶ Locations Insider™

## ▶ PricePoint™

## ▶ Procurement

## ▶ Recruitment & Talent Acquisition

## ▶ Service Optimization Technologies

## Membership information

- This report is included in the following research program(s)
  - **Market Vista™**
- **If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at [info@everestgrp.com](mailto:info@everestgrp.com), [unitedkingdom@everestgrp.com](mailto:unitedkingdom@everestgrp.com), or [india@everestgrp.com](mailto:india@everestgrp.com)**

## More about membership

In addition to a suite of published research, a membership may include

- Price book
- Pinnacle Accelerators
- Data cuts
- 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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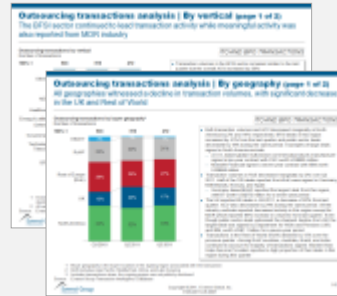
- **Product overview**
- Illustrative contents

# Market Vista enables effective decision-making

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

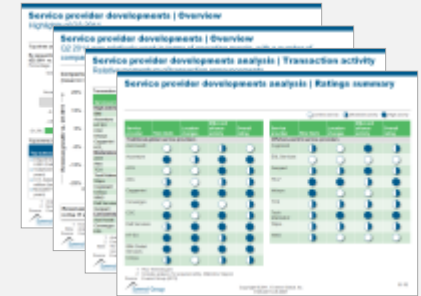
## Overall sourcing market

- 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



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**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)

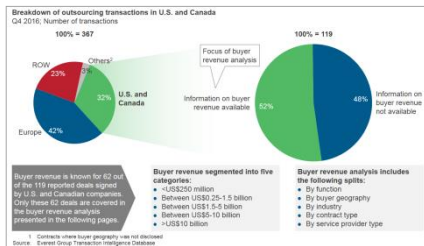
## Market Vista Industry Trends reports

### Industries tracked

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

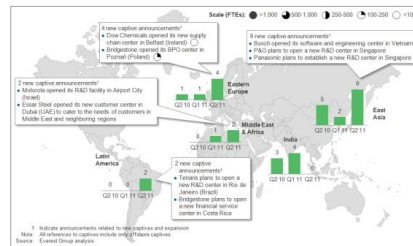
30+ pages of analysis on each vertical/region every quarter

### 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

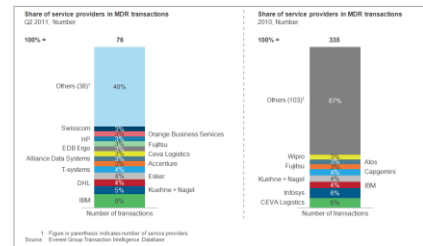
### Processes and models

Application	Current quarter (FY 2017 process) Q2 2017, Frequency of occurrence Total = 244	Previous year (FY 2016 process) 2016, Frequency of occurrence Total = 281	Change in number of ITO transactions, by process
	Q2 16   Q1 17   Q2 17	Q1 16   Q1 17   Q1 17 as Q2 17	
Application development	111	472	↔
Application	50	240	↔
Systems integration	127	307	↔
Disaster recovery	60	263	↔
Network	81	339	↔
Desktop	34	139	↔
Helpdesk	27	138	↔

• Transaction activity was higher among IT ADM processes than IT infrastructure  
• Adoption of ITO processes in Q2 2017 was similar to that in 2016 (yearly average)  
• 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

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### Topic

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#### **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**

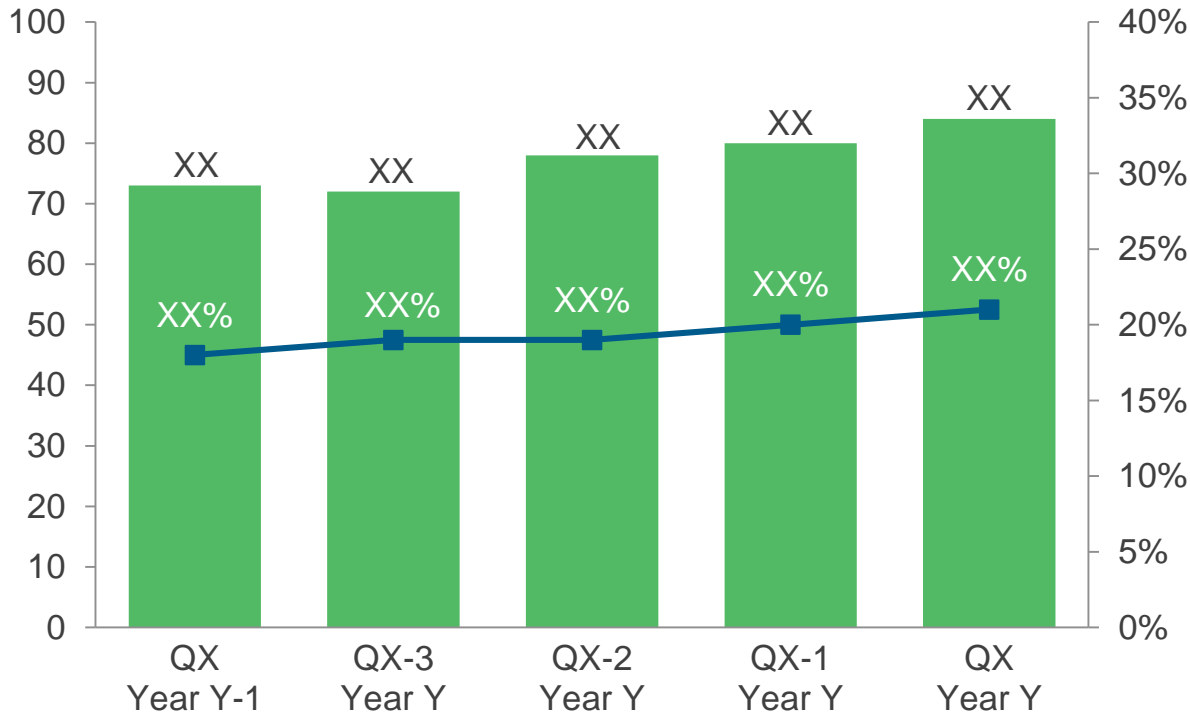
- Share of service providers in total transaction activity
- Notable deals signed by service providers
- Major outsourcing-related developments across leading companies

# 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 transactions<sup>1</sup> 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

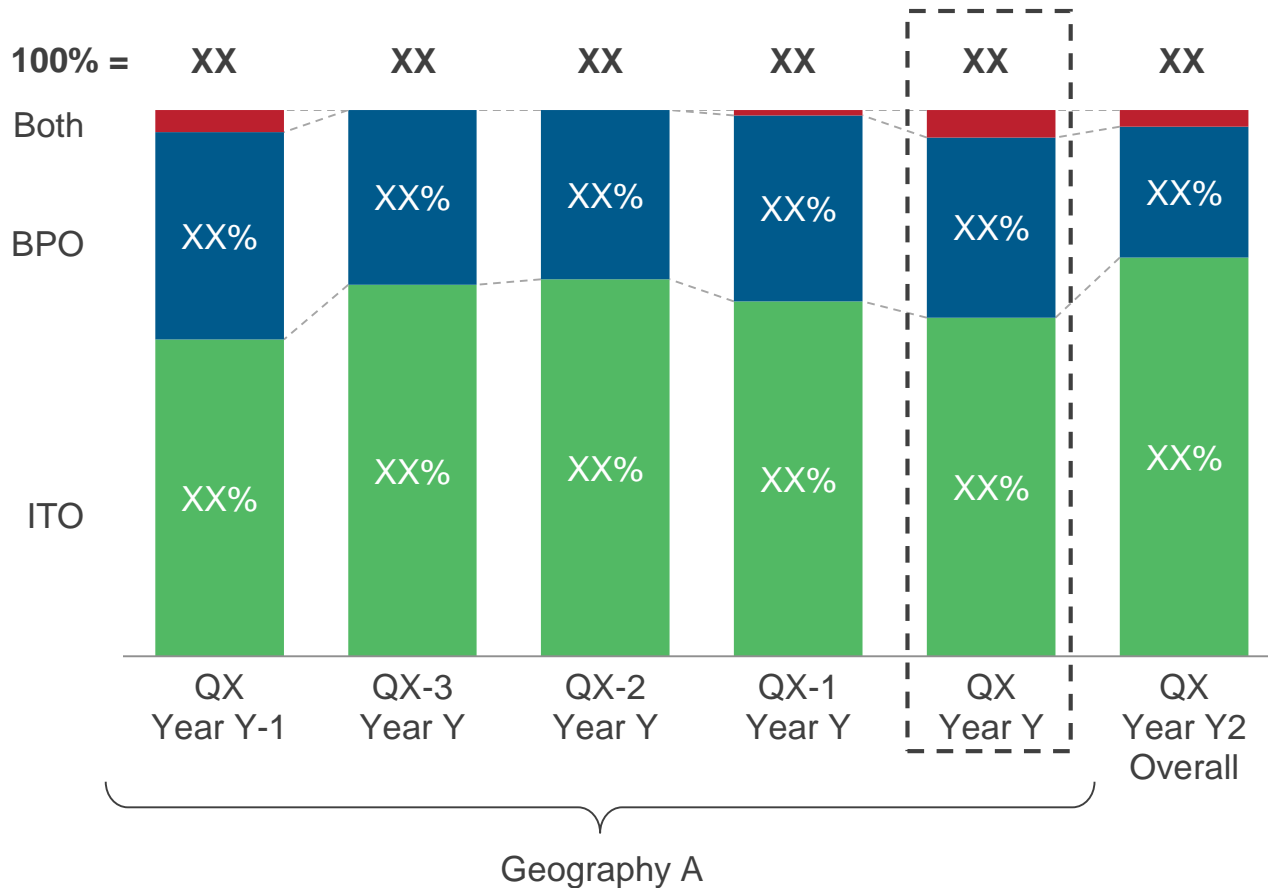
<sup>1</sup> Only includes data that has been publicly disclosed  
Source: Everest Group Transaction Intelligence Database



# 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

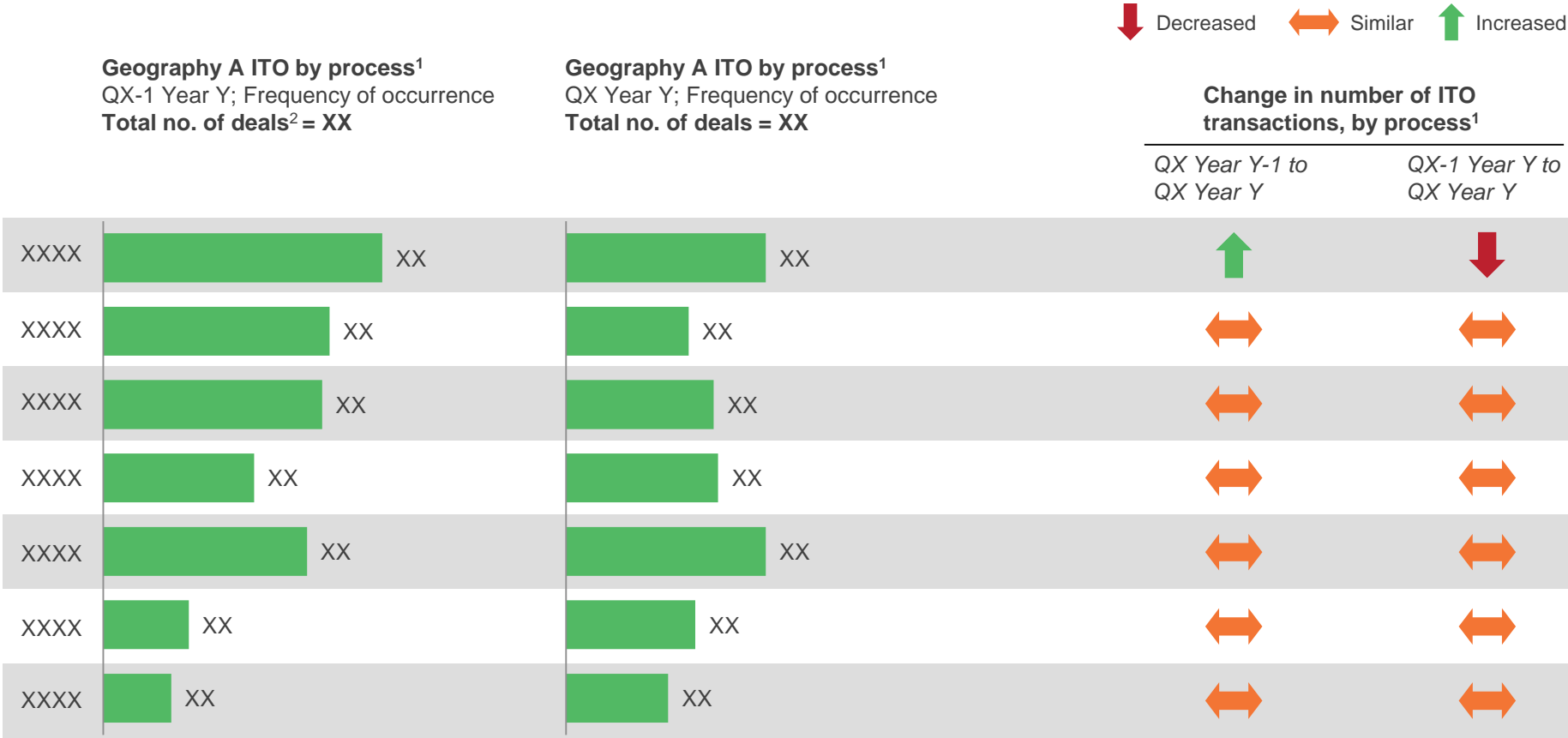


- A total of XX ITO transactions were reported in QX Year Y in the Geography A, same as in QX-1 Year Y
- A total of XX BPO transactions were signed in QX Year Y, as compared to XX in QX-1 Year Y
- Increase was seen in transactions having both BPO and ITO components in QX Year Y

Source: Everest Group Transaction Intelligence Database

# Section I: Outsourcing transaction trends

Higher outsourcing adoption in XXXX, XXXX, and XXXX



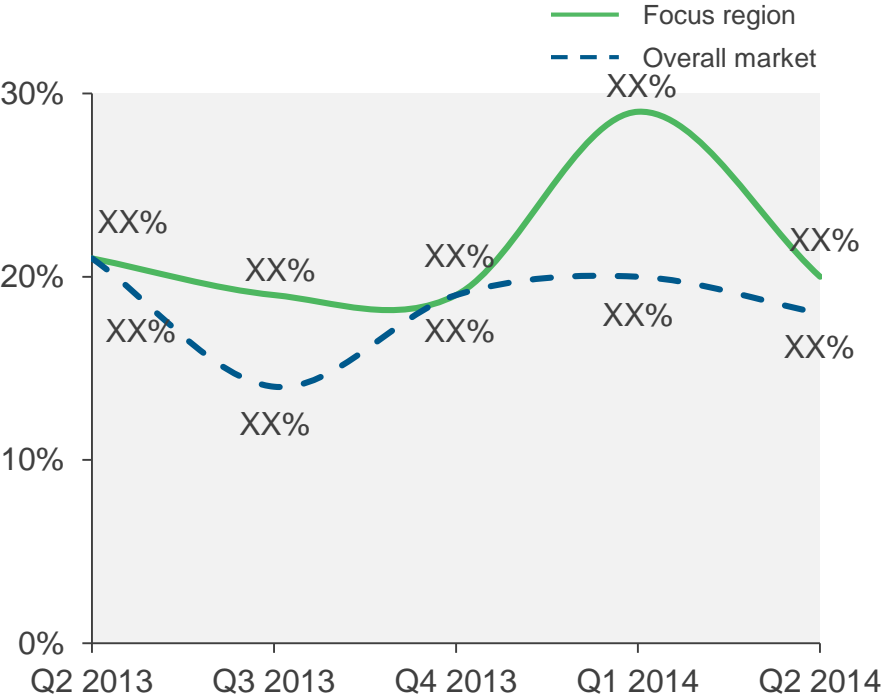
1 Includes ITO transactions having a BPO component  
 2 Frequency of occurrences of individual processes may not add up to the total as the scope of an outsourcing transaction often involves multiple processes  
 Source: Everest Group Transaction Intelligence Database

# Section I: Outsourcing transaction trends

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

## ITO AND BPO TRANSACTIONS

Share of renewals / restructured<sup>1</sup> 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

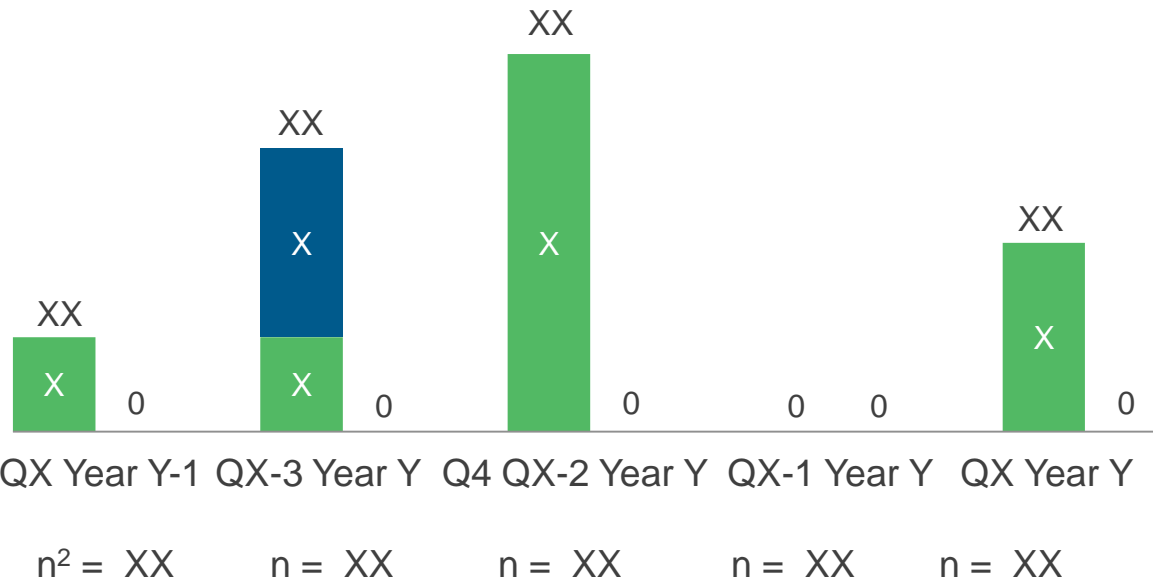
<sup>1</sup> Refers to contracts where the scope of existing contract was extended or expanded  
Source: Everest Group Transaction Intelligence Database

## 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 health<sup>1</sup>  
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

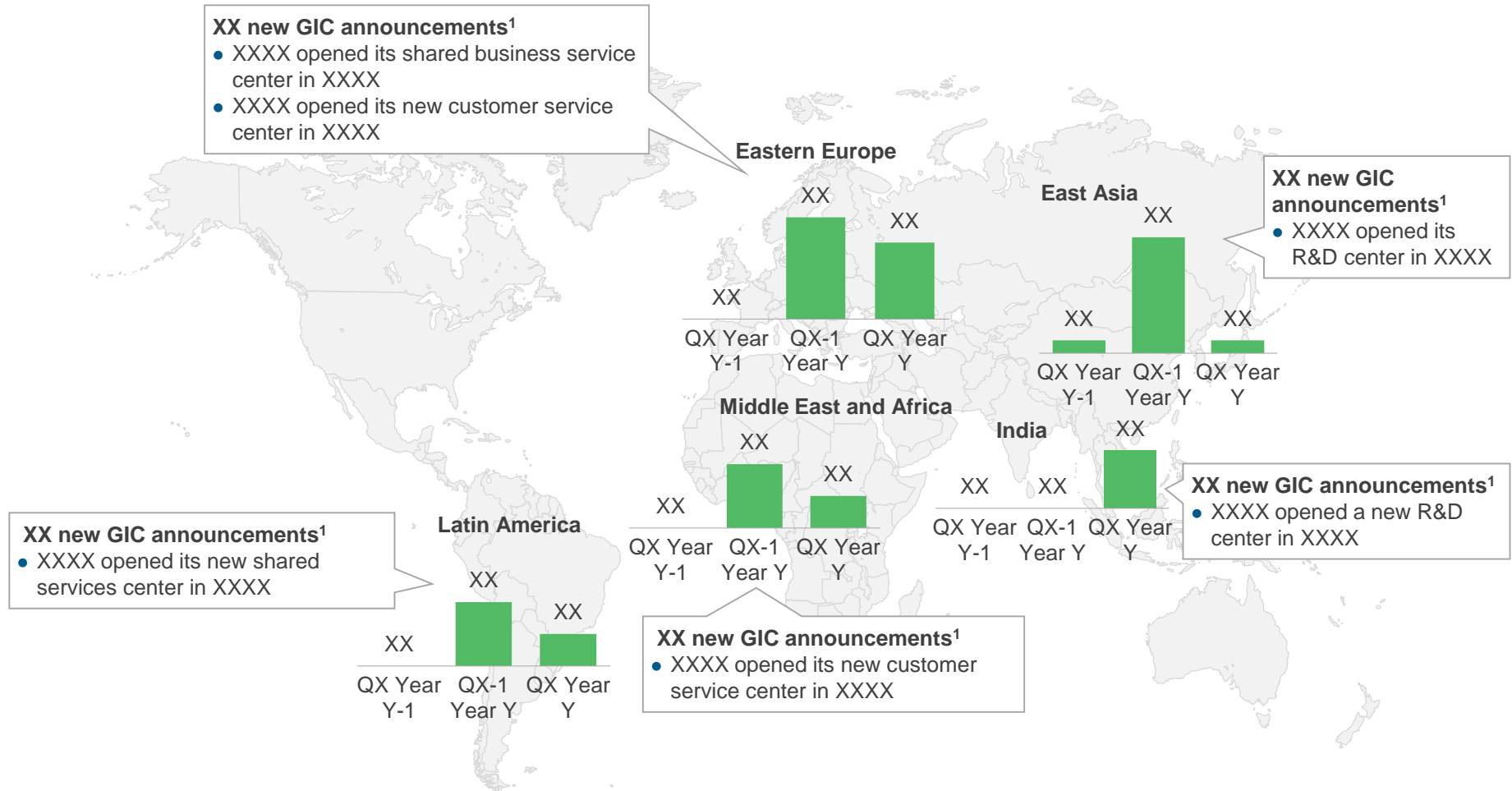
<sup>1</sup> Includes only data that has been publicly disclosed

<sup>2</sup> n = Number of GIC announcements in the quarter, across all industries

Source: Everest Group (2016)

# GIC set-ups<sup>1</sup> | By region

GIC activity was concentrated in XXXX and XXXX



<sup>1</sup> Indicates announcements related to actual GICs set-ups and expansion

Note: All references to GICs include only offshore GICs

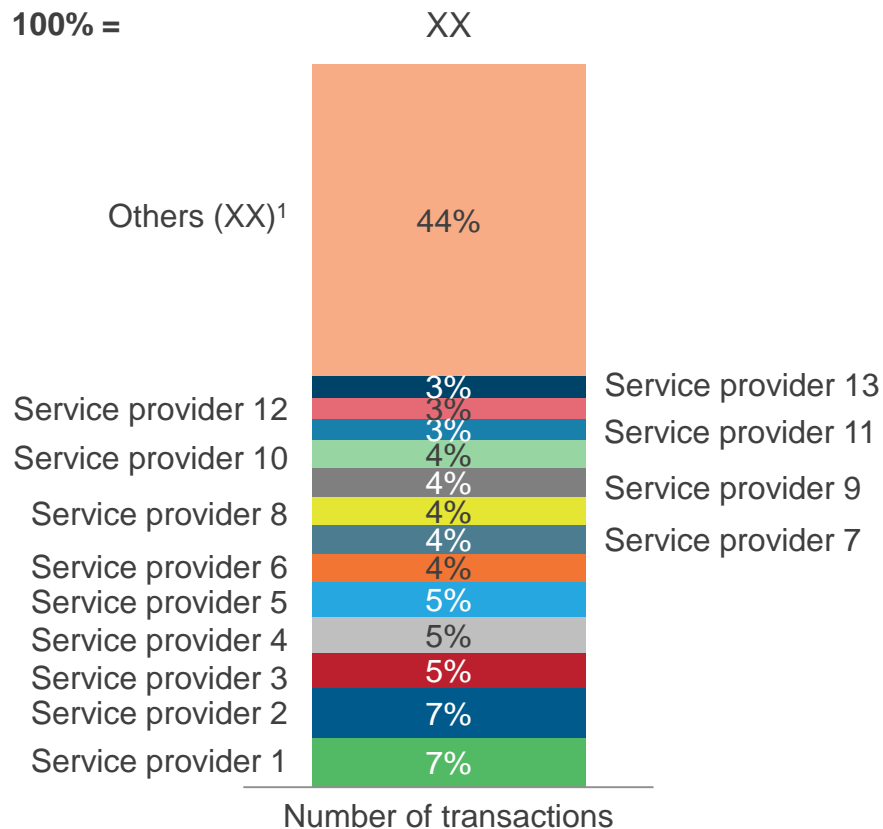
Source: Everest Group analysis

# Section III: Service provider activity and deal information

## Share of service providers in transaction activity

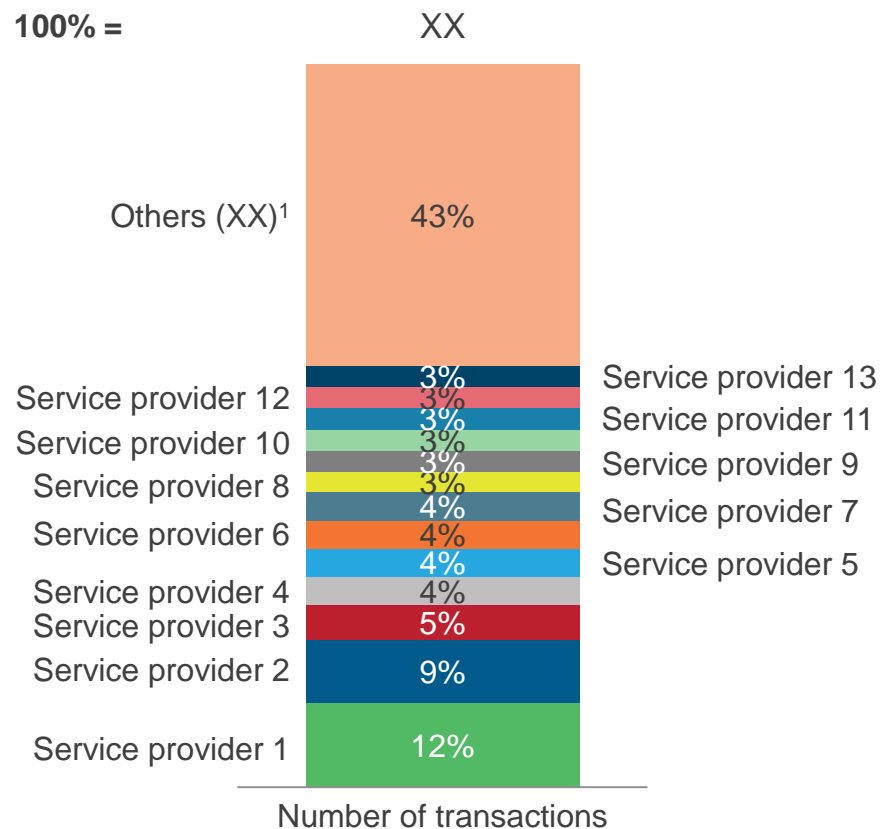
Share of service providers in transactions

QX Year Y; Number



Share of service providers in transactions

Year Y-1; Number



<sup>1</sup> 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

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**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

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

1. **Market Vista™: Q3 2018** ([EGR-2018-35-R-2749](#)); 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. **Europe: Global Services Trends in Q2 2018** ([EGR-2018-35-R-2672](#)); 2018. This report provides data, developments, and insights into outsourcing and offshoring trends for the European region. This report provides research and analysis that enable users to navigate through the complexity and make clear, effective decisions suited to their focus region
3. **Market Vista™: 2017 Year in Review and Outlook for 2018** ([EGR-2018-35-R-2605](#)); 2018. This report gives an overview of the developments that took place in the global services industry in 2017. The report highlights key trends and drivers pertaining to GICs, offshore/ nearshore locations, select service providers, and outsourcing transactions

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

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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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