



# Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019

Procurement Outsourcing (PO)

Market Report – April 2019: Complimentary Abstract / Table of Contents

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- 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

## Membership information

- This report is included in the following research program(s)
  - [Procurement Outsourcing \(PO\)](#)
- 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)

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# Background and methodology of the research

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## Background of the research

The PO service provider landscape is changing rapidly, as providers look at enabling end-to-end transformation journeys for clients by adopting a partner-led approach. This is leading to a rapid rise of digital along with a shift in focus from cost reduction to driving business outcomes. Increasing investments and application of advanced/cognitive analytics, Robotic Process Automation (RPA), Internet of Things (IoT), and blockchain are all fueling this growth.

## In this research, we analyze the global PO service provider landscape in 2018. We focus on:

- 2019 PO PEAK Matrix and Star Performers
- Service provider delivery capability assessment
- Everest Group's analysis of service providers

## The scope and methodology of this report includes:

- Third-party PO deals; it does not include shared services or Global In-house Centers (GICs)
- Over 1,500 multi-process PO deals signed as of 2018, with a minimum of three procurement processes, over US\$1 million in Annual Contract Value (ACV), and a minimum contract term of three years.  
Typically, managed spend is greater than US\$50 million
- Coverage across 16 PO service providers with multi-process capability, namely Accenture, Aegis, Aquanima, Capgemini, Chain IQ, Cognizant, Corbus, Exela Technologies, Genpact, GEP, HCL, IBM, Infosys, TCS, Wipro, and WNS

# This report is based on four key sources of proprietary information

- Everest Group's proprietary database of **1,500 PO contracts** (updated annually)
- The database tracks the following elements of each multi-process PO contract:
  - Buyer details including industry, size, and signing region
  - Contract details including Total Contract Value (TCV), Annualized Contract Value (ACV), term, start date, managed spend, and pricing structure
  - Scope including coverage of buyer geography, process, and category
  - Technology including core procurement technology, service provider's add-on tools (if any), ownership, and maintenance
  - Global sourcing including delivery locations and level of offshoring

- Everest Group's **proprietary database of operational capability of 16+ PO service providers** (updated annually)
- The database tracks the following for each service provider:
  - Revenue, managed spend, and number of FTEs
  - Location and size of delivery centers
  - Revenue split by geography, region, and industry
  - PO service suite
  - Number of clients
  - Technology solutions developed

- **Service provider briefings**
  - Vision and strategy
  - Annual performance and future outlook
  - Key strengths and improvement areas
  - Emerging areas of investment

- **Buyer reference interviews, ongoing buyer surveys, and interactions**
  - Everest Group's executive interviews and data collected from various buyers
  - The data contains detailed buyer perspective about PO contracts, specifically on:
    - ◆ Drivers for adopting PO and assessment of service provider performance
    - ◆ The level of buyer satisfaction and the underlying reasons

## Service providers assessed

accenture

AEGIS

AQUANIQA  
Crisis Controller

Capgemini

CHAIN  
SIMPLY SMART

Cognizant

CORBUS  
A Soin Company

exela  
TECHNOLOGIES

genpact

GEP  
Insight Drives Innovation

HCL

IBM

Infosys

TATA CONSULTANCY SERVICES

wipro

WNS  
Extending Your Enterprise

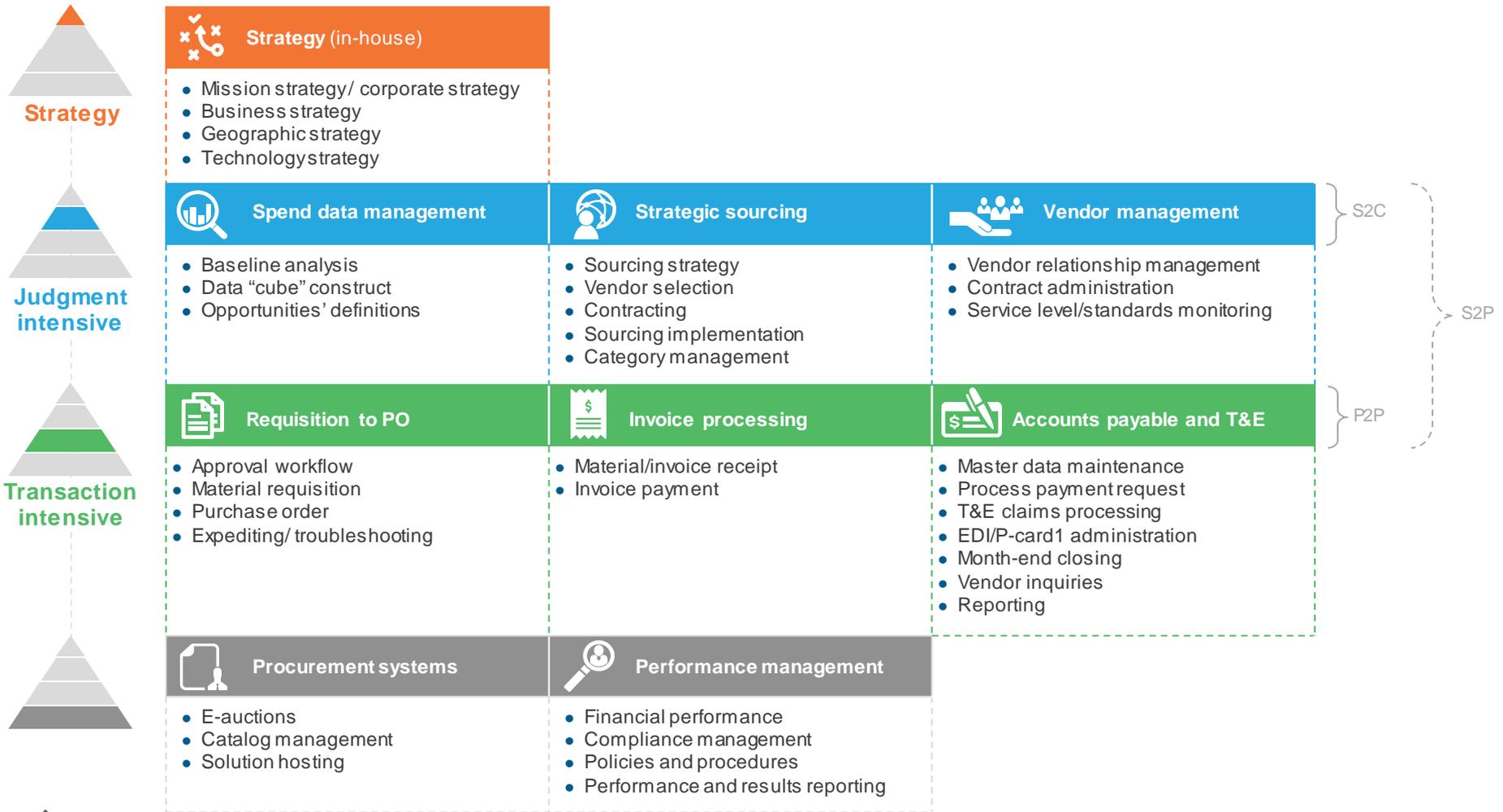
**The source of all content is Everest Group unless otherwise specified**

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract specific information collected will only be presented back to the industry in an aggregated fashion

# Everest Group PO process map

## Everest Group distinguishes between the Source-to-Contract (S2C) and Procure-to-Pay (P2P) processes

### Procurement pyramid (non-core spend)



# Overview and abbreviated summary of key messages

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This report examines the dynamics of the global PO service provider landscape and its impact on the PO market. Based on the comprehensive Everest Group PEAK Matrix, each of the 16 PO service providers are segmented into Leaders, Major Contenders, and Aspirants. The report also provides key insights on service provider position & growth in the market, changing market dynamics, and assessment of service provider delivery capabilities. It will assist key stakeholders (service providers, buyers, and technology providers) understand the current state of the PO service provider landscape.

Some of the findings in this report, among others, are:

## 2019 PO PEAK Matrix and Star Performers

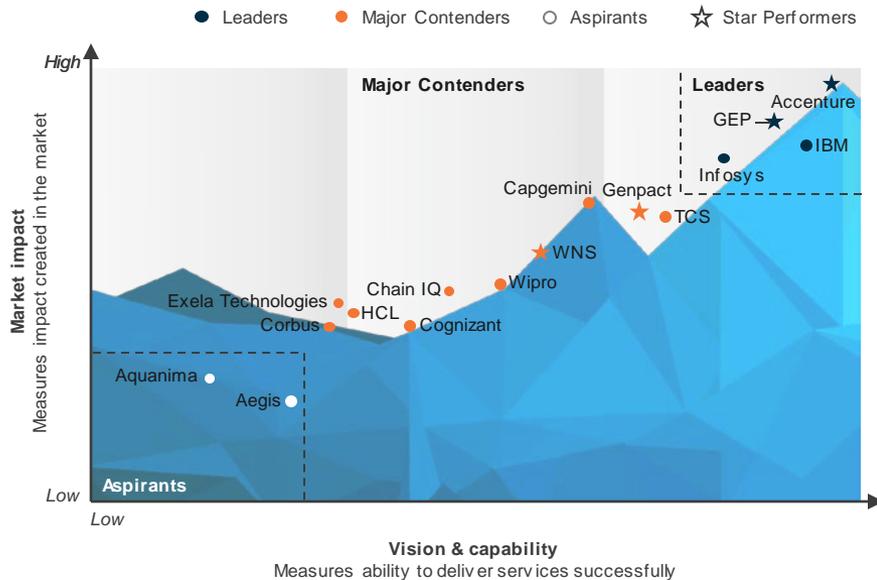
- Everest Group classified 16 PO service providers on the Everest Group PEAK Matrix™ into three categories of Leaders, Major Contenders, and Aspirants
- The 2018 PO PEAK Matrix positioning is as follows:
  - **Leaders:** Accenture, GEP, IBM, and Infosys
  - **Major Contenders:** Capgemini, Chain IQ, Cognizant, Corbus, Exela Technologies, Genpact, HCL, TCS, Wipro, and WNS
  - **Aspirants:** Aegis and Aquanima
- Based on YoY movement of different service providers on the PEAK Matrix, Everest Group identified five service providers as the “2018 PO Market Star Performers” – Accenture, Genpact, GEP, and WNS

## Everest Group analysis on service providers

- We assessed the overall PO capability of service providers by evaluating them along seven dimensions – Scope, innovation and investments, delivery footprint, vision and strategy, market adoption, portfolio mix, and value delivered

This study offers three distinct chapters providing a deep dive into key aspects of PO market; below are three charts to illustrate the depth of the report

### Assessment of PO Service Providers 2019<sup>1</sup>



1 Assessment for Aqunima excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with PO 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 has strong end-to-end offerings across the Source-to-Pay (S2P) value chain. It offers robust sourcing and category management expertise, along with a suite of digital and analytics solutions
- Clients have highlighted the following as Service provider 1's key strengths:
  - Deep domain knowledge
  - Strong delivery focus and efficient sourcing & contracting processes

#### Areas of improvement

- Service provider 1 should try to enhance its technology capabilities either in-house or through third-party partnerships with technology enablers
- A few clients have mentioned that Service provider 1 needs to build on domain expertise in niche areas, especially when clients have unique/different business structures

# Research calendar – Procurement Outsourcing (PO)

Published
  Planned
  Current release

## Flagship PO reports

## Release date

Procurement Outsourcing (PO) BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018 .....	March 2018
Supply Chain Management (SCM) BPO – Annual Report 2018: Moving Toward a Digital Supply Chain Ecosystem .....	July 2018
Procurement Outsourcing (PO) Annual Report 2018: Driving Strategic Value from Procurement .....	September 2018
<b>Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 .....</b>	<b>April 2019</b>
Procurement Outsourcing (PO) Annual Report 2019 .....	Q2 2019
Procurement Outsourcing (PO) Service Provider Compendium 2019 .....	Q2 2019
Aftersales Services/Field Service Management Service Provider Landscape with PEAK Matrix Assessment .....	Q3 2019
SCM Service Provider Landscape with PEAK Matrix Assessment 2019 .....	Q4 2019

## Thematic PO reports

Understanding Strategic Sourcing and its David and Goliath Landscape .....	November 2018
Is It Time to Outsource Direct Spend Categories? .....	February 2019
Procurement Outsourcing (PO) Buyer Report 2019 .....	Q2 2019
Looking Beyond Order Management – the Emergence of Perfect Order .....	Q2 2019
CPO vs CFO – Expectations vs Reality .....	Q2 2019
SCM Blockchain Trailblazers .....	Q3 2019

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

# Additional PO 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. Procurement Outsourcing (PO) Annual Report 2018: Driving Strategic Value from Procurement** ([EGR-2018-22-R-2778](#)); 2018. This report will assist key stakeholders (buyers, service providers, and technology providers) understand the changing dynamics of the PO market and help them identify the trends and outlook for 2018-2020. In this backdrop, the report provides comprehensive coverage of the global PO market including detailed analysis of market size & growth, buyer adoption trends, key emerging themes, solution characteristics, and service provider landscape.
- 2. Supply Chain Management (SCM) BPO – Annual Report 2018: Moving Toward a Digital Supply Chain Ecosystem** ([EGR-2018-22-R-2704](#)); 2018. This report examines the global 2017 SCM BPO market. It will assist key stakeholders (buyers, service providers, and technology providers) understand the changing dynamics of the SCM BPO market and help them identify the trends and outlook for 2017-2018. The report provides comprehensive coverage of the global SCM BPO market including detailed analysis of state of the market, SCM BPO market size & adoption trends, and service provider landscape.
- 3. Procurement Outsourcing (PO) BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018** ([EGR-2018-22-R-2588](#)); 2018. This report examines the dynamics of the global PO service provider landscape and its impact on the PO market. Based on the comprehensive Everest Group PEAK Matrix, each of the 13 PO service providers are segmented into Leaders, Major Contenders, and Aspirants. The report also provides key insights into service provider position and assessment of service provider delivery capabilities. It will assist key stakeholders (service providers, buyers, and technology providers) understand the current state of the PO service provider landscape.

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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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