Multi-Process Human Resources Outsourcing (MPHRO) Services PEAK Matrix™ Assessment with Service Provider Landscape 2020

Human Resources Outsourcing (HRO)
Market Report – December 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)
  - Human Resources Outsourcing (HRO)
- 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, unitedkingdom@everestgrp.com, or india@everestgrp.com

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RESEARCH

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Background of the research

Challenges faced by the HR function such as pressure to reduce operating costs, talent-related issues, and the need to improve employee experience have forced enterprises to rethink their demands and look for innovative solutions. Due to these evolving buyer demands, combined with the rapidly changing technology landscape, the role of HR service providers is evolving from that of administrators to strategic partners who bring together or orchestrate the ecosystem. This will require providers to invest in developing capabilities across the consult-to-operate paradigm to provide the best client and employee experience possible. With this as the backdrop, Everest Group conducted a study to analyze 20 leading MPHRO service providers and positioned them on the PEAK MatrixTM.

This research includes the following components:
- MPHRO PEAK Matrix assessment
- Everest Group's remarks on MPHRO service providers

Scope of this report
- **Geography:** Global
- **Services:** MPHRO services – this includes only those deals that cover at least 3,000 buyer employees and has at least three HR processes in scope
- Proprietary data collected from 14 MPHRO service providers and data from Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage, service providers' public disclosures, and interaction with buyers

This report includes the profiles of the following 20 leading HR service providers featured on the MPHRO PEAK Matrix:
- **Leaders:** Accenture, ADP, Alight Solutions, NGA HR, and TCS
- **Major Contenders:** Capgemini, CGI, Conduent, DXC Technology, Hexaware, IBM, Infosys, Neeyamo, SD Worx, WNS, Wipro, and Zalaris
- **Aspirants:** Capita, MHR, and Toutatis

Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

1 **Robust definitions and frameworks**
HR pyramid, multi-process HRO definition, Total Value Equation (TVE), PEAK Matrix™, and market maturity
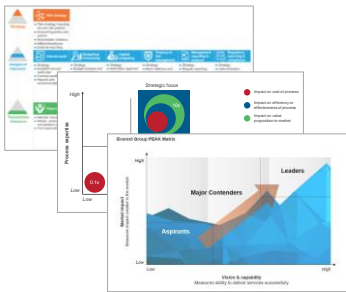
2 **Primary sources of information**
Annual contractual and operational RFIs, service provider briefings and buyer interviews, and web-based surveys

3 **Diverse set of market touchpoints**
Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership
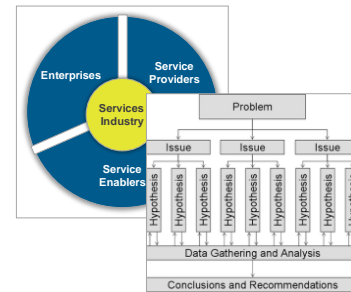
4 **Fact-based research**
Data-driven analysis with expert perspectives, trend analysis across market adoption, contracting, and service providers
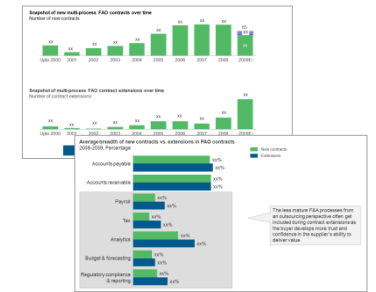
- Proprietary contractual database of 1,400+ MPHRO contracts (updated annually)
- Year-round tracking of 20+ MPHRO service providers
- Large repository of existing research in HRO
- Dedicated team for multiple areas within HRO research, spread over two continents
- Over 20 years' experience of advising clients on HRO-related decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

Everest Group HRO process map

Strategy

HR strategy	**Employee relations**	**Regulatory and compliance**
• Policies • Procedures • HR job roles • Budgeting/forecasting • Workforce planning • M&As/divestitures • Values and ethics • HR strategy & planning • People strategy • Diversity & inclusion	• Strategy • Performance / conflict resolution • Union relations • Employee assistance programs • Communication • Vendor management • Exit administration	• Strategy • Workforce diversity and anti-discrimination • Government reporting • Claims/audits • Vendor management • Data privacy

Value-added services

Global mobility*	**Performance & succession***	**Learning*,****	**Recruitment*,****	**Compensation*,****	**Rewards & Recognition***
• Strategy and policy development • Assignment package • Pre-departure activities • On-assignment activities • Property services • Moving services • Policy exceptions • Tax planning administration • Vendor management • Visas • Repatriation	• Strategy • Career development • Succession planning • Employee engagement surveys • Collation and analysis • Vendor management	• Strategy • Curriculum development • Content design • Content development • Content management • Registration management • Scheduling • Evaluation management • Vendor management	• Strategy • Sourcing • Screening • Applicant tracking • Interview scheduling • Candidate assessment • Background checking • Offer letter management • Onboarding • Vendor management	• Strategy • Job analysis/descriptions • Job architecture • Job pricing • Salary increases • Salary administration • Salary review • Bonuses/incentives/awards • Stock options/purchase program • Share plans • Commissions/draws • Compensation statement • Vendor management	• R&R strategy • Spend data analysis • Catalog design • R&R management • Nomination & approval cycle management • Rewards fulfilment • Branding of R&R program • Day-to-day order management • Billing & payments • MIS support & reporting • Vendor management

Operational services

Benefits*,**	**Payroll*,****	**Employee data management***
• Strategy • Healthcare plans • Defined benefit plans • Defined contribution plans • Workers' compensation • Ancillary benefit administration • Leave programs (e.g., LOA) • Health and safety • Vendor management • Wellness plans	• Strategy • Payroll preparation (build to gross) • Payroll calculation (gross to net) • Payroll distribution • Reconciliation • Third-party payments • Payroll tax reporting and filing • Vendor management	• Employee data changes • Status changes • New hire processing • Transfer processing • Cost center assignments • Time and attendance • Travel and expense administration • Unemployment administration • Exit processing • Vendor management

HR information systems	**Employee contact center**	**Reporting and analytics**

Everest Group defines MPHRO deals as HRO deals in which:
- A minimum of three HR processes are included
- The buyer employee size is 3,000 or more

  * **MPHRO** – Outsourcing of multiple HR processes to one service provider in an integrated way

  ** **SPHRO** – Outsourcing of single stand-alone HR process
  Major SPHRO markets are:
  - Payroll outsourcing
  - Recruitment Process Outsourcing (RPO)
  - Learning Services Outsourcing (LSO)
  - Benefits Administration Outsourcing (BAO)

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This report is based on multiple sources of proprietary information

- Proprietary database of 1,400+ MPHRO contracts of 20+ HR service providers with workplace services in scope of work (updated annually)
- The database tracks the following elements of each contract:
  - Buyer details including size and signing region
  - Contract details including service provider, contract type, TCV & ACV, service provider FTEs, start & end dates, duration, and delivery locations
  - Scope details including share of individual buyer locations being served in each contract, Line of Business (LOB) served, and pricing model employed

- Proprietary database of IT service providers (updated annually)
- The database tracks the following for each service provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different lines of business (LoBs)
  - Revenue split by region
  - Location and size of delivery centers
  - 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**
  - Drivers and challenges for adopting workplace services
  - Assessment of service provider performance
  - Emerging priorities
  - Lessons learnt and best practices

Service providers assessed[1]

accenture   ADP   alight

Capgemini   Capita   CGI

CONDUENT   DXC.technology   HEXAWARE

IBM   Infosys   MHR

NEEYAMO   NGA Human Resources   sdworx

TATA CONSULTANCY SERVICES   Toutatis

wipro   WNS Extending Your Enterprise   ZALARIS

1   Assessment for Capita, CGI, Hexaware, IBM, MHR, and Toutatis excludes service provider inputs on this particular study and is based on Everest Group's estimates, which leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage, the service provider's public disclosures, and interaction with buyers
The source of all content is Everest Group, unless otherwise specified

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Overview and abbreviated summary of key messages

This report examines the dynamics of the Multi-Process Human Resources Outsourcing (MPHRO) service provider landscape. It provides a deep-dive analysis of how the service providers shape up in terms of their market success and vision & capability. Based on the comprehensive Everest Group PEAK Matrix, 20 MPHRO 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:

MPHRO PEAK Matrix™ 2020

- Everest Group classifies 20 MPHRO service providers on the Everest Group PEAK Matrix into the three categories of Leaders, Major Contenders, and Aspirants
- Based on the 2020 MPHRO PEAK Matrix, the segmentation of service providers is as follows (in alphabetical order within each category):
  – **Leaders:** Accenture, ADP, Alight Solutions, NGA HR, and TCS
  – **Major Contenders:** Capgemini, CGI, Conduent, DXC Technology, Hexaware, Infosys, Neeyamo, SD Worx, Wipro, WNS, and Zalaris
  – **Aspirants:** Capita, MHR, and Toutatis
- Based on the relative Year-on-Year (YOY) movement of service providers on the PEAK Matrix, Everest Group identified three service providers as the "2020 MPHRO Market Star Performers" – Capgemini and TCS
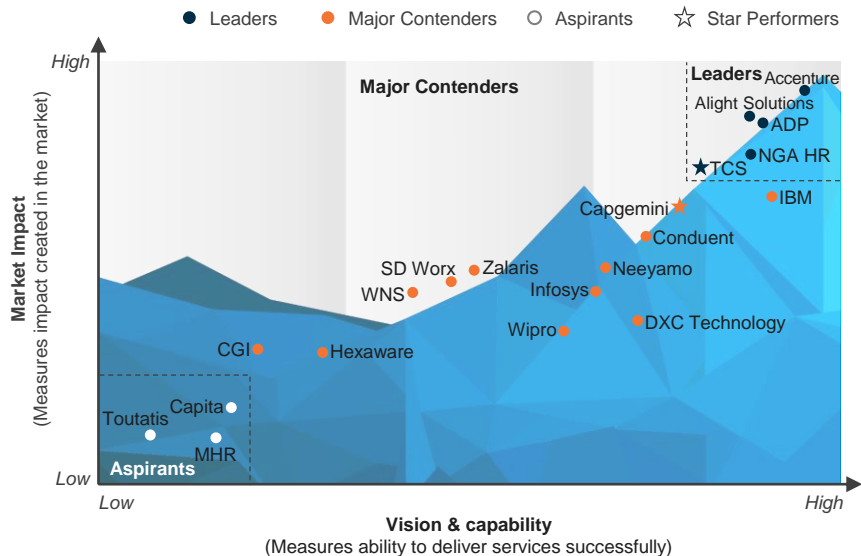
Service provider landscape

- This section provides an overview of the service providers operating in the MPHRO space. The section provides insight into the service providers' overall market shares and also deep dives into the top service providers across geographies, industries, and buyer sizes

MPHRO 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

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

Assessment of MPHRO Service Providers[1,2]

Legend: ● Leaders ● Major Contenders ○ Aspirants ☆ Star Performers

Axes: Market Impact (Measures impact created in the market) — vertical (Low to High); Vision & capability (Measures ability to deliver services successfully) — horizontal (Low to High)

Regions: Leaders, Major Contenders, Aspirants

Plotted providers: Accenture, Alight Solutions, ADP, NGA HR, TCS, IBM, Capgemini, Conduent, SD Worx, Zalaris, Neeyamo, WNS, Infosys, DXC Technology, Wipro, CGI, Hexaware, Capita, Toutatis, MHR

1 PEAK Matrix specific to MPHRO services
2 Assessment for Capita, CGI, Hexaware, IBM, MHR, and Toutatis excludes service provider inputs on this particular study and is based on Everest Group's estimates, which leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage, the service provider's public disclosures, and interaction with buyers
Note 1 Assessment for Alight Solutions does not take into consideration its acquisition of NGA HR
Note 2 DXC Technology's evaluation does not consider the management decision to seek strategic alternative to its horizontal business process services units
Source: Everest Group (2019)

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 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 services such as recruitment, talent management, and compensation
- 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 – Human Resources Outsourcing (HRO)

| | Published ▉ | Planned ▇ | ⌐⌐⌐ Current release |

Flagship HRO reports	Release date
Workday-Based Human Resources Business Process (HR BPS) – Services PEAK Matrix™ Assessment with Service Provider Landscape 2019	June 2019
Workday-Based Human Resources Business Process Services (HR BPS) – Climbing up the HR Operating Model Maturity Curve	July 2019
Workday-Based Human Resource Business Process Services (HR BPS) – Service Provider Compendium 2019	July 2019
Multi-Country Payroll Outsourcing (MCP) – Service Provider Landscape with PEAK Matrix™ Assessment 2019	September 2019
Multi-Country Payroll (MCP) Solutions Annual Report 2019 – Moving Toward Unification of Payroll and HR Services	October 2019
Multi-Process Human Resources Outsourcing (MPHRO) Services PEAK Matrix™ Assessment with Service Provider Landscape 2020	**December 2019**
Multi-Process Human Resources Outsourcing (MPHRO) – Annual Report 2020	Q4 2019
Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Profile Compendium 2020	Q4 2019

Thematic HRO reports	
The Mid-Market HCM Landscape in Asia Pacific	April 2019
Achieving Employee Experience – a "How-to Guide" for Enterprises (part 1 of 3)	March 2019
Employee Engagement Suites – The Catalysts Driving Superior Employee Experience (part 2 of 3)	June 2019
Start-ups Disrupting Employee Experience – Trailblazers (part 3 of 3)	November 2019
Learning Function of the Future	Q4 2019

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

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Additional HRO 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. **Key Ingredients for a Digital-First HR Transformation** (EGR-2018-24-R-2830); 2018. The HR function is facing a wave of transformation. There is a need to move away from the traditional ways of managing workforce to a flexible, fluid, and integrated HR operating model. This report provides a comprehensive analysis of the key transformation levers for a successful digital-first HR transformation. It also highlights the advantages of the levers and their current adoption in HRO deals. The report mentions some HR-specific use cases, for which the transformation levers can be effectively leveraged

2. **Achieving Employee Experience – a "How-to Guide" for Enterprises (part 1 of 3)** (EGR-2019-24-R-3120); 2019. Using a five-step approach to adopt, expand, and scale employee experience projects, this guidebook taps various frameworks, such as Employee Experience Model (EEM), to empower enterprises to conceptualize where they want to go with enterprise employee experience, what capabilities they need to develop to get there, and the ideal path for their journey. It also evaluates winning strategies for building employee experience capabilities and generating greater impact

3. **"Employee Experience Suites – The Catalysts Driving Superior Employee Experience" (part 2 of 3)** (EGR-2019-24-V-3206) This report introduces employee experience suites, which are add-on technology solutions that are holistic in nature and focused on solving employee experience-related issues. The report highlights some of the potential areas where enterprises can leverage these experience suites. Additionally, this viewpoint tries to understand how the experience suites fit into the overall HR technology framework of an enterprise. It also breaks down these suites into various categories and highlights their characteristics and some of the vendors active in this space

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.

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