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RESEARCH

State of the Market Report | Other

Winning the War for Talent: An Enterprise Guide to Building a Sustainable Workforce Strategy

July 2020: Complimentary Abstract / Table of Contents

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- Benchmarking | Pricing, delivery model, skill portfolio
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- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Background of the research

As enterprises embrace digital transformation and next-generation technology solutions, talent is becoming a key imperative to deliver on their transformation mandate and business objectives. Most business leaders concede that talent holds the secret to their future value and success. However, despite the perceived importance of workforce planning, enterprises have adopted a lacklustre approach to talent management leading to challenges in talent availability and readiness. Market forces such as lack of alignment between academia and industry along with high demand for technology talent across industries and functions have further led to gaps in talent availability. These forces have also resulted in acute shortage of technology talent for selective skills along with low project readiness of the available talent pool.

To help enterprises future-proof their workforce strategy and turn talent management into a science, Everest Group has tracked 1,150+ hard skills across the IT services stack with respect to current and unmet demand in the industry. Enterprises can use this detailed skills taxonomy along with our “Talent Performance Framework” for talent management to plan their current and future talent requirements.

The aim of this report is to share perspectives on ways to future-proof enterprise talent strategy. It also sheds light on how COVID-19 is impacting enterprise talent models and workforce strategy, making enterprises rethink their working models, workforce distribution, and approach to talent management.

Scope of this report:

Market segment
Future of workforce – skills and talent

Geography
Global

Sources
Everest Group’s proprietary transaction intelligence database, public disclosures, and discussions with enterprises, technology vendors, and service providers

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Overview and abbreviated summary of key messages

The aim of this report is to share perspectives on ways to future-proof enterprise talent strategy. It also sheds light on how COVID-19 is impacting enterprise talent models and workforce strategy, making enterprises rethink their working models, workforce distribution, and approach to talent management.

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

The war for talent is real

- Talent shortage is viewed as a key impediment to achieving business outcomes
- Organization-specific factors such as undifferentiated talent value proposition and poor talent management practices are leading to talent shortage
- Market factors such as rapid pace of technology change and mismatch between education curriculum and industry needs are further widening the talent demand supply gap

Talent Performance Framework to future proof workforce strategy

- To meet talent needs in a post digital world, organizations will need a holistic, integrated approach to talent management
- Holistic view of talent strategy will involve elements of effective demand-supply planning and a right-fit sourcing and location strategy
- Leveraging the right channels to acquire talent and proactively identifying learning needs will form key pillars of people strategy
- Advanced analytics and new technologies will play a key role in helping enterprises attract, assess, and develop talent

Enterprise guide to building skills of the future

- Enterprises will need to adopt a well-defined roadmap to meet their current and future talent needs, turning workforce planning into a continuous and proactive process
- Skills development framework will help guide the enterprise talent development strategy, for specific skills within a given competency area, based on external market factors

Impact of COVID-19 on workforce strategy

- COVID-19 is making enterprises rethink their working model, reconsider workforce distribution, and evolve their talent management practices
- Adopting an empathy-driven approach to talent management will be the key pillar enabling a sustainable talent management strategy

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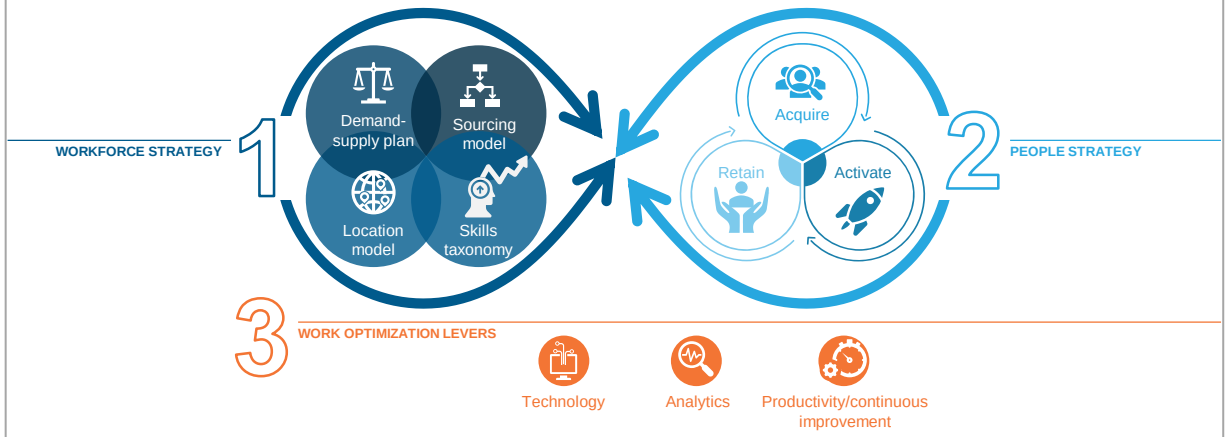
This study offers 7 distinct chapters providing a deep dive into key aspects of Future of Workforce market; below are four charts to illustrate the depth of the report

Talent Performance Framework

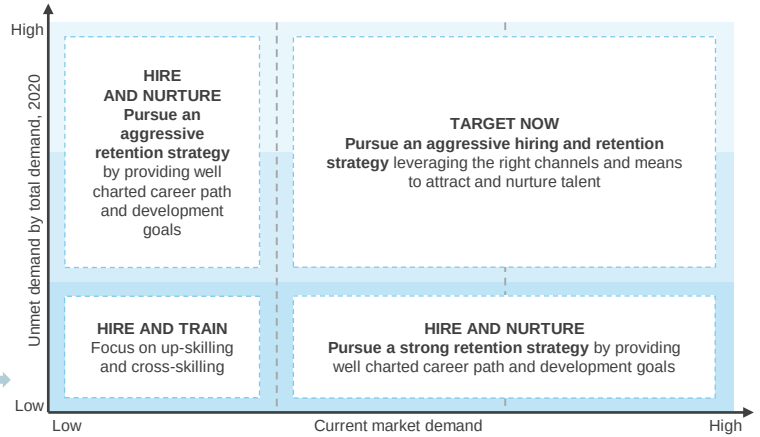


Skills development framework

Phase 1: Gap assessment and planning will help enterprises forecast the business demand for skills and assess the current shortfall and what is anticipated in the immediate 6 to 12 months and the 12 to 18 months post that.

Once enterprises have an answer to what skills they should build and when, they need to identify what are the external market forces that help or deter their skills development plans.

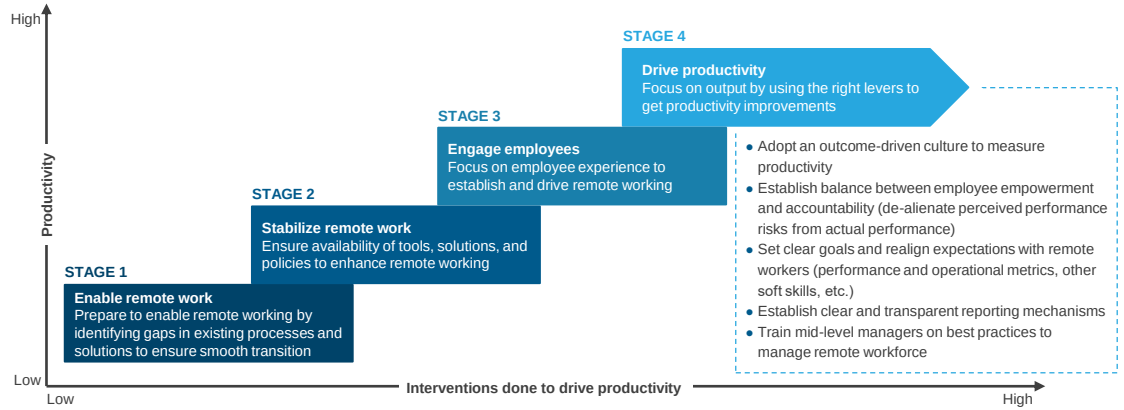
The skills development framework does a market factor assessment for each skill based on demand and the unmet demand across locations and industries, to guide the skill development journey for enterprises.



Key factors driving future location and workforce distribution strategy

Key factors driving future location and workforce distribution strategy	Impact on demand across locations		
	Offshore locations	Nearshore locations	Onshore locations
Rising cost pressures			
Accelerated automation adoption, especially for low complexity and voluminous services			
Focus on BCP and resilience			
Greater demand for complex skills (digital, next-generation IT)			
Higher adoption of flexible working models (WFH, contingent workforce)			
Rising unemployment and protectionist sentiments in source geographies			

Productivity levers in a sustained work from home model



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Research calendar
Application Services

Published | Planned | Current release

Flagship Application Services reports	Release date
Application Services – Annual Report 2019: Balancing the Legacy and New Applications	June 2019
DevOps Services PEAK Matrix® Assessment and Market Trends 2019 – Siloed DevOps is No DevOps!	July 2019
Next-generation Quality Assurance (QA) Services PEAK Matrix® Assessment 2020	November 2019
Application Transformation Services PEAK Matrix® Assessment 2020	December 2019
Application Transformation – Business Pioneering The Agenda: State of the Market	February 2020
Next-generation Quality Assurance – State of the Market	February 2020
Winning the War for Talent: An Enterprise Guide to Building a Sustainable Workforce Strategy	**July 2020**

Thematic Application Services reports	Release date
Talent Readiness for Next-generation IT Services PEAK Matrix® Assessment 2020	December 2019
The Future of Talent in Quality Assurance	February 2020
Upcoming Contract Renewals – Application Services 2020	March 2020
Clients Can't Get No Satisfaction: What is Holding Back ROI in Digital Transformation	April 2020
Rapid Application Development Platform Trailblazers: Top 14 Start-ups in Low-code Platforms – Taking the Code Out of Coding	May 2020
Application Migration to Cloud	July 2020
Robotic Process Automation in the Software Development Lifecycle	Q3 2020

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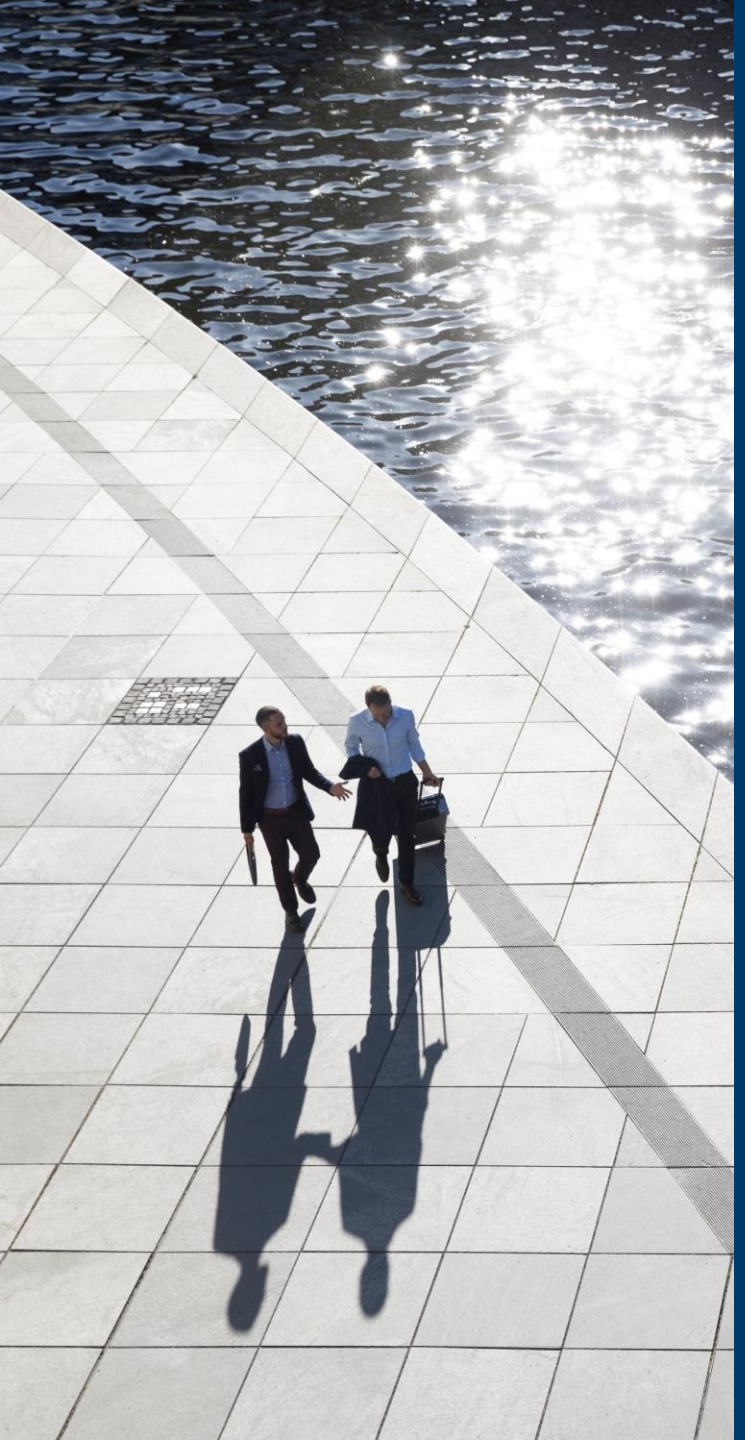

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