



Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020

Procurement Outsourcing (PO)

Market Report – June 2020: Complimentary Abstract / Table of Contents

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- Accelerators™
- Analyst access
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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

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

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Background and methodology of the research

Background of the research

With increasing pressure on businesses to cut costs, maintain growth, and outperform competition, organizations are aligning procurement goals with their overall strategic business agendas. They expect procurement function to drive business outcomes such as risk management, innovation, working capital optimization, and improved stakeholder experience, in addition to its more traditional cost savings responsibility. Over the past two decades, organizations across industries have been increasingly engaging with third-party Procurement Outsourcing (PO) service providers to drive cost reduction and improve operational efficiency in their procurement function. With a shift in focus from cost reduction to driving business outcomes, procurement teams expect their PO service providers to bring in new value-creation levers, including service delivery automation, analytics, end-to-end platform consolidation, cloud computing, and mobility. The PO service provider landscape is changing rapidly, as providers look at building advanced capabilities to enable end-to-end transformation journeys for clients by adopting a partner-led approach. Increasing investments and adoption of advanced/cognitive analytics, Robotic Process Automation (RPA), Internet of Things (IoT), and blockchain are all fueling growth in the PO market along with increased first-time outsourcers.

In this research, we focus on:

- Everest Group's Services PEAK Matrix® evaluation, a comprehensive assessment of 17 PO service providers
 - 2020 PO PEAK Matrix® and Star Performers
 - Service provider delivery capability assessment
- Remarks on key strengths and areas of improvement for each PO service provider

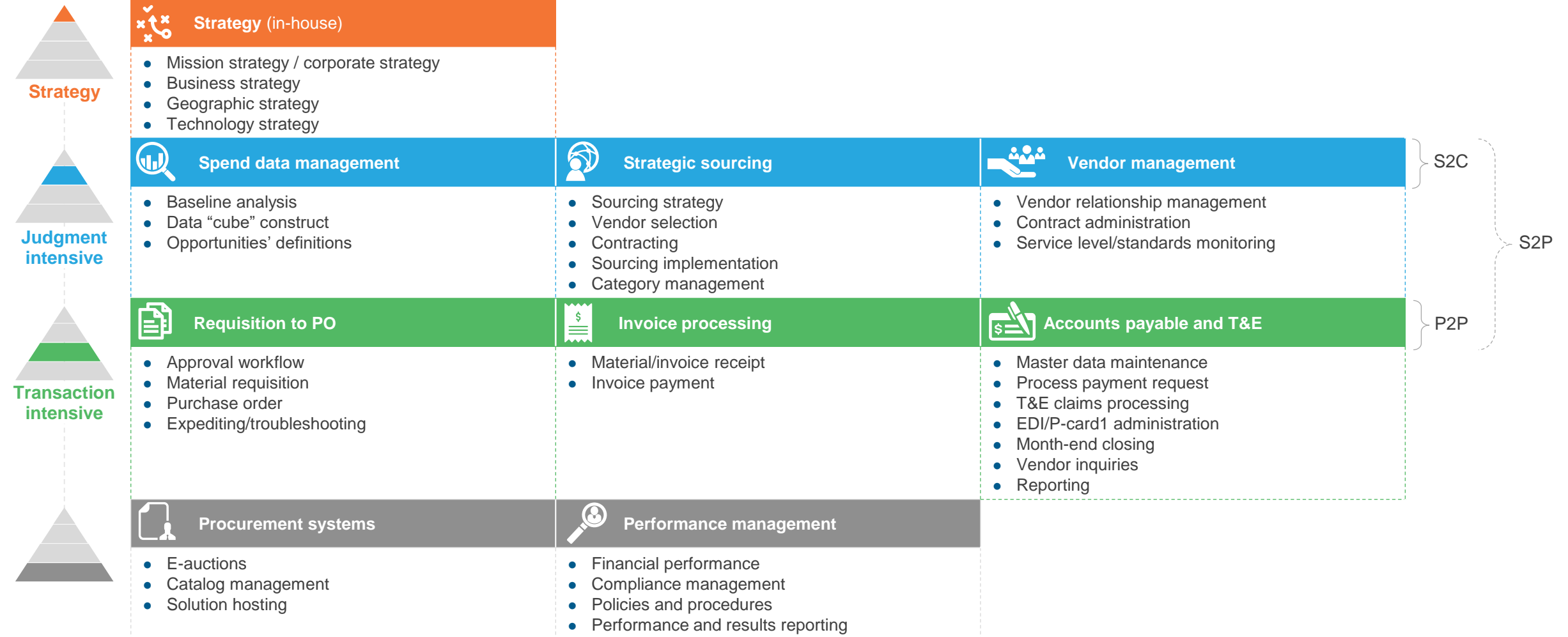
The scope and methodology of this report includes:

- Third-party PO deals; it does not include shared services or Global business services (GBS) centers
- Over 1,500 multi-process PO deals signed as of 2019, with a minimum of two 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 17 PO service providers with multi-process capability, namely Accenture, Aquanima, Capgemini, Chain IQ, Cognizant, Corbus, Dragon Sourcing, Exela Technologies, Genpact, GEP, HCL, IBM, Infosys, TCS, Tech Mahindra, Wipro, and WNS

Everest Group procurement process map

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

Procurement pyramid (non-core spend)



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 **17+ PO service providers** (updated annually)
- The database tracks the following for each service provider:
 - Revenue, managed spend, and number of FTEs
 - Number of clients
 - Revenue split by geography, region, and industry
 - PO service suite
 - 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**
 - Everest Group's executive interviews and data collected from various buyers
 - The data contains detailed buyer perspectives 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



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

Overview and abbreviated summary of key messages

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 17 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:

2020 PO PEAK Matrix and Star Performers

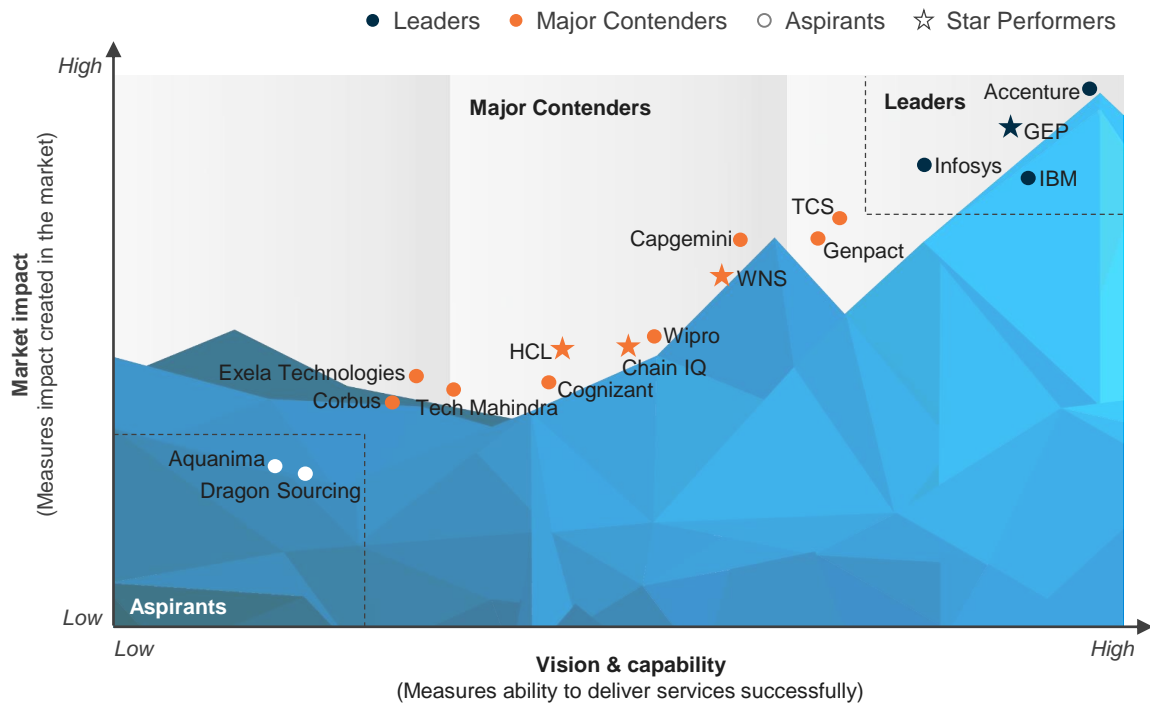
- Everest Group classified 17 service providers on the Everest Group PEAK Matrix™ into three categories of Leaders, Major Contenders, and Aspirants
- The 2020 PO PEAK Matrix positioning is as follows:
 - **Leaders:** Accenture, GEP, IBM, and Infosys
 - **Major Contenders:** Capgemini, Chain IQ, Cognizant, Corbus, Exela Technologies, Genpact, HCL, TCS, Tech Mahindra, Wipro, and WNS
 - **Aspirants:** Aquanima and Dragon Sourcing
- Based on YOY movement of different service providers on the PEAK Matrix, Everest Group identified four service providers as the “2020 PO Market Star Performers” – Chain IQ, GEP, HCL, 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 2020



Note: Assessments for Aquanima, Corbus, and Exela Technologies excludes service provider inputs and are 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	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	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	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
○	○	●	○	●	○	○	○	○

Strengths

- Service provider 1 has strong capability to serve clients across the entire spectrum of procurement services through its end-to-end S2P offerings, advanced digital capabilities, and robust sourcing and category management expertise
- It is one of the few providers for direct sourcing support on account of its continued investments to build platforms and capabilities to enhance its expertise in sourcing direct materials

Areas of improvement

- Clients seek better alignment of expectations around project delivery and better understanding of the capabilities of digital tools and systems being implemented. Clients expect service provider 1 to contextualize its offerings to their business needs in order to ensure consistent delivery experience
- Small and Medium Businesses (SMBs) and mid-market clients looking for specific, customized solutions find service provider 1 to be relatively less approachable as compared with some of its competitors

Research calendar – Procurement Outsourcing (PO)

Flagship PO reports

Release date

Procurement Outsourcing (PO) Annual Report 2019: Evolving Imperatives for Procurement and What a Chief Procurement Officer (CPO) Should do to Remain Relevant	July 2019
Supply Chain Management (SCM) BPO – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	December 2019
Supply Chain Management (SCM) Business Process Outsourcing (BPO) Service Provider Compendium 2020	February 2020
Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	June 2020
Procurement Outsourcing (PO) Service Provider Profile Compendium 2020	Q3 2020
Procurement Outsourcing (PO) Annual Report 2020	Q3 2020
Supply Chain Management (SCM) BPO Annual Report 2020	Q3 2020

Thematic PO reports

Journey Toward Integrated Supply Chain Management	June 2019
The Changing Priorities of Chief Financial Officers (CFOs) and Chief Procurement Officers (CPOs)	July 2019
Business-Process-as-a-Service (BPaaS) Adoption Debunked – Current and Future Direction	September 2019
Application of Blockchain in Supply Chain Management – A Trailblazer Analysis	October 2019
Unlocking Digital Category Management	March 2020
State of the After-sales Market: The Part, Present and Future	Q2 2020
Procurement Outsourcing (PO), Supply Chain Management (SCM) Buyer report	Q3 2020

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) – Service Provider Landscape with Services PEAK Matrix® Assessment 2019** ([EGR-2019-22-R-3143](#)); 2019. 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 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.
- 2. Procurement Outsourcing (PO) Annual Report 2019: Evolving Imperatives for Procurement and What a Chief Procurement Officer (CPO) Should do to Remain Relevant** ([EGR-2019-22-R-3245](#)); 2019. 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 covers the global PO market comprehensively including a detailed analysis of market size & growth, buyer adoption trends, key emerging themes, and service provider landscape.
- 3. Supply Chain Management (SCM) BPO – Service Provider Landscape with Services PEAK Matrix® Assessment 2020** ([EGR-2019-22-R-3451](#)); 2020. This report examines the dynamics of the global SCM service provider landscape and its impact on the SCM market. Based on the comprehensive Everest Group PEAK Matrix, each of the 14 SCM service providers are segmented into Leaders, Major Contenders, and Aspirants. The report also provides key insights into service provider position and growth in the market, changing market dynamics, and assessment of service provider delivery capabilities. It will assist key stakeholders (service providers, organizations, and technology providers) to understand the current state of the SCM service provider landscape.

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

Shirley Hung , Vice President:	shirley.hung@everestgrp.com
Vignesh K , Practice Director:	vignesh.k@everestgrp.com
Prateek Singh , Senior Analyst:	prateek.singh@everestgrp.com
Amir Khan , Analyst:	amir.khan@everestgrp.com
BPS Team :	bpsresearch@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



About Everest Group

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Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-80-61463500

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

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