

# Procurement Outsourcing (PO) – Service Provider Compendium 2020

September 2020: Complimentary Abstract / Table of Contents



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- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model® reports
- PriceBook
- 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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## 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	– PO service suite
– Number of clients	– Location and size of delivery centers
– Revenue split by geography, region, and industry	– Technology solutions developed
- **Service provider briefings**

– Vision and strategy	– Key strengths and improvement areas
– Annual performance and future outlook	– 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

## 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
- Service provider landscape

### Scope of this report:



**Geography**  
Global



**Service providers**

This research covers the following PO service providers with multi-process capability: Accenture, Aquanima, Capgemini, Chain IQ, Cognizant, Corbus, Dragon Sourcing, Exela Technologies, Genpact, GEP, HCL, IBM, Infosys, TCS, Tech Mahindra, Wipro, and WNS



**Services**  
Procurement Outsourcing (PO)

# The study provides detailed view of 17 PO service providers offerings & capabilities as well as key strengths & areas of improvement | Snapshots to illustrate the depth of report

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## Assessment of market impact and vision & capability

Service provider	Market impact		
	Market adoption	Portfolio mix	Value delivered
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 8			

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## Service Provider | PO BPO services profile Capabilities

### Key leaders

- XXXX, Head of Business Services
- XXXX, AVP, Strategic Business Practice Head – Sourcing & Procurement
- XXXX, Vice President, Operational Transformation and Supply Chain Outsourcing
- XXXX, Vice President, Supply Chain Outsourcing
- XXXX, Vice President, Business Process Management

### PO service suite

- Strategic sourcing: executive professional services, strategy, global insights, benchmarking contracting
- Sourcing-related services: buying, contract administration, value engineering, tail-end spend sourcing, analytics, e-procurement, analytics, vendor rationalization/performance/management
- Transactional procurement services: P2P services (PO management, accounts payable processing, vendor services helpdesk, e-catalog management, vendor master management administration, and reporting)
- Engineering services: quality inspection, designing, and drafting

### Category expertise

- Executive professional services categories: Audit – external/internal, legal, consulting, co-card programs, banking fees, and others
- Indirect categories: IT hardware & software, IT services, HRSS, MRO, travel, facilities, pack & lab supplies, waste management, and market measurements
- Direct categories: machining, forging, casting, fabrication, specialty components, subassemblies & gaskets, hoses & kits

Spend managed for external clients  
US\$65+ billion

1 Does not include accounts payable and supply chain BPO FTEs  
2 Everest Group estimate



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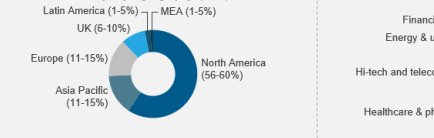
## Service Provider | PO BPO services profile Client portfolio

Major PO clients: A global telecommunications equipment company, a global healthcare major plans service providers; an Australia-based property and infrastructure company, and a global

### Recently announced multi-process PO engagements

Time of signing	Client
2019	An American company primarily involved in the chemical industry
2019	One of the world's largest manufacturers and distributors of tissue, pulp, paper, packaging, building products, and related chemicals
2019	A Canadian digital media and broadcasting company
2019	An American multinational enterprise information technology company
2019	A leading supplier of professional cleaning equipment in both industrial, commercial, and consumer markets

### PO revenue mix by buyer geography<sup>1</sup> (2019)



1 Data as of 2019



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## Service Provider | PO BPO services profile Technology solutions

Technology solutions	Sourcing	Procurement	Data management and reporting
<b>Solution description</b>	<ul style="list-style-type: none"> <li>• E2E flexible and modular solutions</li> <li>• Provides integration of vendor database from multiple sources</li> <li>• Leverages leading PO technology solutions to fulfill client E2E or targeted needs</li> </ul>	<ul style="list-style-type: none"> <li>• Business intelligence &amp; spend analytics</li> <li>• E-sourcing &amp; contract management</li> <li>• Requisition to PO management</li> <li>• Invoice management</li> <li>• P-card solution</li> <li>• Master data management</li> <li>• Vendor portal</li> </ul>	<ul style="list-style-type: none"> <li>• Proprietary and partner technologies to augment services</li> <li>• Centralized intake, triage, and project tracking tool (source-to-manage)</li> <li>• Procurement helpdesk and request</li> <li>• Robotic process automation</li> <li>• OCR &amp; AP automation</li> </ul>
<b>Process scope</b>	<ul style="list-style-type: none"> <li>• Spend analytics</li> <li>• Strategic sourcing</li> <li>• Contract management</li> <li>• Catalog management</li> <li>• Day-to-day purchasing</li> <li>• Invoicing and payables</li> </ul>	<ul style="list-style-type: none"> <li>• Approval-based PR-PO creation</li> <li>• Day-to-day purchasing &amp; e-invoicing</li> <li>• Sourcing &amp; contract management</li> <li>• Tail-spend management</li> <li>• Material and vendor master</li> <li>• Vendor self-service</li> <li>• Spend analytics &amp; reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Leveraged across procurement and accounts payables</li> <li>• Request intake and project tracking across S2P</li> <li>• Process automation for labor-intensive activities</li> </ul>
<b>Technology leveraged</b>	<ul style="list-style-type: none"> <li>• Leverages S2P technologies such as Ariba, Coupa, Jaggaer, Tradeshift, &amp; ERPs including SAP and Oracle</li> </ul>	<ul style="list-style-type: none"> <li>• Leverages tools such as LegalSifter, Scout RFP, Simfoni, Xeeva, Fairmarkit, Tungsten, Plogo, Tableau, Lanayon, and in-house tools<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Proprietary tools: XXX Tail Spend, XXX Contract Manager, and XXX Buydesk</li> <li>• Example partner tools: Automation Anywhere, Blue Prism, Exlance Fusion, UiPath, Kore.ai, Alexa, and Kofax</li> </ul>
<b>Delivery model and pricing</b>	<ul style="list-style-type: none"> <li>• Licensed, hosted/cloud-based, single-client, and multi-client</li> <li>• Upfront implementation and license fees</li> </ul>	<ul style="list-style-type: none"> <li>• Licensed, hosted, single-client, and multi-client</li> <li>• Upfront implementation and license fees</li> </ul>	<ul style="list-style-type: none"> <li>• Licensed, hosted, single-client, and multi-client</li> <li>• Upfront implementation and license fees, bundled, or separate</li> </ul>



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# Research calendar – Procurement Outsourcing (PO)

Published
  Planned
  Current release

## 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
<b>Procurement Outsourcing (PO) – Service Provider Compendium 2020</b>	<b>September 2020</b>
Supply Chain Management (SCM) BPO State of the Market Report 2020	Q3 2020
Procurement Outsourcing (PO) State of the Market Report 2020	Q4 2020

## Thematic PO reports

### Release date

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
Weaving a Customer-centric Supply Chain Through Effective After-sales Services	July 2020
Buyer Trends in Procurement and Supply Chain Management Outsourcing	Q4 2020

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





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