Everest Group® RESEARCH

Rewards and Recognition (R&R) Solutions PEAK Matrix® Assessment with Service Provider Landscape 2020

HR Services and Technology
Market Report – April 2020: Complimentary Abstract / Table of Contents

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PEAK MATRIX®

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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

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Section III: Everest Group's remarks on service providers (continued)

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Background of the research

Employee engagement and experience are becoming increasingly important for enterprises, with several aspects – rewards & recognition, learning & development, physical & financial wellness, employee assistance, collaboration & communication, and people analytics – fast gaining traction. There is, specifically, an increase in demand for R&R services from buyers of all sizes. This rising demand is primarily driven by the need to improve engagement, productivity, and business outcomes. Buyers now demand a SaaS-based solution that can be easily integrated with broader HR systems and is highly configurable based on an organization's values and ideas to cater to the challenges of changing workforce demographics and rapidly evolving technology landscape. The R&R market continues to grow at a significant pace, as more buyers look to SaaS-based providers to provide a superior employee experience.

In this research, we analyze how the leading R&R providers stack up against each other on various dimensions.

This research includes the following components:

- R&R PEAK Matrix assessment
- Everest Group's remarks on R&R service providers

Scope of this report

- **Geography:** Global
- **Services:** R&R solutions and services
- Proprietary data collected from 6 R&R providers and data from Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage, service providers' public disclosures, and interaction with buyers. The list of providers include Achievers, BI Worldwide, CSI Stars, Engage2Excel, Fond, HALO Recognition, Inspirus (a Sodexo Group company), Kudos, Madison PG, Maritz Motivation Solutions, MTM Recognition, O.C. Tanner, Rewards, Reward Gateway, Terryberry Company, Workhuman, WorkStride, Xexec, and Zaggle

Overview and abbreviated summary of key messages

In this research, we present detailed assessments of 19 providers featured on the R&R Solutions PEAK Matrix®. The assessment is based on Everest Group's annual RFI process for the calendar year 2019, interactions with providers themselves, client reference feedbacks/checks, and secondary research of the R&R market for analysis purpose. The assessment also provides a brief overview of the R&R solutions market in general to highlight the key trends and broad characters defining this market.

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

Market overview

- The demand for R&R solutions is primarily driven by challenges faced by enterprises such as talent-related issues and declining employee productivity. To help enterprises overcome these obstacles, providers are developing more innovative solutions with better coverage of service offerings
- North America constitutes a major chunk of the market and has the maximum number of employees managed; other key geographies are still developing. The R&R solutions are gaining more traction from small- and mid-size buyers as the awareness about the employee experience rises
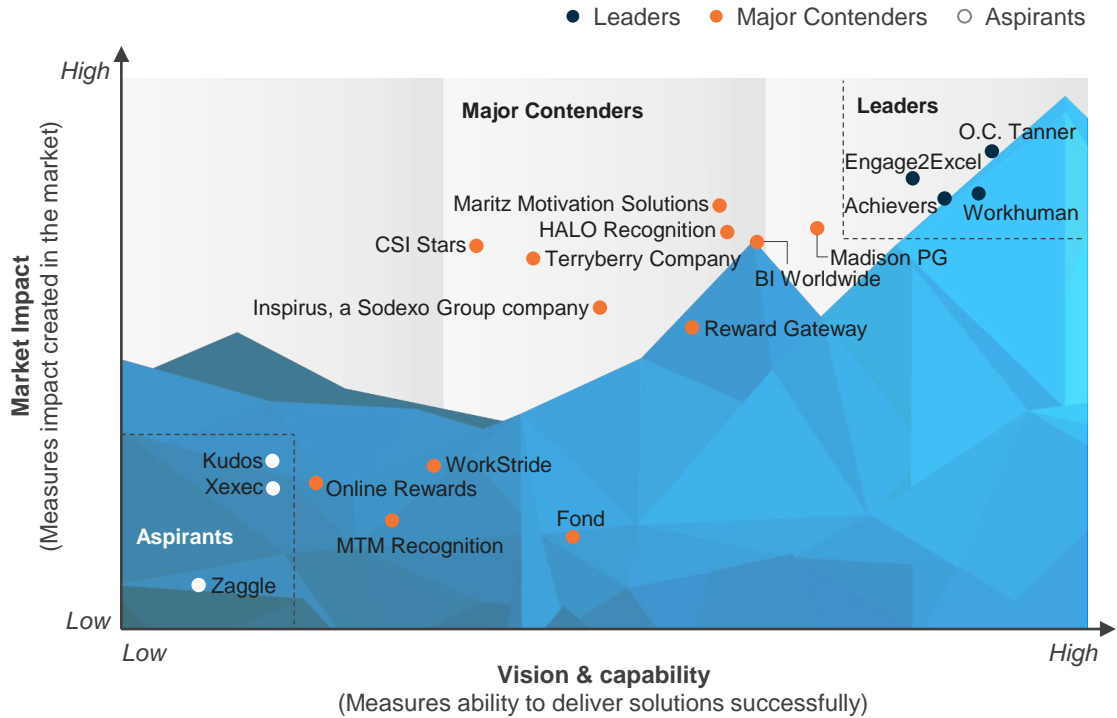
Key investment themes

- The evolving buyer asks have pushed the service providers to take initiatives and make heavy investments across two broad categories – widening their service capability and deepening the technology capability
- The recent buyer asks are a broader set of offerings, along with value-added & support services and a more sophisticated platform coupled with next-generation technology tools

Everest Group PEAK Matrix for R&R solution

- Everest Group classified 19 R&R Outsourcing service providers on the Everest Group PEAK Matrix into three categories of Leaders, Major Contenders, and Aspirants
- The 2020 R&R Solutions PEAK Matrix positioning is as follows:
  - **Leaders:** Achievers, Engage2Excel, O.C. Tanner, and Workhuman
  - **Major Contenders:** BI Worldwide, CSI Stars, Fond, HALO Recognition, Inspirus (a Sodexo Group company), Madison PG, Maritz Motivation Solutions, MTM Recognition, Online Rewards, Reward Gateway, TerryBerry Company, and WorkStride
  - **Aspirants:** Kudos, Xexec, and Zaggle

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

Assessment of R&R Solutions PEAK Matrix® Assessment 2020
Illustrative example

● Leaders   ● Major Contenders   ○ Aspirants

Market Impact (Measures impact created in the market) — vertical axis, Low to High

Vision & capability (Measures ability to deliver solutions successfully) — horizontal axis, Low to High

Leaders
- O.C. Tanner
- Engage2Excel
- Achievers
- Workhuman

Major Contenders
- Maritz Motivation Solutions
- HALO Recognition
- CSI Stars
- Terryberry Company
- Madison PG
- BI Worldwide
- Inspirus, a Sodexo Group company
- Reward Gateway

Aspirants
- Kudos
- Xexec
- WorkStride
- Online Rewards
- MTM Recognition
- Fond
- Zaggle

Note: This assessment is based on Everest Group's estimates that leverage its proprietary Transaction Intelligence (TI) database, service provider public disclosures, and interaction with buyers. It has also taken inputs through RFIs from six service providers – four from the "Leaders" category (Achievers, Engage2Excel, O.C. Tanner, and Workhuman) and two from the "Major Contenders" category (Fond and Reward Gateway)

Source: Everest Group (2020)

Capability assessment
Illustrative example

Measure of capability: ● High ◔ Low

Service provider	Market impact				Vision & capability					
	Market adoption	Portfolio mix	Value delivered	Overall	Vision & strategy	Technology capability	Services capability	Innovation & investments	Engagement & commercial model	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										

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 & strategy	Technology capability	Services capability	Innovation & investments	Engagement & commercial model	Overall

Strengths
- Service provider 1 is an R&R solution provider that serves clients across multiple geographies covering employees in key regions such as North America, Europe, and Asia Pacific
- Its platform is used for peer-to-peer recognition where employees can send points to their teammates which can be redeemed at the store

Areas of improvement
- Service provider 1 largely caters to mid-size enterprises (<15,000 employees) and has low adoption among large-size enterprises
- Its technological focus on next-generation solution is low

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Research calendar – Human Resources Outsourcing (HRO)

■ Published   ■ Planned   ⌐ ¬ Current release

Flagship HRO reports	Release date
Multi-Process Human Resources Outsourcing (MPHRO) Annual Report 2020 – Preparing for a Digitally Enhanced Decade	January 2020
Multi-Process Human Resources Outsourcing (MPHRO) – Service Provider Profile Compendium 2020	January 2020
Rewards and Recognition (R&R) Solutions PEAK Matrix® Assessment with Service Provider Landscape 2020	**April 2020**
Digital Adoption Platform (DAP) Products PEAK Matrix® Assessment with Service Provider Landscape 2020	Q2 2020
Learning BPO Services PEAK Matrix® Assessment with Service Provider Landscape 2020	Q2 2020
Learning BPO Service Provider Profile Compendium 2020	Q2 2020
Multi-Country Payroll (MCP) Solutions PEAK Matrix® Assessment with Service Provider Landscape 2020	Q3 2020
Multi-Country Payroll (MCP) Solutions Annual Report 2020	Q3 2020
Multi-Country Payroll (MCP) Solutions Service Provider Profile Compendium 2020	Q3 2020
Multi-Process Human Resources Outsourcing (MPHRO) Services PEAK Matrix® Assessment with Services Provider Landscape 2020	Q4 2020
Multi-Process Human Resources Outsourcing (MPHRO) Annual Report 2020	Q4 2020
Multi-Process Human Resources Outsourcing (MPHRO) Service Provider Profile Compendium 2020	Q4 2020

Thematic HRO reports	
Start-ups Redefining Employee Experience – Trailblazers (part 3 of 3)	November 2019
Learning Function of the Future	December 2019
Digital Adoption Platform (DAP): Accelerating the Journey from Transformation to Adoption	February 2020
Impact of Recession on the Business Process Services (BPS) Industry	March 2020

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

Additional HRO 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. **Multi-Process Human Resource Outsourcing (MPHRO) Annual Report 2020 – Preparing for a Digitally Enabled Decade** (EGR-2020-24-R-3520); 2020. This report discusses the evolving buyer asks and service provider initiatives in this regard. It also gives an overview of the market and examines key adoption trends, solution characteristics, and service provider landscape, along with providing an outlook for 2021

2. **Multi-Process Human Resources Outsourcing (MPHRO) Services PEAK Matrix™ Assessment with Service Provider Landscape 2020** (EGR-2019-24-R-3453); 2020. This report examines the dynamics of the Multi-Process Human Resources Outsourcing (MPHRO) service provider landscape. It provides a deep-dive analysis into how the service providers shape up in terms of their market impact and vision & capability. Based on the comprehensive Everest Group PEAK Matrix, 20 MPHRO service providers are segmented into Leaders, Major Contenders, and Aspirants

3. **Digital Adoption Platform (DAP): Accelerating the Journey from Transformation to Adoption** (EGR-2020-24-V-3564); 2020. This report explores the key challenges faced by enterprises when undergoing digital transformation and how DAP can help address these issues. It also discuss various use cases, special platform features, partner ecosystem, and market outlook.

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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