

Tackling the Global Pandemic: Contingent Workforce Management (CWM) State of the Market Report 2021

October 2020: Complimentary Abstract / Table of Contents



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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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Everest Group's Contingent Workforce Management (CWM) research is based on multiple key sources of proprietary information

- Everest Group's proprietary database of over **1,400 CWM outsourcing & services procurement deals** (updated annually)
- The database tracks the following elements of each CWM deal:
 - Buyer details including industry, size, location, and signing region
 - Deal details including Annual Contract Value (ACV), term, start date, spend managed, primary pricing structure, process coverage, and geographic coverage (at country level)
 - Technology ownership and maintenance
 - Global sourcing

- Everest Group's proprietary database of **operational capability of 23 CWM service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
 - CWM deals, managed spend, revenue, service suite, and employees
 - Recent CWM-related developments (investments and partnerships)
 - CWM deals split by geography, industry, scope, funding model, and buyer size
 - Managed spend split by geography, industry, job family, and type of sourcing model
 - Delivery locations and level of offshoring
 - CWM supplier partners by geography

Ongoing buyer surveys and interactions

- Everest Group's **executive interviews and data collected from CWM buyers**
- The data contains the following detailed buyer perspectives about CWM deals:
 - Drivers for adopting CWM and buyer-provider relationships
 - The level of buyer satisfaction and the underlying reasons

The analysis in this report is presented at two levels:

- Overall market analysis that highlights the market composition/dynamics
- The current market trends based on deal activity in the last five years

The sample size varies for different analyses based on the availability of deal details

Service providers assessed



Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information collected, is only presented back to the industry in an aggregated fashion

Background of the research

The annual state of the market report tracks the developments, which occurred across the CWM/MSP industry in 2019. It also sheds light on the future trajectory of CWM which is being set by the current market conditions, service provider landscape, and buyer expectations. The CWM outsourcing industry witnessed decent growth in 2019 but we are currently witnessing a disruption in the industry on account of the COVID-19 pandemic. While the immediate impact has been a decrease in the demand, the market is expected to witness an uptick in growth in early 2021. The unprecedented situation has forced service providers to accelerate the development of their technological capabilities and service offerings in terms of direct sourcing, services procurement management, total talent management, and value-added services.

In this report, we focus on:

- Evolving CWM dynamics in COVID-19 era
- Geographical variations in the CWM market
- Next-generation CWM trends
- Future trajectory for CWM providers and enterprises

Scope of this report:



Geography
Global



Industry
Contingent workforce
management services



Services
Business process
services

Overview and abbreviated summary of key messages

This report examines the global 2019 Contingent Workforce Management (CWM) / Managed Service Provider (MSP) state of the market and provides an overview of the impact of COVID-19 on the market in 2020. It focuses on the major disruptions caused by the pandemic on the CWM industry and how the future trajectory of the industry is shaping up

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

Impact of COVID-19 on CWM

- The CWM outsourcing market continued its trajectory of steady growth in 2019 and witnessed 8% growth
- Travel & hospitality and manufacturing have been severely impacted, while the hi-tech & telecom and healthcare & pharma industries have been moderately affected
- Job roles such as engineers/IT and healthcare professionals will witness limited impact compared to other roles
- Temporary workforce continues to be the choice when countries come out COVID-19 cycle at different times. The global CWM outsourcing / MSP market is expected to undergo a decline in 2020, but is expected to witness an uptick in growth in 2021
- Demand for and leverage of direct sourcing services will increase across the world including North America
- Centralization, especially offshoring and virtual models, will redefine service delivery
- Digital solutions including automation in CWM processes will become a norm to ensure business continuity and cost savings

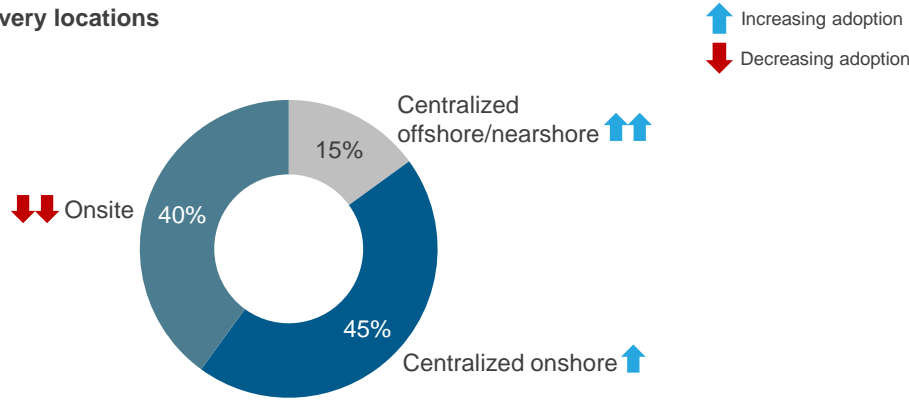
Next-generation CWM trends

- Rapid evolution of independent work is changing the way enterprises are interacting and engaging with different talent types
- Single-country deals dominate CWM outsourcing market currently, however, as the global supply chains are expected to remain in flux, multi-country deals are expected to increase
- In-line with the changing demands of buyers, service providers are increasingly providing consulting and value-added offerings
- Service providers are leveraging automation to form a one-stop-solution of various tools and technologies. The aim of the ecosystem is to provide a seamless experience throughout the process chain

This study provides a deep dive into the various dimensions of growth of the CWM market; below are four charts to illustrate the depth of the report

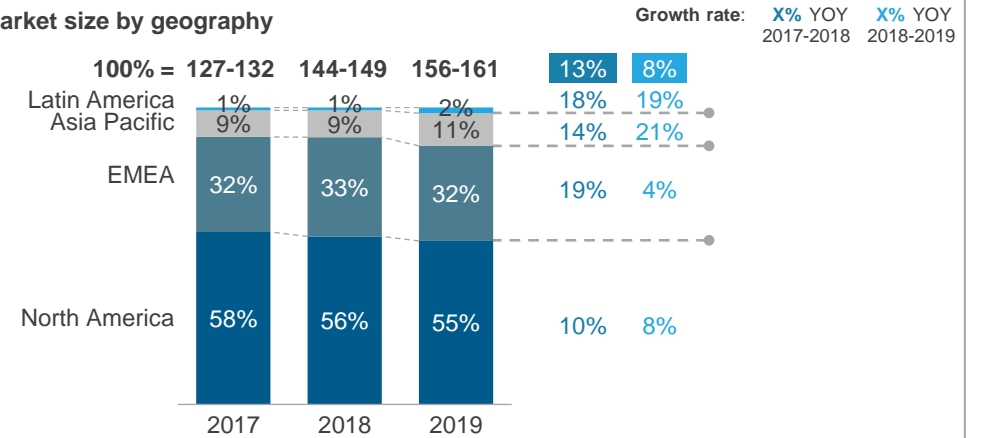
Evolving CMM dynamics amid COVID-19

Current FTE split by delivery locations

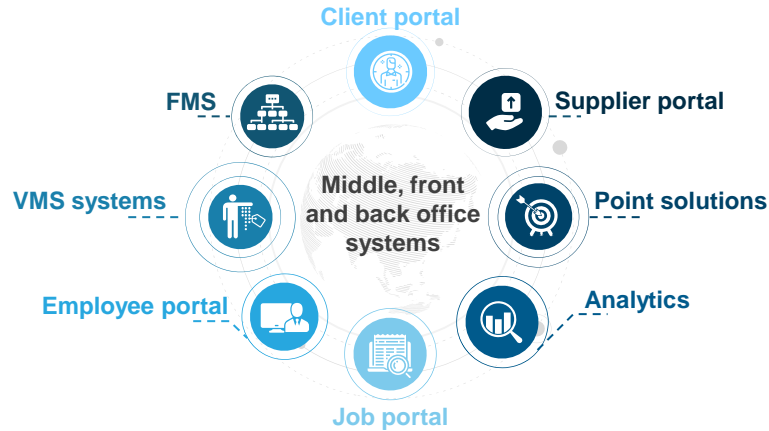


Geographical variations in the CWM market

CWM outsourcing market size by geography
US\$ billion



Next-generation CWM trends



Implications for CWM providers and enterprises



Research calendar

Contingent Workforce Management

Published Planned Current release

Flagship CWM reports

	Release date
Managed Service Provider (MSP) Service Provider Landscape with PEAK™ Matrix Assessment 2019	June 2019
Managed Service Provider (MSP) Annual Report 2020: Leading Through Disruption	October 2019
Services Procurement – Service Provider Landscape with PEAK Matrix® Assessment 2020: Unlocking the True Potential of Services Procurement	April 2019
Contingent Workforce Management (CWM) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	August 2020
CWM – Service Provider Profile Compendium 2020	October 2020
Tackling the Global Pandemic: Contingent Workforce Management (CWM) State of the Market Report 2021	October 2020

Thematic CWM reports

	Release date
In pursuit of best in class MSP program	January 2020
Data & Analytics – Foundational Pillars for Efficient Services Procurement Management	March 2020
Collaboration to beat disruption – Future of CWM	July 2020
Total Talent Acquisition (TTA) viewpoint	Q4 2020

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



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