Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2021

August 2021: Complimentary Abstract / Table of Contents

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PEAK MATRIX®

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Locations: costs, skills, sustainability, portfolios

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Background and scope of the research

With more than a year into the COVID-19 pandemic, businesses expect the procurement function to drive business outcomes such as risk management, innovation, working capital optimization, and spend visibility in addition to its more traditional cost-saving responsibilities. PO service providers have played a significant role in helping enterprises maintain business continuity of procurement operations and overcome challenges associated with COVID-19-related disruptions. They continue to strengthen their domain expertise and digital capabilities to offer a wide range of solutions to address specific client requirements. They are increasingly becoming strategic partners for companies by helping them transform their procurement operations and driving adoption of advanced digital technologies such as advanced analytics and RPA by leveraging in-house capabilities, partnership ecosystem, and targeted investments.

The PO provider landscape consists of a spectrum of providers including specialist providers, pure-play procurement and SCM-focused providers, broad-based BPS providers, and IT and BPS providers. In this research, we present an assessment of 19 PO service providers featured on the Procurement Outsourcing (PO) services PEAK Matrix®. The assessment is based on Everest Group's annual RFI process for calendar year 2021, interactions with leading procurement service providers, client reference checks, and an ongoing analysis of the PO services market.

In this research, we analyze the global PO service provider landscape and assess 19 PO service providers. We focus on:

- Procurement Outsourcing (PO) services PEAK Matrix® 2021
- Service provider capability assessment
- Observations and comments on individual service providers
- Enterprise sourcing considerations

Scope of this report:

Geography
Global

Service providers
19

Services
Procurement

Everest Group®

Overview and abbreviated summary of key messages

Everest Group PEAK Matrix® is a proprietary framework for assessment of relative market impact and vision & capability. Everest Group classifies 19 PO service providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. This report examines the Procurement Outsourcing(PO) service provider landscape and provides analysis of their key strengths and limitations. It also identifies the key implications of the research findings and sourcing considerations for enterprises.

Some of the findings in this report, among others, are:
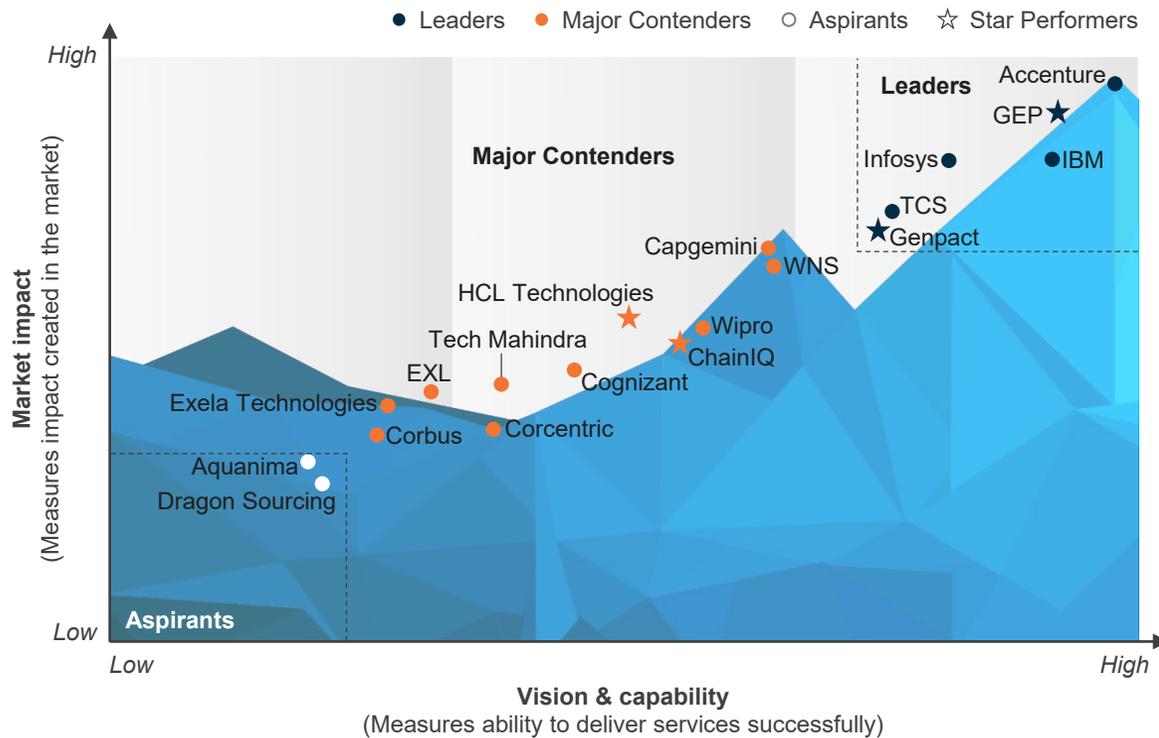
PO Services PEAK Matrix® 2021

- Everest Group classifies 19 PO service providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants
  - **Leaders**: Accenture, Genpact, GEP, IBM, Infosys, and TCS
  - **Major Contenders**: Capgemini, Chain IQ, Cognizant, Corbus, Corcentric, Exela Technologies, EXL, HCL, 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 **"2021 PO Market Star Performers"** – Chain IQ, Genpact, GEP, and HCL
- Everest Group has identified a few service providers as unique in their PO offerings – Aquanima, Chain IQ, Corbus, Corcentric, and Dragon Sourcing

Key insights into PO service providers landscape

- The top three providers contributed more than 50% of the PO market share in terms of ACV
- Accenture, GEP, IBM, and Infosys are the market leaders across geographies
- Accenture, GEP, IBM, and Infosys consistently stand out as the top providers across major industries
- Significant difference exists between the client satisfaction scores of Leaders and other providers especially in technology capabilities parameters

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

Everest Group Procurement Outsourcing (PO) Services PEAK Matrix® Assessment 2021

Illustrative example

● Leaders ● Major Contenders ○ Aspirants ☆ Star Performers

Market impact (Measures impact created in the market)

High / Low

Vision & capability (Measures ability to deliver services successfully)

Low / High

Leaders
- Accenture
- GEP ☆
- Infosys
- IBM
- TCS
- Genpact ☆

Major Contenders
- Capgemini
- WNS
- HCL Technologies ☆
- Tech Mahindra
- Wipro
- ChainIQ ☆
- EXL
- Cognizant
- Exela Technologies
- Corbus
- Corcentric

Aspirants
- Aquanima
- Dragon Sourcing

Note: Assessments for Aquanima excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with PO buyers.

Source: Everest Group (2021).

Capability assessment

Illustrative example

Measure of capability: ◔ Low ● High

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									

Enterprise sourcing considerations

Illustrative example

Measure of capability: ◔ Low ● High

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 leverages its operational consulting capabilities, deep domain expertise, and digital technologies to provide end-to-end procurement services and enable digital transformation of operations for its clients
- It has strong experience serving clients across industries in North America and Europe. It has also seen increased traction in APAC, particularly in Japan

Areas of improvement
- While service provider 1 has enhanced its domain and digital capabilities through recent investments, adoption of advanced solutions remains low. Clients expect service provider to proactively bring more best practices and advanced technology solutions to drive value-added outcomes
- Majority of its clients are large companies (>US$5 billion in revenue); its capability to serve mid-market and SMB clients by offering modular solutions is limited compared with some of its peers

Research calendar
Procurement Outsourcing (PO)

Flagship PO reports	Release date
Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	June 2020
Procurement Outsourcing (PO) Service Provider Profile Compendium 2020	September 2020
Supply Chain Management (SCM) BPO State of the Market Report 2020: COVID-19, A Wake-up Call for SCM	October 2020
Elevating Procurement's Role in the Next Normal Through Digital Enablement – Procurement Outsourcing (PO) State of the Market Report 2021	December 2020
Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2021	**August 2021**
Procurement Outsourcing (PO) Service Provider Profile Compendium 2021	Q4 2021
Procurement Outsourcing (PO) State of the Market Report 2021	Q4 2021
Supply Chain Management (SCM) BPS PEAK Matrix® Assessment 2021	Q4 2021

Thematic PO reports	Release date
Unlocking Digital Category Management	March 2020
Weaving a Customer-centric Supply Chain Through Effective After-sales Services	July 2020
Future-proofing Supply Chain Management: Building Resilience and Agility through Digital Transformation	December 2020
Business Process Services (BPS) 4.0: Heralding the Start of a New Era	February 2021
Getting Your Business in Order through Integrated Order Management	July 2021
Driving sustainable cost reductions through digital transformation	Q3 2021
Enterprise Risk Management in the Post-COVID World	Q3 2021
Procurement Outsourcing (PO), Supply Chain Management (SCM) Buyer report	Q4 2021

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

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