

Procurement Outsourcing (PO) – Service Provider Compendium 2021

September 2021: Complimentary Abstract / Table of Contents



Our research offerings

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Procurement

- ▶ Application Services
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- ▶ Supply Chain Management (SCM) Services
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- ▶ Trust and Safety
- ▶ Workplace Services
- ▶ Work at Home Agent (WAHA) Customer Experience Management (CXM)

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custom research capabilities

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: service providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

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Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

01

Robust definitions and frameworks

Procurement pyramid, multi-process PO definition, Total Value Equation (TVE), PEAK Matrix®, market maturity

02

Primary sources of information

Annual contractual and operational RFIs, service provider briefings and buyer interviews, web-based surveys

03

Diverse set of market touchpoints

Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership

04

Fact-based research

Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers

Proprietary contractual database of over 1600 PO contracts (updated annually)

Year-round tracking of 19+ PO service providers

Large repository of existing research in PO

Over 30 years of experience advising clients on strategic IT, business services, engineering services, and sourcing

Executive-level relationships with buyers, service providers, technology providers, and industry associations

This report is based on multiple key sources of proprietary information

- Everest Group’s proprietary database of 1,600+ 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 19+ 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
 - 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 providers’ performance
 - ◆ The level of buyer satisfaction and the underlying reasons

Service providers assessed



Note: **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 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
- Service provider landscape

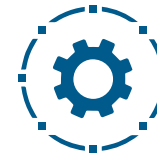
Scope of this report:



Geography
Global



Service providers
19



Services
Procurement

The study provides detailed view of 19 PO service providers offerings & capabilities as well as key strengths & limitations; below are snapshots to illustrate the depth of report

Procurement Outsourcing (PO) – Service Provider Compendium 2021

Service provider | PO services profile (page 1 of 6)

Capabilities

Key leaders

- XXX, Chief Strategy Officer and Global Business Leader
- XXX, Vice President, Source-to-Pay Service Line Leader
- XXX, Vice President, Category Management Leader
- XXX, Vice President, C- Leader
- XXX, Vice President, Procurement Solutions Leader

PO service suite

- **Integrated P2P:** direct and indirect procurement operations, tail spend management, integrated helpdesk. Strategic focus on integrated P2P enabled by digital transformation P2P with human-centered design, making buying easy and enabling assisted buying marketplaces
- **Advisory services:** target operating model, strategic sourcing, Procure-to-Pay optimal working capital / liquidity councils, and supply chain consulting. Over 20% growth in C- office transformation and digital tool implementation
- **Sourcing and category management:** outsourced category management, sourcing contract management, procurement analytics, and third-party risk management. Category Excellence (CoE) in Cincinnati, Budapest, Monterrey, Shanghai, and Bangalore equip benchmarks, market intelligence, advanced analytics, and thought leadership

Category expertise:

Around XXX FTEs support indirect and select direct categories including marketing & digital, HR, travel & events, purchased services, facilities management & corporate real estate, logistics, IT/telecom, packaging, manufactured components, C-parts and contract manufacturing

Spend managed for external clients

Not disclosed

Procurement Outsourcing (PO) – Service Provider Compendium 2021

Service provider | PO services profile (page 2 of 6)

Client portfolio

Major PO clients

A leading global conglomerate, one of the world's largest banking & financial services connectivity solutions provider, a leading Australian insurance major, a leading aer...

Recently-announced multi-process PO engagements

Time of signing	Client
2020	A world leader in beverages
2020	A Japanese manufacturer of optics and reprography products
2020	A European pharma major
2020	A global electronics major
2020	A leading American retail corporation
2020	A Japanese global beverages company
2020	A French multinational food-products corporation

PO revenue mix by buyer geography (2020)

1 Large buyers (revenue > US\$5 billion), mid-market buyers (revenue US\$1-US\$5 billion).

Procurement Outsourcing (PO) – Service Provider Compendium 2021

Service provider | PO services profile (page 3 of 6)

Key delivery locations

Procurement Outsourcing (PO) – Service Provider Compendium 2021

Service provider | PO services profile (page 4 of 6)

Technology solutions

Technology solutions	Solution 1	Solution 2	Solution 3
Solution description	<ul style="list-style-type: none"> • XXX expertise IP solutions, which enable optimized processes, optimized cost of operations, and increased scalability, operational control, and governance • These domain IP solutions have been wrapped as digital solution frameworks enabling scale leverage in consulting and transformation engagements 	<p>XXX to integrate and automate operational procurement and accounts payable in a seamless process to ensure that negotiated savings drop to the client's bottom line and tackle specific business challenges from beginning to end.</p>	<p>Digital solutions to manage middle-office procurement activities such as spend and procurement analytics, strategic and tail spend management, and contract management with sophisticated data engineering as foundation for augmented intelligence.</p>
Process scope	<ul style="list-style-type: none"> • Industry-specific Digital Smart Enterprise Processes • Transformation maturity model • Intelligent automation assessment framework • Buy channel optimization framework • Working capital optimization framework • ERP optimization playbooks (XXX) • Touchless P2P processing playbooks • P2P analytics framework 	<ul style="list-style-type: none"> • Purchase requisition triaging, compliance, and gatekeeping • Open PO management with supplier follow-ups, delivery tracking, and expediting • Invoice processing, exception handling, and payments • Integrated P2P helpdesk 	<ul style="list-style-type: none"> • Spend and procurement analytics • Market and supplier intelligence • Category management, sourcing execution, and savings tracking • Tactical and tail spend management
Technology leveraged	<ul style="list-style-type: none"> • Ariba/Coupa playbooks • Proclindex – XXX proprietary and patented process assessment and benchmarking tool • Intelligent automation index – Genpact proprietary automation assessment tool • xxx • Process mining (using Celonis partnership) 	<ul style="list-style-type: none"> • XXX – proprietary platform with dynamic workflow to manage and resolve incoming queries/issues • Cora AP flow – proprietary end-to-end AP workflow with machine learning engine for exceptions management • Genpact Smart Expediting Tool – proprietary platform with dynamic workflow, machine learning, cognitive services, and analytics technologies • Intelligent automation in partnership with Automation Anywhere, UiPath, Blue Prism, and OpenSpan • Microsoft Azure, SFDC, and AWS platforms • Interoperable across multiple systems 	<ul style="list-style-type: none"> • XXX – partner technologies for automated data extraction, enrichment, and visualization • XXX – partner technologies for sourcing and savings tracking workflow along with sourcing knowledge repository • XXX – proprietary data visualization platform with benchmarked insights for category management & sourcing • XXX – partner technology to provide machine-learning powered tail-spend management along with detailed analytics
Delivery model and pricing	<ul style="list-style-type: none"> • Consulting engagements are typically delivered with fixed pricing or value-share • Preferential pricing agreements for partner technologies 	<ul style="list-style-type: none"> • Cloud-based technologies deployed flexibly based on client needs • Digital solutions are typically deployed as part of procurement outsourcing contracts with managed services pricing • Upfront implementation fees plus subscription fee 	<ul style="list-style-type: none"> • Digital solutions are typically deployed as part of procurement outsourcing contracts with managed services or outcome-based pricing • Upfront implementation fees plus subscription fee

Research calendar

Procurement Outsourcing (PO)

Published
 Planned
 Current release

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 Compendium 2021	September 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	Q4 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](#).



Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global companies, service providers, and investors. Clients use our services to guide their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at www.everestgrp.com.

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