

Multi-process Human Resources Outsourcing (MPHRO) – State of the Market Report 2021

February 2021: Complimentary Abstract / Table of Contents



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- 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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Background and scope of the research

Background of the research

The global multi-process HRO market continued to grow at a steady rate of 5-7% in 2019. However, the market is currently witnessing short-term disruption due to COVID-19. While on one hand, the pandemic has negatively impacted contract renewals, new large-scale initiatives, and transaction volumes, on the other, increasing demand for immediate cost takeout / cash unlock, digitization, etc., is accelerating new digital initiatives and driving growth in MPHRO.

In 2019, large-scale transformation deals, increasing number of first-time outsourcers (especially in the SMB and mid-market segment), and increasing demand for next-generation technology and high-end HR work from mature outsourcers continued to drive market growth. The demand for HR services remained strong in the traditional markets of North America and Europe, while the emerging Asia Pacific (APAC) and Latin American (LATAM) geographies exhibited strong growth. Some of the key means that providers are using to differentiate themselves are offering end-to-end transformative solutions, combined with domain and industry expertise, design thinking approach, transformation frameworks, and next-generation innovative offerings leveraging automation and analytics. The purpose of this research is to understand and assess HRO service providers based on their vision & capabilities and impact on the MPHRO market and position them on Everest Group PEAK Matrix®.

In this research, we present key trends in the MPHRO market. The report components include analysis of the following:

- Key demand trends
- Solution characteristics
- Service provider landscape
- Outlook for 2021

Scope of this report:



Geography
Global



Service providers

This research covers the following 20 HRO service providers with multi-process capability: Accenture, ADP, Alight, Ascent HR, Capgemini, Capita, CGI, Conduent, DXC Technology, IBM, Infosys, MHR, Neeyamo, OneSource Virtual, SD Worx, Sopra HR, TCS, Wipro, WNS, and Zalaris



Services

Multi-process Human Resources Outsourcing (MPHRO) Services

Overview and abbreviated summary of key messages

This report examines the global MPHRO market in detail. It focuses on service provider position and growth in the HRO market, changing market dynamics and emerging service provider trends, assessment of service provider delivery capabilities, and overall competitive landscape. It also identifies the key implications of the research findings for buyers and service providers.

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

Market overview

- Despite short-term disruptions in 2020 due to COVID-19, the MPHRO market is expected to grow at a steady rate of 5-7% in 2020-22. This is primarily driven by increased openness among organizations to future-proof their HR operations
- North America is the most mature geography by MPHRO adoption, followed by Europe-UK and Asia Pacific. APAC is expected to become a hotbed for HR transformation due to COVID-19 impact

Adoption trends

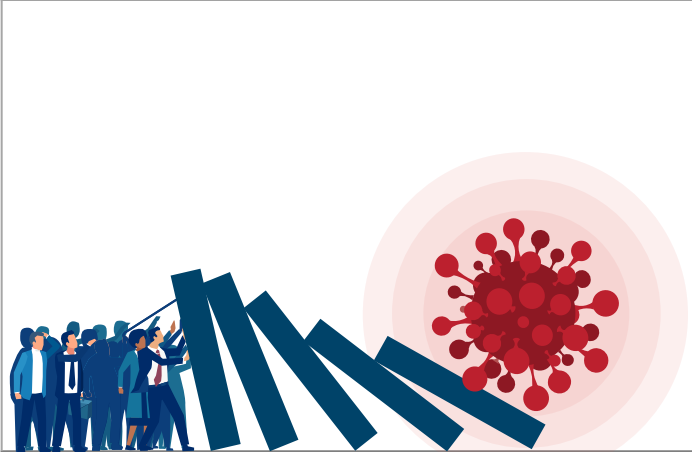
- Financial services and manufacturing constitute a major share of the MPHRO market; healthcare and life sciences underwent significant growth and are expected to grow further despite COVID-19 impact
- There has been a marked increase in the inclusion of talent management processes as buyers look toward taking an end-to-end approach to their MPHRO deals
- Output-based pricing continues to be the most popular pricing model; Input-based pricing is also being used in some emerging markets and in first generation contracts

Service provider landscape

- The top four providers (Alight, Accenture, ADP, and IBM) contributed more than 40% of the market share in terms of ACV
- Leading providers experienced strong traction from the more mature markets; in emerging markets, local players featured more prominently
- ADP has significant presence across the top four industry segments for MPHRO; TCS has the highest number of deals in the retail industry segment

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

Talent management changes

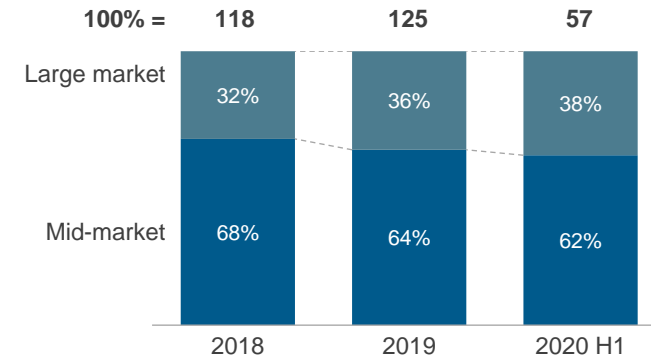


The pandemic brought with it multiple challenges for organizations as well as service providers. The economic crisis associated with the pandemic and the need to rapidly adapt to a new remote working environment affected organizations' ability to effectively manage their operations:

- **Cost pressures:** The economic crisis left many organizations cash strapped. The increased capex/opex required to shift workforce to a Work-From-Home (WFH) setting further impacted the financial position of different organizations
- **Dynamic regulatory changes:** Several countries released multiple regulations to combat the impact of the pandemic. This further added to the complexity of handling global business operations
- **Digital preparedness:** To adapt to the next normal and maintain productivity, organizations were forced to bring in technologies such as cloud, analytics, and automation at a rapid pace. However, many lacked the digital preparedness to adopt these technologies
- **Employee experience:** Amidst the economic crisis and uncertainty, employee experience suffered a major setback. Organizations were also required to take measures to ensure that their workforce was motivated and productive during the crisis

Market overview

Distribution of new deals by buyer size
Number of new deals



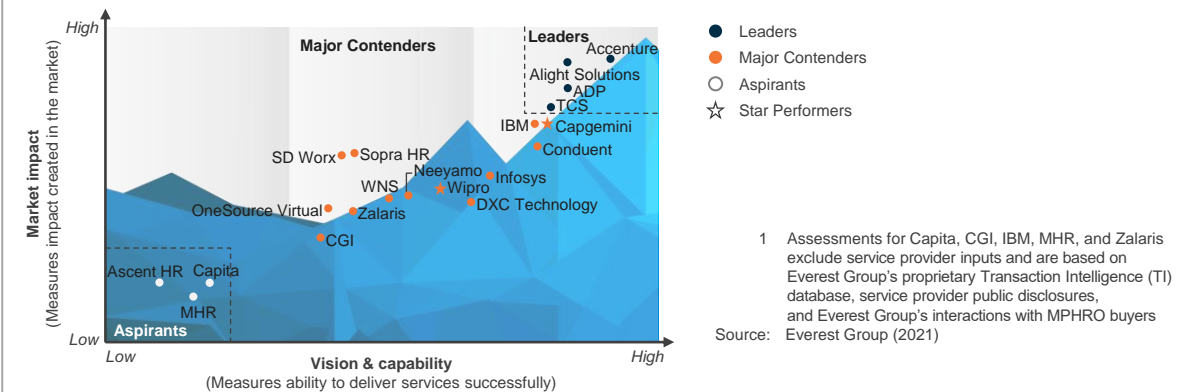
Solution trends

● High ○ Low ↑ High ↔ Constant

Pricing structures	Description	Current adoption	Adoption trend
Input-based pricing	FTE-based pricing – based on service provider's FTEs utilized to offer services. The pricing is typically based on the skill, experience, and location of service provider FTEs	●	↑
Output-based pricing	Transaction-based pricing – based on volume of the output generated/managed. For example, price per-employee served per-month and price per-hire	●	↑
Outcome-based pricing	Business outcome-based pricing – based on outcome achieved by service provider's contribution. Also known as gainsharing. For example, fee based on the cost savings achieved	○	↔

Service provider landscape

Everest Group Multi-process Human Resource Outsourcing (MPHRO) Services PEAK Matrix® Assessment 2021¹



Research calendar

Human Resources Outsourcing (HRO)

Published Planned Current release

Flagship HRO reports

	Release date
Multi-process Human Resources Outsourcing (MPHRO) – Service Provider Profile Compendium 2020	January 2020
Rewards and Recognition (Learning Services) Solutions PEAK Matrix® Assessment with Service Provider Landscape 2020	April 2020
Digital Adoption Platform (DAP) Products PEAK Matrix® Assessment with Service Provider Landscape 2020	July 2020
Learning Services PEAK Matrix® Assessment with Service Provider Landscape 2020	June 2020
Learning Services Provider Profile Compendium 2020	August 2020
Digital Adoption Platform (DAP) Products Provider Profile Compendium 2020	August 2020
Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2020	September 2020
Multi-country Payroll (MCP) Solutions Annual Report 2020	December 2020
Multi-country Payroll (MCP) Solutions Service Provider Profile Compendium 2020	December 2020
Multi-process Human Resources Outsourcing (MPHRO) Services PEAK Matrix® Assessment with Services Provider Landscape 2021	January 2021
Multi-process Human Resources Outsourcing (MPHRO) Service Provider Compendium 2021	February 2021
Multi-process Human Resources Outsourcing (MPHRO) – State of the Market Report 2021	February 2021

Thematic HRO reports

	Release date
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
Price Trends in HRO	September 2020

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



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