

US Global Business Services Market Report

March 2021: Complimentary Abstract / Table of Contents



Our research offerings for global services

<ul style="list-style-type: none"> ▶ Market Vista™ Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available 	
<ul style="list-style-type: none"> ▶ Application Services 	<ul style="list-style-type: none"> ▶ Enterprise Platform Services
<ul style="list-style-type: none"> ▶ BPS Banking & Financial Services 	<ul style="list-style-type: none"> ▶ Finance & Accounting
<ul style="list-style-type: none"> ▶ BPS Healthcare 	<ul style="list-style-type: none"> ▶ Human Resources
<ul style="list-style-type: none"> ▶ BPS Insurance 	<ul style="list-style-type: none"> ▶ ITS Banking & Financial Services
<ul style="list-style-type: none"> ▶ BPS Life Sciences 	<ul style="list-style-type: none"> ▶ ITS Healthcare
<ul style="list-style-type: none"> ▶ Catalyst™ 	<ul style="list-style-type: none"> ▶ ITS Insurance
<ul style="list-style-type: none"> ▶ Cloud & Infrastructure 	<ul style="list-style-type: none"> ▶ ITS Life Sciences
<ul style="list-style-type: none"> ▶ Customer Experience Management Services 	<ul style="list-style-type: none"> ▶ IT Services Executive Insights™
<ul style="list-style-type: none"> ▶ Contingent Workforce Management 	<ul style="list-style-type: none"> ▶ Locations Insider™
<ul style="list-style-type: none"> ▶ Data & Analytics 	<ul style="list-style-type: none"> ▶ Procurement
<ul style="list-style-type: none"> ▶ Digital Services 	<ul style="list-style-type: none"> ▶ Recruitment Process Outsourcing
<ul style="list-style-type: none"> ▶ Engineering Services 	<ul style="list-style-type: none"> ▶ Service Optimization Technologies

Membership information

- This report is included in the following research program(s)
 - Catalyst™
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model® reports
- PriceBook
- Virtual Roundtables
- 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

Contents

For more information on this and other research published by Everest Group, please contact us:

Akshay Pandita, Practice Director

Kunal Anand, Senior Analyst

Sana Jamal, Assistant Manager

Aditi Garg, Information Specialist

1. Introduction and overview	
• Research methodology	6
• Background and scope of the research	7
• Summary of key messages	9
2. Overview of the GBS landscape – The US	11
• Distribution of GBS centers by parent revenue and geography	15
• Distribution by number of GBS centers	16
• Distribution by industry vertical	17
• Distribution by vertical and parent geography	18
• Distribution by digital components	19
• Distribution by functions	20
• Comparison of US market with offshore locations	21
3. GBS location and industry adoption trends	24
• Distribution of GBS by type of city	25
• GBS adoption trends across key locations	
– Greater Atlanta Area	26
– Greater Austin Area	27
– Dallas-Fort Worth Metropolitan Area	28
– Seattle Metropolitan Area	29
– San Francisco Bay Area	30

Contents

• GBS adoption trends across key industry verticals	
– Banking, Financial Services, and Insurance (BFSI)	33
– Technology and communications	35
– Retail and Consumer Packaged Goods (CPG)	37
– Manufacturing	39
– Healthcare And Life Sciences (HLS)	41
4. Emerging trends likely to impact onshoring	43
• Rising demand for digital services	45
• Tightening regulatory environment	46
• COVID-19-led disruption	47
5. Appendix	48
• Glossary	49
• Research calendar	50

Background and scope of the research

Background

- The Global Business Services¹ (GBS) / Global In-house Center (GIC) / Shared Service Center (SSC) market in the US continued to grow in 2020. Presently, while global enterprises leverage different sourcing models to suit their objectives and requirements, the GBS model continues to be an integral component of the enterprise sourcing strategy
- Building on their success over the last two to three decades, GBS organizations have diversified extensively and exp growth in new verticals (such as healthcare and life sciences) and functions (such as legal R&D and digital)
- This report provides an extensive assessment of the onshore² GBS landscape and adoption trends, along with a deep dive into the trends leading to increased onshoring in the recent past

Methodology

This report is based on Everest Group's proprietary GBS database of more than 5,000 GBS centers³, updated quarterly with new setups, changes in existing GBS centers, divestitures, etc., based on our ongoing tracking and interactions with leaders of GBS organizations

Scope of this report:



Trends

GBS trends for 2020 compared to the last two years – growth, parent organization portfolio, scale, functions supported, and key delivery locations



GBS market

Deep dive into the GBS market across locations in the US and tier-wise analysis. And across verticals (e.g., BFSI, retail & CPG, HLS, manufacturing, and technology & communication), and functions (BPS, ITS, and Engineering, Research & Development (ER&D))



Emerging trends

Deep dive into the emerging trends leading to increased onshoring in the recent past

1 Everest Group uses GBS centers as the preferred term for in-house setups, which are otherwise also referred to as Global In-house Centers (GICs), shared services, global capability centers, or captives
2 Onshore in this report refers to only the US
3 Includes both onshore and offshore GBS centers

Overview and abbreviated summary of key messages

This report analyzes the US Global Business Services (GBS) landscape, including a year-on-year analysis and trends in 2020. The research also provides insights into US GBS market size, growth, and distribution of GBS centers by buyer portfolio, scale, functions supported, and location, and concludes with an assessment of the changing operating and governance models for GBS

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

Overview of the US GBS landscape

- The GBS market in the US continues to be robust with more than 1,500 centers delivering a wide range of IT-BP services.
- Evidence of enterprises recalibrating sourcing mix in favor of US, leading to a steady increase in number of new centers set up in last three years with CAGR of 4.3%
- The GBS landscape in the US continues to be dominated by single function centers. As these centers have matured, firms are explored opportunities to leverage them as multi-function delivery centers
- US offers a wide profile of locations with attractive ecosystem to support GBS

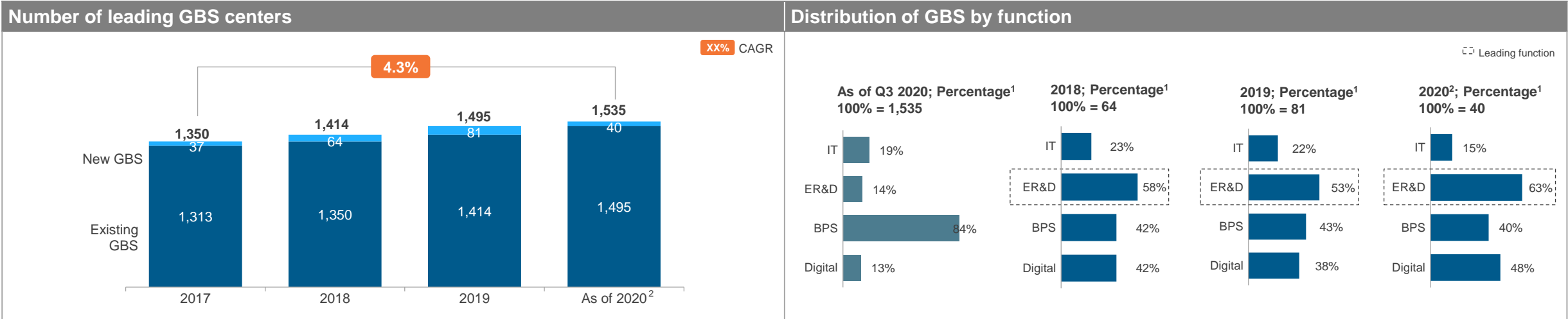
Changing market dynamics

- Functional mix of US GBS is expected to evolve. Traditionally favored BPS continues to retain stronghold; however, firms are exploring digital services to fuel next wave of growth
- Focus on ER&D and digital services has driven new setups in recent years. Significant proportion of new center set up are being leveraged to build and drive required capabilities such as AI, cybersecurity, IoT, and data analytics for product development, engineering, and R&D services
- The GBS model continues to attract new adopters in the US. More than two-thirds of the new center set up in 2020 were first time adopters

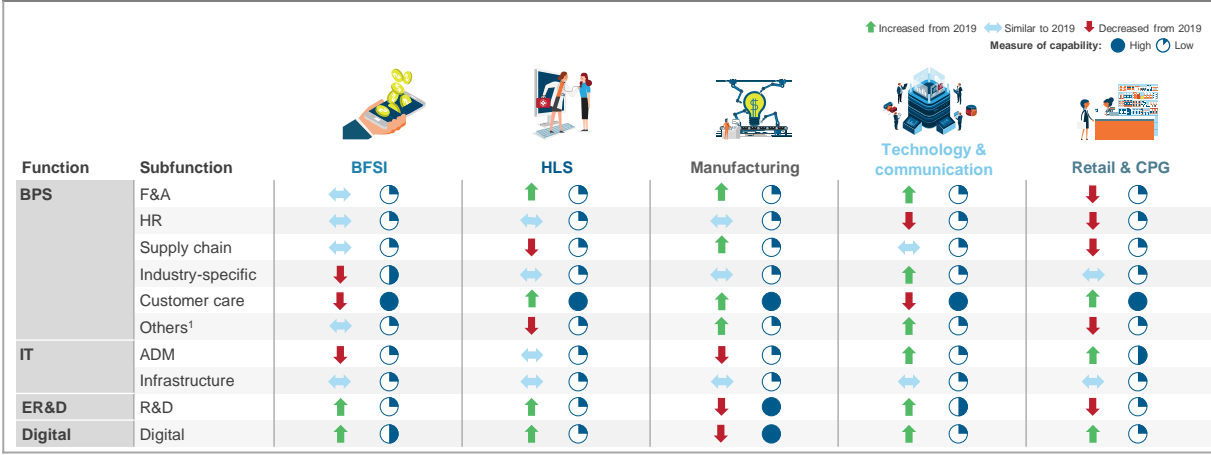
Emerging trends likely to impact onshoring

- Driven by rising demand for digital services, tightening regulatory environment, and COVID-19-led disruption, enterprises have been focusing to recalibrate their offshoring mix

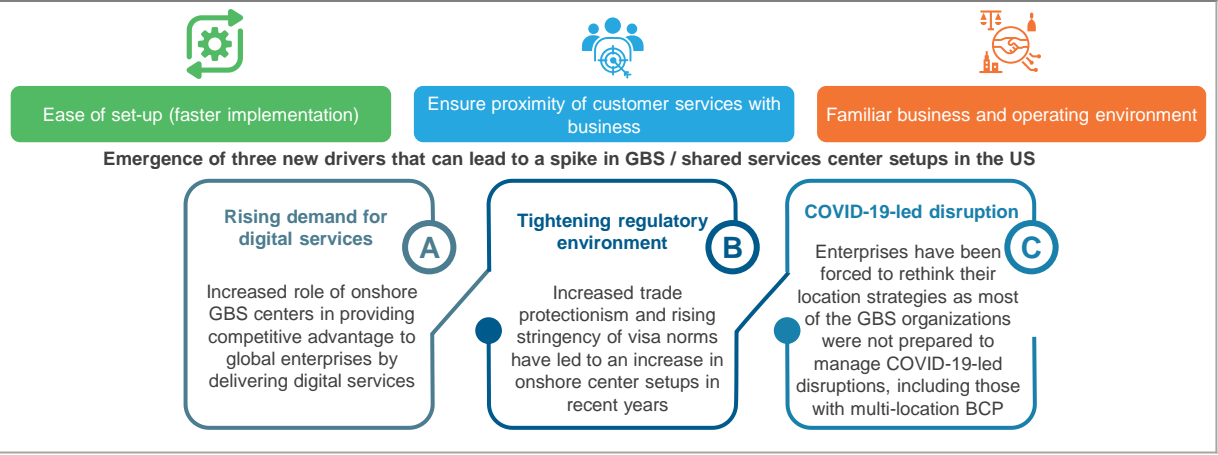
This study offers four distinct chapters providing a deep dive into key aspects of US GBS market; below are four charts to illustrate the depth of the report



Vertical-wise function adoption in 2020 (through Q3) vs. average of past three years



Traditional drivers for onshoring to US



Research calendar – Catalyst™

■ Published
 ■ Planned
 ■ Current release

Flagship catalyst reports

	Release date
Global In-house Center (GIC) Landscape Annual Report 2018 – GICs Emerging as Innovation CoEs for Global Enterprises	May 2018
Global In-house Center (GIC) Landscape Annual Report 2019 – Enterprises Insourcing IT Services to their GICs	July 2019
GBS State of the Market Report: Evolving Operating and Governance Models to Build GBS of the Future	March 2020
US Global Business Services Market Report	March 2021
GBS State of the Market Report: Impact of COVID-19 on GBS Growth, Evolution, And Location Strategy	Q1 2021

Thematic catalyst reports

	Release date
GBS Cost and Performance Benchmarks Book	August 2020
Is Work From Home (WFH) the Future of Work? A Perspective on WFH, Locations, and Delivery Strategy Beyond COVID-19	December 2020
Recalibrating for Resiliency – 2021 Key Issues in Global Sourcing – GBS Perspective	February 2021
GBS Key Issues Report 2021	February 2021
Role of Next-generation Technology In GBS Talent Management	Q1 2021
GBS Report on the Automotive Industry in India	Q1 2021
"Future of Work-From-Home in GBS Separating Dreams from Reality"	Q1 2021
GBS 4.0 - Reimagining GBS of the Future (GBS without borders)	Q2 2021
GBS Report on the BFSI Industry	Q2 2021

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



Everest Group is a consulting and research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global enterprises, service providers, and investors. Through our research-informed insights and deep experience, we guide clients in 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 [everestgrp.com](https://www.everestgrp.com).

Stay connected

Website

[everestgrp.com](https://www.everestgrp.com)

Social Media

-  @EverestGroup
-  @Everest Group
-  @Everest Group
-  @Everest Group

Blog

[everestgrp.com/blog](https://www.everestgrp.com/blog)

Podcast

DigitalReallTy



Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-80-61463500

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-647-557-3475

This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.