

# Shift Toward an Employee-centric Payroll: Multi-country Payroll (MCP) Solutions State of the Market Report 2022

January 2022: Complimentary Abstract / Table of Contents



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# Contents

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<b>1. Introduction and overview</b>	<b>5</b>
• Research methodology	6
• Key information on the report	8
• Background and/or introduction	9
<b>2. Summary of key messages</b>	<b>11</b>
• Current state of MCP solutions market	12
• Market overview	12
• Solution characteristics	13
• Service provider landscape	13
<b>3. Current state of the MCP solutions market</b>	<b>14</b>
• MCP buyer objectives	15
• Initiatives taken by service providers	17
<b>4. Market overview</b>	<b>22</b>
• Market size and growth	23
• Geographic split and growth	25
• Buyer size split	28
• Industry split	29
<b>5. Solution characteristics</b>	<b>30</b>
• Deal size and length	32
• Process scope	33

# Contents

- Technology model 34
- Shoring mix 35
- 6. Service provider landscape 36**
- 7. The road ahead 41**
  - Outlook for 2022-23 42
  - Implications for stakeholders 43
- 8. Appendix 44**
  - Technology/operating models 45
  - Glossary 49
  - Research calendar 50

## Background of the research

The MCP solutions market is among the most competitive and fastest-growing markets in the HRO space with many providers offering advanced payroll platforms to meet client expectations. While COVID-19 had little to no impact on the payroll process due to service providers' resilience and businesses' additional efforts, it did accelerate the digital transformation that had been underway in this sector for the last few years. Several new regulations were introduced, and existing ones were modified during COVID-19, increasing the regulatory compliance pressure on enterprises. In addition, as a result of the global talent scarcity, there is an increased need to improve the whole employee experience. Payroll continues to be the single source of truth for employee data; thus, employers are looking for deeper people insights through their payroll solutions. Enterprises are on the lookout for service providers that can help them be regulatory compliant and deliver actionable data on their workforce.

In this research, we analyze the MCP solution market and understand the key growth drivers, buyer adoption trends, and investments made by providers. The analysis is based on Everest Group's annual RFI process for the calendar year 2021 (refer report [Multi-country Payroll \(MCP\) Solutions PEAK Matrix® Assessment 2021](#) for detailed assessment of providers), interactions with leading MCP solutions providers, client reference checks, and an ongoing analysis of the MCP market.

**This report analyzes and draws insights from active MCP deals in 2020 and H12021– across geographies, industries, and job families, including:**

- The impact of COVID-19 and top objectives for various stakeholders in the MCP solutions market
- Evolution of the MCP solutions market: market size, growth, expected growth, deal trends across geographies, etc.
- MCP solution characteristics
- MCP solution vendor landscape

### Scope of this report:



**Geography**  
Global



**Service Providers**  
22



**Services**  
Multi-country Payroll

## Overview and abbreviated summary of key messages

In this research, we analyze the MCP solution market and understand the key growth drivers, buyer adoption trends, and investments made by providers. The analysis is based on Everest Group's annual RFI process for the calendar year 2021, interactions with leading MCP solutions providers, client reference checks, and an ongoing analysis of the MCP market.

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

### Current state of the MCP solutions market

- Providers are focusing more on leveraging AI and automation to reduce human error and increase the efficiency of compliance
- Value-added services around financial wellness is helping service providers enhance employee experience and project themselves as valuable partners

### Market overview

- The MCP market was able to largely withstand the impact of COVID-19, reporting sustained growth in the range of 10-13 percent
- The number of new deals signed in 2020 was observed to be higher than the previous year, indicating the traction the market continues to experience from buyers. While buyers refrained from making large investments during the first half of 2020, deal activity increased during the second half to curtail the impact of the pandemic on payroll services

### Solution characteristics

- A decrease in the number of countries included in MCP deals by large-sized clients was observed in 2020 due to regional consolidation
- Providers are increasingly using hybrid integrated solutions to balance cost-effectiveness, uniformity of experience, and aggregator dependency

### Service provider landscape

- Market leaders in MCP solutions have been making investments to improve their solution capabilities in order to meet the changing needs of enterprises. To enhance the overall employee experience, they have introduced benchmarking capabilities, dashboard analytics, and financial wellness offerings

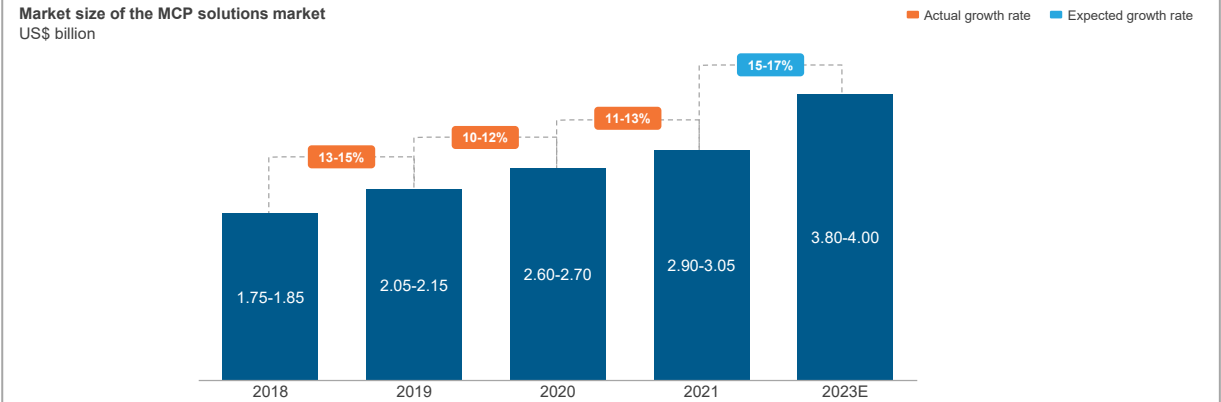


# This study offers four distinct chapters providing a deep dive into key aspects of MCP solutions market; below are four charts to illustrate the depth of the report

## Key investment areas



## Market size and growth



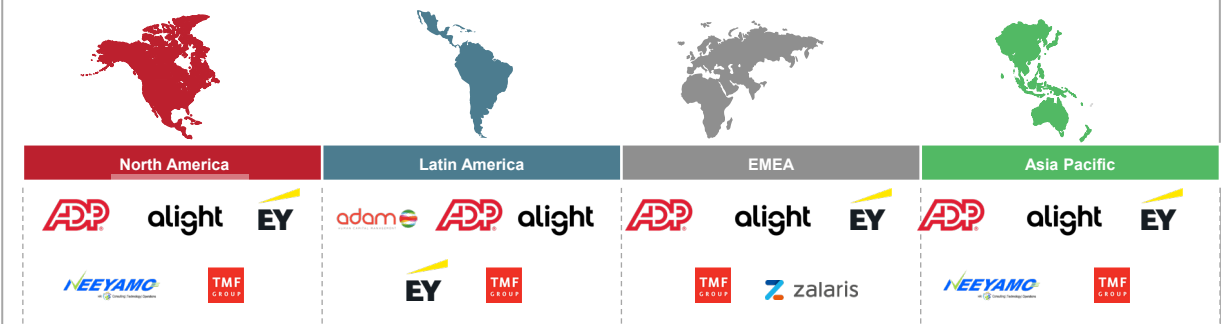
## Process scope

Legend: ◀ Constant, ▲ High, ▲ Very high

Payroll subprocess	Frequency of inclusion (2020)	Expected change in 2021
Expatriate payroll	High	Very high
Time & attendance	High	Very high
Contact center	High	Very high
Vendor management	High	Very high
Payroll tax reporting	High	Very high
Third-party payments	High	Constant
Reconciliation	High	Constant
Payroll distribution	High	Constant
Gross-to-net	High	Constant
Build-to-gross	High	Constant

## Market presence across geographies

Top service providers across major geographies (by coverage) by revenue  
Top service providers (arranged alphabetically)



# Research calendar

## Human Resources Outsourcing

■ Published
 ■ Planned
 ■ Current release

### Flagship reports

### Release date

Multi-process Human Resources Outsourcing (MPHRO) Services – Service Provider Compendium 2021	February 2021
Multi-process Human Resources Outsourcing (MPHRO) – State of the Market Report 2021	February 2021
Rewards and Recognition (R&R) Solutions PEAK Matrix® Assessment with Service Provider Landscape 2021	March 2021
Rewards and Recognition (R&R) Solutions State of the Market Report 2021: The Era for Modernizing Employee Engagement	June 2021
Learning Services PEAK Matrix® Assessment with Service Provider Landscape 2021	June 2021
Digital Adoption Platform (DAP) Products PEAK Matrix® Assessment with Service Provider Landscape 2021	September 2021
Learning Services Provider Profile Compendium 2021	September 2021
Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2021	October 2021
Digital Adoption Platform (DAP) Products Provider Profile Compendium 2021	October 2021
Multi-country Payroll (MCP) Solutions Service Provider Profile Compendium 2022	November 2021
<b>Shift Toward an Employee-centric Payroll: Multi-country Payroll (MCP) Solutions State of the Market Report 2022</b>	<b>January 2022</b>

### Thematic reports

### Release date

Impact of Recession on the Business Process Services (BPS) Industry	March 2020
Price Trends in HRO	September 2020
Employment Outsourcing Models	March 2021
Employee Experience Management (EXM) Platforms	June 2021

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





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