

Market Vista™: 2021 Year in Review and Outlook for 2022

March 2022: Complimentary Abstract / Table of Contents



Our research offerings

This report is included in the following research program(s):

Market Vista™

- ▶ Application Services
- ▶ Banking and Financial Services Business Process
- ▶ Banking and Financial Services Information Technology
- ▶ Catalyst™
- ▶ Clinical Development Technology
- ▶ Cloud and Infrastructure
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- ▶ Digital Workplace
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- ▶ Global Business Services
- ▶ Healthcare Business Process
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Benchmarking

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Market intelligence

Tracking: providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

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Global services market developments in 2021 | summary of key developments



Increase in the number of outsourcing deals, along with an increase in the share of deals by small buyers as compared to 2020



Increase in the number of new Global Business Services (GBS) setups as compared to the previous year; significant increase in the share of digital-focused GBS center setups



Increase in center setups across both GBS centers and service providers; share of top 10 locations increased as compared to the previous year



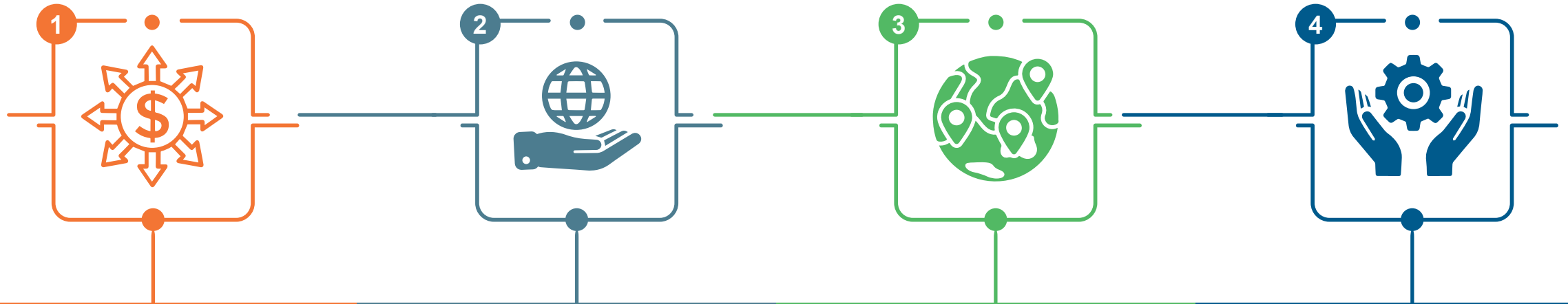
Increase in M&A activity in 2021 with high focus on acquiring cloud capabilities and talent



Offshore-heritage service providers experienced higher growth in revenue and headcount as compared to the global service providers in 2021



Global services market developments in 2021 | key dimensions assessed in this section



Outsourcing transactions	Global Business Service Centers (GBS centers)	Location activity	Service provider developments
<ul style="list-style-type: none"> • Represents incremental demand from outsourcing in the global services industry • Covers outsourcing contracts/deals signed between enterprises and service providers 	<ul style="list-style-type: none"> • Represents demand supported by enterprises through insourcing • Covers new GBS centers setups, expansions, and divestitures 	<ul style="list-style-type: none"> • Represents new setups and expansions of centers supporting global services delivery in offshore/nearshore locations • Helps in identifying the changing landscape of locations and emergence of new geographies 	<ul style="list-style-type: none"> • Depicts the key developments for Market Vista Index service providers¹ • Includes assessment on operating revenue, margins, new center setups, expansions, M&As, and support on digital services

¹ Represents Market Vista Index providers currently tracked under Market Vista subscription – see page 29 for details. Note that the list of providers is not fixed and can change depending on the emergence of new providers and decreasing relevance of the existing providers

Note: Represents information based on publicly available sources. Information from RFIs or other internal sources has not been included, given confidentiality constraints
 Source: Everest Group (2022)

Global services market outlook for 2022 | key trends that will shape the market in 2022



Looking forward to a great 2022!

The global services industry is at the cusp of a mega growth cycle. In line with 2021, the year 2022 is expected to be a bumper year as well.

Outsourcing will continue to grow

Outsourcing is expected to deliver a stellar performance, and service providers are expected to increasingly leverage inorganic routes to gain an edge over the competition.

Talent will be the key differentiator for success

Talent will be the key to success for both GBS and service providers, thereby driving growth in offshore regions.

GBS centers will evolve to support top-line growth

Future growth in GBS will be driven by their ability to drive business transformation and act as an integrated business partner for enterprises.

Impact sourcing and ESG will gain momentum

Focus on people, planet, and profits will bring diversity & sustainability to the fore for global sourcing decisions.

Outsourcing transactions | framework for assessment



DEAL DRIVERS: Representative of global services demand from enterprises

DEAL ATTRIBUTES: Representative of incremental supply provided by service providers

Elements related to the enterprise signing the deals

Elements defining the attributes of a deal

Buyer revenue

Size of the buyer enterprise (e.g., <US\$1.5 billion, US\$1.5-10 billion, and >US\$10 billion)



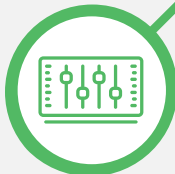
Buyer geography

Headquarter geography of the buyer enterprise (e.g., North America (NA), Rest of Europe (ROE), the United Kingdom (UK), and Rest of the World (ROW))



Vertical mix

Industry of the buyer enterprise (e.g., BFSI, manufacturing, retail & Consumer Packaged Goods (CPG), Energy & Utilities (E&U), healthcare, technology & communication, and government)



Deal duration

Timeframe of an outsourcing deal (e.g., 0-3, 3-5, 5-7, and >7 years)



Digital

Digital-focused outsourcing deal



Deal size

Value of an outsourcing deal (e.g., US\$50-99 million, US\$100-199 million, US\$200-999 million, and >US\$1,000 million)



GBS centers activity | framework for assessment



New GBS centers DRIVERS: Representative of global services demand from enterprises

New GBS centers ATTRIBUTES: Representative of incremental supply supported by GBS centers

Elements related to the enterprise establishing the GBS centers

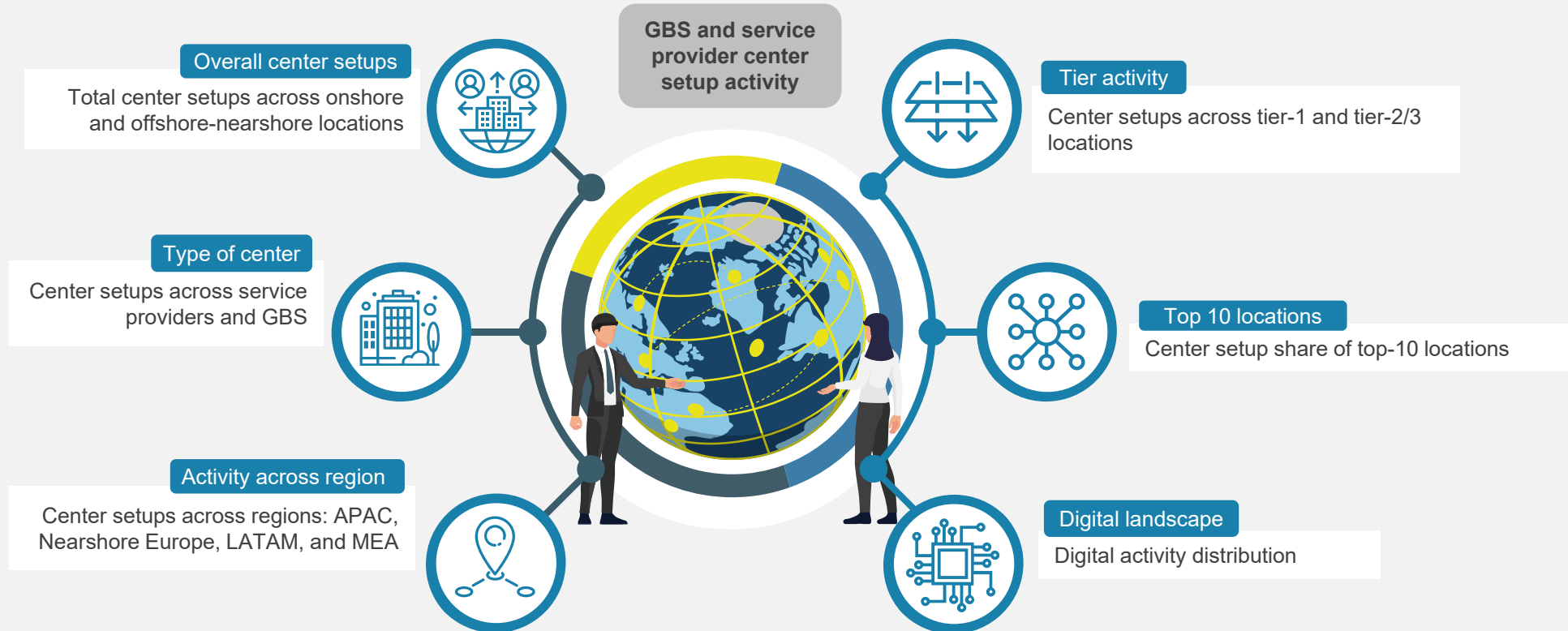
Elements defining the attributes of the new GBS centers





Locations activity | framework for assessment

New overall center setups



Service provider developments | framework for assessment



Service provider developments



Service provider developments | Market Vista™ Index service providers



Global service providers

Global service providers include: accenture, ADP, AKKA¹, ALTEN¹, Atos, AVL¹, bertrandt¹, CAPITA, Capgemini, CGI, CONDUENT², CONCENTRIX™, CONVERGYS, DXC TECHNOLOGY, FUJITSU³, IBM⁴, NTT DATA, Teleperformance (each interaction matters), T-Systems, and UNISYS.

Offshore-heritage service providers

Offshore-heritage service providers include: cognizant, EXL, genpact, HCL, Infosys®, SUTHERLAND, Tech Mahindra, tcs, TATA CONSULTANCY SERVICES, wipro, and WNS (Extending Your Enterprise).

1 Pure-play engineering service providers
2 Xerox spun off its business services division to create Conduent
3 Report covers only the services division of Fujitsu that is referred to as Fujitsu Services
4 Report covers the services division of IBM that is referred to as IBM Global Services (IBM GS)

Market Vista™ encompasses a suite of offerings

Multiple delivery formats allow global sourcing managers to access information in a way that supports the decision-making process

Market Vista™ offering	Description	Covered in annual membership
Quarterly and annual reports	<ul style="list-style-type: none"> Quarterly report with in-depth coverage of transactions, location, GBS centers, and service provider trends Annual report covering summary of the quarterly reports, along with forward-looking views for the upcoming year 	✓
Global sourcing adoption reports	Industry-specific reports covering details on global sourcing adoption in leading enterprises and markets (healthcare, life sciences, CPG, insurance, banking, capital markets, and oil & gas)	✓
Key issues in global sourcing reports	These are unique reports based on annual surveys that capture market sentiments across buyers and service providers on key aspects of the global sourcing industry	✓
Location database	Annually updated database of location statistics, e.g., cost, attrition, and inflation rates, for 25 major cities	✓
Blogs/viewpoints	Viewpoints and blogs on contemporary global services issues of interest to enterprises, SSCs/GBS centers, and service providers	✓
Exclusive webinars	Exclusive webinars with stakeholders in the subscriber organization on key market trends and developments highlighted in Market Vista™ research	✓
Analyst consultation	Analyst access for personalized insights and additional perspectives	✓

Research calendar

Market Vista™

■ Published
 ■ Planned
 ■ Current release

Flagship Market Vista reports

	Release date
Market Vista™: Q4 2021	December 2021
Market Vista™: Q1 2022	February 2022
Market Vista™: 2021 Year in Review and Outlook for 2022	March 2022
Market Vista™: Q2 2022	Q2 2022
Market Vista™: Q3 2022	Q3 2022
Market Vista™: Q4 2022	Q4 2022
Market Vista™: Q1 2023	Q1 2023
Market Vista™: 2022 Year in Review and Outlook for 2023	Q1 2023

Thematic Market Vista reports

	Release date
It is Not a Talent War; It is a New Reality – 2022 Key Issues in Global Sourcing – Enterprise Perspective	March 2021
Market Vista™ Industry Insights – Technology	July 2021
Market Vista™ Industry Insights – Insurance	November 2021
Market Vista™ Industry Insights – Banking and Financial Services	December 2021
It's Not a Talent War, It's a New Reality – 2022 Key Issues in Global Sourcing – Service Provider's Perspective	March 2022
Market Vista™: Industry Insights – Healthcare	Q3 2022
Market Vista™: Industry Insights – Retail and CPG	Q4 2022

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



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