

Market Vista™: Q4 2022

Data and Analysis: July – September 2022 – Select Findings



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Tracking: providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

Global services | key market trends in Q3 2022



With many organizations trying to cut their costs on infrastructure, labor, and supplies, outsourcing activity significantly increased in offshore countries in the third quarter. This increase can also be attributed to the overall functional or economic growth in offshore countries. Compared with the previous quarter, offshore countries' infrastructure outsourcing increased too.

The number of new centers that providers opened in tier-2 Indian cities increased drastically in Q3 2022, as providers sought to offset attrition by investing in smaller cities with access to a large talent pool and lower cost of operations.

M&A activity for both global and offshore-heritage providers declined in Q3 2022, with providers moving to cautious spending models and pursuing only those opportunities with high synergy opportunities.

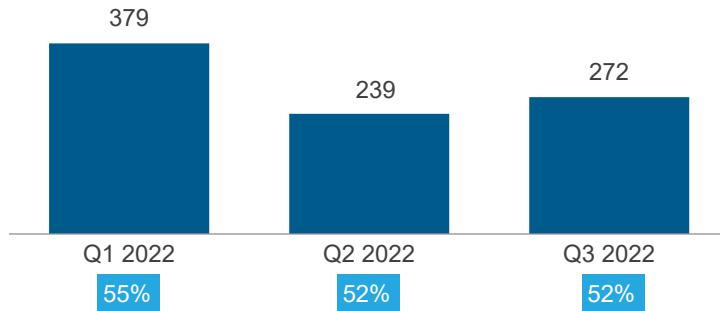
GBS setups for the manufacturing sector, especially the automotive industry, increased significantly in both offshore and onshore locations, as enterprises set up R&D centers for autonomous driving, 3-D printing, and battery technology capabilities. In offshore locations, setups in China increased drastically for automotive capabilities.

Global services dashboard | Q3 2022

xx% Share of digital-focused activity

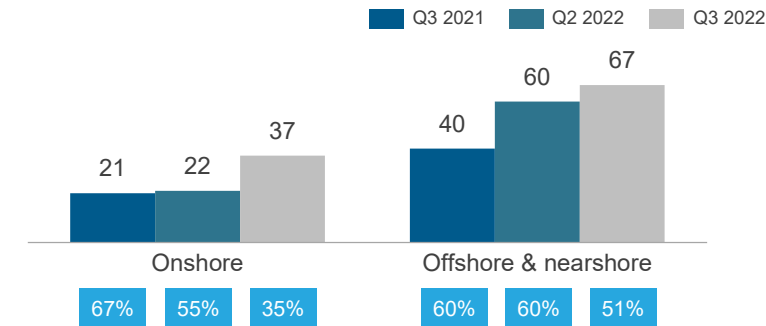
Outsourcing/offshoring market overview

Overall outsourcing demand saw an increase, while the share of digital deals remained similar to the previous quarter
Number of outsourcing transactions



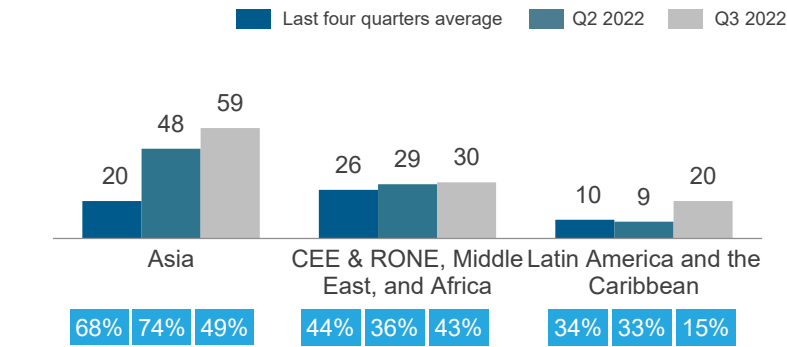
Overall GBS activity increased vis-a-vis last quarter, as well as year

Number of new GBS setups and expansions



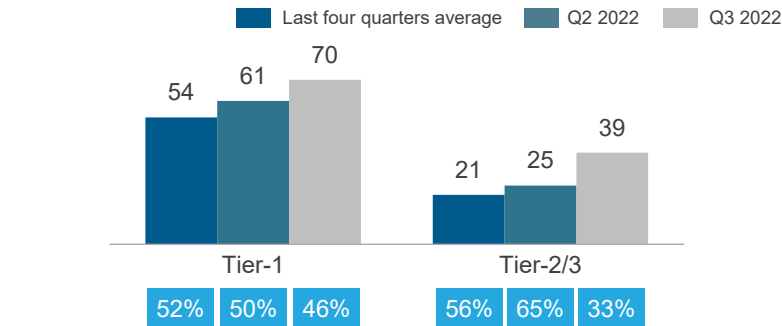
Offshore/nearshore location dynamics

Increase in overall setup activity, compared to the last quarter
Number of delivery center setups



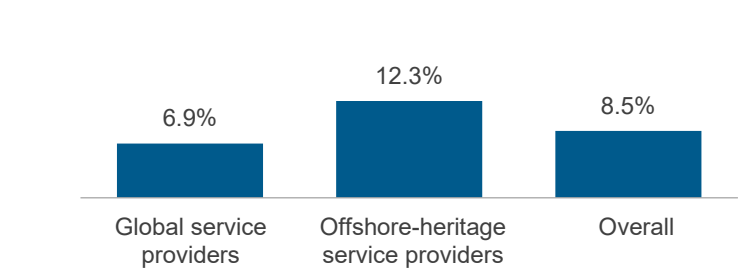
Number of setups in tier-1 and tier-2/3 locations increased in Q3 2022 compared to the previous quarter

Number of delivery center setups



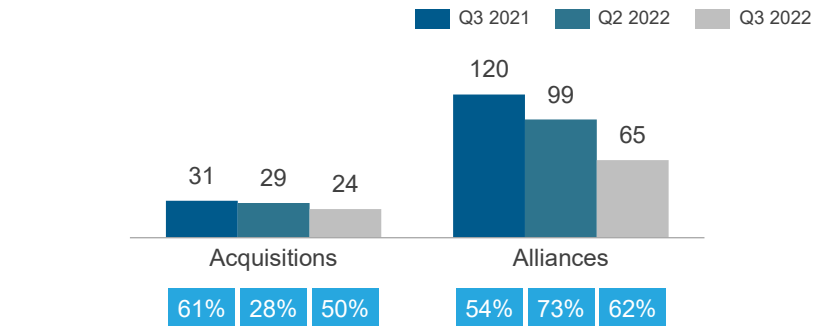
Service provider developments and trends

The annual revenue growth of offshore-heritage surpassed the growth of global providers
Annual growth in revenue (Q2 2022 vs. Q2 2021)



Both acquisition and alliance activity decreased, compared with the previous quarter

Number of acquisitions and alliances

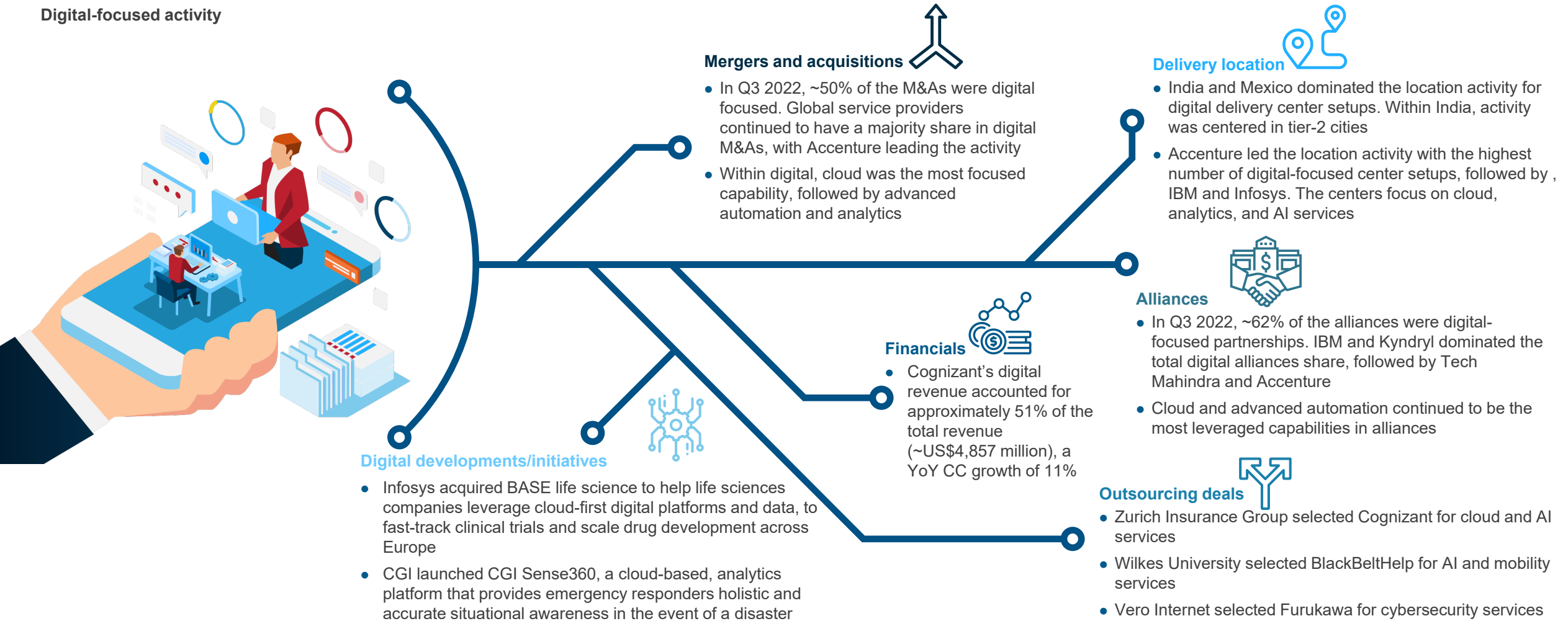


Note 1 Digital details around each parameter are added in respective sections
Note 2 Q1: January-March, Q2: April-June, Q3: July-September, and Q4: October-December

Key developments in the digital space | Q3 2022

Digital-focused activity

Digital-focused activity



Research calendar

Market Vista™

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
Market Vista™: Q1 2022	February 2022
It Is Not a Talent War; It Is a New Reality – 2022 Key Issues in Global Sourcing – Service Provider Perspective	March 2022
Market Vista™: 2021 Year in Review and Outlook for 2022	March 2022
Market Vista™: Industry Insights – Telecom and Network	May 2022
The Growing Need for Inclusive Talent Models: Learning from Impact Sourcing Specialists	May 2022
Impact Sourcing Specialists Profiles - 2022	June 2022
Market Vista™: Q2 2022	June 2022
Market Vista™: Q3 2022	September 2022
Market Vista™: Industry Insights – Healthcare	October 2022
Market Vista™: Industry Insights – Retail and CPG	December 2022
Market Vista™: Q4 2022	December 2022
Market Vista™: 2022 Year in Review and Outlook for 2023	Q1 2023
2023 Key Issues in Global Sourcing	Q1 2023
Market Vista™: Q1 2023	Q1 2023
Market Vista™: Q2 2023	Q2 2023

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