

IT Sourcing Pinnacle Model® Assessment

October 2022: Complimentary Abstract / Table of Contents



Our research offerings

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

Outsourcing Excellence

- ▶ Application Services
- ▶ Banking and Financial Services Business Process
- ▶ Banking and Financial Services Information Technology
- ▶ Catalyst™
- ▶ Clinical Development Technology
- ▶ Cloud and Infrastructure
- ▶ Contingent Staffing
- ▶ Contingent Workforce Management
- ▶ Conversational AI
- ▶ Customer Experience Management Services
- ▶ CX Excellence
- ▶ Cybersecurity
- ▶ Data and Analytics
- ▶ Digital Adoption Platforms (DAP)
- ▶ Digital Engineering Services
- ▶ Digital Services
- ▶ Digital Workplace
- ▶ Employee Experience Management (EXM) Platforms
- ▶ Employer of Record (EOR)
- ▶ Engineering Services
- ▶ Enterprise Platform Services
- ▶ Exponential Technologies
- ▶ Finance and Accounting
- ▶ Financial Services Technology (FinTech)
- ▶ Global Business Services
- ▶ Healthcare Business Process
- ▶ Healthcare Information Technology
- ▶ Human Resources Outsourcing
- ▶ Insurance Business Process
- ▶ Insurance Information Technology
- ▶ Insurance Technology (InsurTech)
- ▶ Insurance Third-Party Administration (TPA) Services
- ▶ Intelligent Document Processing (IDP)
- ▶ Interactive Experience (IX) Services
- ▶ IT Services Executive Insights™
- ▶ Life Sciences Business Process
- ▶ Life Sciences Commercial Technologies
- ▶ Life Sciences Information Technology
- ▶ Locations Insider™
- ▶ Marketing Services
- ▶ Market Vista™
- ▶ Mortgage Operations
- ▶ Multi-country Payroll
- ▶ Network Services and 5G
- ▶ Outsourcing Excellence
- ▶ Pricing Analytics as a Service
- ▶ Process Mining
- ▶ Procurement
- ▶ Recruitment
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
- ▶ Talent Excellence GBS
- ▶ Talent Excellence ITS
- ▶ Technology Skills and Talent
- ▶ Trust and Safety
- ▶ Work at Home Agent (WAHA) Customer Experience Management (CXM)

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

Learn more about our
custom research capabilities

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: providers, locations,
risk, technologies

Locations: costs, skills,
sustainability, portfolios

Contents

1. Introduction and overview	4
• Key information on the report	5
• Pinnacle Model® research methodology	7
• IT Sourcing Pinnacle Model Assessment	8
• Key impact areas	9
• Key capabilities	14
2. Analysis of impact created	21
• Cost impact	22
• Operational impact	25
• Business impact	28
3. Analysis of capability maturity	30
• Sourcing strategy and implementation	31
• Technology	36
• Use of market intelligence services	38
• Governance and performance	40
• Process compliance	44
4. Appendix	47
• Survey demographics	48

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

Amy Fong, Partner

Bhanushee Malhotra, Practice Director

Sahil Loomba, Senior Analyst

Pinnacle Model® research methodology

Definition of Pinnacle Enterprises™

Everest Group Pinnacle Model® assessments identify Pinnacle Enterprises™ companies that are achieving superior business outcomes because of their IT sourcing capabilities. The journeys of these best-of-the-best companies provide insights into the key enablers needed to achieve desired outcomes and point to the investments required for the greatest speed-to-impact. Whether companies are wanting to make incremental changes or achieve major transformations, Pinnacle Enterprises exemplify the way to success.



Define the topic

We evaluate multiple themes to identify hot topics that will resonate globally with sourcing leaders. We work with internal and external SMEs to define the topic and set boundaries.



Survey enterprises

We use surveys, RFIs, and other data collection methods to gather information from enterprises on capabilities and outcomes associated with the topic under evaluation.



Interview participants

We then conduct interviews/roundtables with a subset of participants to gain deeper perspectives on their experiences, challenges, and journeys.



Form hypotheses

We form an emerging point of view on the correlations between capabilities and outcomes, adoption trends, and key success factors.



Validate and refine

A cross-section of SMEs from various practices debates and refines the emerging hypotheses.



Publish and educate

We compile and share the final results with participants, our members, and other stakeholders in the global services sector. Participants also receive a high-level customized analysis.



In the current Pinnacle Model analysis, we look at enterprise IT sourcing practices to compare outcomes with associated capabilities.



Pinnacle Enterprise differentiators



Accelerating your supplier management journey



Implications for enterprises

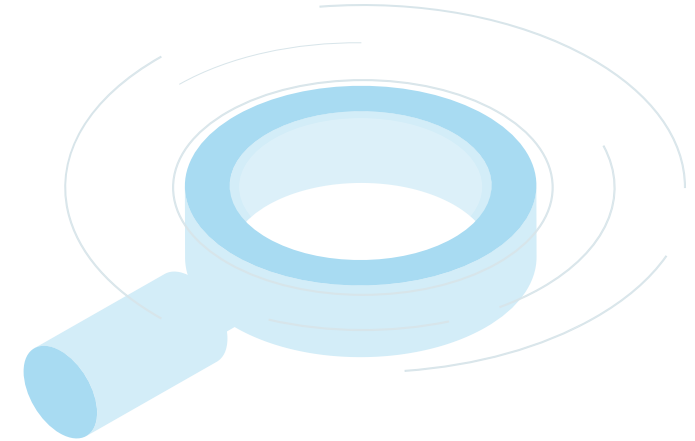
This study focused on the upstream procurement processes related to IT spend

Process dimension

Category management/
strategic sourcing

Contract management
and administration

Supplier Relationship
Management (SRM)

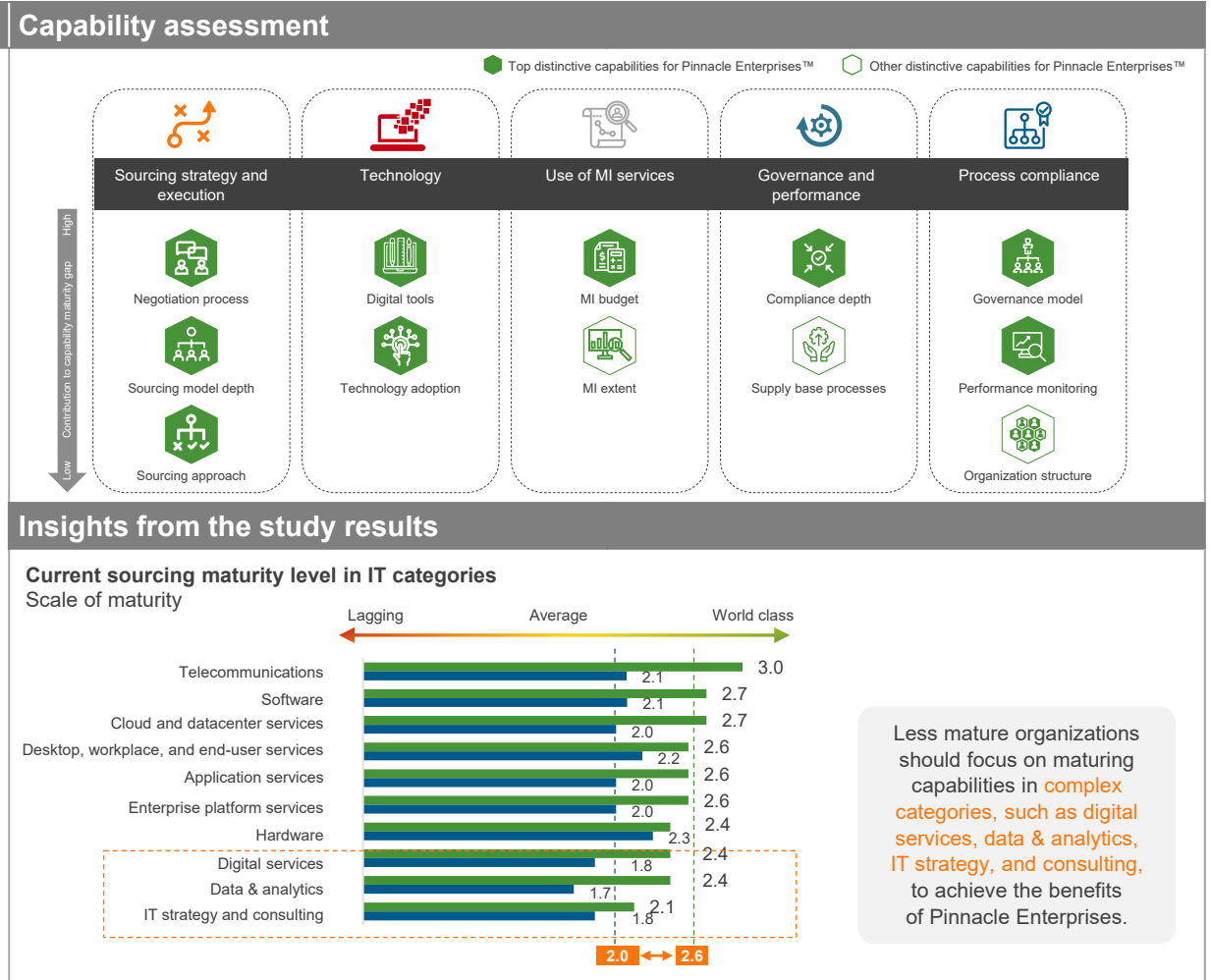
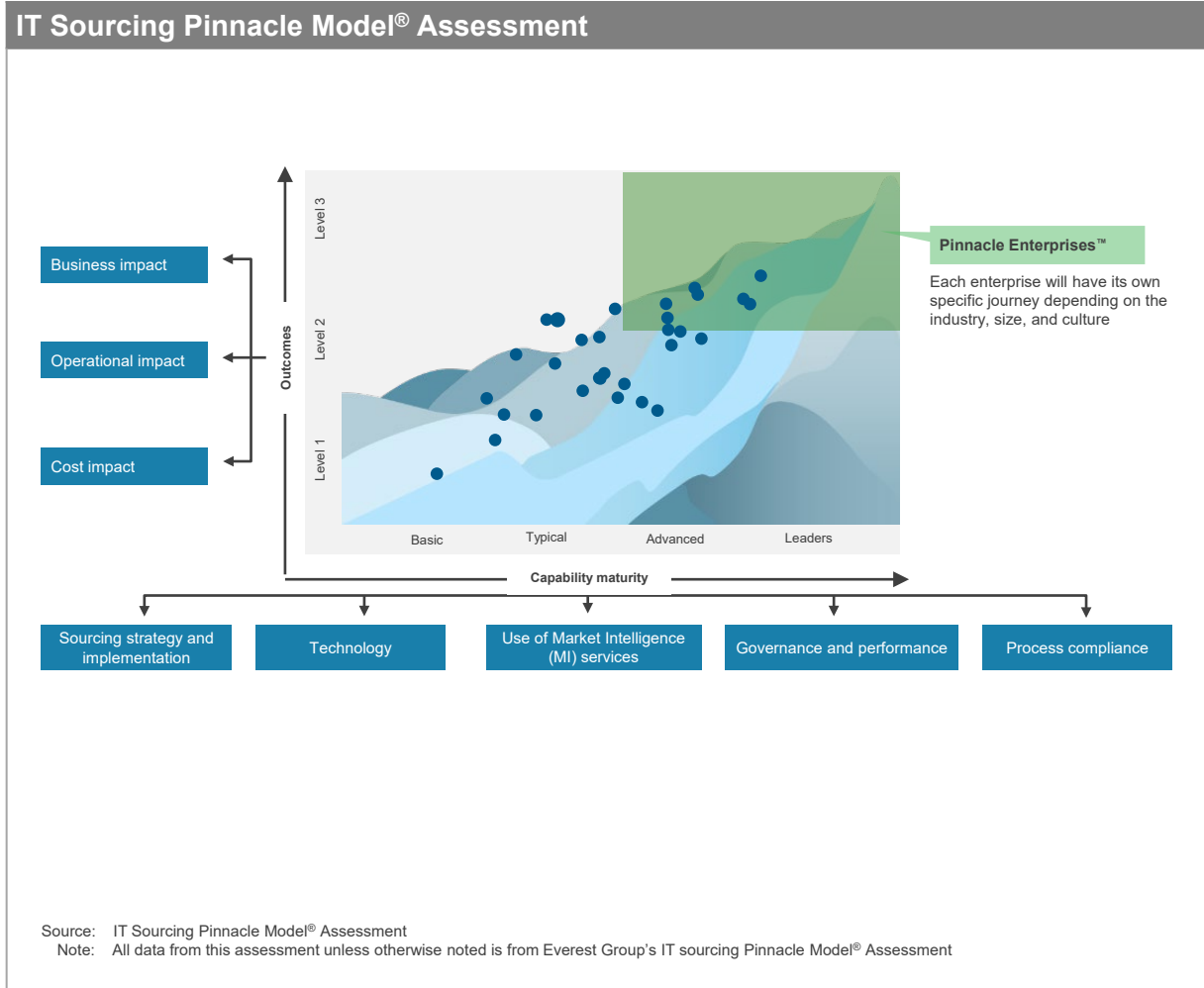


Spend category dimension

Indirect spend													
Services							Materials						
Prof. services	Cont. labor	BPO services	Engineering services	Facilities	Legal	HR Services	IT	MRO	Office Supplies	Office equipment	R&D supplies	Capital equipment	Events and meeting supplies
Strat consulting		Finance & accounting		Real estate	LP outsourcing	Benefits	Software						
Ops consulting		Procurement		Landscaping	Patent services	Payroll	Hardware						
Tech consulting		HR		Snow plowing		Recruiting	Services	Catering	Secondary packaging	Safety supplies	Uniforms	Printed supplies	Marketing materials
		Contact center		Janitorial		Generalist							
		Supply chain		Office services									
		Analytics		HVAC									

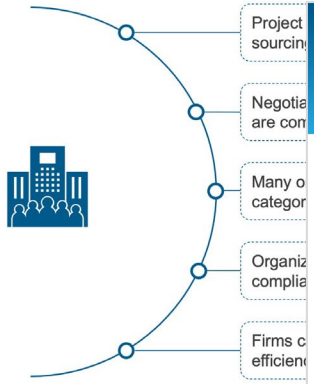
Direct spend	
Services	Materials
Contract manufacturing	Raw materials
Logistics	Components
Distribution	Primary packaging
Temporary labor	Chemicals

Everest Group identified IT sourcing Pinnacle Enterprises™ based on their focus on outcomes and capability maturity; below are three charts to illustrate the depth of the report



The IT Sourcing Pinnacle Model® report covers provider best practices followed by enterprise IT sourcing Pinnacle Enterprises™, and maps their outcomes with associated capabilities

Key implications for enterprises



Everest Group® Proprietary & Confidential. © 2022, Everest Global, Inc. | EGR-2022-43-R-5509

IT Sourcing Pinnacle Model® Assessment

Pinnacle Enterprises have developed differentiated capabilities in their IT sourcing journeys

Enterprise capability maturity comparison

Pinnacle Enterprises have more focus on building continuous project life cycle tracking, a robust SRM process, and clear spend visibility to ensure a more mature IT sourcing model.

Pinnacle Enterprises have a well-defined and governance model and monitor their procurement performance holistically with greater focus efficiency and accuracy along with the comm

Everest Group® Proprietary & Confidential. © 2022, Everest Global, Inc. | EGR-2022-43-R-5509

IT Sourcing Pinnacle Model® Assessment

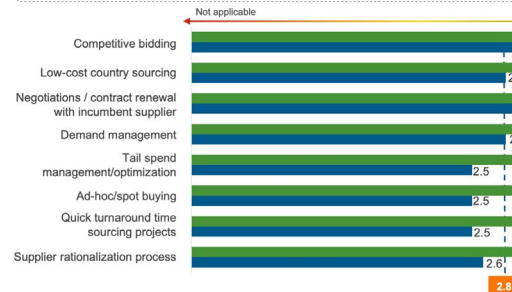
Robust IT sourcing initiatives have enabled Pinnacle Enterprises to achieve better commercial outcomes

Cost impact looks at the level of commercial benefits and value-additions at Scale¹ of achievement

Benefits achieved in IT sourcing initiatives

Scale¹ of achievement

Pinnacle Enterprises are 1.3x more likely to achieve commercial benefits through robust initiatives such as competitive bidding, low-cost country sourcing, and negotiations



1 = Not applicable, 2 = Low, 3 = Medium, 4 = High

Everest Group® Proprietary & Confidential. © 2022, Everest Global, Inc. | EGR-2022-43-R-5509

IT Sourcing Pinnacle Model® Assessment

Pinnacle Enterprises™ significantly exceed other enterprises across three key impact areas

Cost impact



Pinnacle Enterprises realized **1.25X cost reduction and 1.50X improved working capital** last year through strategic engagements and negotiations.

Operational impact



Pinnacle Enterprises achieved **27% shorter turnaround time for strategic sourcing and consistently high improvement in operational metrics** through their IT sourcing initiatives.

Business impact



Pinnacle Enterprises gained **1.3X sourcing maturity** and associated benefits across IT categories.

Everest Group® Proprietary & Confidential. © 2022, Everest Global, Inc. | EGR-2022-43-R-5509



Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our research also covers the technologies that power those processes and functions and the related talent trends and strategies. Our clients include leading global companies, service and technology providers, and investors. Clients use our services to guide their journeys to maximize operational and financial performance, transform experiences, and realize high-impact business outcomes. Details and in-depth content are available at www.everestgrp.com.

Stay connected

Website

everestgrp.com

Social Media

 [@EverestGroup](https://twitter.com/EverestGroup)

 [@Everest Group](https://www.linkedin.com/company/everestgrp)

 [@Everest Group](https://www.facebook.com/EverestGroup)

 [@Everest Group](https://www.youtube.com/EverestGroup)

Blog

everestgrp.com/blog

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

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.