

Multi-process Human Resources Outsourcing (MPHRO) State of the Market 2023

December 2023: Complimentary Abstract / Table of Contents



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Background and scope of the research

In today's Volatile, Uncertain, Complex, and Ambiguous (VUCA) world, organizations are constantly seeking ways to optimize their operations and enhance their overall efficiency. Ongoing talent shortage, surging inflation, recessionary environment, and geopolitical instability, coupled with the volatility that the pandemic left the enterprises in, has increased enterprises' openness to leverage third-party provider support for their HR functions. The drive for digital transformation, increasing number of first-time outsourcers, and increasing demand for next-generation technology and high-end HRO work from mature outsourcers is expected to continue driving market growth in 2023.

To meet these evolving demands and be an orchestrator for their clients, providers are continuously enhancing their capabilities by cultivating domain-specific expertise, taking a design thinking approach, developing transformation frameworks and next-generation innovative offerings leveraging automation and analytics, and forging strategic technological and consulting partnerships. The providers have also invested in proprietary Employee Experience (EX) solutions to engage the workforce, along with investing in adding an experience layer to their products and are striving to provide a seamless, integrated experience to their users. In this research, we analyze the MPHRO services market and understand the key growth drivers, buyer adoption trends, and provider investments. The analysis is based on Everest Group's annual RFI process for the calendar year 2023 (refer to report MPHRO Services PEAK Matrix® Assessment 2023 for detailed assessment of providers), interactions with leading MPHRO providers, client reference checks, and ongoing analysis of the market.

In this research, we present key trends in the MPHRO market. The report components include an analysis of the following:

- Evolution of CHRO priorities
- Solution characteristics
- Service provider landscape
- Outlook for 2023

Scope of this report



Geography
Global



Industry

This research covers the following 17 HRO providers with multi-process capability: Accenture, ADP, Alight Solutions, Ascent HR, Capgemini, CGI, Conduent, IBM, Infosys, MHR, OneSource Virtual, SD Worx, Sopra HR, TCS, Wipro, WNS, and Zalaris



Services

Multi-process Human Resources Outsourcing (MPHRO) services

Overview and abbreviated summary of key messages

This report examines the global MPHRO market in detail. It focuses on service provider position and growth in the HRO market, changing market dynamics and emerging service provider trends, assessment of service provider delivery capabilities, and overall competitive landscape. It also identifies the key implications of the research findings for buyers and service providers

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

Market Overview

- MPHRO market was valued at ~US\$5.8 billion in 2022; Increased focus on experience, reskilling, and digital transformation along with complex compliance and cost takeout will drive the market to ~US\$7.6 billion by 2027
- The number of new deals increased substantially particularly due to increased activity in the small and mid-size segment
- North America and EMEA dominate the HRO markets as >70% of the new deals emerge from the signing regions; increased activities in APAC and LATAM are observed
- Manufacturing, hi-tech and IT, and retail constitute a major share of the MPHRO market; energy and utilities, and healthcare are other industries having a sizable number of new deals

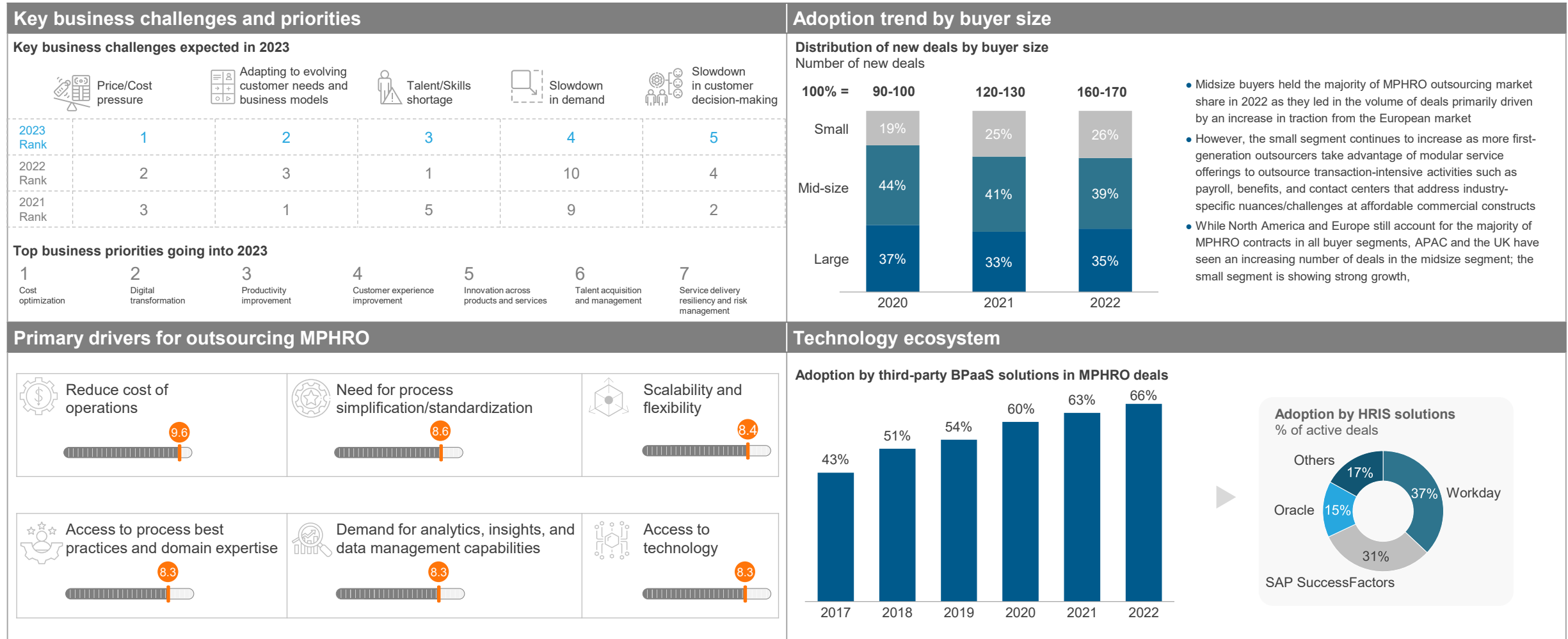
Solution characteristics

- While payroll and employee data management are commonly outsourced services, there has been an increase in outsourcing of benefits and digital HR services to offer better employee experience
- The market experiences a rise in third-party SaaS platform adoption due to their agility, scalability, and seamless integration capabilities into existing workflows
- Though output-based pricing is the most popular model, input-based pricing has come neck and neck in the adoption race

Service provider landscape

- The top five providers contributed ~48% of the market share in terms of ACV – Alight Solutions and Accenture lead the market followed by ADP, IBM, and TCS
- Accenture, ADP, and TCS are among the leading providers in all the geographies
- Accenture, ADP, Alight Solutions, and TCS have a significant presence across most of the top four industry segments for MPHRO; IBM and SD Worx emerge as some of the major providers in most of the four industries

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



Research calendar

Human Resources

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
Nine Employee Experience Solutions Enterprises Need – Is Surviving the Recession Enough?	March 2023
People Analytics Platforms	March 2023
Unlocking the Full Potential of Users Through Userization and DAPs	March 2023
Rewards and Recognition (R&R) Solutions PEAK Matrix® Assessment 2023	April 2023
Multi-process Human Resources Outsourcing (MPHRO) Services PEAK Matrix® Assessment 2023	August 2023
Employee Experience Management (EXM) Platforms PEAK Matrix® Assessment 2023	August 2023
Digital Adoption Platforms (DAP) PEAK Matrix® Assessment with Technology Provider Landscape 2023	September 2023
Employer of Record (EOR) Solutions PEAK Matrix® Assessment 2023	September 2023
Multi-Country Payroll (MCP) Solutions PEAK Matrix® Assessment 2023	October 2023
Employer of Record (EOR) – Provider Compendium 2023 – Update	November 2023
Multi- Country Payroll (MCP) Solutions – Provider Compendium 2023 – Update	December 2023
Employer of Record (EOR) – State of the Market – Update 2023	December 2023
Multi-process Human Resources Outsourcing (MPHRO) State of the Market 2023	December 2023
Rewards and Recognition (R&R) State of the Market 2023	Q4 2023

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