

Global Services Market Key Issues in 2023: Service Provider's Perspective

April 2023: Complimentary Abstract / Table of Contents



Our research offerings

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

Market Vista™

- ▶ Amazon Web Services (AWS)
- ▶ Application Services
- ▶ Artificial Intelligence (AI)
- ▶ Asset and Wealth Management
- ▶ Banking and Financial Services Business Process
- ▶ Banking and Financial Services Information Technology
- ▶ Catalyst™
- ▶ Clinical Development Technology
- ▶ Cloud and Infrastructure
- ▶ Contingent Staffing
- ▶ Contingent Workforce Management
- ▶ Customer Experience Management Services
- ▶ CX Excellence
- ▶ CXM Technology
- ▶ Cybersecurity
- ▶ Data and Analytics
- ▶ Digital Adoption Platforms
- ▶ 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)
- ▶ GBS Talent Excellence
- ▶ Global Business Services
- ▶ Google Cloud
- ▶ Healthcare Business Process
- ▶ Healthcare Information Technology
- ▶ HealthTech
- ▶ Human Resources
- ▶ Insurance Business Process
- ▶ Insurance Information Technology
- ▶ Insurance Technology (InsurTech)
- ▶ Insurance Third-Party Administration (TPA) Services
- ▶ Intelligent Document Processing
- ▶ Interactive Experience (IX) Services
- ▶ IT Services Excellence
- ▶ IT Services Executive Insights™
- ▶ IT Talent Excellence
- ▶ Life Sciences Business Process
- ▶ Life Sciences Commercial Technologies
- ▶ Life Sciences Information Technology
- ▶ Locations Insider™
- ▶ Marketing Services
- ▶ Market Vista™
- ▶ Microsoft Azure
- ▶ Modern Application Development (MAD)
- ▶ Mortgage Operations
- ▶ Multi-country Payroll
- ▶ Network Services and 5G
- ▶ Oracle Services
- ▶ Outsourcing Excellence
- ▶ Pricing Analytics as a Service
- ▶ Process Mining
- ▶ Process Orchestration
- ▶ Procurement and Supply Chain
- ▶ Recruitment
- ▶ Retail and CPG Information Technology
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ SAP Services
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
- ▶ Talent Genius™
- ▶ Technology Skills and Talent
- ▶ Trust and Safety
- ▶ Value and Quality Assurance (VQA)

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
• Background, methodology, and scope of the research	5
• Summary of key messages	6
2. Global IT-BP services market outlook for 2023	7
• Indications from key macroeconomic parameters	8
• Sentiments of the IT-BP services market	9
• Key business challenges expected in 2023	14
• Top business priorities for 2023	15
3. Five trends that will shape the IT-BP services market in 2023	16
4. Actions for service providers to prepare for 2023	33
5. Appendix	35
• Glossary	36
• Definition of Global Business Services	37
• Research calendar	38

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

Hrishi Raj Agarwalla, Vice President

Ravneet Kaur, Senior Analyst

Background, methodology, and scope of the research

Background of the research

Uncertainty, inflation, and macroeconomic instability are the buzz words defining the global business environment in 2023. Forecasts of a fast-approaching recession are gripping businesses across the globe and pushing them to adopt a cautious outlook toward business growth in the coming year. Most organizations are focused on minimizing cost/price pressures in the face of growing inflationary pressures, especially as service providers are looking to increase bill rates. Further, what makes this recession different from those in the past is the talent demand and supply gap. For the past few years, the talent demand-supply gap has been a growing concern in the IT-BP industry and is expected to continue even under recessionary sentiments. More importantly, as demand for services stabilizes after the high pent-up demand in 2022, the recessionary pressures are expected to impact the industry. Today, the challenge is to ride out these uncertain times while managing the talent gap. This report provides perspectives on how leading global service providers have been impacted in 2022 and are planning to develop resiliency in these uncertain times.

Methodology

Our global services market Key Issues research is based on annual surveys that capture the pulse of the market on key aspects of the global sourcing industry. This report presents the results of a study we conducted in October and November 2022 with senior stakeholders from providers, to understand their thoughts as they undertook planning for 2023.

Report focus

- Top business challenges and critical business model changes in 2022
- Outlook and priorities for 2023
- Key themes defining the IT-BP industry during these uncertain times
- Anticipated changes to service provider portfolios and key service provider-related challenges and priorities

Scope of this report



Geography
Global



Industry
Cross-industry



Services
IT and business
process services

Overview and abbreviated summary of key messages

This report presents the results of our Key Issues survey that captures the pulse of the global sourcing industry, as perceived by the senior stakeholders at global enterprises and service providers. The research also provides perspectives on how leading service providers have been impacted in 2022 and are planning to develop navigate the uncertain times as 2023 unfolds.

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



The talent demand-supply mismatch will reduce but will continue to be a challenge
Stay focused on skill development and retention – the talent shortage is not over yet



Buyers and providers expect bill rates to rise, and increase in cost/price pressures
Concerns around potential rate increases should not impact broader business value decisions



Increasing dissatisfaction with service providers may result in enterprises rebalancing their service provider portfolio
Build agility in your global services approach to respond to a dynamic and uncertain environment with speed



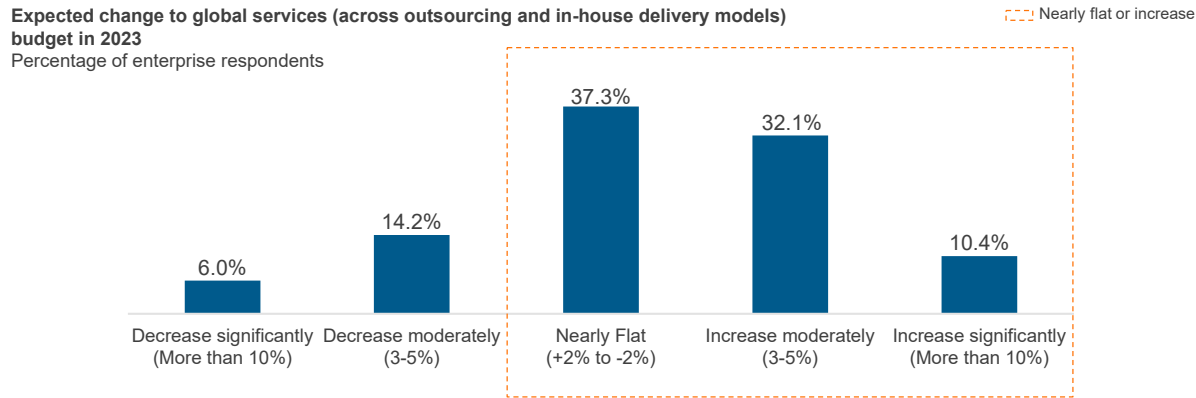
The service delivery model will continue to evolve
Capitalize on service delivery model evolution and maturation across several dimensions



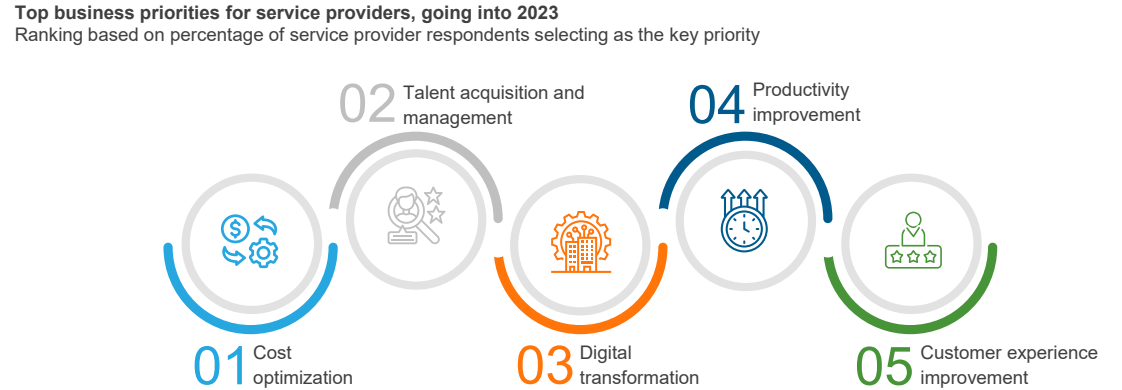
Pragmatic digital investments will be prioritized over moonshot investments given the uncertain times
Take a pragmatic approach to digital investments but realize that digital/technology spend is no longer discretionary

This reports offers insights into how leading service providers have been impacted in 2022 and are planning to navigate the uncertain times as 2023 unfolds

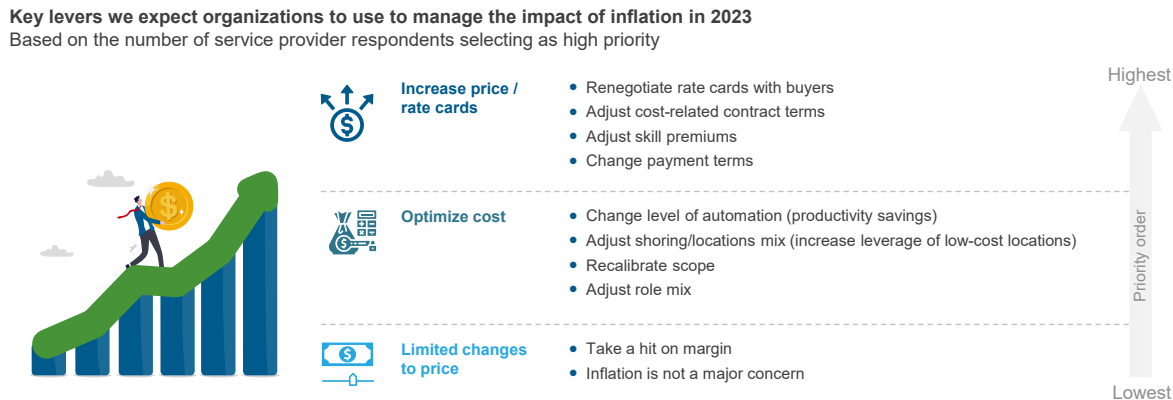
Despite macroeconomic uncertainty, industry expects to remain resilient



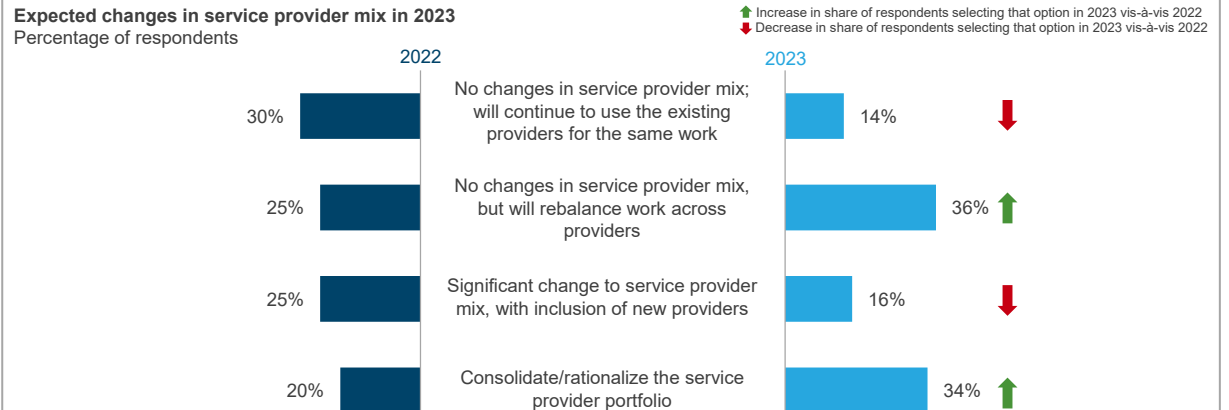
Cost optimization is the key business priority for service providers



Service provider bill rates are expected to increase



Significant rebalancing and consolidation of service provider portfolios is expected



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™: Q4 2022	December 2022
Market Vista™: Q1 2023	March 2023
Global Services Market Key Issues in 2023: Service Provider’s Perspective	April 2023
Market Vista™: 2022 Year in Review and Outlook for 2023	Q2 2023
Key Issues for 2023: Rise Above Economic Uncertainty and Succeed	Q2 2023

Note: [Click](#) to see a list of all of our published Market Vista™ reports



Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at www.everestgrp.com.

Stay connected

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.

Website
everestgrp.com

Social Media
 @EverestGroup
 @Everest Group
 @Everest Group
 @Everest Group

Blog
everestgrp.com/blog

NOTICE AND DISCLAIMERS

IMPORTANT INFORMATION. PLEASE REVIEW THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THROUGH YOUR ACCESS, YOU AGREE TO EVEREST GROUP'S TERMS OF USE.

Everest Group's Terms of Use, available at www.everestgrp.com/terms-of-use/, is hereby incorporated by reference as if fully reproduced herein. Parts of these terms are pasted below for convenience; please refer to the link above for the full version of the Terms of Use.

Everest Group is not registered as an investment adviser or research analyst with the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA), or any state or foreign securities regulatory authority. For the avoidance of doubt, Everest Group is not providing any advice concerning securities as defined by the law or any regulatory entity or an analysis of equity securities as defined by the law or any regulatory entity.

All Everest Group Products and/or Services are for informational purposes only and are provided "as is" without any warranty of any kind. You understand and expressly agree that you assume the entire risk as to your use and any reliance upon any Product or Service. Everest Group is not a legal, tax, financial, or investment advisor, and nothing provided by Everest Group is legal, tax, financial, or investment advice. Nothing Everest Group provides is an offer to sell or a solicitation of an offer to purchase any securities or instruments from any entity. Nothing from Everest Group may be used or relied upon in evaluating the merits of any investment. Do not base any investment decisions, in whole or part, on anything provided by Everest Group.

Products and/or Services represent research opinions or viewpoints, not representations or statements of fact. Accessing, using, or receiving a grant of access to an Everest Group Product and/or Service does not constitute any recommendation by Everest Group that recipient (1) take any action or refrain from taking any action or (2) enter into a particular transaction. Nothing from Everest Group will be relied upon or interpreted as a promise or representation as to past, present, or future performance of a business or a market. The information contained in any Everest Group Product and/or Service is as of the date prepared, and Everest Group has no duty or obligation to update or revise the information or documentation. Everest Group may have obtained information that appears in its Products and/or Services from the parties mentioned therein, public sources, or third-party sources, including information related to financials, estimates, and/or forecasts. Everest Group has not audited such information and assumes no responsibility for independently verifying such information as Everest Group has relied on such information being complete and accurate in all respects. Note, companies mentioned in Products and/or Services may be customers of Everest Group or have interacted with Everest Group in some other way, including, without limitation, participating in Everest Group research activities.