

Market Vista™: 2022 Year in Review and Outlook for 2023

April 2023: Complimentary Abstract / Table of Contents



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- ▶ SAP Services
- ▶ Service Optimization Technologies
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- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
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- ▶ Technology Skills and Talent
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Global services market developments in 2022 | summary of key developments



The global services market continued its strong growth momentum in 2022, experiencing a double-digit revenue growth.



Service providers continued to experience strong growth; offshore heritage service providers drove the growth in 2022 as well.



Center setups across both global business services and service providers experienced an uptick. However, share of digital centers across both sourcing models declined.



New onshore locations, such as Canada and Australia, have been experiencing growing interest for new center setup.



With growing cost pressures, M&As by service providers dipped, especially in the fourth quarter. Consequently, alliances experienced a growth.



Global services market developments in 2022 | key dimensions assessed in this section

1



Service provider developments

- Depicts the key developments for Market Vista Index service providers¹
- Includes assessment on operating revenue, margins, outsourcing deals, new center setups, expansions, M&As, and support on digital services

2



Global Business Services

- Represents demand supported by enterprises through in-house delivery
- Covers new in-house delivery center setups, expansions, and divestiture

3



Location activity

- Represents new setups and expansions of centers supporting global services delivery from offshore/nearshore locations
- Helps in identifying the changing landscape of locations and emergence of new geographies

¹ Represents Market Vista Index providers currently tracked under Market Vista subscription – see page 11 for details. Note that the list of providers is not fixed and can change across quarters/years 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 (2023)

Global services market outlook for 2023 | Key trends that will shape the market in 2023



Offshoring will continue to drive industry growth



Talent demand-supply pressure is declining but structural imbalances remain



Leverage of tier-2/3 locations is likely to increase further, driven by the need to explore untapped talent pools and reduce costs



Enterprises are firing on both engines (outsourcing and in-house delivery) increasing global services usage

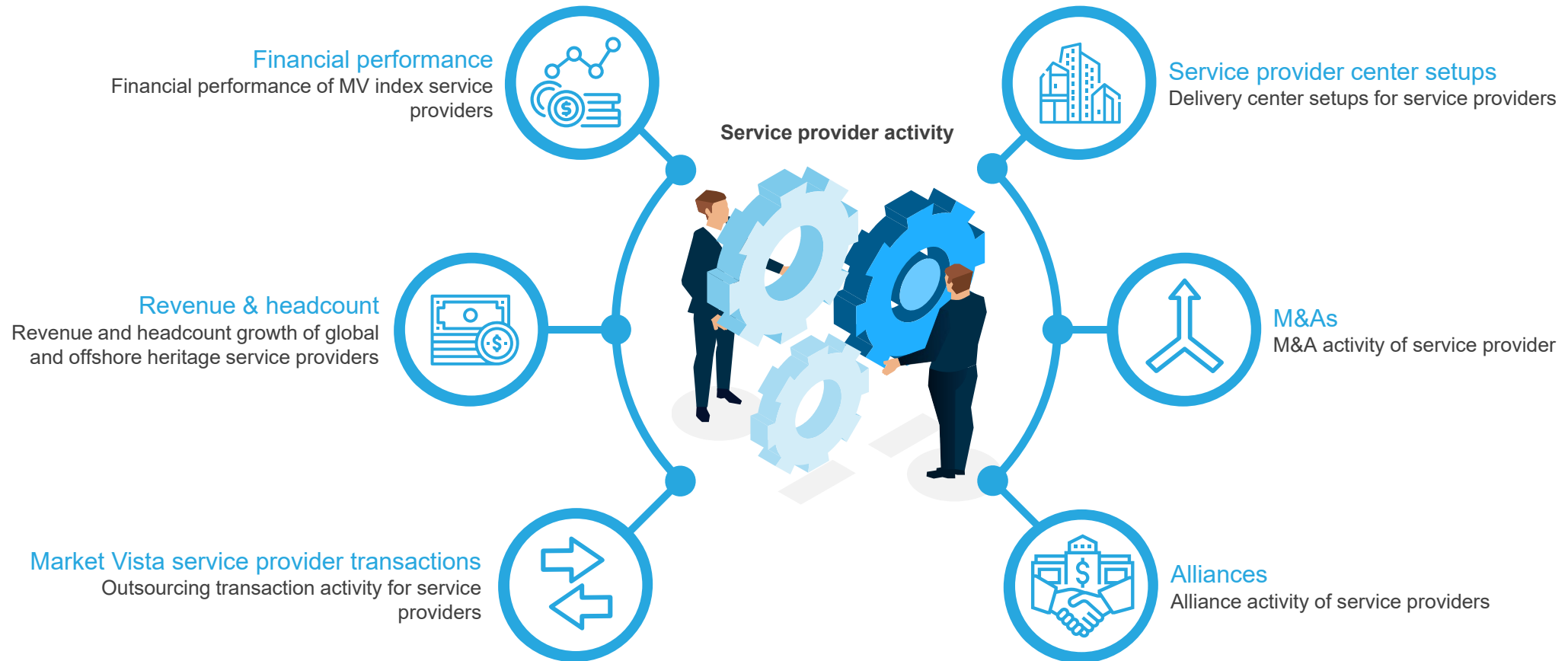


With an eye on long-term resilience, sustainability continues to be an area of focus



Service provider developments | framework for assessment

Service provider developments



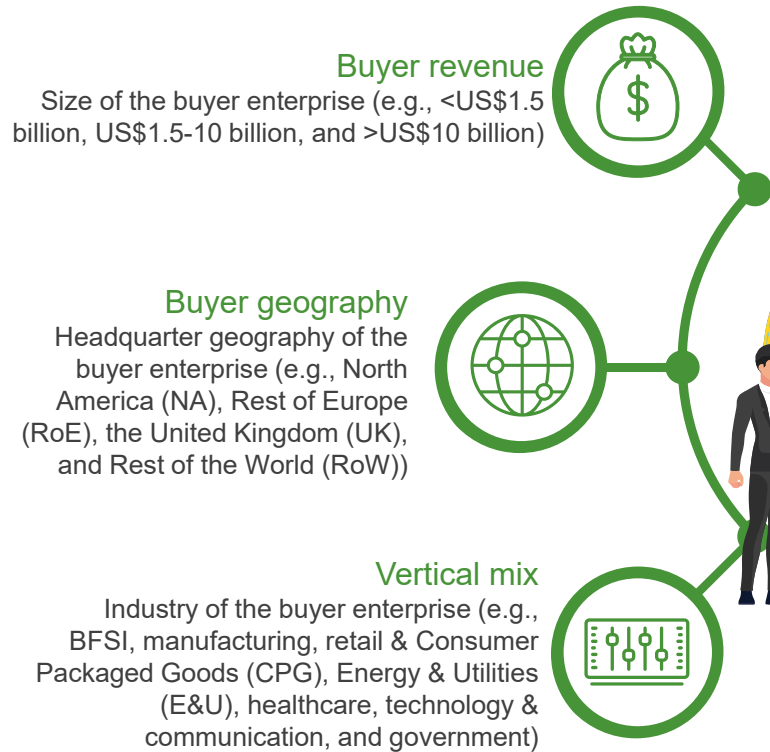


Outsourcing transactions | framework for assessment

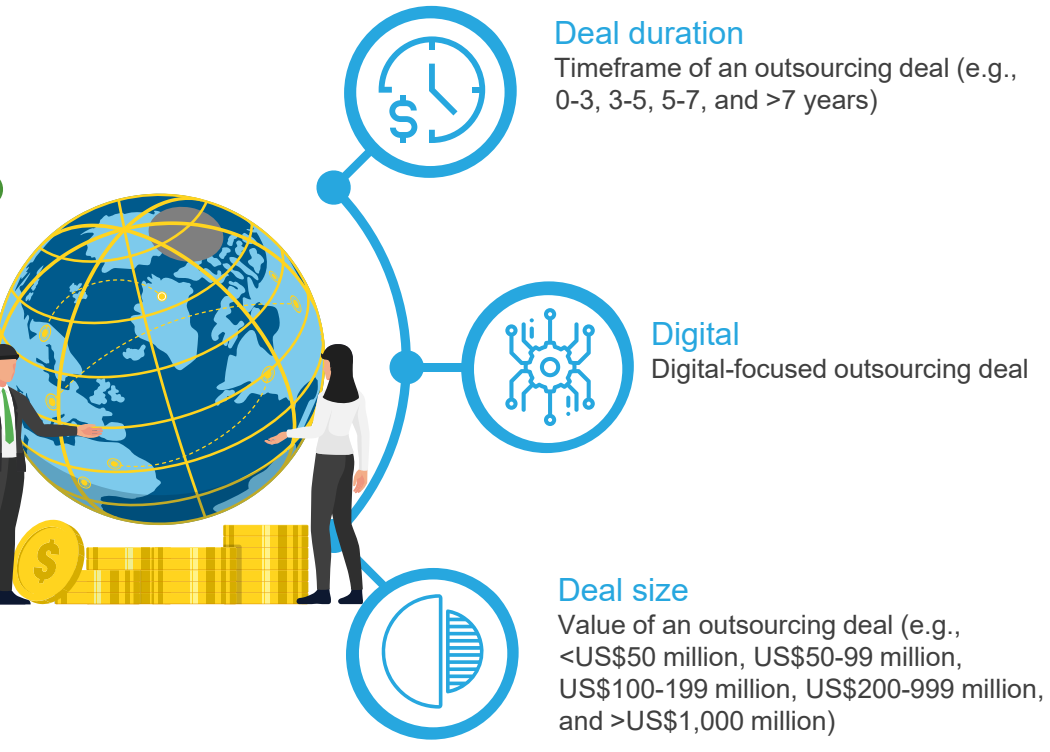
DEAL DRIVERS: representative of global services demand from enterprises

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



GBS market activity | framework for assessment



GBS DRIVERS: representative of global services demand from enterprises

GBS ATTRIBUTES: representative of incremental supply supported by new in-house delivery centers

Elements related to the enterprise establishing GBS

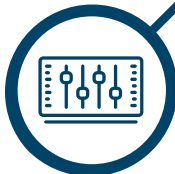
Enterprise revenue
Small buyers continued to drive outsourcing deals. Large buyers experienced a larger share of deals vis-à-vis last year



Enterprise geography
Headquarter geography of the enterprise (e.g., Asia Pacific (APAC), North America (NA), Rest of Europe (RoE), the UK, and Rest of the World (RoW))



Vertical mix
Industry of the enterprise (e.g., BFSI, manufacturing, retail & CPG, E&U, healthcare, technology, and government)



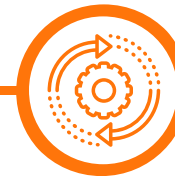
Region

Region of the new in-house delivery center (e.g., Asia Pacific (APAC), Nearshore Europe (NE), Latin America (LATAM), and Middle East & Africa (MEA))



Function

Functions supported by the new in-house delivery center (e.g., IT, BP, or both)



Digital

Digital-focused new in-house delivery center

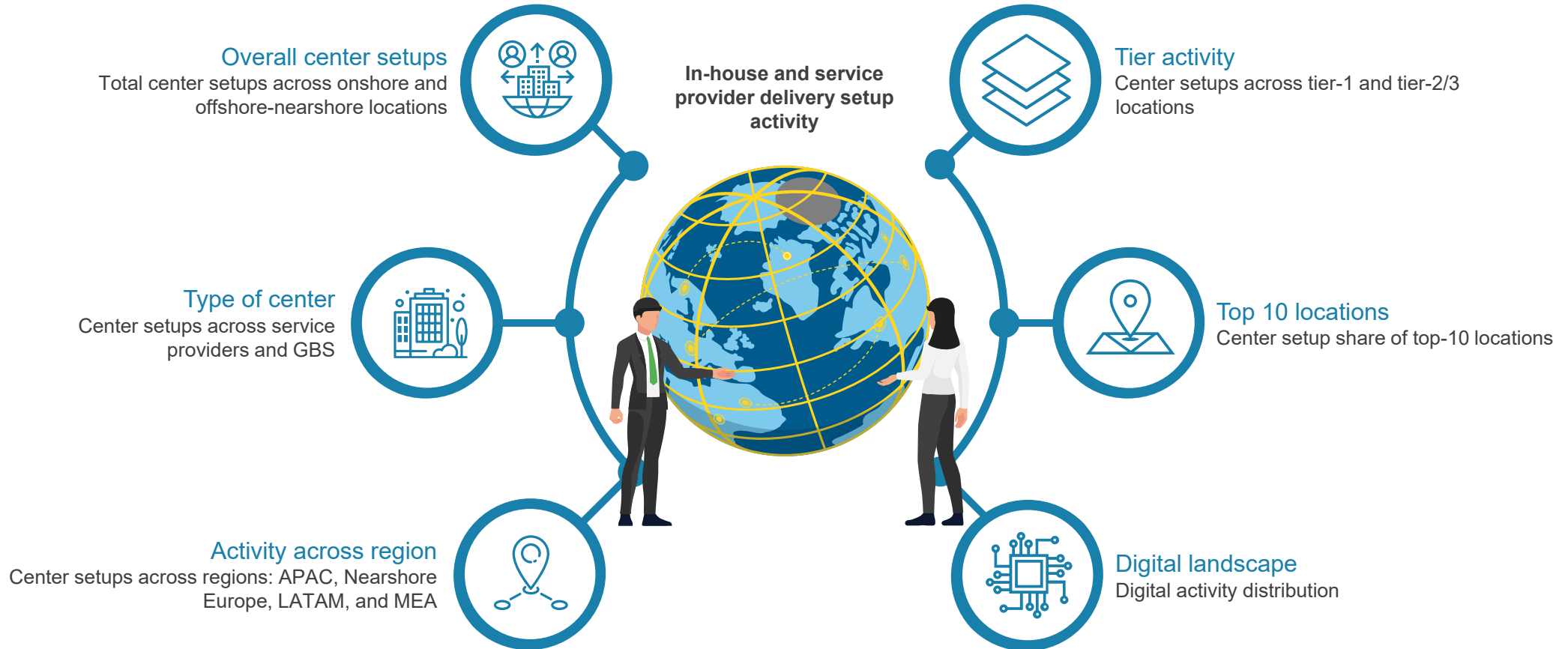


Elements defining the attributes of the new in-house delivery center




Location activity | framework for assessment

New overall center setups



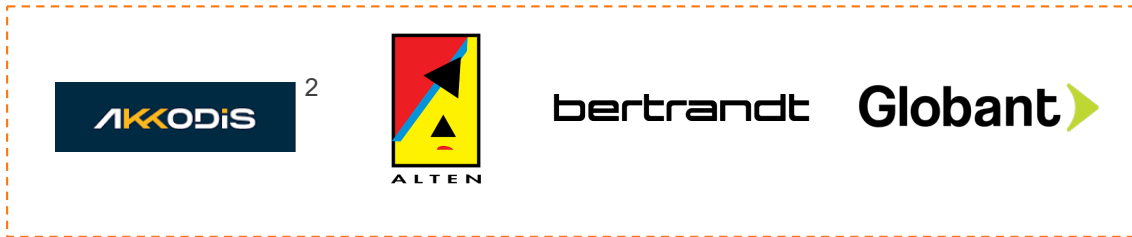
Service provider developments | 34 Market Vista™ Index service providers

 Engineering service providers

Global service providers



Offshore-heritage service providers



1 Report covers only IBM Consulting

2 AKKA and Modis merged to join Akkodis

3 LTI and Mindtree merged to join LTIMindtree

Note: Worldline, Atos's payment group, deconsolidated from Atos' account

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, and service provider trends Annual report covering summary of the quarterly reports, along with forward-looking views for the upcoming year 	✓
Industry insight 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 / in-house delivery centers, and service providers	✓
Analyst consultation	Analyst access for personalized insights and additional perspectives	✓

Research calendar

Market Vista™

Published
 Planned
 Current release

Reports title	Release date
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™: Q1 2023	March 2023
Market Vista™: 2022 Year in Review and Outlook for 2023	April 2023
2023 Key Issues in Global Sourcing	Q2 2023
Market Vista™: Q2 2023	Q2 2023
Market Vista™: Q3 2023	Q3 2023
Market Vista™: Q4 2023	Q4 2023

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



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