

# Multi-country Payroll (MCP) Solutions – State of the Market 2023 – Update

January 2024: Complimentary Abstract / Table of Contents



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## Background of the research

Managing payroll across multiple countries can become a complex task involving regulatory, legal, and cultural differences. MCP providers have emerged as indispensable partners for enterprises seeking efficient solutions to navigate this complex terrain. Enterprises are now seeking assistance beyond just conventional payroll management. In response to evolving enterprise needs, MCP providers have evolved their offerings and extended their services beyond basic payroll processing. By offering consolidated solutions across geographies, MCP providers empower enterprises to centralize control, standardize procedures, and address the intricacies of cross-border employment.

Faced with economic uncertainty, enterprises have increased focus on cost reduction and resource allocation. MCP providers have risen to the challenge, offering flexible pricing models and easy scalability, aligning their services with enterprises' changing needs. As enterprises recalibrate their operations, MCP providers continue to demonstrate their value by offering cost-effective, compliant, and strategic solutions, underlining their essential role in the ever-changing global payroll landscape.

In this report we analyzed the MCP market and understand the key trends that are affecting it and assessing the transformative impact of next-gen technology elements on revolutionizing payroll. Additionally, we explored buyer adoption trends and investments made by providers in this domain. The analysis is based on Everest Group's annual RFI process for the calendar year 2023 (refer report Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2023 for detailed assessment of providers), interactions with leading MCP solutions providers, client reference checks, and ongoing analysis of the MCP market.

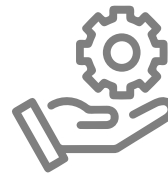
**This report analyzes and draws insights from active MCP deals in 2022 and H12023 across geographies and industries including:**

- Evolution of the MCP solutions market: market size, growth, expected growth, deal trends across geographies, etc.
- Investment themes
- MCP solution characteristics
- MCP solution provider landscape

### Scope of this report



**Geography**  
Global



**Providers**  
27



**Services**  
MCP



## Overview and abbreviated summary of key messages

In this research, we analyze the MCP solution market and understand the key growth drivers, buyer adoption trends, and investments made by providers. The analysis is based on Everest Group’s annual RFI process for the calendar year 2023, interactions with leading MCP solutions providers, client reference checks, and ongoing analysis of the MCP market.

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

### Current state of MCP solutions market

- Organizations have increased their focus on cost optimization, digital transformation, and productivity improvement, to navigate economic uncertainty in the market
- The payroll function is transforming from a transactional to a strategic one and is moving beyond the traditional expectations of cost optimization toward enhancing employee experience

### Key investment themes

- MCP providers are investing in implementation, user interface, marketplace solutions, and making payroll low-touch to provide employees with a better user experience
- Providers are investing in automation to expedite task completion and minimize human intervention that will consequently result in cost reduction

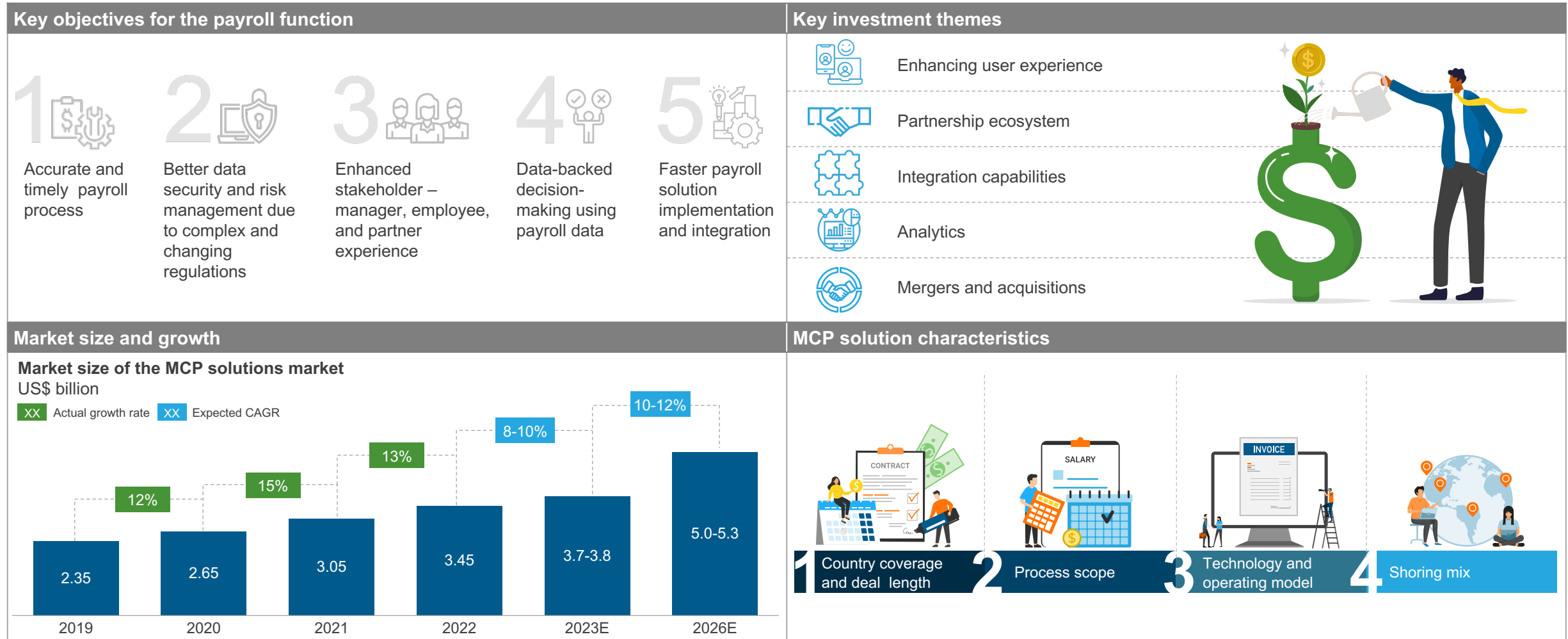
### Market overview

- MCP solutions market largely remained resilient to the economic showdown and grew at a rate of 13% in 2022. The market is expected to grow further at the rate of 8-10%
- The small-sized segment saw maximum deal activity in 2022 and is expected to continue in 2023 and first half of 2024

### Solution characteristics

- Most enterprises are reluctant to enter long-term commitments and prefer to start with shorter deal durations with limited countries in scope
- The adoption of integrated hybrid solutions is expected to grow further as it strikes the right balance between cost-effectiveness and ICP dependency

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





# Research calendar

## Human Resources

■ Published
 ■ Planned
 ■ Current release

| Reports title  | Release date        |
|--|---------------------|
| Multi-process Human Resources Outsourcing (MPHRO) State of the Market 2023                             | December 2023       |
| Rewards and Recognition (R&R) State of the Market 2023: Exploring the Next Generation of R&R Platforms | December 2023       |
| <b>Multi-country Payroll (MCP) Solutions – State of the Market Report 2023 – Update</b>                | <b>January 2024</b> |
| People Analytics Platforms PEAK Matrix® Assessment 2024  | Q1 2024             |
| Rewards and Recognition (R&R) Solutions PEAK Matrix® Assessment 2024                                   | Q3 2024             |
| Digital Adoption Platforms (DAP) PEAK Matrix® Assessment 2024  | Q3 2024             |
| Multi-Process Human Resources Outsourcing (MPHRO) Services PEAK Matrix® Assessment 2024                | Q3 2024             |
| Employer of Record (EOR) Solutions PEAK Matrix® Assessment 2024  | Q3 2024             |
| Rewards and Recognition (R&R) Solutions – Provider Compendium 2024                                     | Q3 2024             |
| Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2024                                     | Q3 2024             |
| Employer of Record (EOR) Provider Compendium 2024  | Q4 2024             |
| Digital Adoption Platforms (DAP) Provider Compendium 2024  | Q4 2024             |
| Multi-Country Payroll (MCP) Solutions Provider Compendium 2024   | Q4 2024             |
| Multi-Country Payroll (MCP) Solutions State of the Market 2024   | Q4 2024             |

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