

Market Vista™: Q2 2024

Data and Analysis: January – March 2024

June 2024: 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
- ▶ Cyber Threat Detection and Response
- ▶ Data and Analytics
- ▶ Digital Adoption Platforms
- ▶ Digital Services
- ▶ Digital Workplace
- ▶ Employee Experience Management (EXM) Platforms
- ▶ Employer of Record (EOR)
- ▶ Engineering Research and Development
- ▶ Enterprise Platform Services
- ▶ Exponential Technologies
- ▶ Finance and Accounting
- ▶ Financial Crime and Compliance Operations
- ▶ Financial Services Technology (FinTech)
- ▶ Forces & Foresight
- ▶ GBS Talent Excellence
- ▶ Global Business Services
- ▶ Google Cloud
- ▶ 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 Talent Excellence
- ▶ Life Sciences Business Process
- ▶ Life Sciences Commercial Technologies
- ▶ Life Sciences Information Technology
- ▶ Locations Insider™
- ▶ Marketing Services
- ▶ Market Vista™
- ▶ Microsoft Azure
- ▶ Microsoft Business Application Services
- ▶ Modern Application Development (MAD)
- ▶ Mortgage Operations
- ▶ Multi-country Payroll
- ▶ Network Services and 5G
- ▶ Oracle Services
- ▶ Outsourcing Excellence
- ▶ Payer and Provider Business Process
- ▶ Payer and Provider Information Technology
- ▶ Price Genius – AMS Solution and Pricing Tool
- ▶ Pricing Analytics as a Service
- ▶ Process Intelligence
- ▶ Process Orchestration
- ▶ Procurement and Supply Chain
- ▶ Recruitment
- ▶ Retail and CPG IT Services
- ▶ 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

E-0	Introduction and overview	I-20	By vertical
E-1	Research methodology	I-22	By geography
E-2	How to read the document	I-24	By deal type
E-3	Shoring and region classification	I-25	By deal term
E-4	Key market developments in Q1 2024	I-27	By deal size
I-0	Provider overview	I-28	Major deal in Q1 2024
I-1	Provider developments – summary	I-29	Providers developments – location activity
I-2	Provider developments – framework for assessment	II-0	GBS market trends (offshore, nearshore, and onshore)
I-3	Provider developments – overview	II-1	Key market developments in Q1 2024
I-4	Provider ratings – methodology	II-2	GBS market activity – framework for assessment
I-6	Provider developments – ratings	II-3	In-house delivery center activity – overview
I-9	Financial analysis	II-4	In-house delivery center activity – GBS health index
I-12	Headcount growth	II-5	In-house delivery center activity – center activity
I-13	Average attrition	II-7	In-house delivery setups and expansion by region
I-14	Key developments in headcount/attrition by Providers in Q1 2024	II-8	GBS market analysis by function
I-15	M&A and alliance activity	II-10	GBS market analysis by vertical
I-18	Outsourcing health index	II-11	GBS market analysis by digital component
I-19	Outsourcing transaction analysis	II-13	Key developments in Q1 2024
I-19	By digital component		

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

Hrishi Raj Agarwalla, Vice President

Arya Baranwal, Senior Analyst

Ravi Joshi, Senior Research Associate

Copyright © 2024 Everest Global, Inc.

We encourage you to share these materials internally in accordance with your license. Sharing these materials outside your organization in any form – electronic, written, or verbal – is prohibited unless you obtain the express, prior, and written consent of Everest Global, Inc. It is your organization's responsibility to maintain the confidentiality of these materials in accordance with your license of them.

Contents

III-0	Location analysis
III-1	Locations summary
III-2	Location activity – framework for assessment
III-3	Overview
III-4	Outsourced vs. in-house center setups
III-5	Market activity index by location
III-9	Digital market activity
III-11	Locations dashboard
IV-0	Engineering/R&D
IV-1	Overall 5G ER&D spending
IV-2	ER&D spend split by segment
IV-3	ER&D spend split by geography
IV-4	Current trends in 5G
72	Appendix
73	Glossary of key terms
74	Market Vista™ suite of offerings
75	Research Calendar

Global services | key market trends in Q1 2024



In Q1 2024, the number of cybersecurity contracts increased following numerous attacks and data breaches, including incidents involving major service providers such as AT&T and PSI Software SE. Additionally, cloud contracts saw a 33% increase compared to Q1 2023, driven by the persistent demand for platform migration, aimed at accelerating business operations through cloud computing.

In Q4 2023, despite experiencing negative headcount growth by service providers over the past three quarters since Q1 2023, the headcount stabilized and was accompanied by a modest improvement in demand. Additionally, the signing of long-term deals by providers in 2023 initiated an upward trajectory, suggesting growth prospects in the coming quarters as these deals begin to ramp up.

The operating margin for both offshore-heritage and global providers increased in Q4 2023 as cost optimization plans made by providers in early 2023 have now started to yield results.

In offshore regions, GBS setups by the retail and Consumer Packaged Goods (CPG) vertical increased, driven by companies looking to utilize digital technologies for consumer insights, technology research, product development, and packaging design.

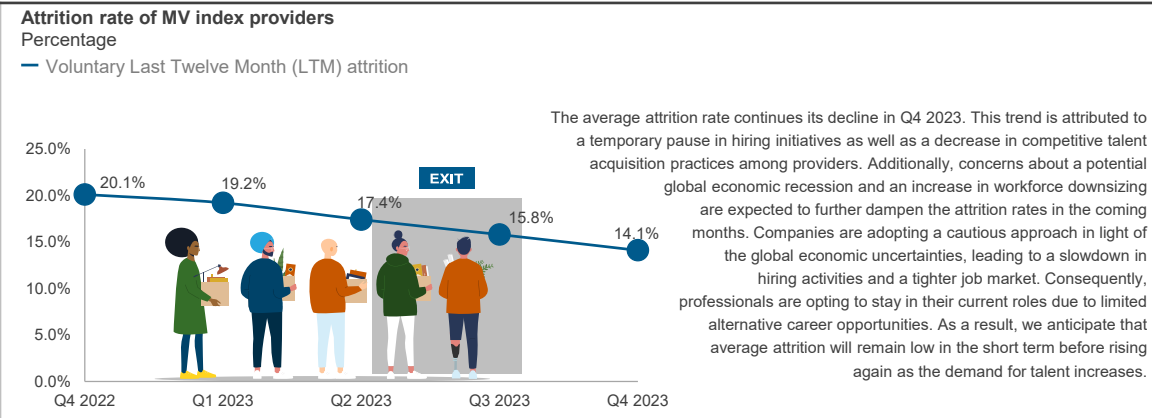
The Middle East and Africa region experienced a significant increase in center setups Q1 2024, primarily in Saudi Arabia and the UAE. Enterprises are now willing to capitalize on the opportunities presented by the rapidly growing markets in the Middle East, especially in areas such as technology innovation, customer service, and cybersecurity.

Market Vista reports highlight key trends and developments across outsourcing transactions, the overall health of transactions and global business services markets, location risks and opportunities, and provider developments

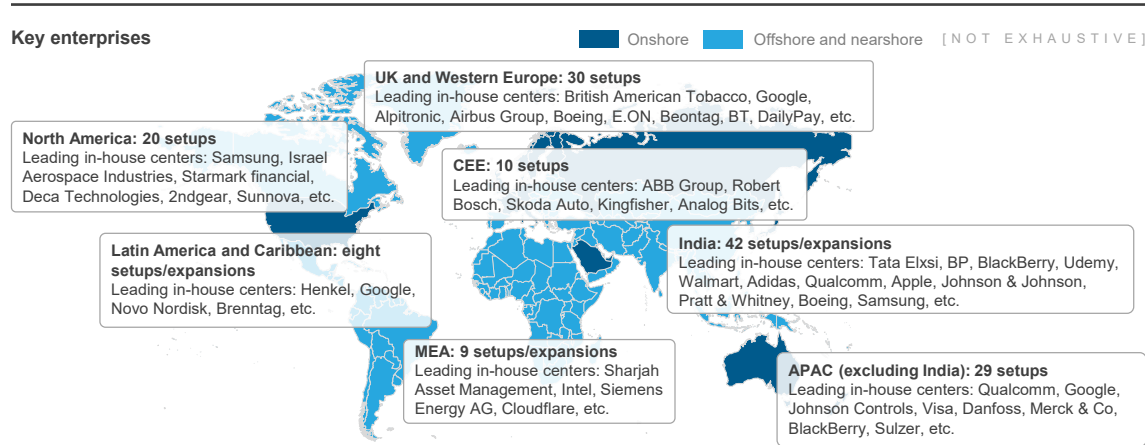
Service provider developments | Market Vista™ index service providers



Service provider developments | Market Vista™ index service providers attrition rate



In-house delivery setups and expansions | by region



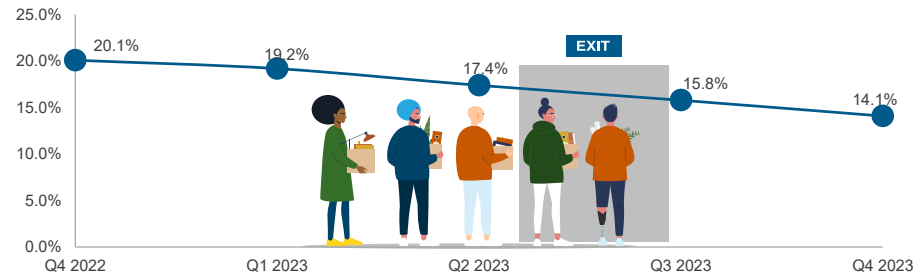
Locations dashboard

Location	Top cities	Number of center setups	Share of digital centers	Share of tier-2/-3 centers	Share of in-house delivery centers	Favorability of operating and business environment
Top onshore locations						
US	San Francisco and Seattle	21 ▲	▲	▼	▼	■
Singapore	Singapore	10 ▲	●	▼	▼	■
UK	London and Newcastle	8 ▼	▲	▲	▲	■
Italy	Milan and Turin	6 ▲	▼	▼	▲	■
Saudi Arabia	Riyadh	6 ▲	▲	●	▼	■
Top offshore/nearshore locations						
India	Bangalore and Hyderabad	47 ▲	▲	▲	▲	■
China	Guangzhou	4 ▲	▲	▼	●	■
Mexico	Queretaro	4 ▲	▼	▼	▲	■
UK	Belfast	3 ▲	▼	▲	●	■
Canada	Montreal	3 ●	▲	▼	●	■
Malaysia	Kuala Lumpur	3 ●	▼	▲	▲	■
Romania	Timisoara	3 ▲	▼	●	▲	■
Guyana	Georgetown	2 ▲	●	▲	▲	■
Brazil	Sao Paulo	2 ●	●	▼	●	■
Costa Rica	Heredia	2 ▲	●	▲	▲	■

▼ Decreased from the last quarter
 ● Same as the last quarter
 ▲ Increased from the last quarter

■ Moderate
 ■ High

- The share of top onshore locations center setup activity increased in Q1 2024 to 51 centers compared to 46 centers in Q4 2023. The share of top offshore/nearshore locations center setup activity decreased in Q1 2024 to 73 centers compared to 74 centers in the previous quarter. Italy and Saudi Arabia were the new entrants among the top offshore/nearshore locations
- The leading onshore locations have highly favorable operating and business environments, whereas most of the leading offshore/nearshore locations have moderate risk exposure



Research calendar

Market Vista™

Published **Current release** Planned

Reports title	Release date
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	April 2023
Market Vista™: Q2 2023	June 2023
Market Vista™: Industry Insights – Oil and Gas	June 2023
Market Vista™: Q3 2023	September 2023
Market Vista™: Industry Insights – Life Sciences	December 2023
Market Vista™: Q4 2023	December 2023
Market Vista™: Q1 2024	February 2024
GBS Executive Insights: Key Issues for 2024	February 2024
Market Vista™: 2023 Year in Review and Outlook for 2024	March 2024
Market Vista™: Q2 2024	June 2024
Market Vista™: Q3 2024	Q3 2024
Market Vista™: Q4 2024	Q4 2024

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

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

+1-214-451-3000

Website

everestgrp.com

Blog

everestgrp.com/blog

Follow us on



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.