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**Human Resource Outsourcing (HRO)
Market Update: February 2010 – Preview Deck**

**Topic: Recruitment Process Outsourcing (RPO) –
Supplier Landscape and Capability Assessment**



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Background of the research

The RPO market is moving beyond the pioneer phase into the emerging rapid growth phase. Typical of this phase of market evolution, the RPO supplier landscape is rapidly changing as new RPO suppliers continue to enter the market, while existing suppliers expand their capabilities through mergers, acquisitions, and partnerships. In such a dynamic supplier landscape, it is important that buyers have a clear understanding of available suppliers¹ that meet their unique needs in terms of geographic coverage, process scope, types of hire, technology requirements, etc. In order to compare the capability of suppliers, buyers will have to assess each supplier's capability along key dimensions such as scale, scope, technology capability, and global delivery footprint.

In this research study, we analyze the RPO market across various dimensions:

- RPO supplier landscape overview
- Detailed analyses on key areas of differentiation
- Supplier delivery capability assessment

The scope of analysis includes

- Stand-alone RPO deals in which a minimum of **four or more** recruitment processes are included
- The RPO deal is active and is **at least one year** in contract length
- The buyer employee size is **3,000 or more**
- Suppliers that offer recruitment as a **stand-alone outsourcing service**

1 Please refer to the Recruitment Process Outsourcing (RPO) – Supplier Profile Compendium (ERI-2010-3-R-0378) for accurate, comprehensive, fact-based snapshots of 17 leading RPO suppliers covered in this study

Overview and abbreviated summary of key messages

(page 1 of 2)

This report examines the dynamics of the global RPO supplier landscape and its impact on the RPO market. It gives an overview of the market and the suppliers, analyzes the key areas in which suppliers are creating differentiation, and provides an assessment of delivery capabilities of more than 15 leading RPO suppliers. It also identifies the key implications of the research findings for buyers and suppliers.

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

RPO Supplier landscape overview

- Stand-alone HR process markets are at different levels of maturity. While the stand-alone RPO market is relatively new, it is quickly moving beyond the pioneer phase of the market maturity curve
- Despite, the tough economic environment, the RPO market continues to grow at a healthy rate in terms of deal signings in the last few years. However, the size of the deals was smaller in 2009
- There are 20+ established RPO suppliers in the market

Detailed analyses on key areas of differentiation

- RPO suppliers are creating differentiation along various dimensions such as geography coverage, industry focus, technology offering, process delivery, type of hiring, and global sourcing approach
- The supplier landscape is segmented based on geographic coverage of suppliers. Suppliers are creating regional partnerships to broaden the geographic coverage of their RPO solution
- RPO suppliers are technology agnostic and can provide a varying degree of technology support across multiple technology solutions

Overview and abbreviated summary of key messages

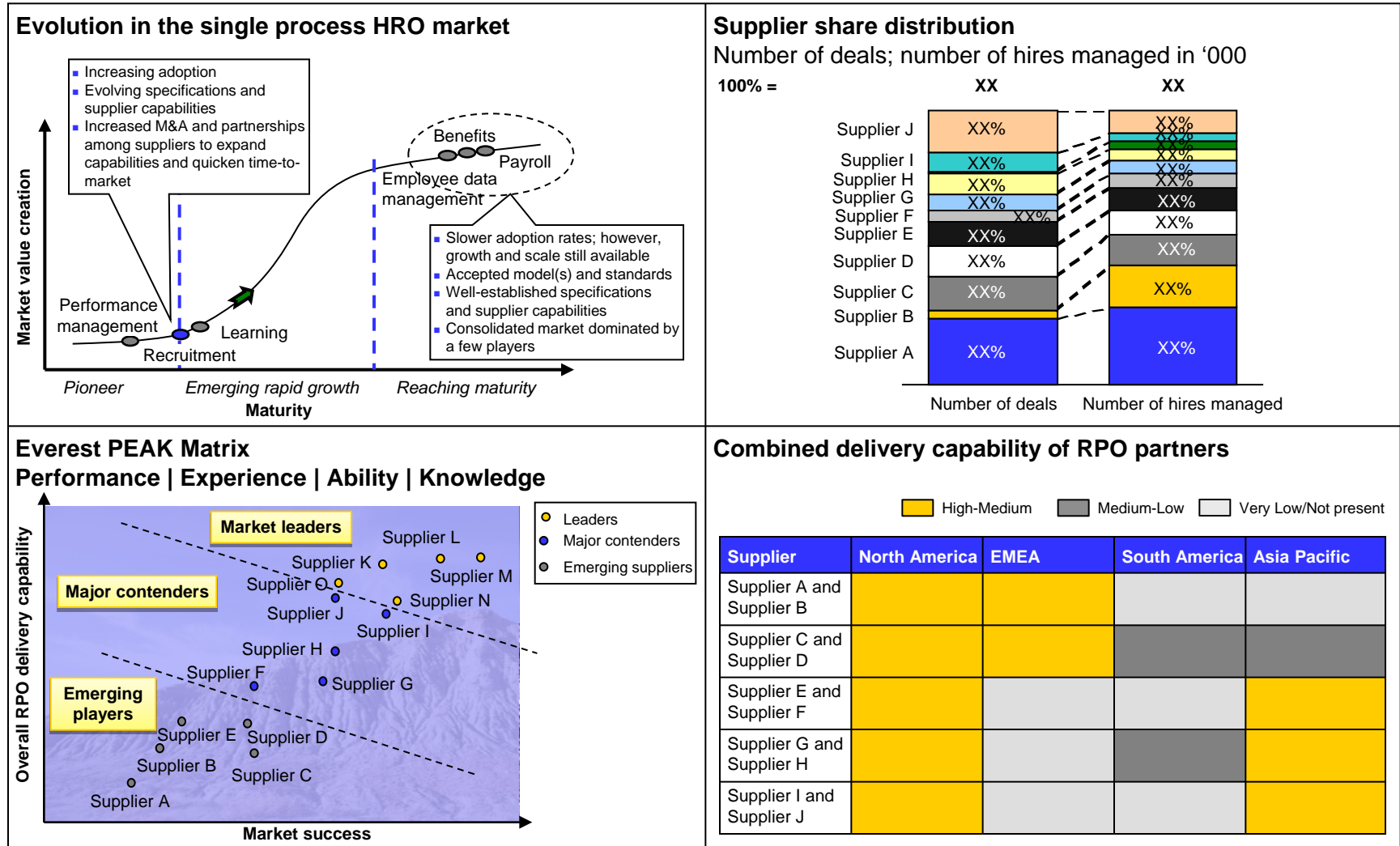
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Supplier delivery capability assessment

- The Everest PEAK matrix categorizes RPO suppliers into leaders, major contenders, and emerging players based on their market success and overall RPO delivery capability
- We assess RPO delivery capability of suppliers based on four dimensions - scale, scope, technology, and global delivery footprint
- Our assessment shows clear differences among suppliers along the different dimensions of capability assessment

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

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Source: Everest Research Institute (2010)

Additional HRO research recommendations



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The following documents are recommended for additional insight on the topic covered in this Research Report. The recommended documents either provide additional details on the topic or complementary content which may be of interest

1. **Recruitment Process Outsourcing (RPO) – Moving Beyond the Pioneer Stage** (ERI-2009-3-R-0377); 2009. This report examines the Global RPO market and provides insights, analyses and implications for stakeholders along four key dimensions: market overview and key business drivers, buyer adoption, solution and transaction characteristics, and supplier landscape
2. **Recruitment Process Outsourcing (RPO) – Supplier Profile Compendium** (ERI-2010-3-R-0378); 2009. The compendium provides an accurate, comprehensive, fact-based snapshots of 15 suppliers in the recruitment process outsourcing market. Further, it provides key findings of the research on the RPO market and identifies key implications for stakeholders
3. **Multi-Country Payroll Outsourcing (MCPO) – Supplier Profile Compendium** (ERI-2009-3-R-0342); 2009. The compendium provides an accurate, comprehensive, fact-based snapshots of 10 suppliers in the multi-country payroll outsourcing market. Further, it provides key findings of the research on the MCPO market and identifies the key implications for stakeholders
4. **HRO Annual Report 2008** (ERI-2008-3-R-0308a); 2008. This report examines the global 2008 HRO market and provides insights, detailed analyses and implications for stakeholders along three key dimensions: market size and buyer adoption; transaction characteristics and value proposition; and supplier landscape. Each dimension is discussed in detail (and illustrated with supporting data and analysis) to provide the reader information in easy-to-apply, bite-size pieces

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