



Everest: Recruitment Processing Outsourcing Market Growing Despite Economy, Low Hiring Volumes

Healthcare and Manufacturing Sectors Lead Adoption in North America

Press release

DALLAS, November 10, 2009 – Despite a tough economic environment, Recruitment Process Outsourcing (RPO) continues to grow at healthy rate with manufacturing and healthcare firms as leading adopters in North America, according to Everest, a global [consulting](#) and [research](#) firm.

The study projects a marginal increase in deal signings this year compared to 2008, but decreased hiring volume is resulting in more selective, smaller-sized deals, according to Everest's study, [Recruitment Process Outsourcing \(RPO\) – Moving Beyond the Pioneer Stage](#). More than half of the deals are inked by North American firms; however, adoption is on the rise by buyers in the United Kingdom and Continental Europe, particularly Germany and France.

"Although the RPO market is relatively new compared to other HRO markets, it is quickly moving beyond the pioneer stage of the market maturity curve," said [Katrina Menzigan](#), Vice President, Research. "RPO buyers are attracted to a value proposition with cost reduction and scalability elevated due to the current economic climate, followed by improvement of recruitment processes, access to best-of-breed options and technologies, and enhanced employer branding."

Other insights of the study include:

- A significant number of North American-headquartered large, multinational companies (MNCs) adopt RPO for their European and Asia-Pacific operations
- While China and India have significant potential due to large hiring volumes, the market is nascent as RPO is primarily adopted by MNCs with operations in these countries
- Almost 75 percent of deals cover a single country only, with regional adoption on the rise in North American and EMEA regions driven by US- and UK-based buyers
- Globally, buyer adoption is led by manufacturing, high-tech and telecom sectors
- While base fee plus variable charge is the most common pricing structure, there is an increase in pure variable pricing that allows buyers to scale up or down according to hiring needs
- Compared to multi-process HRO, global sourcing is limited with offshoring occurring with a small number of mature RPO relationships

"The majority of suppliers have an onshore-centric delivery system with many suppliers creating regional partnerships to broaden geographical coverage of the RPO solutions," said [Rajesh Ranjan](#), Research Director and co-author of the report. "The RPO market is intensely competitive, and we've witnessed a lot of M&A activity as suppliers seek to enter the RPO market, strengthen capability and gain access to technology."

Sixteen [suppliers](#) participated in the study: [Adecco](#), [Aon](#), [Alexander Mann Solutions](#), [Caliber Point](#), [Futurestep](#), [Hays](#), [Infosys](#), [Momentum](#), [Ochre House](#), [PeopleScout](#), [Pinstripe](#), [SourceRight Solutions](#), [hyphen](#), [Talent2](#), [The Right Thing](#) and [Wipro](#).

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To read more about the findings of [Recruitment Process Outsourcing \(RPO\) – Moving Beyond the Pioneer Stage](#), an extract of the report is available at www.everestresearchinstitute.com. To purchase the report or receive more information about other research services, please e-mail info@everestresearchinstitute.com or call +1-214-451-3110.

About Everest

Everest Group is a global consulting and research firm that comprehensively serves the outsourcing and offshoring market. An industry leader since creating the sourcing consultancy practice in 1991, Everest has earned a worldwide reputation for ongoing innovation by helping clients capture optimum value through sourcing strategies and implementation. Everest provides information, insight, and advice to help buyers, suppliers, and enablers of services effectively navigate all stages of the sourcing lifecycle. Committed to thought leadership, Everest is noted for its fact-based analyses and insights on the outsourcing and offshoring marketplace. For more information, please visit www.everestgrp.com and www.everestresearchinstitute.com.