



# Everest Q2 Report: Outsourcing Market's Slight Gains Led By Financial Sector Deals

Special Focus Topics: Financial Services, Multi-Country Payroll Outsourcing, Latin America

## Press release

**DALLAS, August 5, 2009** – Outsourcing transaction volume increased 10 percent globally – 6 percent in North America – in the second quarter as compared to the first quarter this year, led by contracts signed by financial services and manufacturing firms, according to the [Market Vista: Q2 2009](#) report on global outsourcing and offshoring activity by the [Everest Research Institute](#). A one-hour [Webinar](#) will be held August 13, 9 a.m. CDT, to present study findings and insights.

### Comparing Q2 2009 to Q1, study findings include:

- Transaction volume in Rest of World (includes Asia-Pacific, Middle East, Africa and Latin America) increased 25 percent
- Financial services sector global transaction volume grew 25 percent, dominated by European engagements. Transaction volume in North America witnessed a marginal increase
- Transaction signings increased 8 percent in the MDR vertical, driven by manufacturing
- BPO activity rebounded strongly with a 27 percent increase in transaction volume

“The economic environment has dictated changes and timing for outsourcing strategies, but we believe we’re seeing stabilization within organizations that is allowing buyers to re-focus on sourcing as a lever to gain operational and financial efficiencies and other benefits,” said [Eric Simonson](#), Managing Principal, [Everest Research Institute](#). “We believe that the market is starting to turn, but the timeframe for full recovery remains uncertain.”

The Institute’s quarterly Market Vista reports provide data and analysis of deal trends in the outsourcing and offshoring market, captive landscape, current and emerging locations, key supplier developments, and key developments across the top 20 financial services companies globally. The Market Vista Q2 report also includes focus sections on Multi-country Payroll Outsourcing (MCPO) and outsourcing destinations in Latin America.

### Additional study insights and topics include:

- Twenty-seven new captives were established in Q2, led by 11 new centers in Europe. Divestiture activity was limited
- Recent months have seen increased interest in United States Tier-II and III cities as onshore delivery locations; however, interest has not translated into significant market activity
- Potential amendments to the United States tax code could create margin pressures for some U.S.-based suppliers
- Latin America has witnessed eight new delivery centers in Q2, compared to four in Q1. Depreciating currencies and deflation influence the labor arbitrage value proposition
- The MCPO market grew 50 percent from 2006 to 2008, with large multinational companies continuing to achieve 10-20 percent direct cost savings or greater
- Supplier M&A activity increased in Q2 with six acquisitions (versus three in Q1) while the number of alliances increased marginally

Quarterly Market Vista reports include key developments among 20 leading global suppliers. Traditional supplier profiles include [Accenture](#), [ACS](#), [Atos Origin](#), [Capgemini](#), [Convergys](#), [CSC](#), [EDS](#), [Hewitt](#), [IBM](#), [Perot Systems](#) and [Unisys](#). Offshore-centric supplier profiles include [Cognizant](#), [EXL](#), [Genpact](#), [HCL](#), [Infosys](#), [Tech Mahindra](#), [Tata Consultancy Services](#), [Wipro](#) and [WNS](#).

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The 45-minute [Webinar](#), followed by 15 minutes of questions and answers with participants, will be held August 13 at 9 a.m. CDT; 10 a.m. EDT; 3 p.m. GMT Standard Time; 7:30 p.m. India Standard Time. To register, please visit: [www.everestresearchinstitute.com/Events/Webinars](http://www.everestresearchinstitute.com/Events/Webinars).

In September, join Everest Founder and CEO [Peter Bendor-Samuel](#) in Dallas at the [Strategic Outsourcing Conference: Maximizing Outsourcing Strategies in Challenging Times](#), presented by [The Conference Board](#), where he will lead a panel discussion about the “Current Economic Environment and the Implications on Outsourcing Strategies.” For more information, visit [www.everestgrp.com/Events](http://www.everestgrp.com/Events).

[Market Vista](#) is a subscription service with four reports published per year. For information about the [Market Vista: Q2 2009](#) report or other research services, please visit [www.everestresearchinstitute.com](http://www.everestresearchinstitute.com), e-mail [info@everestresearchinstitute.com](mailto:info@everestresearchinstitute.com) or call +1-214-451-3110.

## About Everest Research Institute

[Everest Research Institute](#) serves as a central source of independent and objective strategic intelligence, analysis, and actionable insight for leading corporations, suppliers, technology providers, and investors in the global outsourcing and offshoring marketplace.

The Institute addresses both business process and information technology sourcing topics, providing the global outsourcing and offshoring community with information that empowers highly productive, sustainable sourcing strategies and relationships. The Institute's wealth of knowledge and experience provides unique perspectives into today's marketplace and the competitive edge required to take advantage of emerging opportunities.

Everest Research Institute is the research arm of the [Everest Group](#), a global consulting firm with offices in such leading business centers as Dallas, New York, Toronto, London, Amsterdam, New Delhi, Melbourne, and Sydney. Everest Group has earned a worldwide reputation for ongoing innovation as it helps clients achieve maximum value from their operations including sourcing strategy and implementation.

Please visit [www.everestresearchinstitute.com](http://www.everestresearchinstitute.com) for more information.