



Recruitment Process Outsourcing (RPO) Research Program

May 2012

Everest Group is a leading global services advisory firm

Overview

- More than 20 years of experience advising Global 1000
- Recognized for positioning clients for the **next generation of global services** – combination of deep insights, strategic decision-making approaches, and implementation expertise
- Distinctive combination of consulting and research capabilities
- Over 1,000 engagements, covering IT and business processes
- Rich data sets and subscription research based on over 75 business processes, 150 service delivery locations, 500 captives, 100 service providers, and 18,000 outsourcing contracts

Range of services

Strategy

Consulting and research services to turn insights into decisions

Subscriptions

Research reports, data sets, customized tracking services

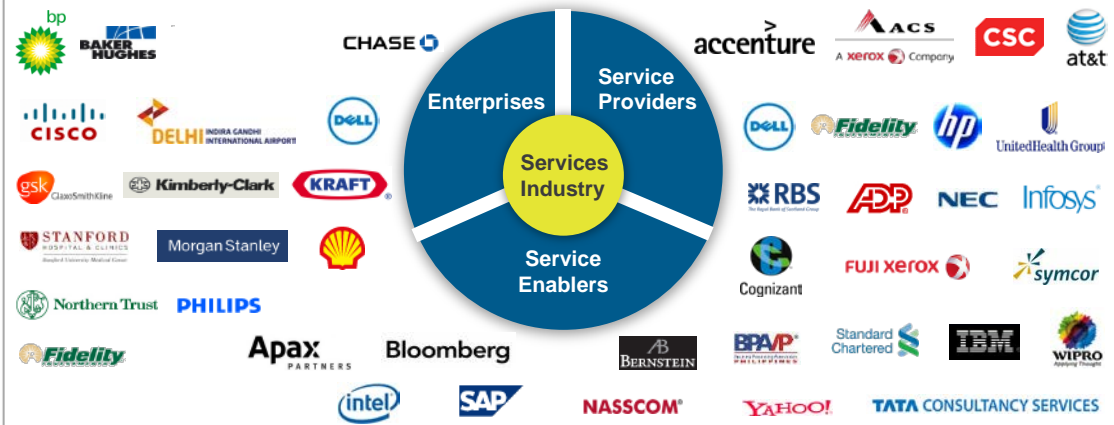
Implementation

Consulting services to capture value from decisions

Resources

Webinars, research, and blogs

We serve enterprises, service providers, and service enablers



Our research offerings for global services

Subscription information

- This document provides an overview of the following subscription(s)
 - **Recruitment process**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us:
 - info@everestgrp.com
 - +1-214-451-3110

Market Vista

Global service tracking across services, sourcing models, locations, and service providers – industry tracking reports also available

Banking, financial services, insurance

Healthcare

Finance & accounting

Procurement

Information technology

Cloud Vista

Human resources

Recruitment process

Global sourcing

PricePoint

Service provider Intelligence

Transaction Intelligence

Custom research capabilities

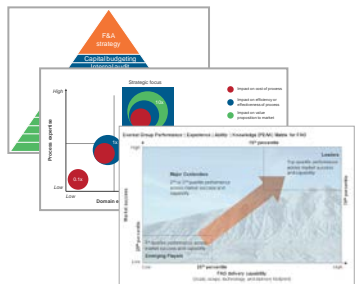
- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies

Our research methodology is based on four pillars of strength to produce fact-based actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

1 Robust definitions and frameworks

(Function specific pyramids – HRO, RPO, TVE - Total Value Equation, Capability-success matrix, market maturity)



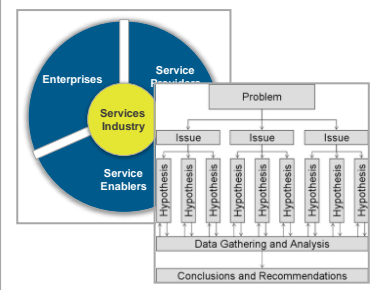
2 Primary sources of information

(Annual contractual and operational RFIs, service provider briefings and theme based executive interviews, web-based surveys)



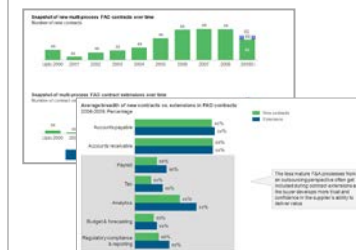
3 Diverse set of market touch-points

(Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership)



4 Fact-based research

(Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers)



- Proprietary contractual database of over 600 RPO deals signed up to September 2011 (updated annually)
- Round the year tracking of all the service providers in the RPO market
- Dedicated team for HRO/RPO research, spread over two continents
- 20 years of advising clients on BPO related decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

Everest Group's RPO research is based on two key sources of proprietary information

1

- Everest Group's proprietary database of over **600 RPO deals** (updated annually)
- The database tracks the following elements of each RPO deal:
 - Buyer details: Including industry, location, and signing region
 - Deal details: Including TCV, ACV, term, start date, total hires managed, and primary pricing structure
 - Scope: Process and geographic coverage (at country level)
 - Technology ownership and maintenance
 - Global sourcing

2

- Everest Group's proprietary database of **operational capability of over 20 RPO service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
 - Major RPO clients and recent wins
 - Overall RPO revenues, total clients, and RPO employees
 - Recent RPO-related developments (investments and partnerships)
 - RPO clients split by geography, industry, scope, and buyer size
 - RPO hires split by geography, source of hires, and type of hires
 - RPO delivery locations and level of offshoring
 - RPO service suite

Service providers covered in detail in the analyses



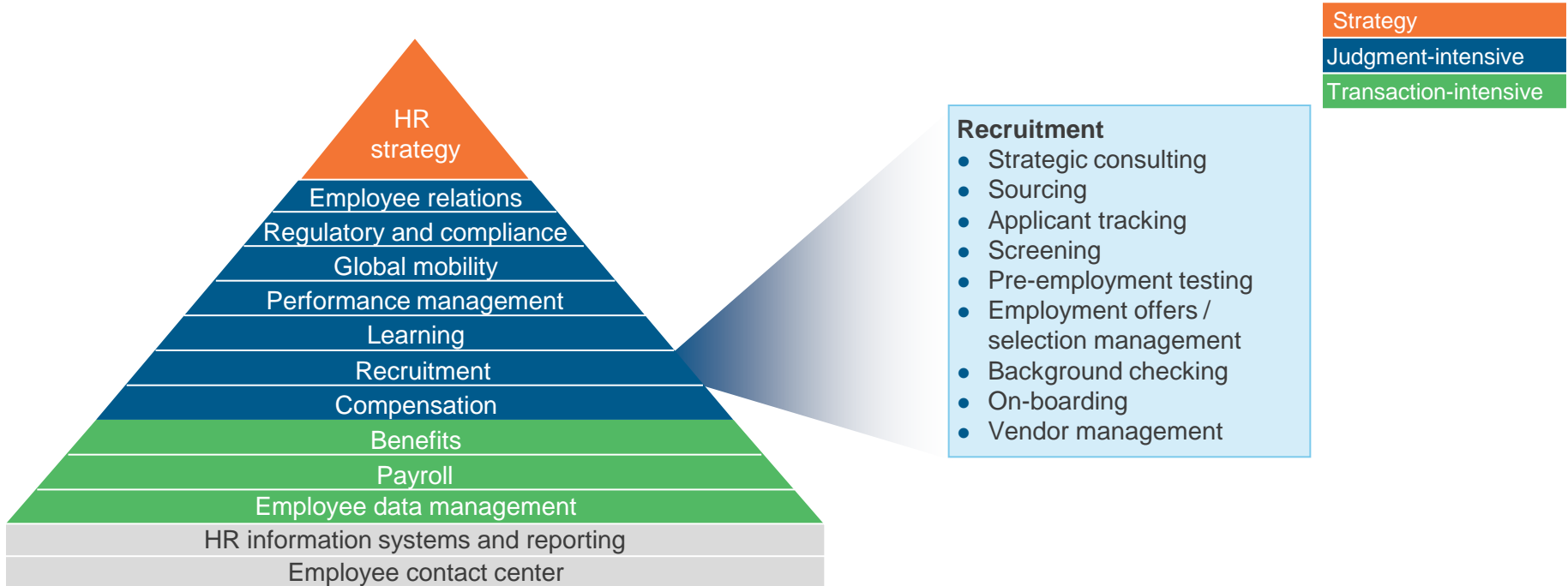
The analyses in this report are presented at two levels:

- Overall market analysis that highlights the overall market composition/dynamics
- The current market trends based on deal activities in the last four years

The sample size varies for different analyses based on the deal detail availability

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information collected is only presented back to the industry in an aggregated fashion

Everest Group has a robust framework and a precise definition for RPO



We define RPO as transfer of ownership of all or part of recruitment processes or activities on an ongoing basis

Our definition of RPO deals satisfy following key characteristics:

- A minimum of **four or more** recruitment processes are included
- The deal is a **multi-year** arrangement
- The buyer employee size is **3,000 or more**
- The deal scope should **not be limited to temporary hires only**

We don't include "out-tasking" arrangements (typically handled by recruitment agencies, staffing companies, or executive search firm) that are managed on a project-by-project basis rather than through an ongoing long-term arrangement

We have helped both buyers and service providers of RPO in their strategic initiatives across the globe

PARTIAL LIST

RPO buyers

- **A leading airline catering and in-flight services company** – RPO service provider evaluation and selection help in the **U.S.**
- **A major defense and aerospace company** – RPO service provider evaluation and selection work to help the client carve out RPO from its HRO deal in the **UK**
- **One of the leading insurance company** – Evaluation of RPO contract across multiple dimensions to identify issues/gaps and recommend negotiation positions in **India**
- **Top 10 global pharmaceutical major** – RPO market maturity assessment in **Latin America**

RPO service providers

- **A leading UK/European RPO service provider** – Geographic expansion strategy by evaluating different options (carve-out, RPO partnership/acquisition, HRO partnership) across Asia Pacific and North America
- **A leading private equity player** – Due diligence on a leading RPO service provider that included an in-depth market assessment and competitor analysis
- **Strategic workshops for leading RPO service providers** – Industry trend analysis and their implications for the service providers

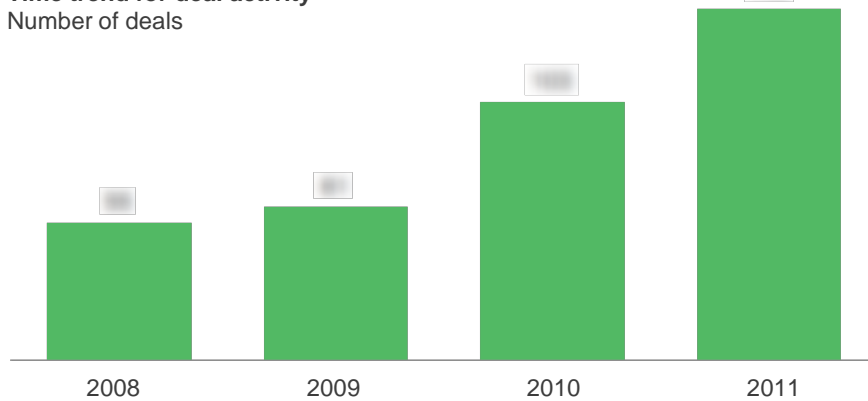
We provide a comprehensive coverage of the global RPO market

Market growth

Time trend for deal activity

Number of deals

■ Extensions (includes auto-renewals)
■ New deal signings

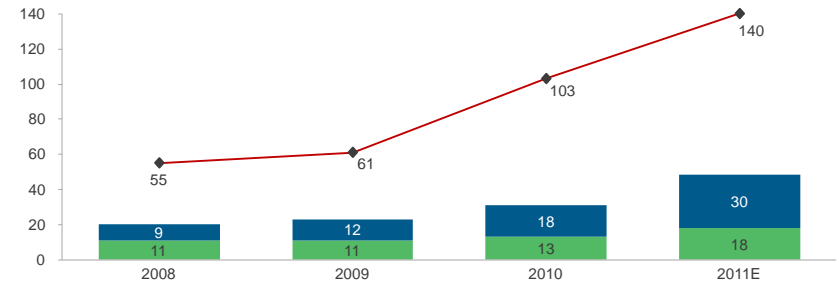


Multi-country RPO adoption

Growth curve of new-deal activity

Number of new deals

■ Multi-country RPO covering only 2 countries
■ Multi-country RPO covering more than 2 countries
◆ RPO overall



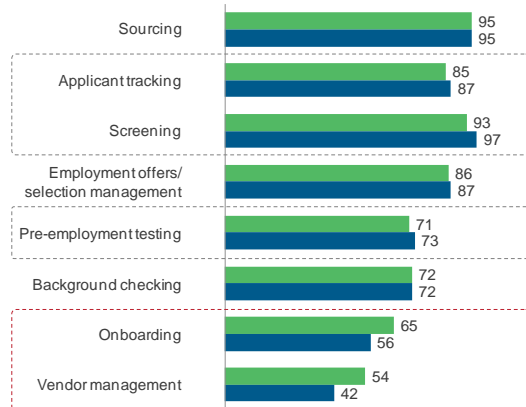
The interest around multi-country RPO is finally translating into actual deal signings. The reasons behind this increased adoption is buyers' greater familiarity with RPO, demonstrated success stories in the market, and greater comfort level and confidence of buyers with their service providers

Recruitment process inclusion

Inclusion of recruitment processes within RPO deals

Number of deals

■ 2007-2010
■ 2011

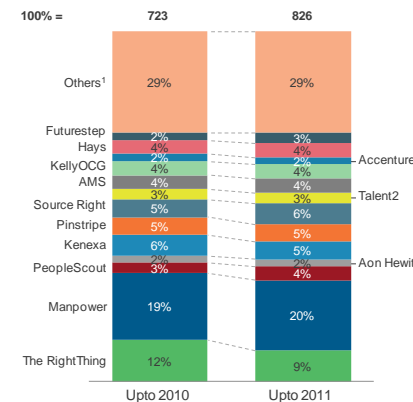


- In 2011, RPO deals tended to be wider in terms of process scope as compared to previous years. Thus, reflecting buyers' greater confidence in RPO
- Buyers increasingly rely on providers for front-end sourcing, screening, and pre-employment testing activities, especially around difficult-to-source niche skills
- On the flip side, inclusion of areas such as onboarding and vendor management declined
- Social media, talent communities, and digital communication are becoming an integral part of the sourcing process to attract active as well as passive candidates

Service provider market share

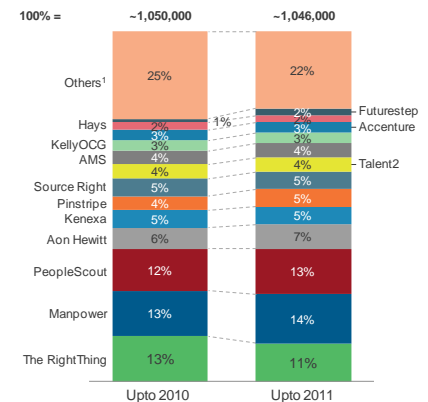
Overall service provider share distribution

Number of deals

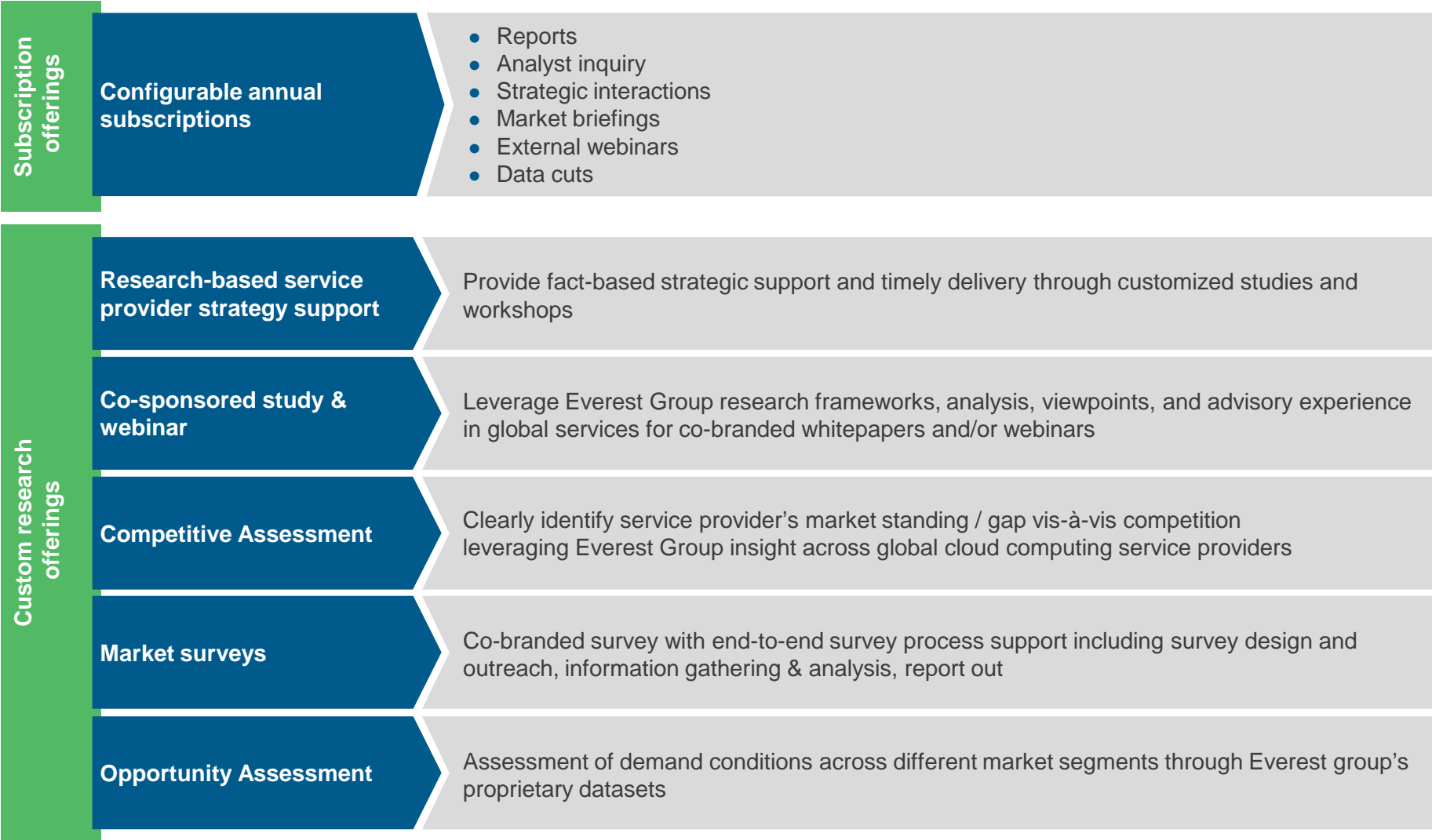


Overall service provider share distribution

Annual number of hires



We offer a wide array of offerings, providing the industry's deepest insight in RPO market



We have a suite of syndicated offerings providing deepest insights in the RPO market to support the client's decision-making process

RPO syndicated research offering	Description	Standard subscription access (annual)	Strategic subscription access (annual)
Research reports	<ul style="list-style-type: none"> Access to all RPO research reports and HRO Annual Report At least 4 RPO reports + 1 HRO Annual report to be published each year 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Breaking viewpoints	<ul style="list-style-type: none"> Multiple flash reports highlighting breaking industry news and emerging themes with expert perspectives on key implications 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Analyst discussions	<ul style="list-style-type: none"> On-going analyst discussions for additional perspectives and interpretations in 30 or 60 minutes increments 	3 sessions / annual	On-demand
Custom data cuts	<ul style="list-style-type: none"> Additional custom data cuts from the materials presented in the research 	Up to 3	Up to 6
Strategy workshop	<ul style="list-style-type: none"> Analyst-led half-day working session with the subscriber's team around their strategic imperatives 		<input checked="" type="checkbox"/>
Speaking engagement	<ul style="list-style-type: none"> Invite Rajesh Ranjan to speak in-person at internal event or at executive conclave 		<input checked="" type="checkbox"/>

About Everest Group

Everest Group is an advisor to business leaders on the next generation of global services with a worldwide reputation for helping Global 1000 firms dramatically improve their performance by optimizing their back- and middle-office business services. With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of global services in their pursuits to balance short-term needs with long-term goals. Through its practical consulting, original research, and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies, and management approaches. Established in 1991, Everest Group serves users of global services, providers of services, country organizations, and private equity firms in six continents across all industry categories. For more information, please visit www.everestgrp.com and research.everestgrp.com.

Everest Group

Leading clients from **insight** to **action**

Everest Group locations



Dallas (Headquarters):	info@everestgrp.com +1-214-451-3000
New York:	info@everestgrp.com +1-646-805-4000
Toronto:	canada@everestgrp.com +1-416-865-2033
London:	unitedkingdom@everestgrp.com +44-207-887-1483
Delhi:	india@everestgrp.com +91-124-496-1000

www.everestgrp.com | research.everestgrp.com | www.sherpasinblueshirts.com