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## Everest Q1 Report: Outsourcing Market Signals Steady Economic Recovery; North American Activity Strongest Since End of 2008

Focus areas: Financial Services, Eastern Europe, Latin American Call Centers

### Press release

**DALLAS, May 5, 2010** – North America recorded its best quarter of activity in the outsourcing market since the fourth quarter of 2008, and the global sourcing market continues to give signals of a recovering global economy, according to Everest, a global [consulting](#) and [research](#) firm. Transaction volumes for the first quarter of this year, valued at US\$3.9 billion in annual contract value (ACV), maintained a steady, even pace for the third consecutive quarter. A one-hour [Webinar](#) will be held May 13, 9 a.m. CDT, to present study findings and insights.

Everest's [Market Vista: Q1 2010](#), a quarterly report on global outsourcing and offshoring activity, reports North American transaction activity in the first quarter 2010 increased 18 percent and ACV was up 36 percent over the fourth quarter of 2009. In the global outsourcing market, ACV remained similar compared to fourth quarter 2009 but increased 31 percent when compared to first quarter 2009.

First quarter 2010 findings and comparisons to the fourth quarter of 2009 include:

- [IT Outsourcing](#) (ITO) continues to lead transaction activity with deal volume remaining steady and ACV rising 43 percent. Business Process Outsourcing (BPO) comprised 32 percent of deals signed with increases of 30 percent in transaction volume but showed a 7 percent dip in ACV
- The BFSI (banking, financial services, insurance) and MDR (manufacturing, distribution, retail) verticals contributed towards about 37 percent of deal signings. In the MDR vertical, contract signings were up 33 percent
- The North American BFSI vertical witnessed an increase of 54 percent in transaction volumes. As seen in the previous quarter, most deals were signed in the banking sector
- Large deals were signed by buyers in the logistics, wholesale, travel and transportation sectors
- In Europe, transaction activity marginally increased in terms of volume, led by 33 percent growth in transaction volumes in the United Kingdom
- The captive market continued to grow with 35 new announcements this quarter, sustaining the two-year high mark for activity set in the fourth quarter 2009
- A marked increase in offshore activity was seen in Brazil, China, India and the Philippines with 44 new delivery centers. Asia saw significant offshore activity during the quarter with Tier-I cities reporting higher activity compared to Tier-II cities
- Overall supplier transaction activity volumes remained steady and improved for offshore centric-suppliers but declined for traditional global majors. M&A activity was similar to last quarter, but the market saw 52 new alliances compared to 39 in the previous quarter

“Outsourcing market activity during the last quarter was largely led by renewals and restructuring of existing contracts,” said [Eric Simonson](#), managing principal of Research, Everest. “With discretionary spend opening up this year, buyers are looking to take their sourcing strategies to the next level, so these renewals are critical milestones for both buyers and suppliers. While the outsourcing market’s activity

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numbers look good, economic recovery remains slow and steady.”

Everest’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 intelligence](#) insights, and key developments across the leading financial services companies globally.

The Market Vista Q1 report also includes focus sections on:

- Geography profile of Eastern Europe including analysis of Prague, Brno, Budapest, Bucharest, Sofia, Bratislava, Warsaw, Krakow, and Poznan
- [Location optimization](#) insights, which include impact of increased hiring in India, Morocco as a credible location for offshore IT services, and Indian suppliers’ plans for setting up delivery centers in the United States
- Two Vista Primer documents, providing overviews of key Latin American contact center suppliers and major [Human Resources Outsourcing](#) (HRO) suppliers

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

The [Webinar](#) will be held May 13 at 9 a.m. CDT; 2 p.m. GMT Standard Time. To register, please visit: [www.everestresearchinstitute.com/Events/Webinars](http://www.everestresearchinstitute.com/Events/Webinars).

[Market Vista](#) is a subscription service with four reports published per year, now enhanced to also include [location datasets](#), Market Vista Primer and [Global Locations Insights newsletter](#). For information about the [Market Vista: Q1 2010](#) 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

Everest Group is a global consulting and research firm that comprehensively serves the sourcing 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, offshoring and shared services marketplace. For more information, please visit [www.everestgrp.com](http://www.everestgrp.com) and [www.everestresearchinstitute.com](http://www.everestresearchinstitute.com).