

Everest Group PEAK Matrix™ for MPHRO Service Providers 2019

Focus on Accenture
January, 2019



Introduction and scope

Everest Group recently released its report titled “[Multi-Process Human Resources Outsourcing \(MPHRO\) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019](#).” This report analyzes the changing dynamics of the MPHRO landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 20+ service providers on the Everest Group PEAK Matrix™ for MPHRO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of MPHRO service providers based on their absolute market success and delivery capability. Everest Group also identified three service providers as the “2019 MPHRO Market Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

Based on the analysis, **Accenture emerged as a Leader**. This document focuses on **Accenture’s MPHRO** experience and capabilities and includes:

- Accenture’s position on the MPHRO PEAK Matrix
- Detailed MPHRO profile of Accenture

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

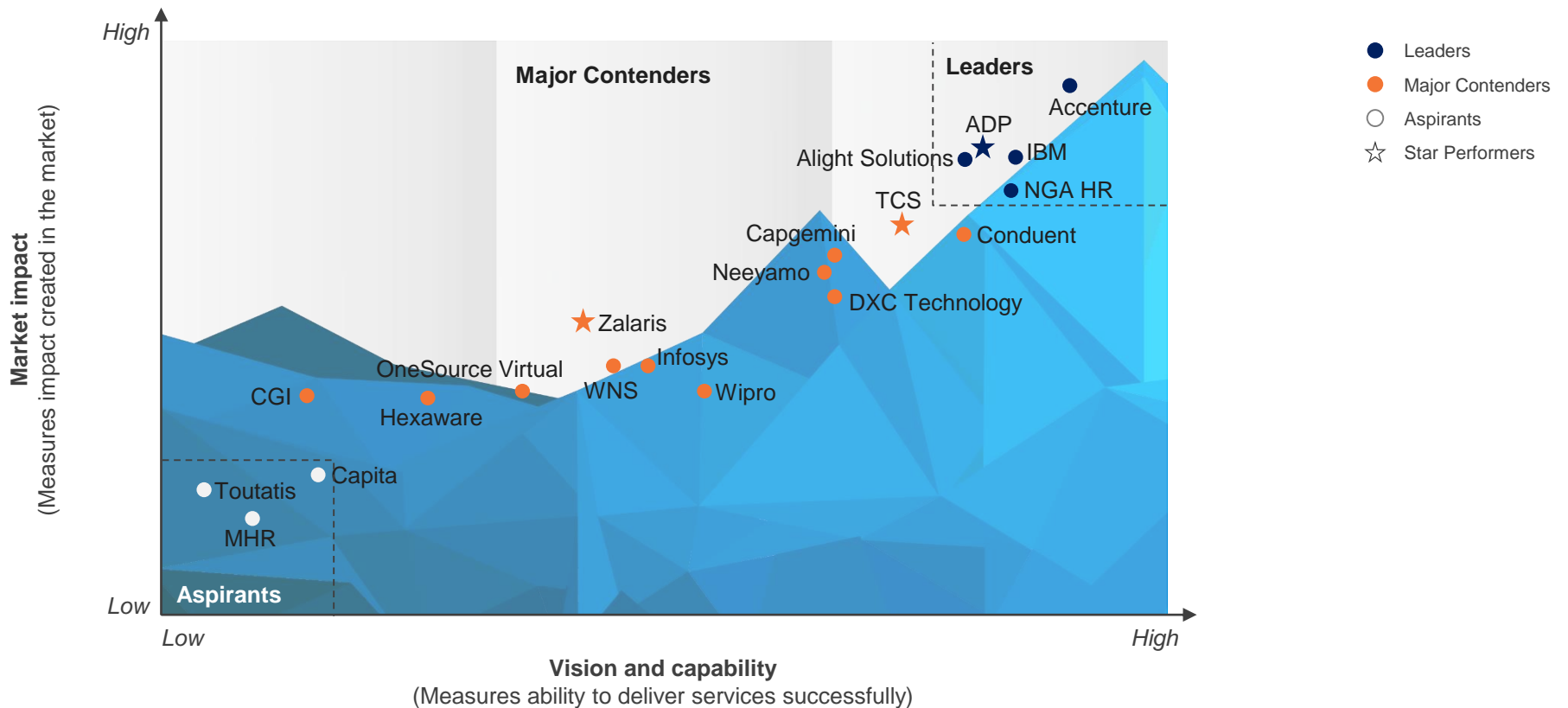
Source: Everest Group (2019) unless cited otherwise

Everest Group PEAK Matrix™

Multi-Process Human Resource Outsourcing (MPHRO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 | Accenture positioned as Leader



Everest Group Multi-Process Human Resource Outsourcing (MPHRO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019^{1,2}



1 PEAK Matrix specific to MPHRO services

2 Assessment for Capita, CGI, Hexaware, MHR, Toutatis, and Wipro excludes service provider inputs on this particular study, and is based on Everest Group's estimates which leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage, the service provider's public disclosures, and interaction with buyers

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MPHRO service capability and strategy

Company profile: Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology, and operations. It has offices and operations in more than 200 cities in 55 countries with approximately 459,000 employees.

Headquarters: Dublin, Republic of Ireland

Key leaders: Pierre Nanterme, Chairman and Chief Executive Officer; Debra A. Polishook, Group Chief Executive, Operations; Jill Goldstein, Talent and HR Business Process Services Lead, Operations

Website: www.accenture.com

Current MPHRO technology strategy

- **Overview:** Accenture is a technology-independent service provider, working with traditional, on-premise, and SaaS technology providers. Solutions are supplemented with proprietary technologies such as HR portal, Accenture intelligent analytics platform, and the Accenture operations navigator
- **Technology models supported:**

Tie-and-run	Support/augmentation	Customized replacement / implementation	Platform-based solution
✓	✓	✓	✓

Total HRO delivery FTEs = ~7,100

Offshore ¹	Nearshore ¹	Onshore
4,500	1,050	1,550

Current MPHRO market segment focus

- **Buyer segment:** Targets buyers interested in broader value proposition in terms of return on investment in workforce performance and productivity
- **Geography:** North America, Europe, Asia Pacific, Latin America, and Africa

Recent HRO-related developments/investments

Areas	Developments/investments
M&A/partnership	Alliances with key vendors such as SuccessFactors, ServiceNow, Workday, SAP, ADP, and Oracle to provide end-to-end solutions that include services and technology in a fully integrated service delivery model
HR technology-related	<ul style="list-style-type: none"> • Investment in Employee Experience Platform, a portal with advanced digital & social capabilities, HR case management, and content management as well as a new joiner onboarding portal • Created Cloud HCM CoEs for Workday and SuccessFactors to drive innovation across talent and HR business process services • Invested in 20+ innovative application extensions to SuccessFactors leveraging SAP Leonardo technologies (Machine Learning (ML), predictive analytics, and Internet of Things (IoT)) • Developed “Accenture myConcerto,” a fully integrated & client-centric, digital innovation, collaboration, and delivery platform that powers enterprise transformation with new SAP & Oracle solutions
Analytics and mobile	Significant investments in HR analytics to improve talent sourcing, talent development, increase engagement, and reduce attrition
Others	Investments in automation, RPA, virtual assistants, and artificial intelligence to drive significant time-saving benefits as well as investments in industry, technical, digital, and functional training to enable transformational HR operations delivery

■ Offered as MPHRO solution
 ■ Offered on a stand-alone basis
 ■ Not offered

SERVICE SUITE

Employee relations	Performance management	Regulatory and compliance	Global mobility	Learning	Recruitment and selection	Compensation	Benefits	Payroll	HRIS	Contact center
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¹ FTEs located in offshore (India, China, and Southeast Asia) or nearshore locations (Eastern Europe and Latin America) and delivering services for North America or Western Europe

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MPHRO client portfolio

MPHRO experience

Total number of current MPHRO clients – 88

Recent MPHRO wins

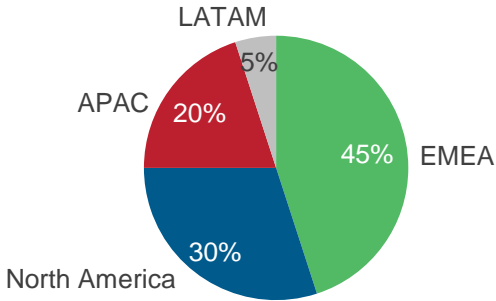
Signed 18 new deals in the last 12 months, some of the new clients are – a national public broadcasting company in Italy, a Swedish power company, a French utilities company, a Swiss transnational food and drinks company, and a large paper company

Major MPHRO clients

- A large Italian telecommunications company
- A large paper company
- A Italian banking group
- An American retailer of women's clothing

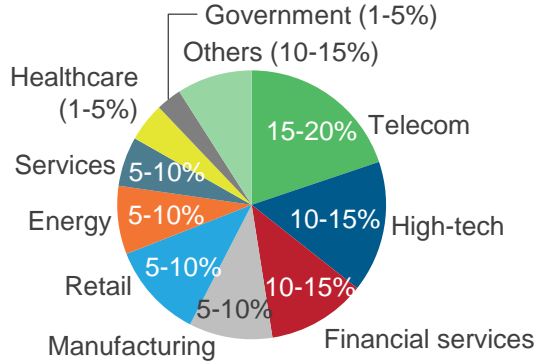
MPHRO revenue (ACV) geography mix

100% = US\$536 million¹



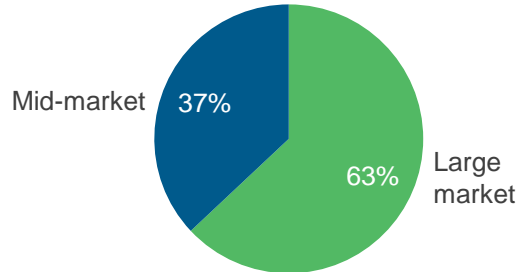
MPHRO revenue (ACV) industry mix

100% = US\$536 million¹



MPHRO buyer size mix

100% = 88 deals



¹ Based on Everest Group's definition of MPHRO and analyst estimates










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Key MPHRO delivery locations



Everest Group assessment – Leader

Measure of capability:  High  Low

Market impact				Vision and capability				
Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
								

Strengths

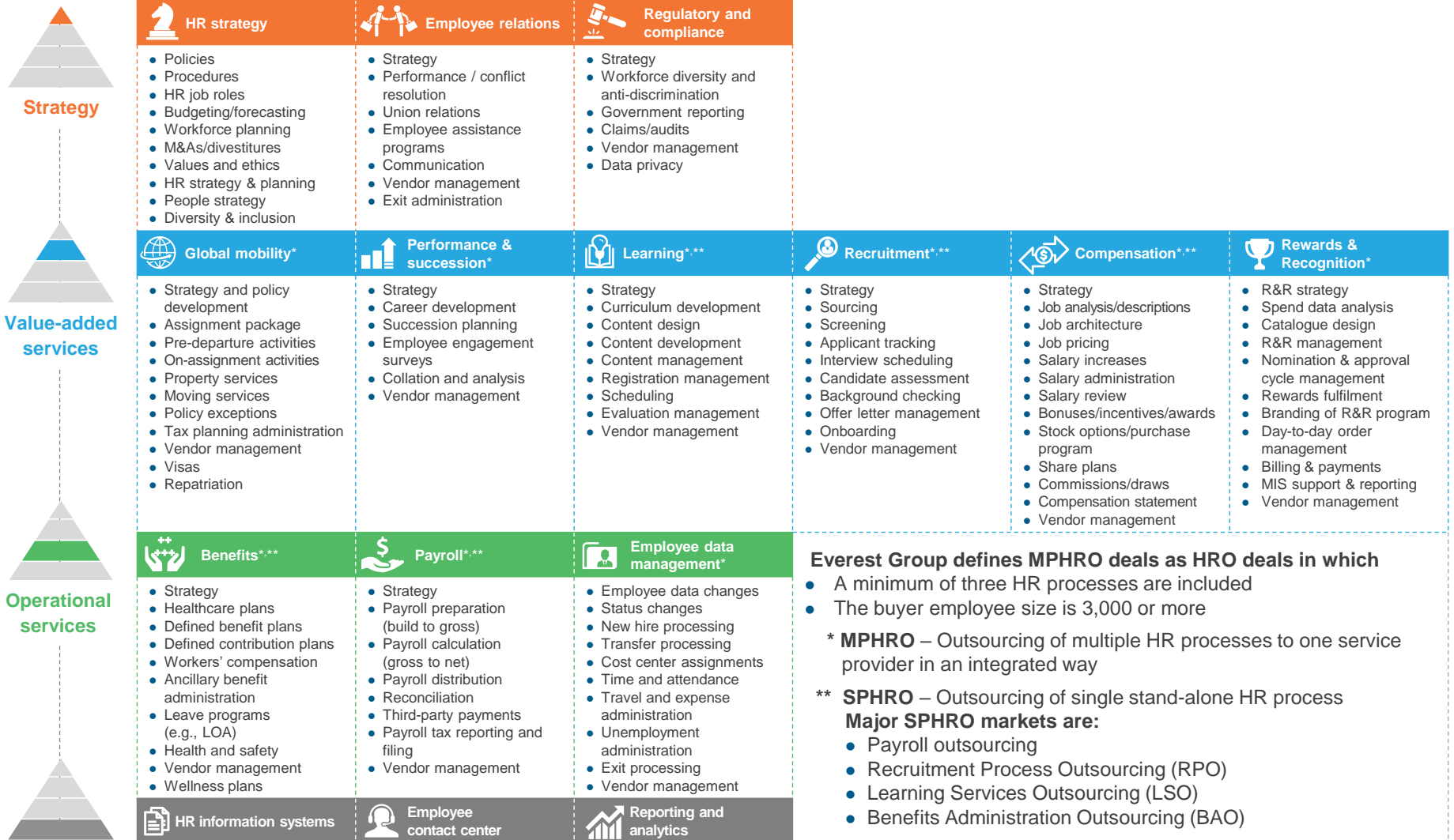
- Accenture is a Leader on the MPHRO PEAK Matrix, with one of the highest revenues in the industry
- Its expertise in both transactional and judgment-intensive HR processes is its key strength. This enables it to deliver services across the “hire-to-retire” cycle for its clients
- In addition to its partnerships with leading third-party cloud solution vendors (ServiceNow, Workday, SAP SuccessFactors, and Oracle Cloud), it has invested in CoEs and acquired various cloud consulting firms to strengthen its capabilities across the consult-to-operate spectrum
- The development of digital solutions, such as employee experience platform, virtual assistant, translation-enabled chat, and insights platform, enable it to achieve an employee-centric service delivery model
- It has invested heavily in RPA and has deployed multiple minibots across several deals to automate high-volume and transactional HR processes
- Reference clients cited cost reduction, improving flexibility & agility, and proactiveness, in addition to relationship management as its major strengths

Areas of improvement

- Although Accenture has a strong presence in the Asia Pacific region, its growth, in terms of new deals won, is relatively low; it should aggressively focus on marketing its BPaaS offerings to thwart the competition and win more deals in this promising region
- It should continue to strengthen its leadership position in the market through higher operationalization of next-generation HR services. For instance, the high operationalization of RPA robots in MPHRO service delivery should be complemented by more on-ground implementation of HR analytics and Artificial Intelligence (AI)
- Although serving large and complex clients is right up Accenture’s alley, it should try to diversify its portfolio and develop tailored offerings for the mid-market (<15,000 buyer employees) to further increase its market share

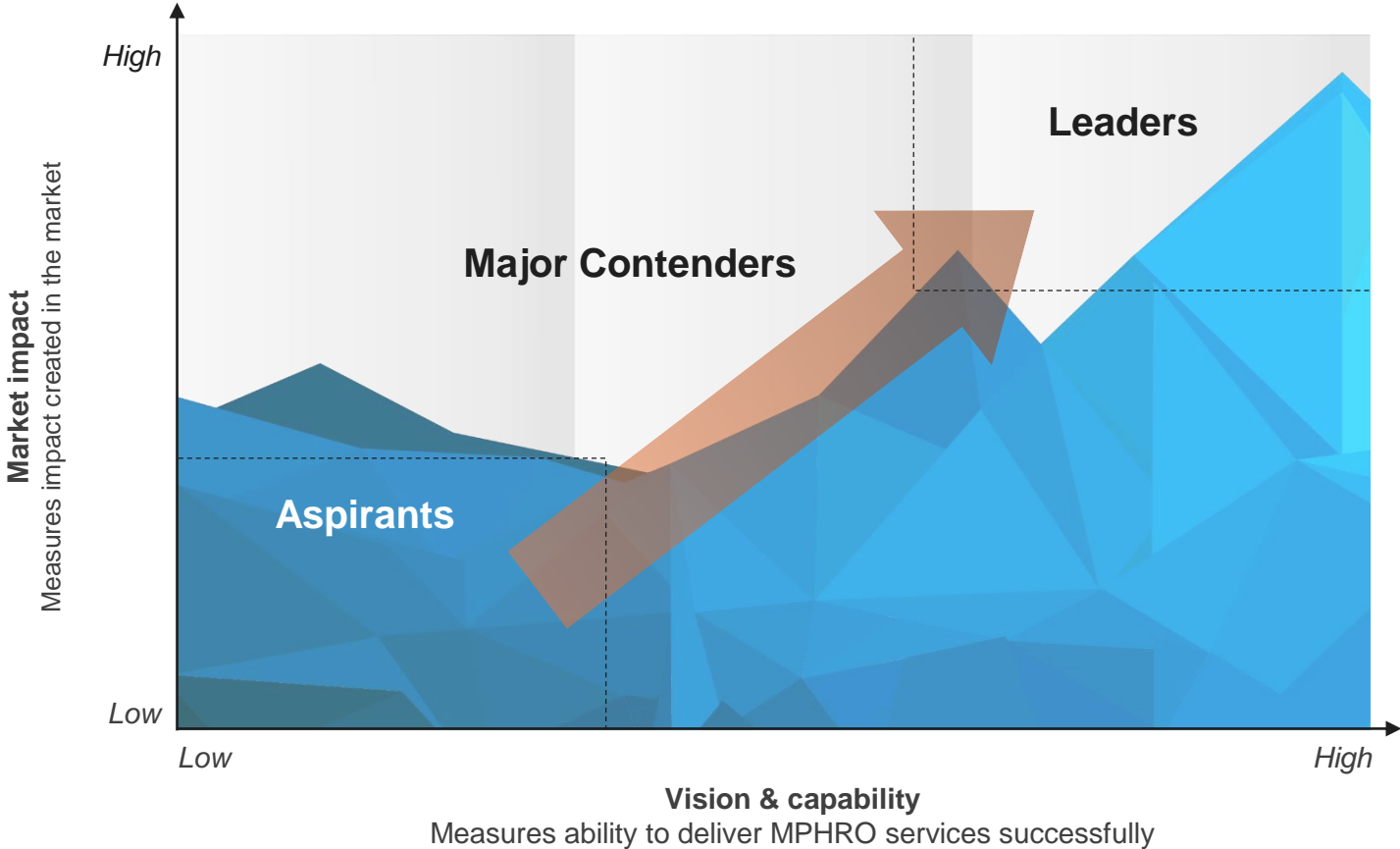
Appendix

Everest Group HRO process map



Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix



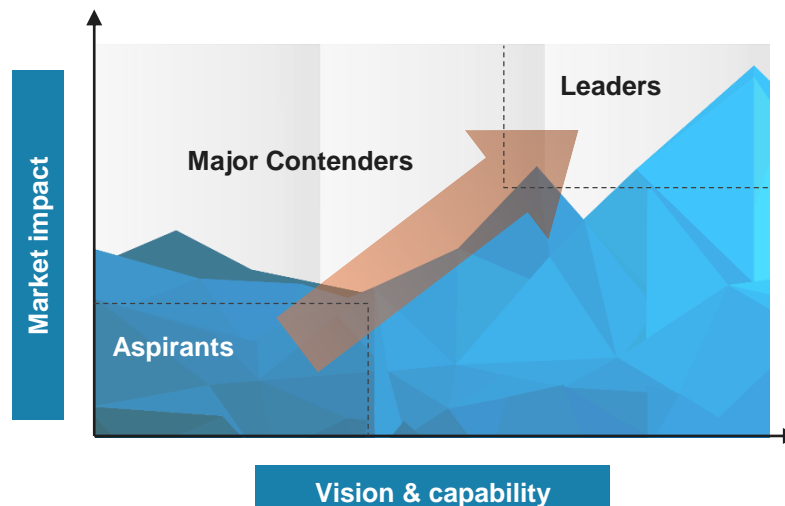
Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

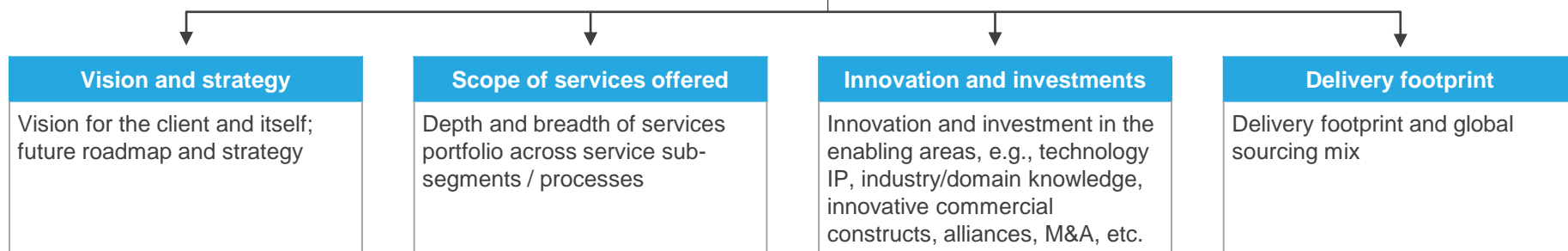
Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix
Diversity of client/revenue base across geos and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact



Vision & capability
Measures ability to deliver services successfully. This is captured through four subdimensions



Does the PEAK Matrix™ assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?

No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender,” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status ?

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
 - Issue a press release declaring their positioning. See [citation policies](#)
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from Everest Group analysts could be disseminated to the media
 - Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91 806-781-9999

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

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