



RESEARCH INSTITUTE

Everest Offers Free Outsourcing Quarterly Market Vista Report

Q1 2008 Features: Financial Services, Eastern Europe, Chinese Suppliers

Press release

DALLAS, GURGAON, and LONDON, June 25, 2008 – The first issue of Market Vista, a new, robust quarterly report on global outsourcing and offshoring activity and trend insights published by the [Everest Research Institute](#), was released today and is available at no cost by request. To request a free copy of [Global Sourcing Market Vista: Q1 2008](#), please visit www.everestresearchinstitute.com.

The Institute's quarterly Market Vista reports provide data and analysis across multiple dimensions, including deal trends in the outsourcing and offshoring market; captive model analysis including new center announcements, expansion and divestiture; current and emerging location analysis including risks and opportunities and government initiatives; key supplier developments including transaction activity, changes in delivery footprint, M&A and alliance activity; and analysis of key developments across the top 20 financial services companies globally. The Q1 2008 Market Vista report features focus analyses of Eastern European cities and the Chinese supplier landscape.

"We're taking quarterly reporting of the global outsourcing and offshoring market to the next level by looking at the all dimensions of the market – outsourcing deals, captives, locations, suppliers and more," said [Peter Bendor-Samuel](#), Chairman of the Institute and Founder/Chief Executive Officer of [Everest Group](#). "To navigate the increasing complexities of global outsourcing, Market Vista is designed to provide global sourcing leaders with intelligence across multiple dimensions, to effectively manage risks, and spot opportunities."

Market Vista builds upon the Everest Research Institute's position as the leading authority on offshoring location and captive trends. "Sophisticated users of offshoring increasingly realize that they must understand the broader context of how the market is changing," explained [Nikhil Rajpal](#), Practice Head, Global Services, Everest Research Institute. "For example, Market Vista integrates analysis of location cost structures with currency exchange rate fluctuations to provide a holistic view of what issues need to be managed."

Market Vista: Q1 2008 Executive Summary

Market overview

- Q1 2008 has been similar to last two quarters in terms of momentum of outsourcing transactions
- Europe has been gaining traction in the outsourcing market and contributed to 36 percent of the transactions signed in Q1 2008. European buyers have signed some large BPO deals this quarter
- Many BPO and ITO functions saw more activity than Q4 2007

Captive developments

- Contrary to market speculation, captives continue to grow. Q1 2008 saw 15-20 new captives set up across geographies
- At the same time, large MNCs like Unilever, Shell, and AOL have announced plans for divesting offshore captives this quarter

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Financial services highlights

- The financial services vertical contributed to about 14 percent of all transactions signed in Q1 2008, dominated by a few large deals signed by banks, brokerage firms, and mutual funds, skewing the trend away from insurance
- The credit-crisis, which has resulted in an industry downturn, may have mixed impact on the offshoring industry, with increased impetus for offshoring, but potentially longer lead times for deal closure

Location activity

- India, Philippines, and Eastern European countries such as the Czech Republic and Romania have experienced substantial offshore activity
- New locations are emerging as potential offshore options such as Thailand, El Salvador, Paraguay, Uruguay, Honduras, and the Dominican Republic
- The appreciation of the Brazilian Real is likely to reduce Brazil's cost arbitrage from about 35 to 25 percent
- Wage inflation in Argentina is likely to spike due to the increase of minimum wages by 10 percent in Q4 2007
- In some Central American cities, particularly Monterrey, increase in player activity has fueled concerns around labor pool pressures in the medium term

Supplier developments

- M&A and alliance activity was high in Q1 2008 with 15 M&A transactions and 18 alliances
- Twelve suppliers announced expansion of delivery location footprints. While offshore-centric suppliers favored expansion in low-cost destinations in APAC and Eastern Europe, traditional suppliers focused on the Americas

Market Vista is a subscription service with four reports published per year. For information about [Market Vista](#) or other research services, please visit www.everestresearchinstitute.com, e-mail 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, service 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 distinguished [Board of Advisors](#), [senior executives](#), and thought leaders oversee the Institute's research agenda to ensure that it fully supports the business needs of corporations, service providers, and investors.

Everest Research Institute members receive access to unparalleled analytical and advisory services, including access to [Everest analysts](#), in-depth [reports](#) on major outsourcing and offshoring topics, [whitepapers](#) on market-shaping events, and [webinars](#) designed to provide insight and information about important market trends. The Institute's wealth of knowledge and experience provides members with unique perspectives into today's marketplace and the competitive edge required to take advantage of emerging opportunities.

[Everest Group](#) is a global operational strategy consulting firm with offices in such leading business centers as Dallas; Gurgaon, India; London; Amsterdam; New York; Toronto and Melbourne. An industry leader since 1991 when we created the sourcing consulting category, Everest Group has earned a worldwide reputation for ongoing innovation as we help clients achieve maximum value from their operations, which includes sourcing strategy and implementation. Everest created the Everest Research Institute as the central source of industry information. Please visit www.everestgrp.com and www.everestresearchinstitute.com for more information.