



European HR Outsourcing Suppliers Taking Market Share from Big-Name U.S. Providers, According to Everest Research Institute

European HR Providers Continue to Grab Global Market Share

Press release

DALLAS, May 7, 2008 – The rising number of European companies offering Human Resources Outsourcing (HRO) services with attractive service bundles and competitive price points are stealing market share away from HRO suppliers in the United States and elsewhere, according to an [Everest Research Institute](#) study of the European [HRO](#) market. Since 2005, European HR outsourcing suppliers have gained 10 percent of the global market, currently hold 30 percent of it, and these numbers will likely continue to increase to meet rising demand in a market that hasn't been significantly penetrated, according to Institute analysts. The Institute will hold a [Webinar](#), *European HRO Market: A Laggard or an Emerging Frontier?*, on May 14 at 9 a.m. CDT to present study findings and insights.

While the global market continues to grow at a decelerated rate (15 percent CAGR from 2006-2007 compared to 22 percent from 2003-2005) and the overall number of transactions declined from 2006 to 2007, most of the global transactions occurred in Europe, a strong indicator of buyer maturity, according to Everest's [Pan-European HRO Market](#) report. Annual revenues for HRO transactions originating in Europe reached almost US\$750 million in 2007.

"Market penetration across all sectors is low; therefore, we expect to see continued HRO growth in Europe as buyers increasingly realize they must consider outsourcing to remain competitive in a global world," said [Monica Barron](#), Vice President, Research, Everest Research Institute. "Buyers are looking beyond cost savings and are very focused on effectively managing cross-country talent. With the entry of new "payroll-led" and "offshore-led" multi-process HRO suppliers, buyers have more choices and are no longer restricting themselves to 'brand shopping' the big-name global suppliers."

Other highlights of the report include:

- The United Kingdom continues to claim a large share of the HRO European market in terms of deal origination and employees covered, holding 56 percent of all European transactions and 82 percent of total contract value
- West Europe is an emerging market within Europe with different sub-regions having different HRO potential
- Central and Eastern European locations have become an integral part of supplier strategies to deliver HRO services in Europe, serving as HRO hubs to support European operations
- Manufacturing, government, and telecom dominate European HRO buyer industries
- The most transaction activity is with companies employing 15,000 or more employees, and 55 percent of these engagements are global or regional
- In terms of transaction activity, [Accenture](#), [ADP](#), and [Northgate ARINSO](#) signed 54 percent of them
- Accenture and [ExcellerateHRO](#) are the current market leaders based upon the Institute's data; however, buyers have more choices as existing suppliers, including Europe-centric [Logica](#), [Capita](#), and [Steria Xansa](#), solidify their HRO offerings and offshore-led suppliers, including [Caliber Point](#), [TCS](#), and [Wipro](#), enter the HRO market

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The Institute's Pan-European HRO Market report provides comprehensive coverage of the European HRO market including detailed analyses on market size and trends, market segments, transaction characteristics, and supplier landscape and delivery capabilities.

The 45-minute [Webinar](#), followed by 15 minutes of questions and answers with participants, will take place on May 14, 2008, at 9 a.m. CDT; 7:30 p.m. IST. To register, please visit: www.everestresearchinstitute.com/Events/Webinars.

To read more about the findings of the report, an extract is available at www.everestresearchinstitute.com. To purchase the report or receive more information about other research services, please e-mail info@everestresearchinstitute.com or call +1-214-451-3110.

About Everest Research Institute

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