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Everest Q1 Report: Outsourcing Market Drops, BFSI Sector Rises

Special Focus Topics: Industry-specific FAO, Eastern Europe

Press release

DALLAS and GURGAON, May 13, 2009 – The North American outsourcing market witnessed a 15 percent decrease in transaction volume during the first quarter this year compared to the previous quarter, according to the [Market Vista: Q1 2009](#) report on global outsourcing and offshoring activity by the [Everest Research Institute](#). Everest analysts will hold a one-hour [Webinar](#) on May 19, 9 a.m. CST, to present study findings and insights.

Comparing Q1 2009 to Q4 2008, the study findings include:

- The global outsourcing market decreased 7 percent in transaction volume, and ACV dropped 16 percent from US\$3.55 billion to US\$2.97 billion
- While most industries signed fewer outsourcing deals in the first quarter, the banking and financial services sector witnessed 30 percent growth in transactions, dominated by increased activity in Europe and led by the ITO market
- The government sector dropped sharply with transaction volume falling 35 percent
- BPO activity dropped 15 percent in transaction volumes
- Europe witnessed a reduction in transaction volumes, although ACV was higher than Q4 primarily due to a few large deals signed in the region

“While the American outsourcing market declined, the BFSI market saw an increase in activity, primarily driven by European financial services companies,” said [Eric Simonson](#), Managing Principal, [Everest Research Institute](#). “We believe that overall market activity is likely to see an uptick by the fourth quarter this year and onward.”

The Institute’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 developments, and key developments across the top 20 financial services companies globally. The Market Vista Q1 report also includes special sections on industry-specific FAO and an analysis of the outsourcing market in Eastern Europe.

Other insights for first quarter 2009 activity include:

- Captives activity included 20 new announcements in Q1, compared to 22 in each of the previous two quarters
- Asia continues to dominate offshore delivery, and Tier-II cities continue to hold preference with new centers arising in locations such as Iloilo City and Bacolod in Philippines and Gdansk, Lublin and Poznan in Poland
- Potential near-term risk issues arose in Mexico, El Salvador, Poland and Thailand
- Aggregate US\$ revenues across the Market Vista Index of suppliers declined by 2.2 percent on the heels of a 2.5 percent decline in the previous quarter. Revenues of traditional global suppliers declined by 2.2 percent and declined 2.3 percent for offshore-centric suppliers

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

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The 45-minute [Webinar](#), followed by 15 minutes of questions and answers with participants, will take place on May 19 at 9 a.m. CDT; 10 a.m. EDT; 3 p.m. GMT Standard Time; 7:30 p.m. India Standard Time. To register, please visit: www.everestresearchinstitute.com/Events/Webinars.

[Market Vista](#) is a subscription service with four reports published per year. For information about the [Market Vista: Q1 2009](#) report or other research services, please visit <http://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, suppliers, technology 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 wealth of knowledge and experience provides unique perspectives into today's marketplace and the competitive edge required to take advantage of emerging opportunities.

Everest Research Institute is the research arm of the [Everest Group](#), a global consulting firm with offices in such leading business centers as Dallas, New York, Toronto, London, Amsterdam, New Delhi, Melbourne, and Sydney. Everest Group has earned a worldwide reputation for ongoing innovation as it helps clients achieve maximum value from their operations including sourcing strategy and implementation.

Please visit www.everestresearchinstitute.com for more information.