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Everest Group PEAK Matrix™ for Services Procurement Service Providers 2019

Focus on KellyOCG

October 2019

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PEAK MATRIX™

Introduction and scope

Everest Group recently released its report titled "[Services Procurement – Service Provider Landscape with PEAK Matrix™ Assessment 2019](#)" This report analyzes the changing dynamics of the services procurement landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 15 service providers on the Everest Group PEAK Matrix™ for services procurement/SOW providers into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of services procurement/SOW service providers based on their absolute market success and delivery capability.

Based on the analysis, **KellyOCG is a Leader**. This document focuses on **KellyOCG's** services procurement capabilities and includes:

- KellyOCG's position on the Services Procurement PEAK Matrix
- KellyOCG's year-on-year movement on the Services Procurement PEAK Matrix
- Detailed services procurement profile of KellyOCG

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.

Services Procurement PEAK Matrix 2019 – summary

- Everest Group's PEAK Matrix categorizes the services procurement/SOW service providers into Leaders, Major Contenders, and Aspirants based on their market impact and services procurement vision & capability

- Based on Everest Group's 2019 services procurement PEAK Matrix, the 15 established services procurement service providers evaluated are segmented into three categories (arranged in alphabetical order within each category):
  - **Leaders:** Allegis Global Solutions and KellyOCG
  - **Major Contenders:** AgileOne, Geometric Results, Inc., Guidant Global, Hays, ManpowerGroup Solutions TAPFIN, Pontoon Solutions, PRO Unlimited, Randstad Sourceright, Volt Consulting Group, Workforce Logiq, and Workspend
  - **Aspirants:** Brainnet and HCMWorks

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Everest Group PEAK Matrix™
Services Procurement PEAK Matrix™ Assessment 2019 | KellyOCG positioned as Leader

Everest Group Services Procurement PEAK Matrix™ Assessment 2019

- Leaders
- Major Contenders
- Aspirants

Major Contenders

Leaders

Allegis Global Solutions

KellyOCG

Pontoon Solutions

Randstad Sourceright

ManpowerGroup Solutions TAPFIN

PRO Unlimited

Hays

Workforce Logiq

Guidant Global

Workspend

Geometric Results, Inc.

Volt Consulting Group

AgileOne

HCMWorks

Brainnet

Aspirants

Market impact
(Measures impact created in the market)

High

Low

Low — High

Vision & capability
(Measures ability to deliver services successfully)

Note 1: Assessment for Aspirants and AgileOne, Geometric Results, Inc., PRO Unlimited, and Workforce Logiq (among Major Contenders) is based on Everest Group estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage & public disclosures, and interaction with buyers. For these companies, Everest Group's data for assessment may be less complete

Note 2: For a detailed service provider profile, please refer to the MSP – Service Provider Profile Compendium 2019 report

Source: Everest Group (2019)

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Service capability and strategy

Company profile

KellyOCG is the outsourcing and consulting group of workforce solutions provider, Kelly Services, Inc. It is an MSP provider of solutions in the areas of recruitment process outsourcing, business process outsourcing, and contingent workforce outsourcing.

Headquarter: Troy, the United States
Leadership: Teresa Carroll, EVP Kelly Services, President, Global Talent Solutions and General Manager – Sales, Marketing and HR; Tammy Browning, VP and Managing Director, Global Operations
Website: http://www.kellyocg.com
Total managed spend: **US$8.6 billion**
Total number of current MSP clients: **291**

Recent Investments

- **2018:** Developed Guided Work solution, an AI-enabled TTA solution
- **2018:** Expanded human cloud interaction in multiple programs
- **2018:** Invested in TSC Analytics portal enhancements

Tools and technology

Tools	Proprietary/partnership
Vendor Management System (VMS)	**Partnership:** Fieldglass, Beeline, IQN, PeopleFluent (Vector VMS), and Provade
Services procurement / Statement Of Work (SOW)-related tools	**Partnership:** Fieldglass, Beeline, and IQN
Freelancer Management System (FMS)	**Proprietary:** Core Plus (landing page for direct sourcing/ICs) **Partnership / program deployments**: Axiom, 99 Designs, Beelinetowork/Talentnet, Business Talent Group, Catalant, Elevate, Gigster, Shiftgig, The Mom Project, Toptal, Upwork, and Wonolo
Analytics	**Proprietary:** TSC Analytics Portal and combination of TSC Analytics Portal & Guided Work Solutions

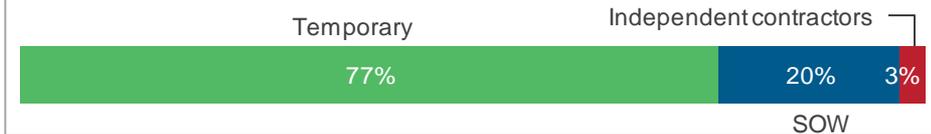### Organizational capabilities

Number of SOW MSP and services procurement experts : **35**
Number of category managers[1] : **23**
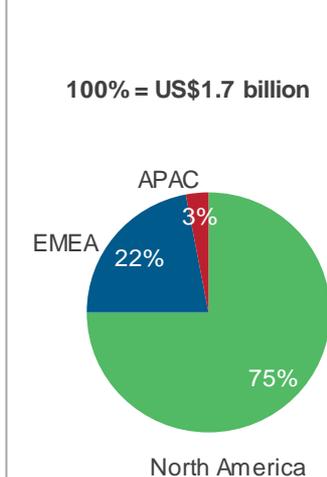Number of sourcing experts : **26**

Contingent workforce spend split by type of workers managed
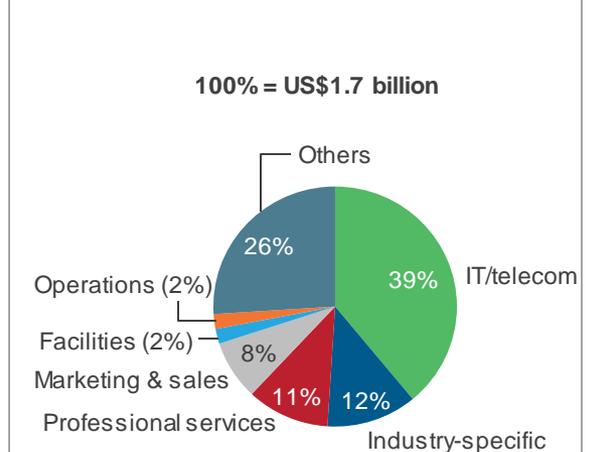
As percentage of managed spend

Temporary — Independent contractors

| 77% | 20% | 3% |

SOW

Focus on services procurement

As percentage of SOW spend

100% = US$1.7 billion

APAC 3%
EMEA 22%
North America 75%

Managed spend split by SOW categories

100% = US$1.7 billion

Others 26%
IT/telecom 39%
Operations (2%)
Facilities (2%)
Marketing & sales 8%
Professional services 11%
Industry-specific 12%

1   Includes those who specifically serve as category managers for KellyOCG's programs and those who consult with clients on category management strategies and spend categorization

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Key delivery locations

● Offices / centralized delivery locations

Telford

Troy

Kuala Lumpur

Everest Group assessment – Leader

Measure of capability: ● High ◔ Low

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

Strengths

- KellyOCG is the outsourcing and consulting arm of Kelly Services, an American temporary staffing firm. It has strong capabilities in North America and provides a range of services including RPO, MSP, executive search, and Talent Supply Chain Management (TSCM) advisory
- KellyOCG has a focused SOW practice and offers the entire gamut of SOW services including strategic processes such as vendor sourcing and contracting and negotiations, on the back of the strong expertise gained due to its TSCM advisory practice
- It continues to witness rapid growth in its SOW managed spend on the back of expansion of scope in its existing MSP engagements as well as new MSP deal wins with SOW management included in scope
- KellyOCG is making the right investments to expand its category expertise in SOW, evident from its balanced portfolio with decent spend managed across categories
- KellyOCG has further improved its already advanced proprietary TSCM analytics portal by including a new functionality to capture SOW and IC spends
- It is embedding its AI-enabled "Guided Work" solution in existing contingent workforce programs to optimize the talent sourcing strategy by bringing in the right set of channels based on client requirement and historical performance
  - This solution is also a key lever to effectively execute KellyOCG's TTA strategy as it helps enterprises decide on the type of talent (permanent, temporary, SOW and/or independent contractor) suitable for a particular requisition

Areas of improvement

- While KellyOCG services some large multi-country and multi-continent MSP clients, the majority of its deals are smaller single-country ones. KellyOCG needs to strengthen its capabilities in serving mega MSP deals with considerable SOW spend in scope, as well as target pure SOW deals, as the market is witnessing an increasing number of RFPs for these deals
- Most of KellyOCG's SOW spend is concentrated in North America. It needs to look at geographic diversification in order to grow further
- While reference buyers lauded KellyOCG's SOW management prowess, they also felt there is further scope for it to develop its capabilities to manage the strategic processes and expertise in niche areas

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Appendix

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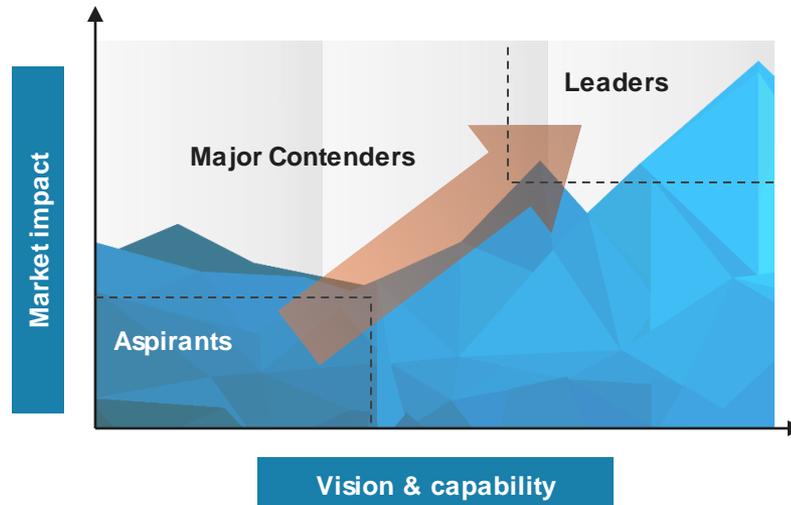
Everest Group PEAK Matrix
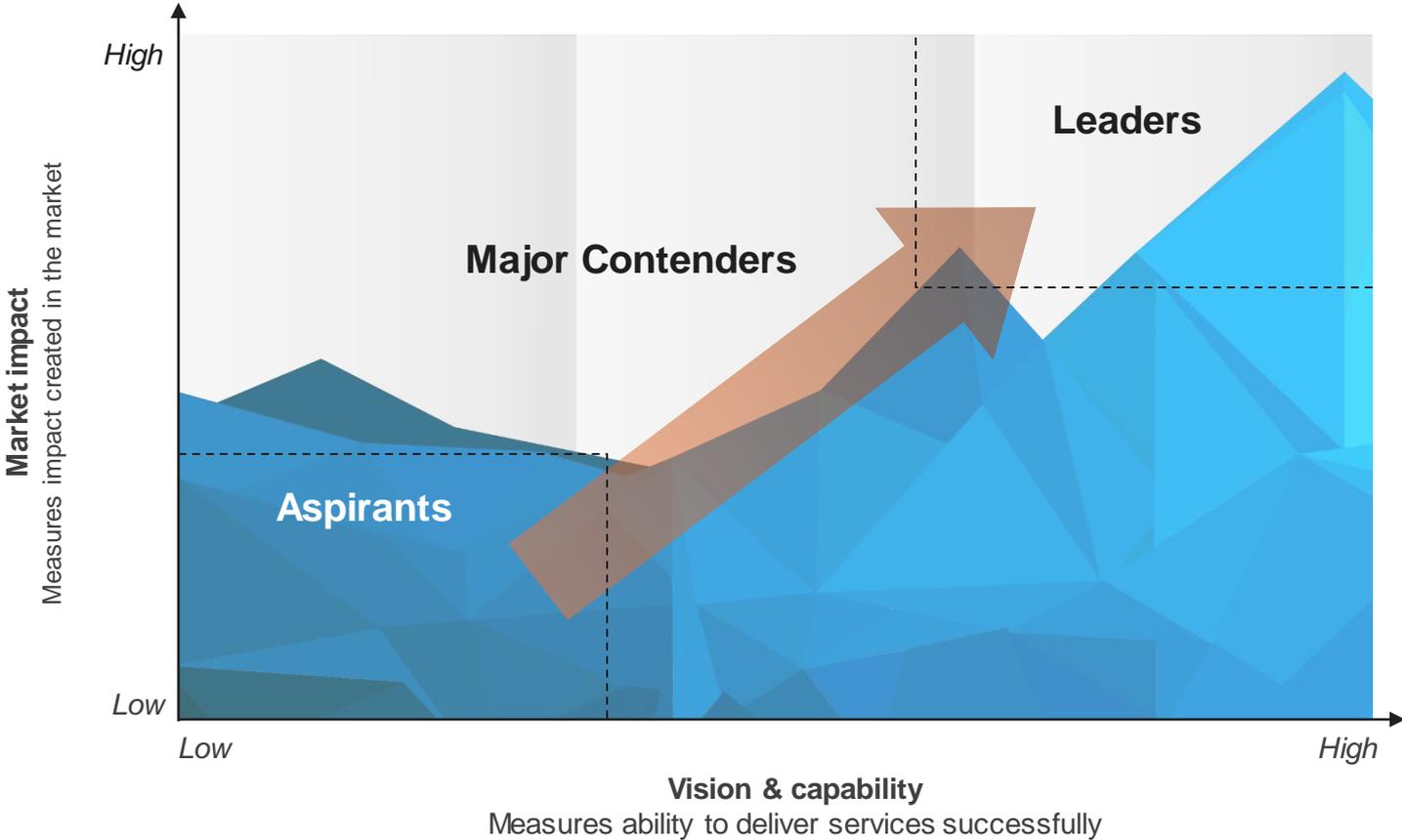
Services PEAK Matrix™ evaluation dimensions

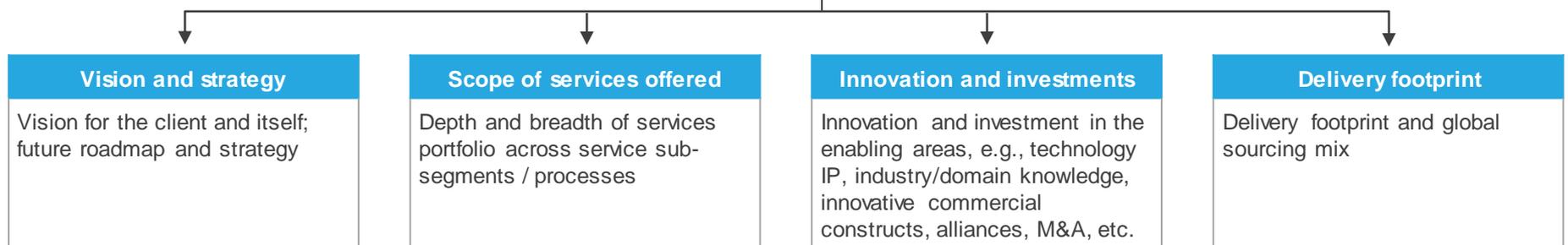Measures impact created in the market –
captured through three subdimensions

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

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability

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

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service sub-segments / processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix™

Methodology
Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix
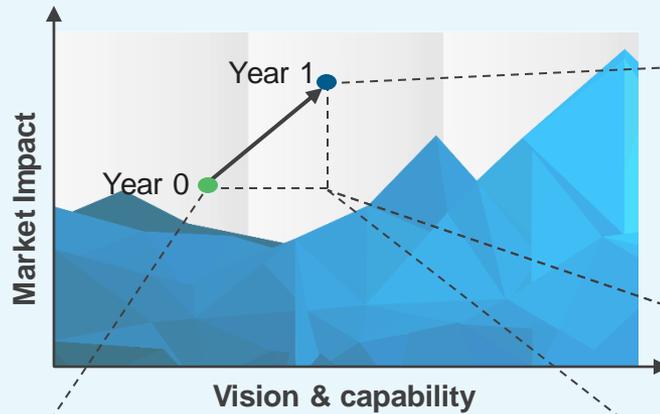
In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:
- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YOY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

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.

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