

Everest Group PEAK Matrix™ for RPO Service Providers

Focus on Futurestep
May 2018



Introduction and scope

Everest Group recently released its report titled “[Recruitment Process Outsourcing \(RPO\) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018](#).” This report analyzes the changing dynamics of the RPO landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 21 service providers on the Everest Group PEAK Matrix™ for RPO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of RPO service providers based on their absolute market success and delivery capability. Everest Group also identified service providers as the “2018 RPO Market Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

Based on the analysis, **Futurestep has been recognized as a Leader**. This document focuses on Futurestep’s RPO experience and capabilities and includes:

- Futurestep’s position on the RPO PEAK Matrix
- Futurestep’s year-on-year movement on the RPO PEAK Matrix
- Detailed RPO profile of Futurestep

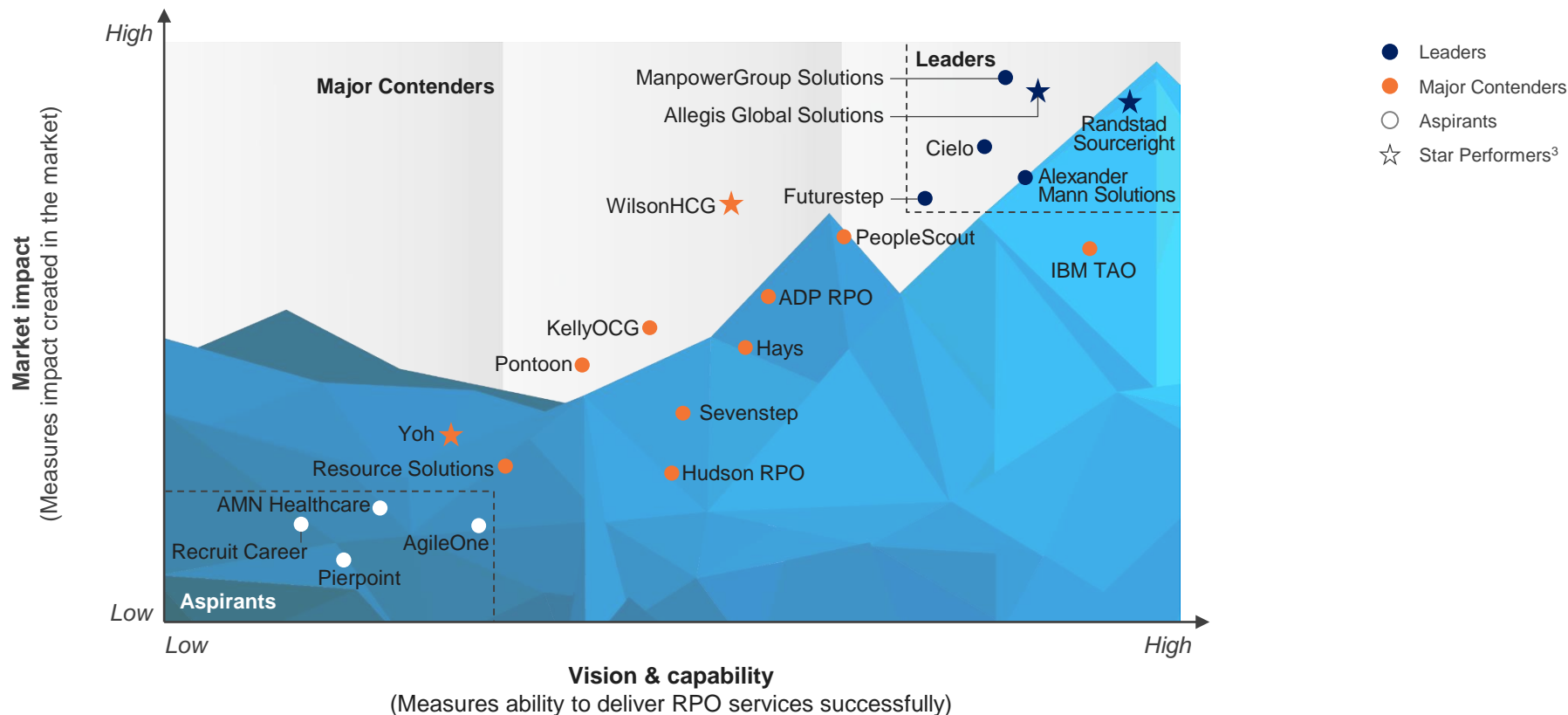
Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly 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.

Everest Group PEAK Matrix™

Recruitment Process Outsourcing (RPO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018 | Futurestep positioned as Leader



Everest Group Recruitment Process Outsourcing (RPO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018^{1,2}



1 Service providers scored using Everest Group's proprietary scoring methodology given on page 11

2 Assessment for **AgileOne**, **Hudson RPO**, **Resource Solutions**, and **Recruit Career** excludes service provider inputs on this particular study, and is based on Everest Group's estimates which leverages Everest Group's proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage & public disclosures, and interaction with buyers

3 Pierpoint was not evaluated as part of the Star Performer analysis due to their first participation in the PEAK Matrix analysis

Futurestep | RPO profile (page 1 of 4)

RPO service capability and strategy

Company profile: Futurestep provides Recruitment Process Outsourcing (RPO), professional talent solutions, and employer branding & consulting services. Founded in 1998, the company operates as a subsidiary of Korn Ferry and caters to clients across multiple market segments globally.

Headquarters: Los Angeles, California

Leadership: Byrne Mulrooney, Chief Executive Officer, Korn Ferry Futurestep

Website: www.kornferry.com/futurestep/futurestep

Current RPO market segment focus

- **Buyer segment:** Targets both mid-market (3,000 to 15,000 employees) as well as the large-market segment (>15,000 employees)
- **Geography:** North America, Central & South America, Europe, Middle East & Africa, and Asia Pacific

Partnership

- **RPO service provider:** None
- **HRO service provider:** Hay Group
- **MSP service provider:** None

Recent RPO-related developments/announcements

- **2017:** Launched a client advisory board of key outsourcing clients, industry analysts, and influencers
- **2017:** Opened a new talent delivery center in Manchester to complement Futurestep's existing hubs and taking a lead role in the company's regional delivery of senior and specialist recruitment services
- **2017:** Invested in proprietary technology and third-party tools to enhance its capabilities in the RPO sector leveraging RPA, AI, and NLP

	Reporting	Descriptive	Predictive	Prescriptive
Analytics	✓	✓	✓	✓
	Robotic Process Automation	Artificial Intelligence / Machine Learning	NLP	
Automation	✓	✓	✓	

North America	EMEA	Asia Pacific	South America
250	150	252	70
Total RPO delivery FTEs = 722			
Total RPO technology FTEs = 15			

Technology capabilities within key RPO areas

Key RPO areas	Proprietary/partnership	Details
Employer branding	Partnership	Supported by partnerships with multiple job boards, portals, job distribution systems, social media listening platforms, analytic tools, etc.,
Talent communities	Partnership	Provides a variety of interactive talent portals that allow users to easily sign-on via social media authentication, video presentations, etc.
Sourcing	Proprietary	Supported by proprietary tool, Client Platform Services. It leverages AI to source candidates from the top social media sites that recruiters use globally
Screening	Partnership	Supported by partnership with Montage, it provides live and on-demand voice and video interviewing solutions
Interview scheduling and coordination	Partnership	Supported by partnerships with Montage and Schedule Once. It leverages NLP technologies to automate the interview scheduling process
Assessment	Proprietary	Leverages proprietary tool KF's Four Dimensions of Leadership and Talent (KF4D) to assess competencies, experience, traits, and drivers
Background checking	Partnership	Supported by various partnerships with background check providers
Onboarding	Proprietary	Leverages a proprietary tool – Embark. It enables new hires to look at their competencies and see where they are a good fit in the client environment
Outplacement	Proprietary	Outplacement services are provided by proprietary tool – KF Advance

Note: Geography split of FTEs is available for 722

Futurestep | RPO profile (page 2 of 4)

RPO client portfolio

RPO experience

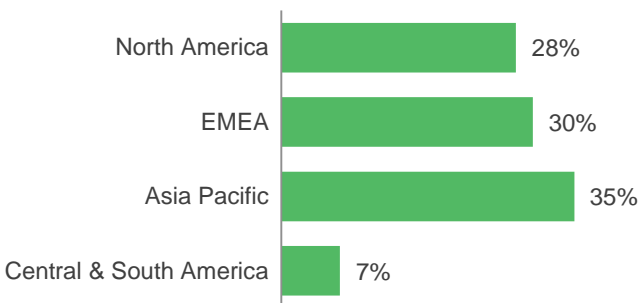
- Total number of current RPO clients: 135
- Total number of annual hires managed: 64,938

Major RPO clients

Not disclosed

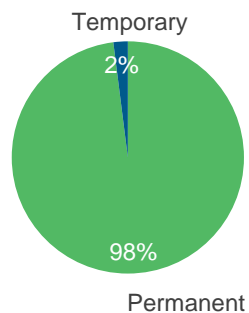
Frequency of inclusion of geographies in RPO deals

Number of deals = 135



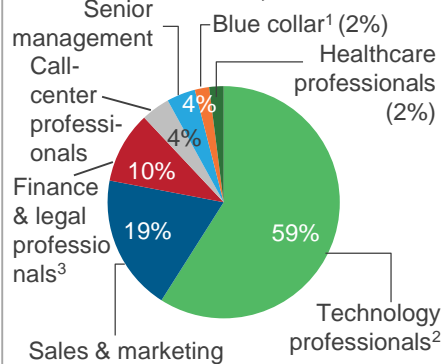
RPO split of hires by type

100% = 64,938



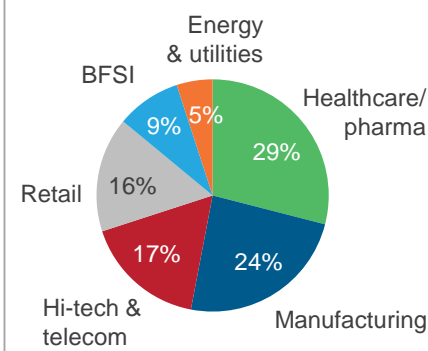
RPO split of hires by job family

100% = 64,938



RPO split of clients by industry

100% = 135



RPO buyer-size mix

100% = 135

Not disclosed

1 Blue collar includes jobs in operations, production, mining, construction, maintenance, technical installation, facilities, janitorial, security, etc.
2 Technology professionals category includes engineers, IT professionals, researchers, and scientists
3 Finance & legal professionals category includes accounting, finance, and legal professionals










Key RPO delivery locations



Futurestep | RPO profile (page 4 of 4)

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

- Futurestep, the RPO arm of Korn Ferry, one of the world's largest executive search firms, is a global provider with presence across all key geographies and industries
- It has strong capabilities in serving multi-country deals, facilitated by its presence across multiple countries and continents
- Futurestep has a considerable and consistent global footprint. It is one of the few global RPO providers that entered the APAC market early, and developed strong delivery footprint across India, China, the Philippines, New Zealand, etc. Its global footprint has also been a differentiator for it to win several multi-country deals
- Buyers looking for highly skilled candidates, especially in engineering and IT roles, will find its offerings compelling
- It has a strong consulting practice, which is supported by another of Korn Ferry's businesses – Hay Group – which has extensive human capital advisory expertise
- Futurestep's Recruiter Desktop technology platform sits on top of its clients' Applicant Tracking System (ATS) and provides a single interface integrating several add-on tools including sourcing, interview scheduling, assessment, compensation benchmarking, etc.
- It has its proprietary analytics tool "Foresight," which provides the buyer a one-stop-shop view of all their recruitment activity. This tool, along with its reporting capabilities, enables it to provide strategic insights to buyers about their hiring activity
- Futurestep's ability to form strategic partnerships for solving talent issues was lauded by referenced buyers
- Its state-of-the-art talent assessment tool, Korn Ferry's Four Dimensions (KF4D), enables it to reduce time to hire and hire better quality candidates
- Buyers also lauded the scale of its delivery capabilities that facilitates an agile service delivery as its other strength

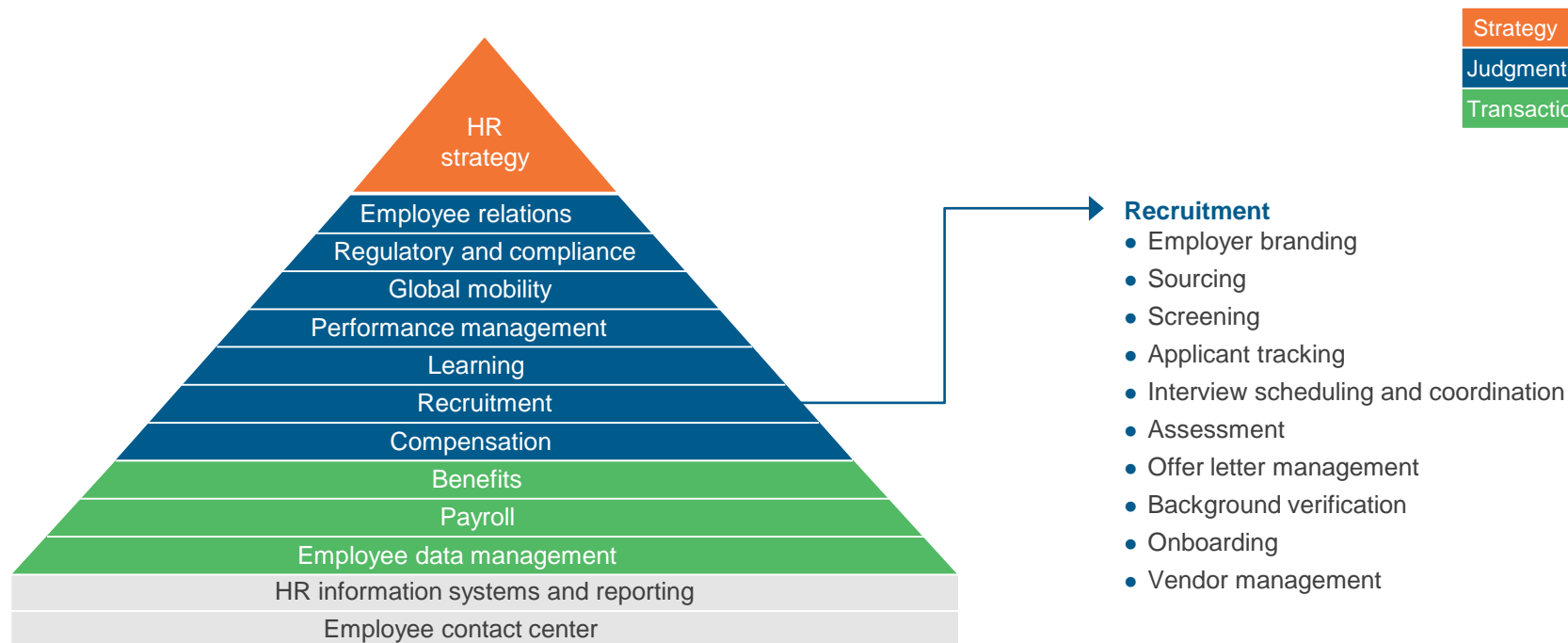
Areas of improvement

- Futurestep has good experience in undertaking contingent hiring on demand for its enterprise buyers. However, it does not have a proactive strategy in place to devise a Total Talent Acquisition (TTA) solution and push it into the market. Developing good TTA capabilities can help Futurestep complement its geographical reach to secure more TTA deals
 - It is also imperative, as buyers in its focus geography of Europe are looking for providers with TTA capabilities
- Faster adoption of next-generation tools, cognitive & AI, and automation tools was cited as an area of improvement by referenced buyers
- Buyers also felt that Futurestep should proactively come up with strategic solutions to improve candidate experience

Note: Based on contractual and operational information as of 2017

Appendix

We define RPO as transfer of responsibility of all or part of the recruitment processes or activities on an ongoing basis



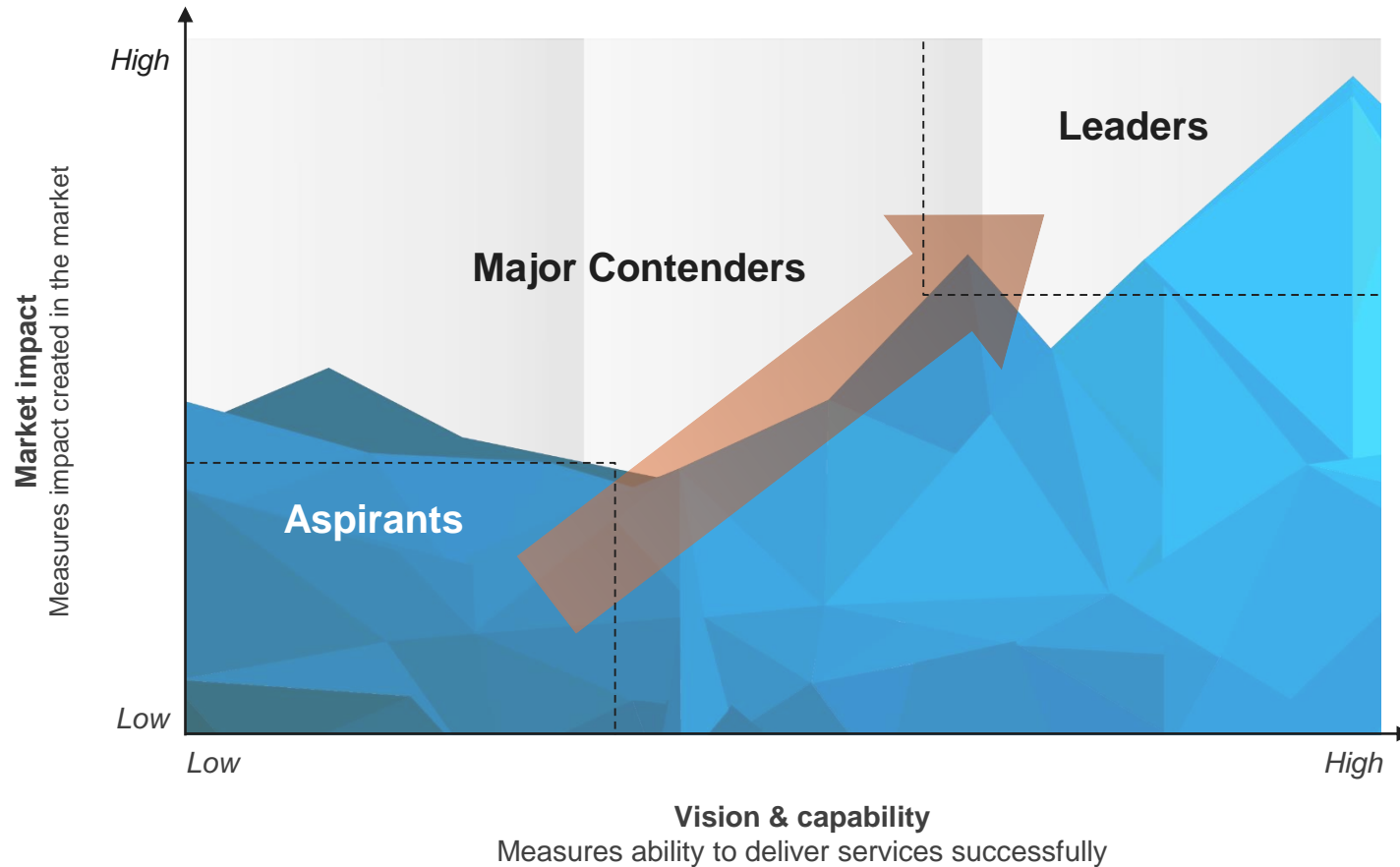
For this study, we included RPO deals in which:

- A minimum of four or more recruitment processes are included
- The outsourcing deal is active and is **at least one year in deal length**
- The deal scope should **not be limited to only temporary hires**

This study **does not** include “out-tasking” arrangements (typically handled by recruitment agencies, staffing companies, or executive search firms) that are managed on a project-by-project basis rather than through an ongoing long-term arrangement.

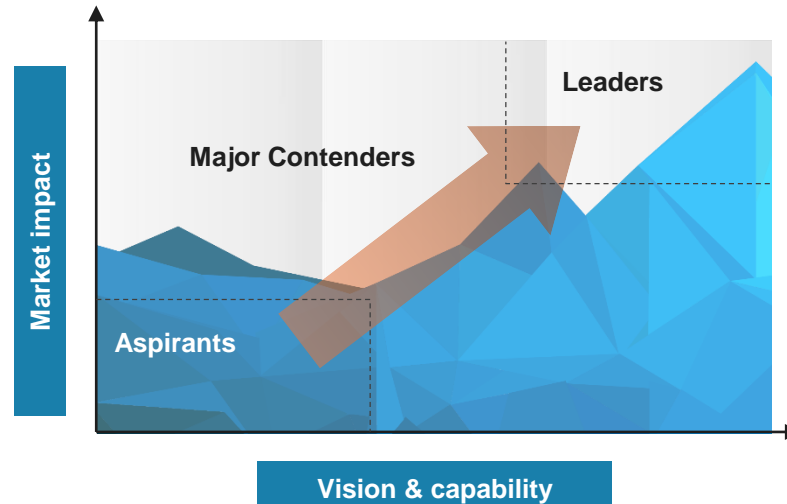
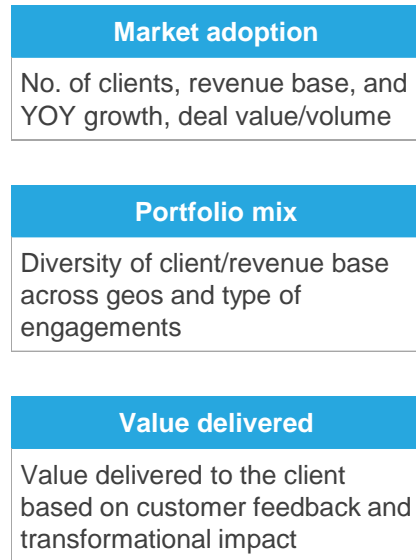
Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix

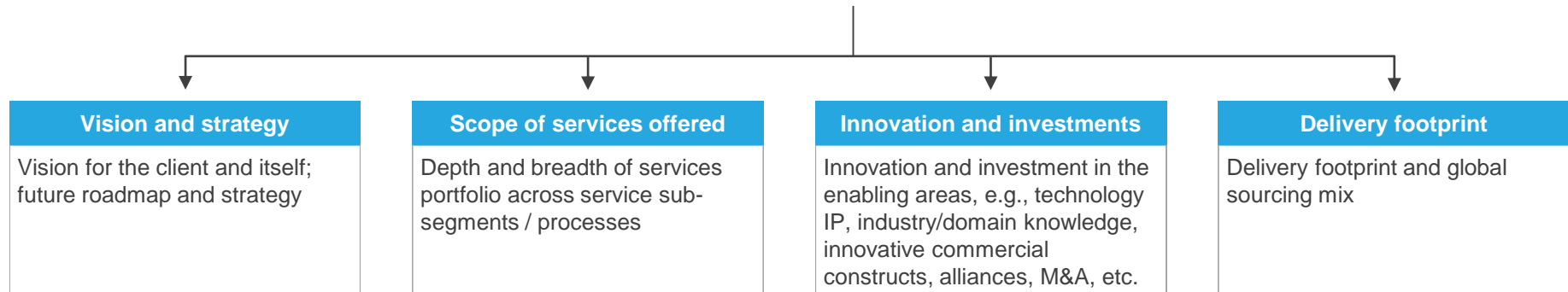


Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market –
captured through three subdimensions



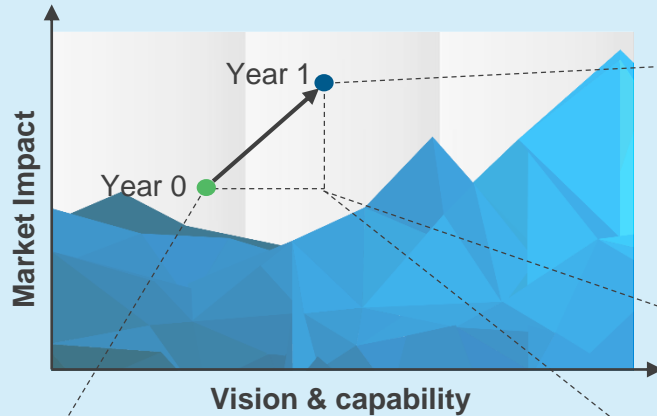
Measures ability to deliver services successfully.
This is captured through four subdimensions



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

Star Performers are identified by top quartile performance improvement on the X and Y axes for each segment

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

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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