



Everest Group PEAK Matrix™ for Multi-Country Payroll Outsourcing (MCPO)

Focus on ADP
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Introduction and scope

Everest Group recently released its [Multi-Country Payroll Outsourcing \(MCPO\) – Service Provider Landscape with PEAK Matrix™ Assessment 2017](#) report. This report analyzes the changing dynamics of the MCPO landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group classified 13 service providers on the Everest Group PEAK Matrix for MCPO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of MCPO service providers based on their market success and delivery capability.

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. Individual buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

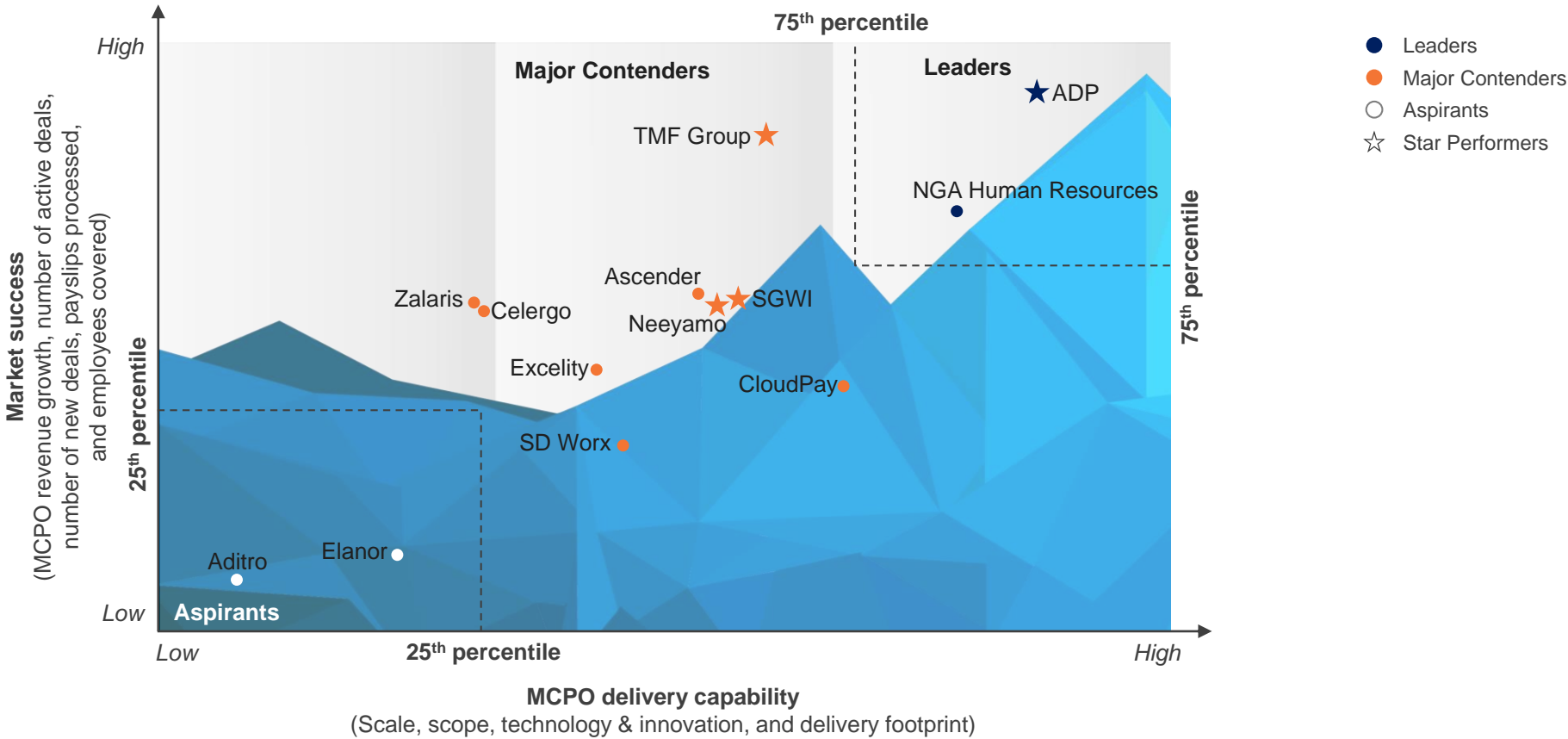
This document focuses on ADP's market success and delivery capabilities. It includes:

- ADP's positioning on the MCPO PEAK Matrix
- Detailed MCPO profile of ADP

Everest Group PEAK Matrix™ – 2017

MCPO market standing | ADP is a Leader and a Star Performer

Everest Group PEAK Matrix™ for Multi-Country Payroll Outsourcing (MCPO)



1 Service providers scored using Everest Group's proprietary scoring methodology given in on page 10 and 11
Source: Everest Group (2017)

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Service capability and strategy

Company profile: ADP is a provider of business outsourcing solutions. Leveraging over 60 years of experience, ADP offers a range of both software and service solutions from hire to retire, all from a single source. ADP's solutions for employers provide value to companies of all types and sizes.

Headquarters: Roseland, New Jersey, United States

Leadership: Carlos A. Rodriguez, President and CEO

Website: www.adp.com

Recent MCPO-related developments/announcements

- April 2017: ADP launched a new service center in Barcelona, Spain
- February 2017: ADP partnered with KPMG for expatriate payroll
- January 2017: ADP acquired The Marcus Buckingham Company, an innovator in Human Capital Management (HCM)
- June 2016: ADP launched ADP myView portal, a new user portal with interactive pay experience
- June 2016: ADP entered reselling agreement with Thomsons Benefits for Global Benefits Offering

Current MCPO market segment focus

- Buyer segment: Targets all categories of buyers and has an extensive footprint for the small-size buyers (less than 3,000 employees)
- Geography: North America, Europe, Middle East, and Africa, Asia Pacific, and Latin America

Technology solution(s) offered

Technology model	Offered	Name/details
Single-platform model	✓	GlobalView (SAP-based platform)
Aggregated model	✓	Streamline (in-country aggregated solution)
Integrated-hybrid model	✓	Mix of Streamline and GlobalView

Offshore ¹	Nearshore ¹	Onshore
199	271	2,420

Total MCPO delivery FTEs = 2,890

Key partners

- Partnerships with IBM, Accenture, and Xerox – ADP provides payroll services within broader HRO contracts
- Partnership with KPMG – to support expatriate payroll
- Technology partnerships with Workday and SuccessFactors

Functional capabilities within key MCPO areas across regions

Coverage – self

Through partners

Not offered

Regions	North America	EMEA	Asia Pacific	Latin America
Payroll preparation	✓	✓	✓	✓
Payroll calculation	✓	✓	✓	✓
Payroll distribution	✓	✓	✓	✓
Reconciliation	✓	✓	✓	✓
Third-party payments	✓	✓	✓	✓
Payroll tax reporting	✓	✓	✓	✓
Vendor management	✓	✓	✓	✓
Contact center	✓	✓	✓	✓
Time and attendance	✓	✓	✓	✓
Expatriate payroll	✓	✓	✓	✓

1 FTEs in offshore (India, China, and Southeast Asia) or nearshore (Eastern Europe and Latin America) locations and delivering services to North America, Western Europe, Singapore, Australia, or New Zealand

Source: Everest Group (2017)

ADP | MCPO (page 2 of 5)

Client portfolio

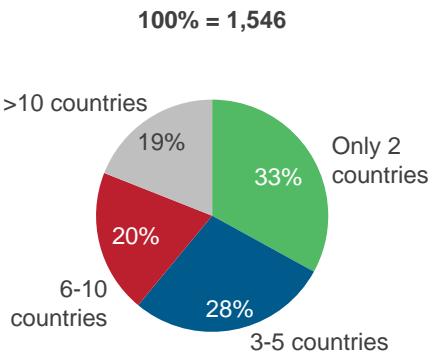
MCPO experience

- Total number of current MCPO clients: 1,546
- Annual number of payslips processed: 71,000,000+

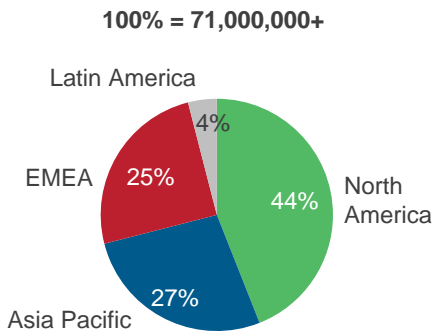
Major MCPO clients



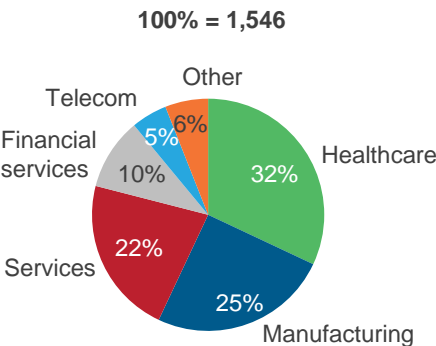
MCPO deal spread by number of countries in scope



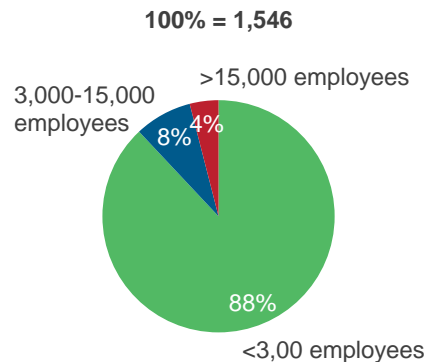
Split of payslips processed by geography



Split of MCPO clients by industry



MCPO deal spread by employees covered



Source: Everest Group (2017)

ADP | MCPO (page 3 of 5)

Country coverage by service provider on its own

Country coverage on its own

North America
<ul style="list-style-type: none">• Canada• United States

Latin America
<ul style="list-style-type: none">• Argentina• Brazil• Mexico

Europe			
<ul style="list-style-type: none">• Austria• Belgium• Czech Republic• Denmark• Finland• France	<ul style="list-style-type: none">• Germany• Hungary• Ireland• Italy• Netherlands• Norway	<ul style="list-style-type: none">• Poland• Portugal• Romania• Russia• Slovakia• Spain	<ul style="list-style-type: none">• Sweden• Switzerland• United Kingdom

Asia Pacific	
<ul style="list-style-type: none">• Australia• China• Hong Kong• India• Indonesia• Japan• Korea	<ul style="list-style-type: none">• Malaysia• New Zealand• Philippines• Singapore• Taiwan• Thailand• Vietnam

Middle East and Africa
<ul style="list-style-type: none">• South Africa• Turkey

Country coverage through in-country partners

Country coverage on its own

North America
<ul style="list-style-type: none"> • Bahamas • Bermuda • Canada • Cayman Islands • Dominican Republic • Puerto Rico • United States

Latin America
<ul style="list-style-type: none"> • Argentina • Brazil • Chile • Colombia • Costa Rica • Ecuador • El Salvador • Guatemala • Honduras • Mexico • Panama • Peru • Uruguay • Venezuela

Europe			
<ul style="list-style-type: none">• Austria• Azores• Azerbaijan• Belgium• Bosnia and Herzegovina• Bulgaria• Croatia• Czech Republic• Cyprus• Denmark	<ul style="list-style-type: none">• Estonia• Finland• France• Germany• Greece• Guernsey• Hungary• Ireland• Italy• Kazakhstan• Latvia	<ul style="list-style-type: none">• Liechtenstein• Lithuania• Luxembourg• Macedonia• Malta• Monaco• Morocco• Netherlands• Norway• Poland• Portugal	<ul style="list-style-type: none">• Romania• Russia• Slovenia• Spain• Sweden• Switzerland• Ukraine• United Kingdom

Asia Pacific	
<ul style="list-style-type: none">• Australia• Bangladesh• China• Fiji• Guam• Hong Kong• India• Indonesia• Japan• Korea• Macau• Malaysia• Maldives	<ul style="list-style-type: none">• New Zealand• Pakistan• Papua New Guinea• Philippines• Samoa• Singapore• Sri Lanka• Taiwan• Thailand• Tonga• Vietnam

Middle East and Africa		
<ul style="list-style-type: none">● Algeria● Angola● Bahrain● Botswana● Egypt● Ghana● Israel● Jersey	<ul style="list-style-type: none">● Jordan● Kenya● Kuwait● Lebanon● Mauritius● Mozambique● Nigeria● Oman	<ul style="list-style-type: none">● Qatar● Saudi Arabia● South Africa● Tanzania● Tunisia● Turkey● UAE● Zambia

Everest Group assessment | Leader

Measure of capability:



Best-in-class



Very high



High



Medium high



Medium



Medium low



Low



Not mature

Delivery capability					Market success
Scale	Scope	Technology & innovation	Delivery footprint	Overall	

Strengths

- ADP is a Leader on Everest Group's PEAK Matrix and has the highest number of payrolls processed and occupies the highest market share in terms of revenue
- ADP offers a combination of products – GlobalView (based on SAP, targeted toward large employee population) and Streamline (a combination of proprietary in-country and partner-based solutions targeted toward small employee population). While GlobalView covers 40+ major countries, ADP Streamline covers the smaller ones including partner networks, taking ADP's total country coverage to more than 112
- ADP is investing in expanding its delivery footprint and has also looked into increasing its geographic coverage by expanding its offerings to several new countries
- ADP has also invested in building enhanced integration with new-age SaaS platforms such as SuccessFactors and Workday
- ADP follows a "global" sourcing model with the right balance between onshore and offshore FTEs, enabling it to deliver multi-country payroll services in an efficient and cost-effective manner
- ADP's products and platforms have a strong focus on analytics (when integrated with its ADP DataCloud analytics tool) and consumerism (offering employees and managers greater insights and a superior experience)

Areas of improvement

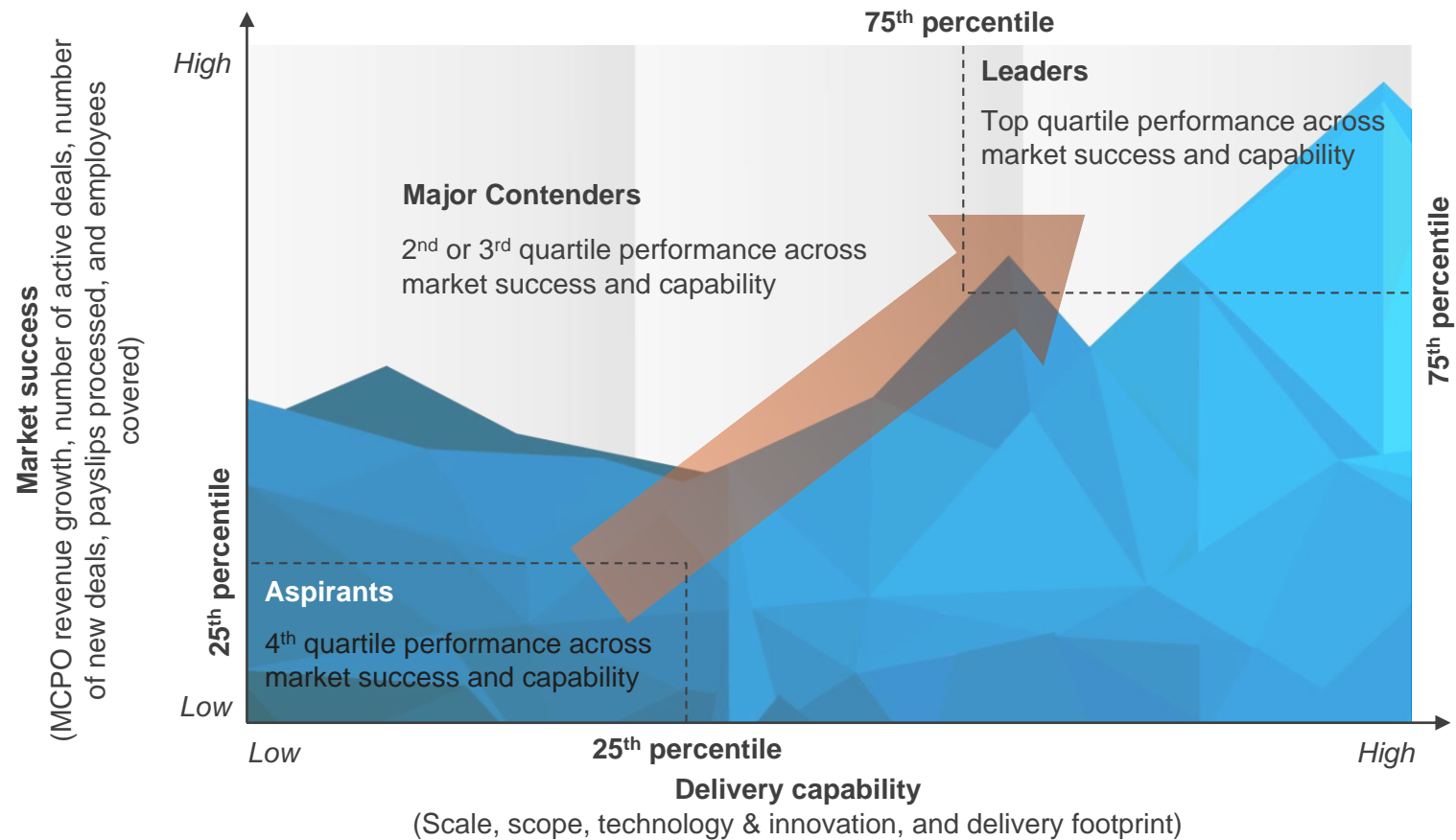
- ADP should take advantage of its strong domain knowledge and payroll expertise to improve its share of revenue from regions such as Australia & New Zealand, Europe, the Middle East & Africa, and Latin America
- While ADP has broad MCPO country coverage, it can look to increase its self-coverage in order to minimize dependence on partners
- With several providers investing heavily in technology improvement, ADP will need to ensure sustained innovation in order to remain ahead of the curve, particularly in areas such as automation

Source: Everest Group (2017)

Appendix

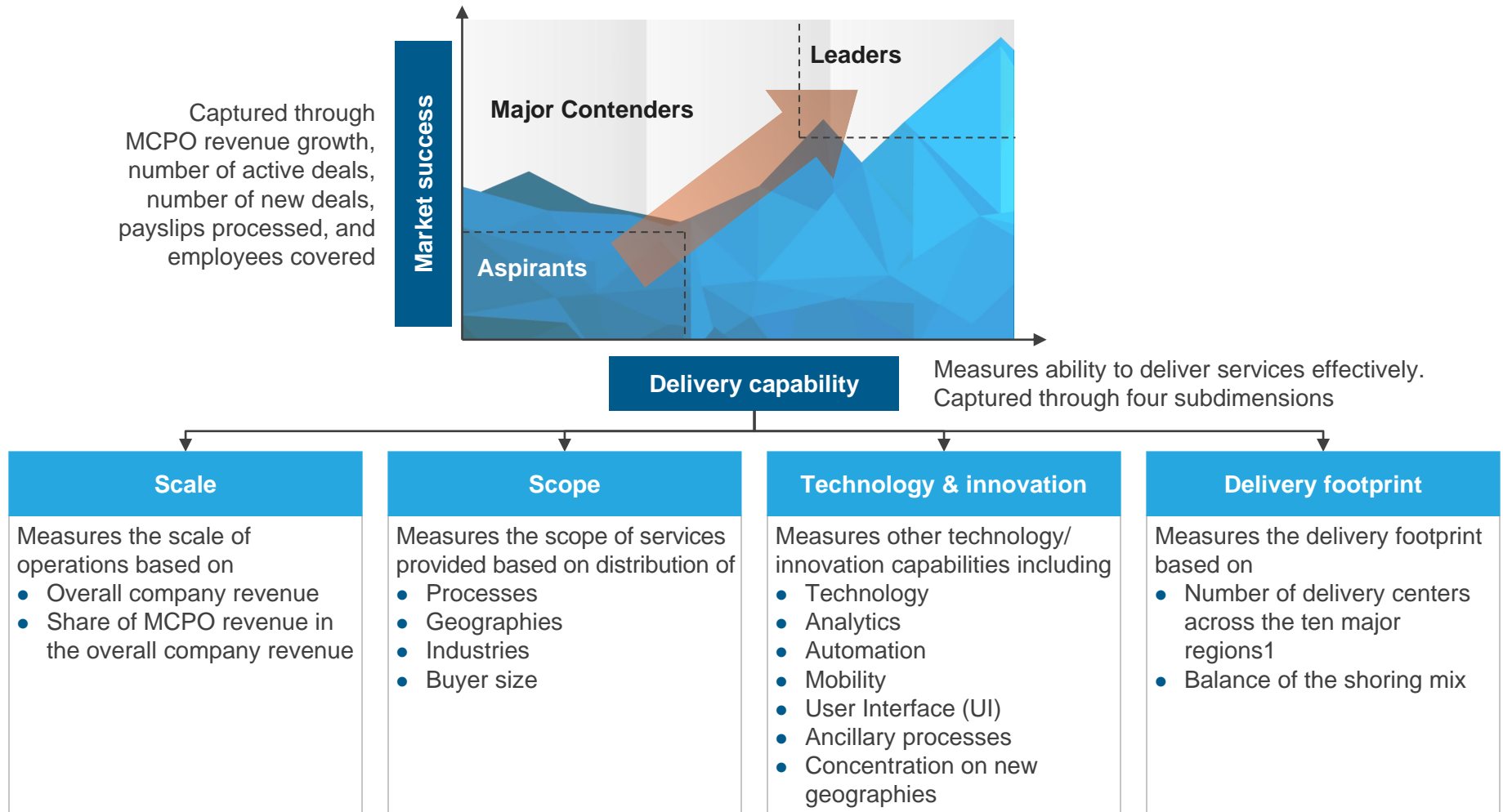
Everest Group PEAK Matrix™ is a proprietary framework for assessment of a service provider's capability

Everest Group PEAK Matrix™ for MCPO¹



¹ Service providers scored using Everest Group's proprietary scoring methodology on the next page
Source: Everest Group (2017)

Service providers are positioned on Everest Group PEAK Matrix™ based on evaluation of two key dimensions

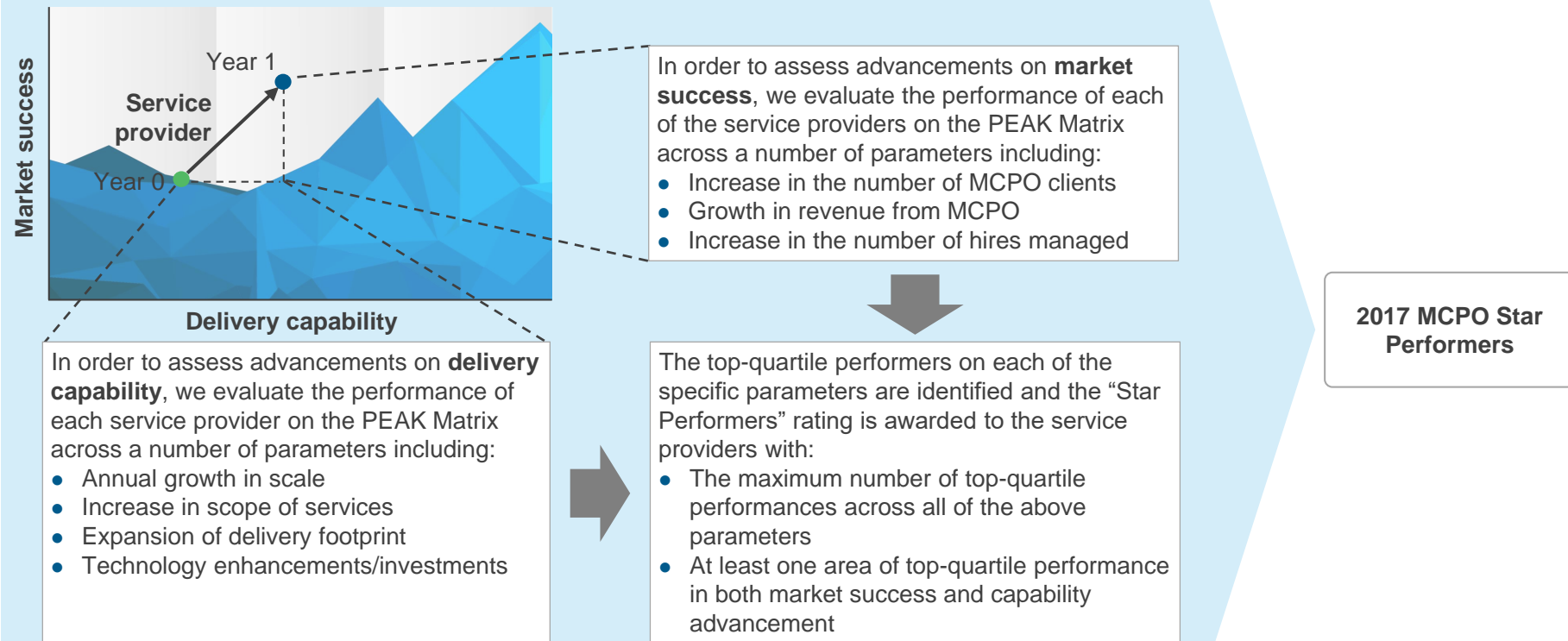


¹ North America, EMEA (Western Europe, Eastern Europe, the Middle East, and Africa), Asia Pacific (Australia & New Zealand (ANZ), China, India, Singapore, and South East Asia), and Latin America

Additionally, Everest Group designates the “Star Performer” title to providers that demonstrate the strongest forward movement over time on the PEAK Matrix™

Methodology

Everest Group selects market Star Performers based on the relative YOY movement of each service provider, on the PEAK Matrix



The “Star Performer” title relates to YOY performance for a given service provider and does not reflect the overall market leadership position. Those identified as “Star Performers” may include “Leaders”, “Major Contenders”, or “Aspirants”

Aditro, Excelity, Elanor, and SD Worx are not considered for Star Performer analysis due to non-participation in the PEAK Matrix analysis in 2015.

Does the PEAK Matrix™ assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix™ assessment adopts an objective and fact-based approach (leveraging service provider 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 briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?

No. PEAK Matrix™ highlights and positions only the best-in-class service providers in a particular functional/vertical services area. 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”?

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 for their specific requirements. It also helps providers 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 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 to leverage their PEAK Matrix™ positioning status ?

Providers can use their PEAK positioning rating in multiple ways including:

- Issue a press release declaring their positioning/rating
- Customized PEAK profile for circulation (with clients, prospects, etc.)
- Quotes from Everest Group analysts could be disseminated to the media
- Leverage PEAK 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



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.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-804-276-4533

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-416-388-6765

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