

## State of the IT-BPO industry

1,114 deals worth USD262 billion signed worldwide

Average annualised contract value increased by 53 percent

Average deal tenure increased by 4 months over 2016

ITO deals make up 52 percent and BPO make up 11 percent of all deals.

Deal value:



to **Five** years  
**One** months



2017 witnessed a substantial increase in the deal activity as compared to 2016. There was an increase of 128 percent in total contract value in 2017 as compared to 2016

Total contract value in 2017 over 2016

ITO deals **UP** 34%

BPO deals **UP** 252%

Bundled deals **UP** 2319%

Average deal value increased by 75 percent for ITO deals, 70 percent for BPO deals and 394 percent for Bundled deals in 2017 over 2016



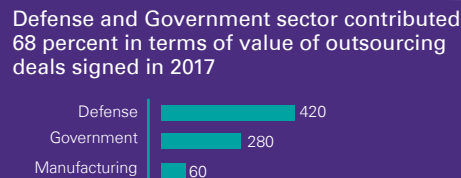
Number of ITO deals signed decreased by 23 percent, whereas BPO and Bundled deals increased by 106 and 388 percent respectively

## Leading contributors

Leading markets



Leading customer segments

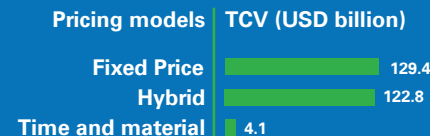


Total no. of deals: 1,114

## The outlook

Moving from the time and materials treadmill

Hybrid pricing model, has gained popularity, contributing to 47 percent of total deal value in 2017, a significant increase over 2015 and 2016



Investment in process automation initiatives

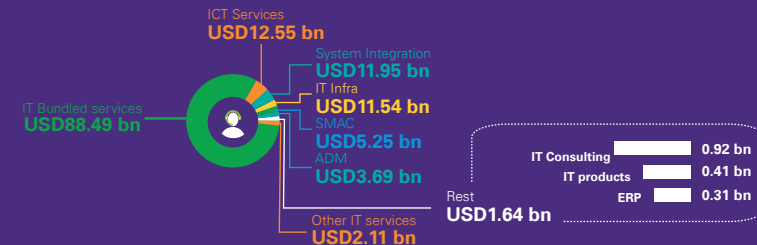
The continued development of process automation and technologies have presented further opportunities for global business services (GBS) organizations, especially outsourcing. This has been accompanied by the rise in data and analytical services being embedded in GBS organizations and outsourcing efforts

Note: For the remaining deals, pricing methodology has not been provided  
Source: KPMG's Global Insights Pulse, 4Q17, January 2018

## Leading service types

By contract value, for ITO

Worldwide in 2017, 727 ITO contracts worth USD137.2 billion were signed



Source: KPMG's Global IT-BPO Deals Analysis, Jan 2018

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