



NelsonHall
TRANSFORM THROUGH INSIGHT

Vendor Profile

Next Generation RPO

IBM

Report Abstract

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Who is this Vendor Assessment for?

NelsonHall's Next Generation RPO profile on IBM is a comprehensive assessment of IBM's offerings and capabilities, designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IBM and identifying vendor suitability for RPO RFPs
- Vendor marketing, sales, and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the RPO sector.

Key Findings & Highlights

IBM, an American multinational information technology company, is headquartered in Armonk, New York, and operates in ~175 countries worldwide and is comprised of four business segments:

- Software - provides solutions addressing client needs for a hybrid cloud platform, data, AI, automation, and security. It consists of two business areas - Hybrid Platform & Solutions and Transaction Processing
- Consulting - provides industry expertise and leading capabilities in business transformation and technology implementation. Consulting uses its IBM Garage methodology to co-create solutions with clients to accelerate their digital transformations through AI and automation. Consulting comprises three business areas: Business Transformation, Technology Consulting, and Application Operations
- Infrastructure - provides agile and secure hybrid cloud solutions. Infrastructure comprises two business areas: Hybrid Infrastructure and Infrastructure Support
- Financing - facilitates IBM clients' acquisition of information technology systems, software, and services through its financing solutions. The Financing segment comprises two business areas: Client Financing and Commercial Financing.

IBM Consulting applies an AI-first approach to modernizing HR functions and enhancing the employee experience while reducing costs. Its operate-and-transform framework covers different elements of HR, including recruitment, contact center, workforce administration, benefits administration, payroll, learning, leave management, and employee data management services. The company provides these services through IBM HR and Talent Transformation, which operates within the Business Transformation segment of IBM Consulting.

A global ecosystem of partnerships augments the company's deep industry and process expertise, enabling the end-to-end transformation of HR workflows.

IBM positions its RPO services under the IBM HR and Talent Transformation segment within IBM Consulting. The company takes a consult-to-operate approach to deliver improved business results. IBM's RPO business was previously known as Kenexa. The company acquired Kenexa in 2012 for its talent acquisition (TA), RPO, and assessment expertise.

IBM leverages its long legacy of technology innovation, including AI and cloud-focused solutions, in its RPO market positioning:

- AI market leadership and resulting client impact - for the past four years, IBM has utilized AI and RPA tools within its RPO engagements, reducing the time spent fulfilling hiring requests by ~30% and total time-to-fill by ~25%. IBM's vision is to expand the role of Watson and generative AI in its RPO solutions, including the application of proprietary technology such as watsonx Orchestrate to delegate time-consuming tasks to digital workers, creating even further efficiencies for client end-users and freeing recruiters to collaborate one-on-one with clients to drive higher satisfaction. Watsonx includes critical tools such as watsonx.governance, ensuring the ethical use of AI, and preventing misuse
- Technology and consulting expertise, helping clients successfully navigate change - the growth of AI is forcing TA and HR leaders to reconsider traditional recruiting workflows. IBM offers clients consulting services to incorporate generative AI and automation in their TA processes. Consulting methodologies such as IBM Garage help clients achieve up to ~67% faster speed to outcomes. IBM's consulting and implementation experience across HR technologies such as Workday, Oracle, SAP SuccessFactors, and ServiceNow have helped its clients achieve ~20-40% reduced HR spend and ~20% lower cost per hire
- Precision Talent Model (PTM) - talent and labor shortages mark the global TA landscape, as hiring managers focus on accomplishing more quickly and with fewer resources. IBM's PTM addresses these challenges, balancing sourcing tactics with RPA, AI-generated communications, and human interaction and accurately applying them to hiring requests. This approach fills talent needs an average of ~20% faster, creates more meaningful experiences for hiring managers and candidates, and yields NPS score increases of +50 to +60
- Integrated global delivery - IBM offers integrated RPO delivery across 40+ languages and 130+ countries. The company's "glocal" capabilities create global synergies aligned with regional and local requirements, combining international and local perspectives, strategies, and considerations
- Holistic HR solutions covering the employee lifecycle - as clients increasingly consider RPO part of a transformational HR shift, IBM emphasizes comprehensive HR solutions that blend RPO with learning, talent development, HR process management, HR help desk, payroll, and HR cloud services. Its holistic HR expertise allows clients to affect results beyond recruiting to impact HR success, such as workforce productivity, end-to-end HR process optimization, employee satisfaction, and matching talent with overall business goals.

IBM's core RPO program offerings continue evolving, keeping pace with client needs and market trends, including infrastructure optimization consulting, the growing appetite for AI-enabled solutions supporting the shift from candidate-driven to employer-driven hiring, and holistic HR transformation solutions impacting organizational performance and enhancing the employee experience beyond traditional measures.

The company provides RPO services in ~130 countries and ~40 languages, maintaining a team of 3k recruitment resources and hiring ~256k employees annually. The company offers comprehensive recruitment and skilling solutions comprising:

- Global recruiting advisory services
- Global RPO services, including end-to-end RPO, sourcing and screening, recruitment administration, and staff augmentation and consulting
- Pipelining tools
- Candidate experience enhancement strategies
- Workforce advisory
- Skills assessments and gap analyses
- AI-powered learning accelerators
- Digital academies and upskilling strategies
- Talent development and mobility solutions.

IBM combines its position as a provider of business consulting services with its recruitment solutions, technology, and sourcing science. The company understands that organizations' outsourcing maturity and priorities vary significantly, providing multiple entry points and endpoints in its RPO solution design.

Scope of the Report

The report provides a comprehensive and objective analysis of IBM's RPO offerings, capabilities, and market and financial strengths, including:

- Identification of the company's strategy, emphasis, and new developments
- Analysis of the company's strengths, challenges, and outlook
- Revenue estimates
- Analysis of the profile of the company's customer base, including the company's targeting strategy and examples of current contracts
- Analysis of the company's offerings and key service components
- Analysis of the company's delivery organization, including the location of delivery centers.

RPO Vendor Assessments are also available for:

ADP

Avencia Consulting

Cielo

Lorien

NLB Services

NXTThingRPO

Page Outsourcing

PeopleScout

Sanderson.

About The Author

Jeanine is a Principal Research Analyst at NelsonHall and an HR Technology & Services practice member. She has global responsibility for key HR areas, including employer of record (EOR) and learning platforms.

Jeanine is a highly experienced HR practitioner with 28 years of experience in HR across industry sectors, including aerospace, automotive, energy, government, pharmaceuticals, telecommunications, learning, and business consultancy.

Jeanine possesses significant experience in leading and managing business transformation/integration, competitive and industry benchmarking, HR and learning technology, strategic change leadership, managed service provider engagements, organizational and process redesign, and M&A initiatives.

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About NelsonHall

NelsonHall is the leading global analyst firm dedicated to helping organizations understand the “art of the possible” in digital operations transformation. With analysts in the U.S., U.K., Continental Europe, and Asia, NelsonHall provides buy-side organizations with detailed, critical information on markets and vendors (including NEAT assessments) that helps them make fast and highly informed sourcing decisions. For vendors, NelsonHall provides deep knowledge of market dynamics and user requirements to help them hone their go-to-market strategies. NelsonHall conducts rigorous, primary research and is widely respected for the quality, depth, and insight of its analysis.

We would be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at guy.saunders@nelson-hall.com

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