

### State of the IT-BPO industry

330 deals worth USD65.1 billion signed worldwide

Average annualised contract value increased by 39 percent

Average deal tenure decreased by 3 months over 2016

Bundled deals make up 61 percent and ITO make up 27 percent of all deals.

Deal value:



(million)

USD 22.98  
2016

USD 31.92  
2017



to Five years  
Two months



2017 witnessed a huge increase in the deal activity as compared to 1Q17. There was an increase of 278 percent in total contract value in 2Q17 as compared to 1Q17

Total contract value in 2Q17 over 1Q17

ITO deals **UP** 20%

BPO deals **UP** 253%

Bundled deals **UP** 6576%

Average deal value decreased by 5 percent for ITO deals but increased by 60 percent for BPO deals and 520 percent for Bundled deals in 2Q17 over 1Q17



Number of ITO deals signed, BPO deals signed and Bundled deals signed increased by 27 percent, 121 percent and 977 percent respectively

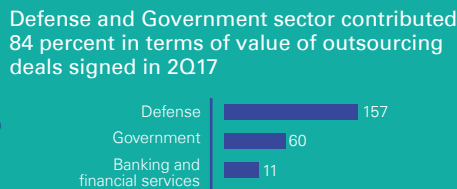
### Leading contributors



Leading markets



Leading customer segments



Defense and Government sector contributed 84 percent in terms of value of outsourcing deals signed in 2Q17

Total no. of deals: 330

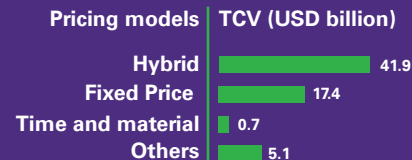
### The outlook

#### Moving from the time and materials treadmill

Organizations are transitioning from arrangements based on staff augmentation such as time and materials and exploring merits of a managed services model

#### Process automation

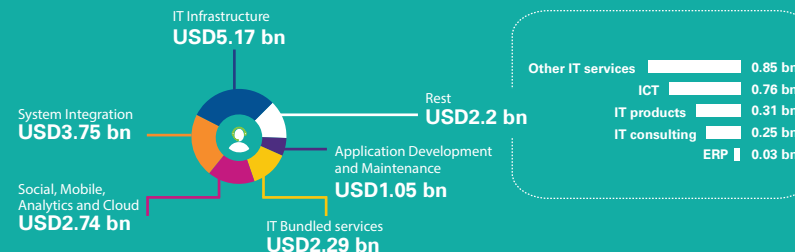
Companies continue to realize the benefits of process automation to reduce costs, improve customer service, and address talent shortages



#### Leading service types

By contract value, for ITO

Worldwide in 2Q17, 182 ITO contracts worth USD17.2 billion were signed



Source: KPMG's Global IT-BPO Deals Analysis, June 2017

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