

State of the IT-BPO industry

307 deals worth USD88.9 billion signed worldwide

Average annualised contract value increased by 109 percent

Average deal tenure increased by 9 months over 3Q16

ITO deals make up 84 percent and BPO make up 14 percent of all deals.

Deal value:



to **Four** years
Ten months



3Q17 witnessed a marginal increase in the deal activity as compared to 2Q17. There was an increase of 37 percent in total contract value in 3Q17 as compared to 2Q17

Total contract value in 3Q17 over 2Q17

ITO deals **UP** 334%

BPO deals **UP** 54%

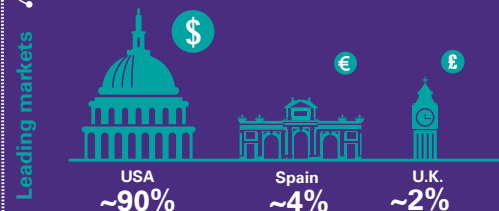
Bundled deals **DOWN** 96%

Average deal value increased by 293 percent for ITO deals and 24 percent for BPO deals but decreased 91 percent for Bundled deals in 3Q17 over 2Q17



Number of ITO deals signed increased by 10 percent, BPO deals signed increased by 23 percent but Bundled deals dropped by 55 percent

Leading contributors



Insurance and Defense sector contributed 83 percent in terms of value of outsourcing deals signed in 3Q17



Total no. of deals: 307

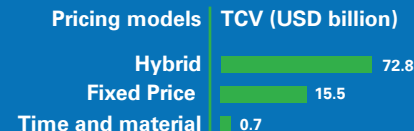
The outlook

Rethinking pricing models to improve spend

Customers are expecting innovative pricing from the service providers. Incremental modifications are being made to pricing models that provide value for the service provider and the customer

Public sector embraces outsourcing deals

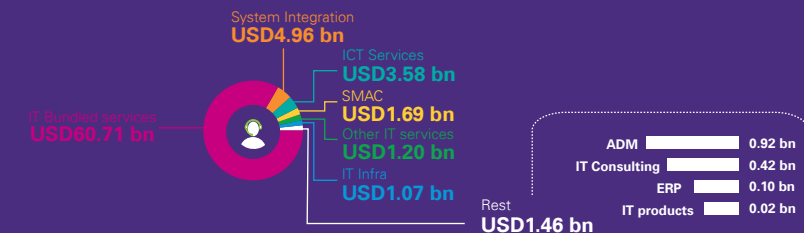
Deals are being dominated by the public sector, driven by government spending on digital processes leveraging cloud, analytics, and IoT implementations



Leading service types

By contract value, for ITO

Worldwide in 3Q17, 201 ITO contracts worth USD74.7 billion were signed



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

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