

NEAT EVALUATION FOR NXTTHING RPO:

RPO & Total Talent

Market Segments: Overall, Innovation in Technology/Tools

Introduction

This is a custom report for NXTThing RPO (NXTThing) presenting the findings of the NelsonHall NEAT vendor evaluation for *RPO & Total Talent* in the *Overall* and *Innovation in Technology/Tools* market segments. It contains the NEAT graphs of vendor performance, a summary vendor analysis of NXTThing for RPO & Total Talent, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering recruitment process outsourcing (RPO) and total talent services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in technology/tools innovation, services innovation, geographic footprint & scalability, and taking clients on a TA transformation journey.

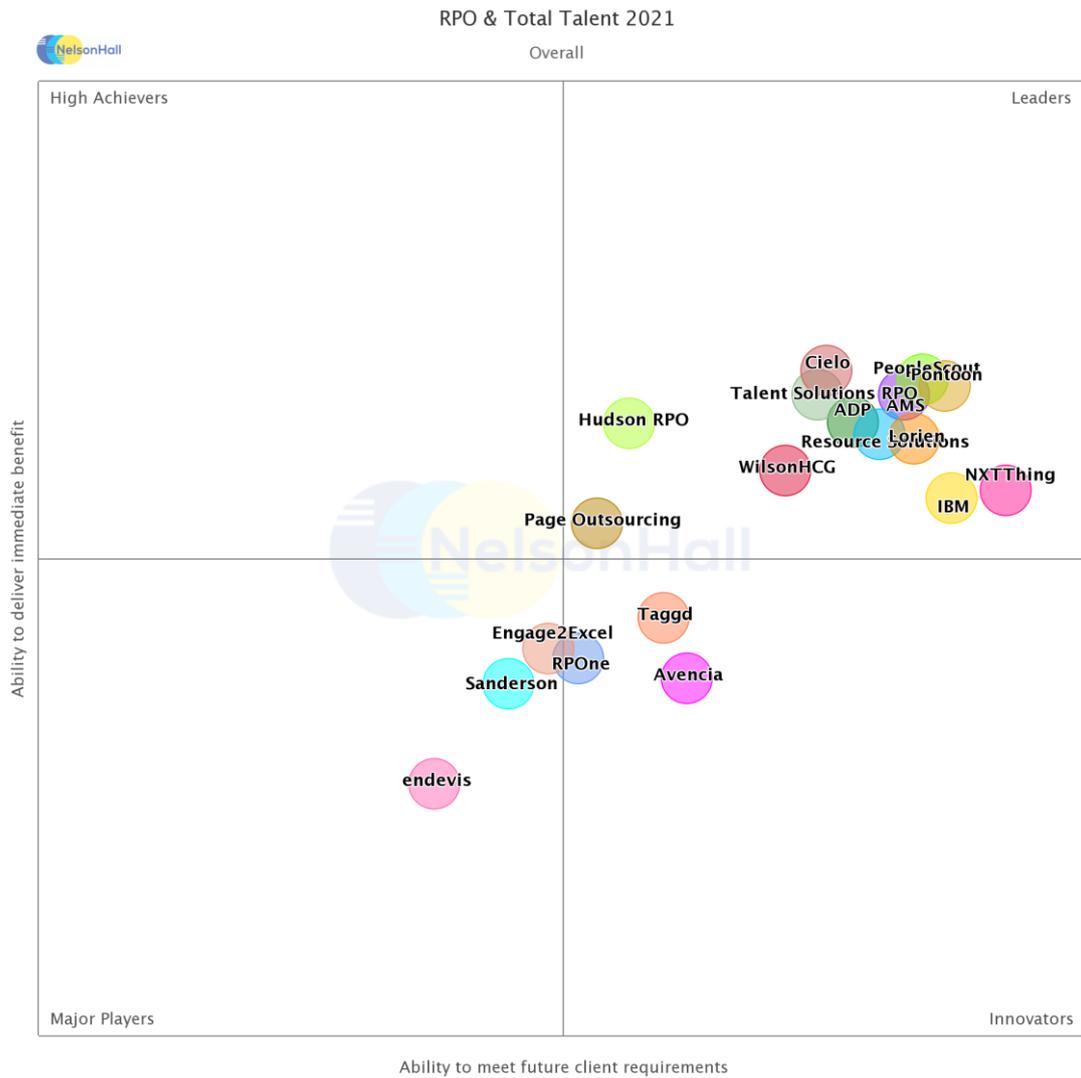
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: AMS, ADP Employer Services, Avencia, Cielo, endevis, Engage2Excel, Hudson RPO, IBM, Lorien, NXTThing RPO, Page Outsourcing, PeopleScout, Pontoon, Resource Solutions, RPOne, Sanderson, Taggd, Talent Solutions RPO, and WilsonHCG.

Further explanation of the NEAT methodology is included at the end of the report.



NEAT Evaluation: RPO & Total Talent (Overall)



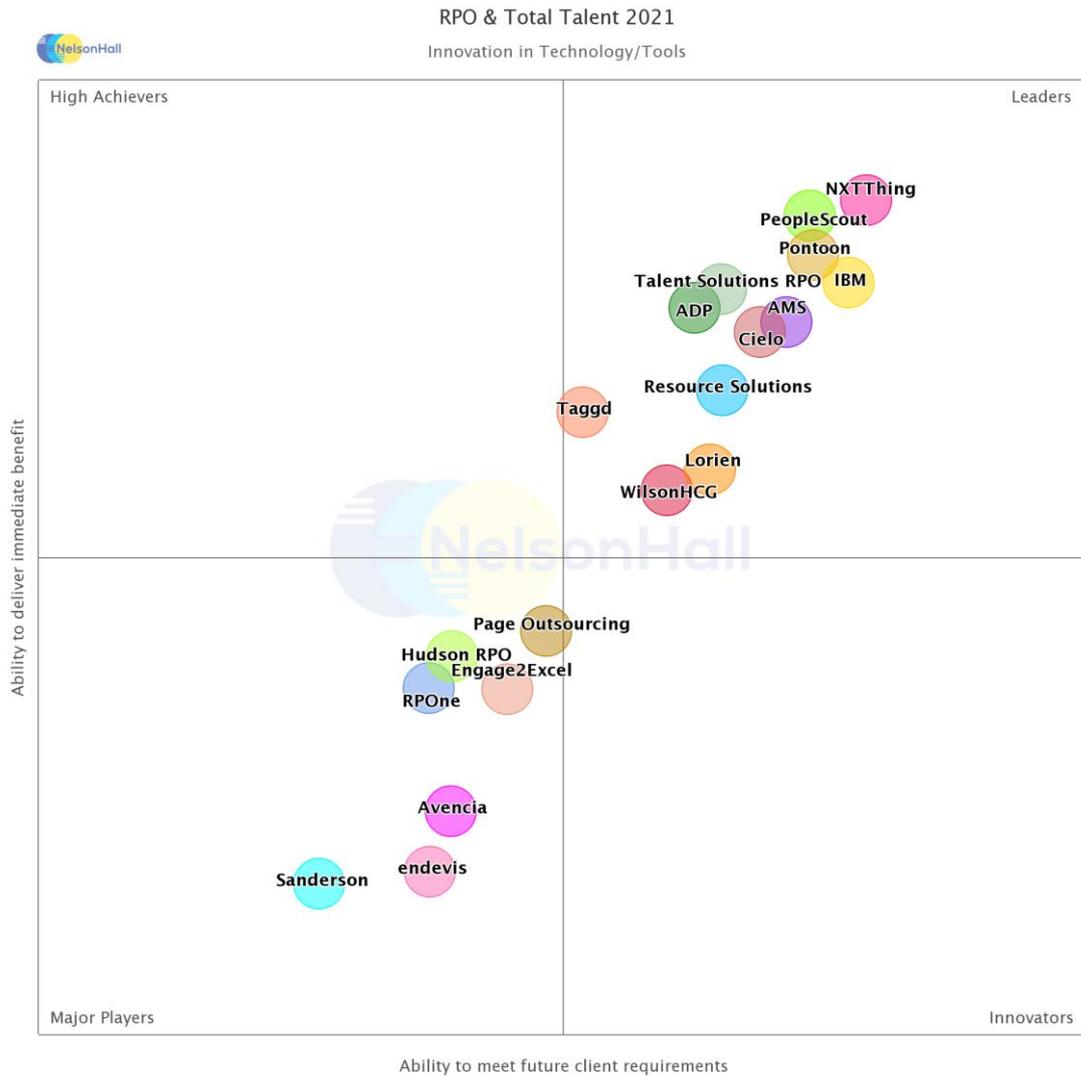
NelsonHall has identified NXTThing as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects NXTThing’s overall ability to meet future client requirements as well as delivering immediate benefits to its RPO & Total Talent clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *RPO & Total Talent* NEAT tool (*Overall*) [here](#).



NEAT Evaluation: RPO & Total Talent (Innovation in Technology/Tools)



NelsonHall has identified NXTThing as a Leader in the *Innovation in Technology/Tools* market segment, as shown in the NEAT graph. This market segment reflects NXTThing’s ability to meet future client requirements as well as delivering immediate benefits to its RPO clients with specific capability in delivering innovation in RPO technology & tools.

Buy-side organizations can access the *RPO & Total Talent* NEAT tool (*Innovation in Technology/Tools*) [here](#).



Vendor Analysis Summary for NXTThing

Overview

NXTThing is a recruitment process outsourcing company established in 2018 by its founder and current President, Terry Terhark, and headquartered in Columbus, Ohio.

In April 2021, NXTThing joined forces with Jobvite and JazzHR, combining three complementary companies to form a comprehensive provider of talent acquisition (TA) and recruiting solutions (services and technology) for organizations of all sizes from SMBs to global enterprises. K1 Investment Management brought together the three companies.

NXTThing offers Enterprise RPO, High Volume RPO, Project-Based RPO, and Hybrid RPO, the latter two of which have seen a considerable uptick in demand in 2021. As NXTThing has now combined with Jobvite and JazzHR, it will adapt its programs and services to attract a mix of audience sizes (whether enterprises, mid-market, or SMBs); for example, it is crafting offerings for the 2022 SMB market. NXTThing also offers contingent hiring and total talent solutions.

NXTThing's talent consultancy team offers advice in a broad range of talent areas, either on a standalone basis or as part of an RPO engagement. In 2021, NXTThing has been educating organizations on the wider talent market, pitfalls to avoid, and applying out-of-the-box thinking to overcome challenges. It anticipates that this work will continue into 2022. Another focus area is branding and EVP creation so that organizations can attract talent. NXTThing is also supporting clients in ensuring their job application processes are set up for a completely mobile environment to maximize candidate reach, as fast-growth startups winning talent from their competitors have already embraced 100% mobile hiring.

When NXTThing was established, its mission was to prepare clients for the future of work (the next generation of RPO). Almost two years after the start of the pandemic, the future of work is very much focused on the here and now. NXTThing is supporting many clients to approach TA challenges differently when tried and trusted methodologies no longer work. The shift to a more holistic approach to talent (combining permanent, contingent, and the reskilling/upskilling of internal talent) to fill roles has been accelerated. NXTThing sees the demand for RPO and total talent as a 50:50 split in the post-pandemic era.

The joining forces of NXTThing, Jobvite, and JazzHR to form a comprehensive provider of TA solutions, including the development of a next-generation single platform, means that NXTThing can currently offer a broader range of proprietary platforms to its existing client base. It plans to launch its next-generation RPO-enabled platform, built on the Jobvite code, at the end of 2021. The platform can be quickly configured and customized with the process flows desired by the individual client. It will provide a single platform for every hiring stage (from branded career sites to onboarding and onto payroll), taking the best features and functionality from its existing proprietary platforms. NXTThing will continue to work with third-party partners who provide suitable tools to aid the entire recruitment process. In 2022, it will seek deeper market insights and recommend specific platforms for skilling/training.

NXTThing's client base has been weighted in favor of the Pharmaceuticals and Medical Devices industries, representing ~45% of its base, with its other sectors being represented relatively equally. The combination of NXTThing, Jobvite, and JazzHR opens opportunities across all industries and all sizes of organizations. In 2022, NXTThing expects to be serving EMEA and the U.K. even further, compared to small amounts of business in 2021. It has not seen any demand from LATAM yet, but it sees inquiries for APAC, notably Australia.



Strengths

- Range of flexible RPO and total talent programs and services
- Consulting services offered around the future of work
- A high-touch service delivery model enabled, but balanced by, cutting-edge technology
- Range of proprietary technology to enhance the TA process:
 - Proprietary Startwire (combined ATS, CRM, and job board)
 - The 2021-added platforms from Jobvite and JazzHR
 - Its strong roadmap for 2021/2022, including the planned Q4 2021 launch of NXTThing's RPO-enabled next-generation platform
- Exponential year-on-year market growth since it was established in 2018, and a strong pipeline of opportunities across all-sized businesses, including internationally.

Challenges

- Aligning its many opportunities in priority order to maximize impact for its clients (based on their immediate and mid-term needs) while maximizing growth. The company's desire to compete with larger, established RPO vendors via RFI processes should be a goal for later in 2022, when organizations become less reactive and its next-generation RPO-enabled platform is embedded with clients
- Crafting the right message to promote varied USPs as a relatively new brand to stand out in a crowded market.

Strategic Direction

NXTThing has the following strategic priorities for 2022:

- To deploy Jobvite as the enterprise technology platform for its customer base, covering the end-to-end hiring process from EVP creation to onboarding; the aim is to have a stable platform deployed with most clients with a robust roadmap of developments
- To build and commercialize its small business offering, with a defined bundle of services and service delivery model. It will be imperative to capture market share in 2022, targeting specific organizations over 2022/2023
- To actively promote its brand to a broader audience, having grown its sales team, rather than relying solely on existing relationships and referrals.



Outlook

NelsonHall expects that in late 2021/2022, NXTThing will:

- Continue to adapt its programs and services according to its clients' immediate hiring challenges; notably, tailoring them based on audience size (whether large, medium, or small organizations) and the presence or absence of an HR/recruitment team, and also on categories of hiring (high-volume or niche roles)
- Create new services, based on its expanded audience mix (via the coming together of the three companies), such as pay-as-you-go hiring bundles; this will involve collaborating with organizations to design value-adding offerings
- Spend much time supporting clients with on-demand solutions (covering a broad spectrum of pandemic-related and post-pandemic challenges: The Great Resignation, ghosting, skills shortage)
- Support many clients with branding/EVP creation services, as they all seek a competitive edge to attract talent
- Educate and support clients in setting up completely mobile job application processes, to maximize candidate reach
- Consulting on the future of work:
 - Helping clients to take different approaches to hiring talent when tried and trusted methods no longer work (such as previously reliant job boards that no longer yield talent due to falling click-through volumes)
 - Thinking beyond early talent schemes, where some sectors are proving to be unattractive to the next generation of workers, by leveraging broader talent channels (e.g. veterans, niche talent pools)
 - New operating models (hybrid working, etc.).
- Continue to encourage clients to take a more holistic approach to hiring (as it has already seen the balance shift towards a 50:50 RPO versus total talent approach, whereas total talent programs previously made up 20% of inquiries).



RPO & Total Talent Market Summary

Overview

Economic instability will likely prevail until 2025 as coronavirus variants continue to emerge, creating business uncertainty, requiring organizations and vendors to pivot and adapt at short notice. These factors are driving on-demand RPO & Total Talent services, and organizations must become more proactive and embrace strategic workforce planning (SWP).

The broader skills crisis across digital, niche, professional, and some blue-collar skills will be the biggest challenge in the immediate future, and this will intensify while talent mobility remains restricted.

Organizations require imaginative solutions for multi-channel sourcing, attracting, securing, and retaining candidates and there will be a merging of RPO, CWS/MSP, and talent management/development services as organizations look to secure in-demand skillsets by whatever means: borrowing, buying, or building talent.

Critical social issues such as the health, safety, and wellbeing of people at work, flexible working, and diversity, equity, inclusion, and belonging (DEIB) will grow in importance. These issues will continue to underpin the best hiring practices.

Investment in technology continues apace. Next-generation experiential recruitment platforms have emerged, shifting to microservices/low-code/no-code architecture as standard. Intelligence around holistic talent (deep data/prescriptive analytics) continues to be a focus; as do second-generation platforms (for digital onboarding, internships, graduateships) to give organizations access to geographically distributed talent. Advances will continue in voice-enabled technologies, blockchain, and digital assistants/bots in the talent space.

Buy-Side Dynamics

All RPO & Total Talent buyers seek advice on recruitment technology/tools to underpin their recruitment function, to drive speed of hiring, and other process efficiencies. The post-pandemic period has emphasized new priorities around DEIB, next-generation talent to replace baby boomer leavers, the skills agenda, and employee retention.

Buyers seek support with the 'back-to-basics' services that can help them navigate and mitigate the ongoing talent and skills shortages so that they can find quality talent with the right cultural fit as quickly as possible. There is a noticeable emphasis on the following in order to drive competitive advantage in the tough labor market:

- Marketing activities: employer branding, recruitment marketing, campaign management
- Direct sourcing targeted at specific audiences: e.g. early careers, career returners
- Gaining market/candidate/competitor insights through enhanced data and analytics.

The pre-pandemic must-haves around onsite service delivery have all but disappeared with the recognition that off-site support during the pandemic worked better than expected.

Factors inhibiting the take-up or progression of RPO & Total Talent are budget availability, demand for low-cost solutions (when there is a minimum operating cost to cover) and decentralized or siloed operating models.



Market Size & Growth

As permanent hiring exceeds pre-pandemic levels, the future of the RPO & Total Talent market looks strong. The global RPO market was worth ~\$6.2bn in revenue in 2021 and will grow at 12.6% per annum to reach ~\$9.9bn in 2025.

The North American market will show the most substantial growth with 14.9% revenue growth, followed by APAC, then the U.K. (both above 11.0%), with the other regions growing at 8.7%. The most buoyant sectors will be healthcare, pharma, technology, energy and utilities, manufacturing, and engineering.

As organizations look to transform their hiring practices digitally, technology will become an increasingly important element within RPO & Total programs, making a significant contribution to vendor revenue growth.

Challenges & Success Factors

Several challenges in RPO & Total Talent abound. Firstly, maintaining standards in sourcing talent, with a much-depleted candidate supply. Success requires transparent, collaborative, and problem-solving initiatives with organizations to navigate these 2020s talent challenges. These may include educating clients on the short-term and longer-term talent market challenges and road-mapping the proactive, longer-term, strategic workforce planning (SWP) approach.

A second challenge is vendors' abilities to meet the post-pandemic uptick in hiring demand, which is at an unprecedented level (with scalable resources stretched to their limits). Success comes from building additional agility/flexibility around services delivery, such as reinventing services to serve higher volumes of clients (perhaps underpinned by tech).

It is difficult to competitively price RPO (and other) programs due to changing market forces (notably around cost) and organizations' fluctuating and fast-changing needs. Success may come from adapting operating models to drive down cost, being more strategic at initial engagement, driving an SWP approach with goals and cost transparency.

Outlook

The RPO & Total Talent market outlook is buoyant, as a growing number of organizations seek expertise to navigate the talent challenges of the 2020s. The market comprises three distinct areas: the enterprise RPO & Total Talent space, the on-demand space, and specialty RPO & Total Talent (Tech RPO, Executive Search Outsourcing). Vendors may choose to operate across all areas or choose specific foci (expanding the mix into new areas of expertise).

Opportunities to expand services abound. Broader issues such as the 'sansdemc' (shrinking working-age population), baby boomers needing to be replaced by the Gen-Zs over the next five years, the skilling agenda, and employee retention (due to the Great Resignation) give much scope to broaden vendors' portfolios.

Health, safety, wellbeing, flexible working, DEIB, and ESG are critical issues that candidates will want their future employers to showcase as core to their company cultures. Vendors offering services that enable organizations to promote their brand and ultimately attract the best talent will fare very well.

There will be further blending of talent acquisition, management, and development. This integration may lead to collaboration between third-party vendors to offer a holistic talent service offering, from candidate stage through the entire employee lifecycle.



Vendors will continue to invest significantly in technology. There will be formal launches of next-generation experiential recruitment platforms. Intelligence around holistic talent (deep data/prescriptive analytics) will continue to be a focus, as will second-generation platforms (for digital onboarding, internships, graduateships) to give organizations access to geographically distributed talent. Advances will continue in voice-enabled technologies, blockchain, and digital assistants/bots in the talent space. There will be an uptick in bringing VR/AR, skilling/learning platforms, and survey/engagement tools to organizations to give a holistic talent experience.

However, the need for enterprises to make some level of cost savings will prevail, so vendors must be creative in lowering their overall operating costs.

One thing is sure, the RPO & Total Talent market is stronger than ever.



NEAT Methodology for RPO & Total Talent

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet client future requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet client future requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- **High Achievers:** vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

‘Ability to deliver immediate benefit’: Assessment criteria

Assessment Category	Assessment Criteria
Offering	Core Models (Enterprise + Project)
	Specialty Models
	Combined RPO, MSP/CWS, and Total Talent Models
	Range of Services
	Specialty or Topical Services
	Wider range of services (Payroll, HCM tech, etc.)
	Services focused on TTA or TTM
	Services to "Build" Talent
	Sourcing Strategies
	Talent Insights
Delivery	Candidate Experience
	Global
	North America
	U.K.
	Continental Europe
	Middle East/Africa
	APAC
	LATAM
	Scalability and Flexibility
	Mix of Delivery
	Proactive Delivery
	Service or Operational Excellence
	Tech Enabled Service Excellence
Intelligent TA Tech Used	
Unified Total Talent Tech Used	
(Advanced) Analytics Platform	
Informed Application of Automation, RPA, AI, etc.	
Tech Integration Capability	
Next Gen Services Innovation	
Next Gen Tech Innovation	
Presence	Size Mix
	Large Organizations
	Mid-size Organizations
	Small Organizations
	North America
	U.K.
	Continental Europe
	Middle East/Africa
APAC	

Continued...



	<p>LATAM</p> <p>Single Country</p> <p>Multi-country (One Region)</p> <p>Multi-region</p> <p>Global</p>
Benefits Achieved	<p>Reduced Cost of Recruitment</p> <p>Reduced Time to Hire</p> <p>Improved Quality of Hire</p> <p>Improved Stakeholder Satisfaction</p> <p>Increased Direct Sourcing</p> <p>Improved Employee Retention</p> <p>Improved Business Outcomes</p> <p>Increased Diversity Mix</p> <p>Perceived Value for Money</p> <p>Improved Overall Performance</p>

Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Clients' Requirements from RPO Vendor to Meet Future TA Needs	<p>Ability to Reimagine Service Offerings (aligned to market/global trends)</p> <p>Vendor Knowledge and Expertise</p> <p>Best Caliber Personnel (includes proactiveness)</p> <p>Strength of Partnership</p> <p>Flexibility of Approach</p> <p>Ability to Scale/Pivot at Speed (Agility)</p> <p>Digitalization/Transformation Capability</p> <p>Continuous Improvement Mindset</p> <p>Recommendation</p>
Market Momentum	RPO Market Momentum
Evolution of RPO Solutions to Meet Future TA Needs	<p>RPO (+ Blended) Models or Programs to Meet Future TA Needs</p> <p>Range of Standard Services to Meet Future TA Needs</p> <p>Range of Advanced Services to Meet Future Maturing/Complex TA needs</p> <p>Range of Services to Meet Future Total Talent Needs (TTA/TTM)</p> <p>Range of Specialist/Broader Services to Support Building Talent</p> <p>Deployment of Advanced Sourcing Strategies</p> <p>Use of Data/Analytics for Informed Insights</p> <p>Deployment of Intelligent Tech/Tools to Enhance TA</p> <p>Deployment of Intelligent Tech/Tools to Enhance broader talent needs (TTA/TTM/Building Talent)</p>

Continued...



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- Mechanisms in Place to Drive Innovation in Services
 - Mechanisms in Place to Drive Innovation in Tech/Tools
 - Mechanisms in Place to Drive Personalized Candidate Experiences
 - Mechanisms in Place to Support on the Future of Work
 - Mechanisms in Place to Drive Service Delivery/ Operational Excellence
 - Mechanisms in Place to Drive the Journey to Future TA transformation
 - Mechanisms/Roadmap in Place to Evolve Appropriate Tech/Tools Strategy
 - Future Holistic Talent Journey (Buy, Borrow, Build, Bot)
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For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



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Sales Enquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:
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