

NEAT EVALUATION FOR NXTTHING:

RPO & Total Talent

Market Segments: Overall, Innovation in Technology/Tools,
Innovation in Services

Introduction

This is a custom report for NXTThing presenting the findings of the 2023 NelsonHall NEAT vendor evaluation for *RPO & Total Talent* in all three market segments: *Overall*, *Innovation in Technology/Tools*, and *Innovation in Services*. 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 acquisition 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 and services innovation.

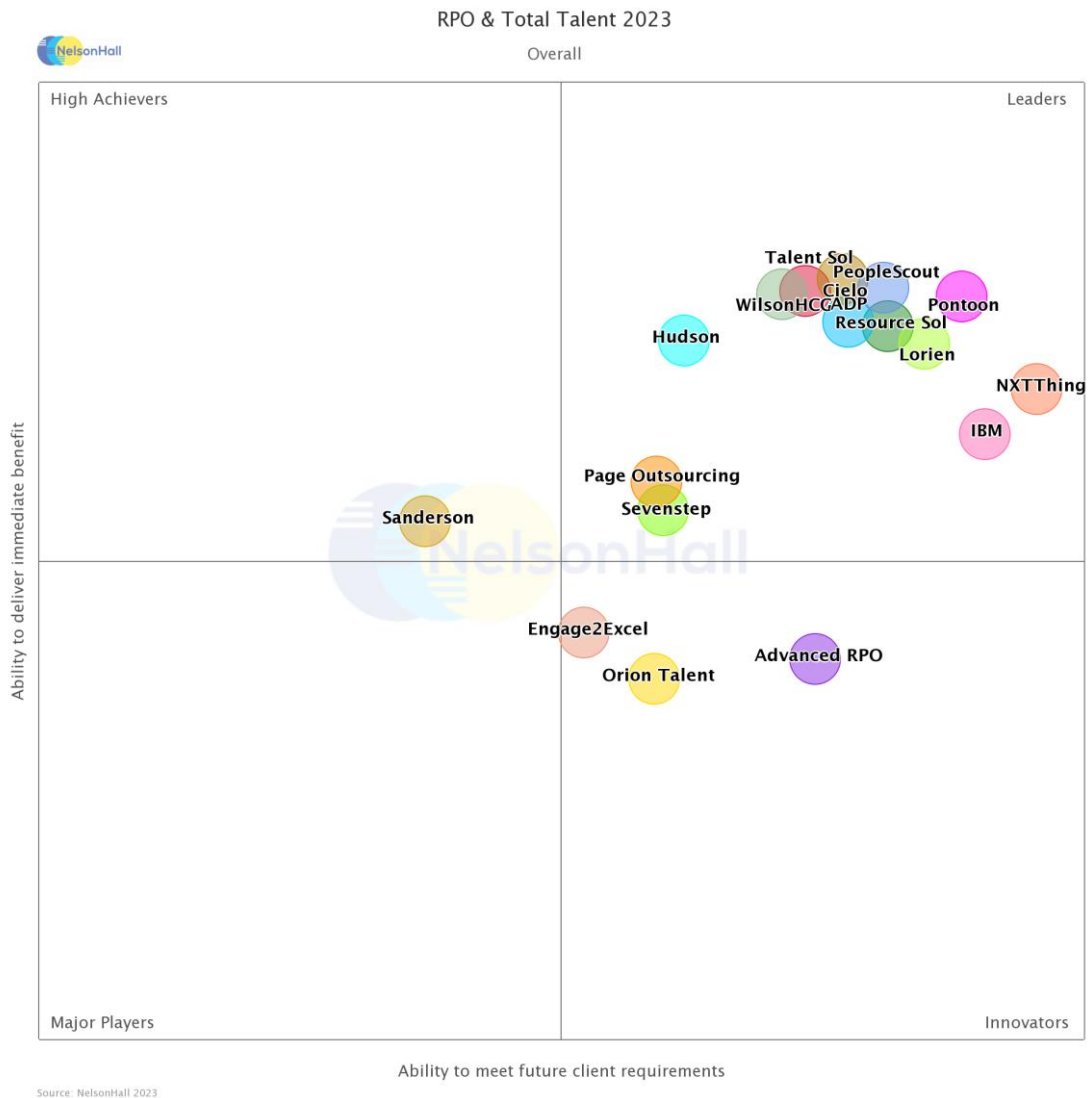
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: ADP, Advanced RPO, Cielo, Engage2Excel, Hudson RPO, IBM, Lorien, NXTThing RPO, Orion Talent, Page Outsourcing, PeopleScout, Pontoon, Resource Solutions, Sanderson, Sevenstep, 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)



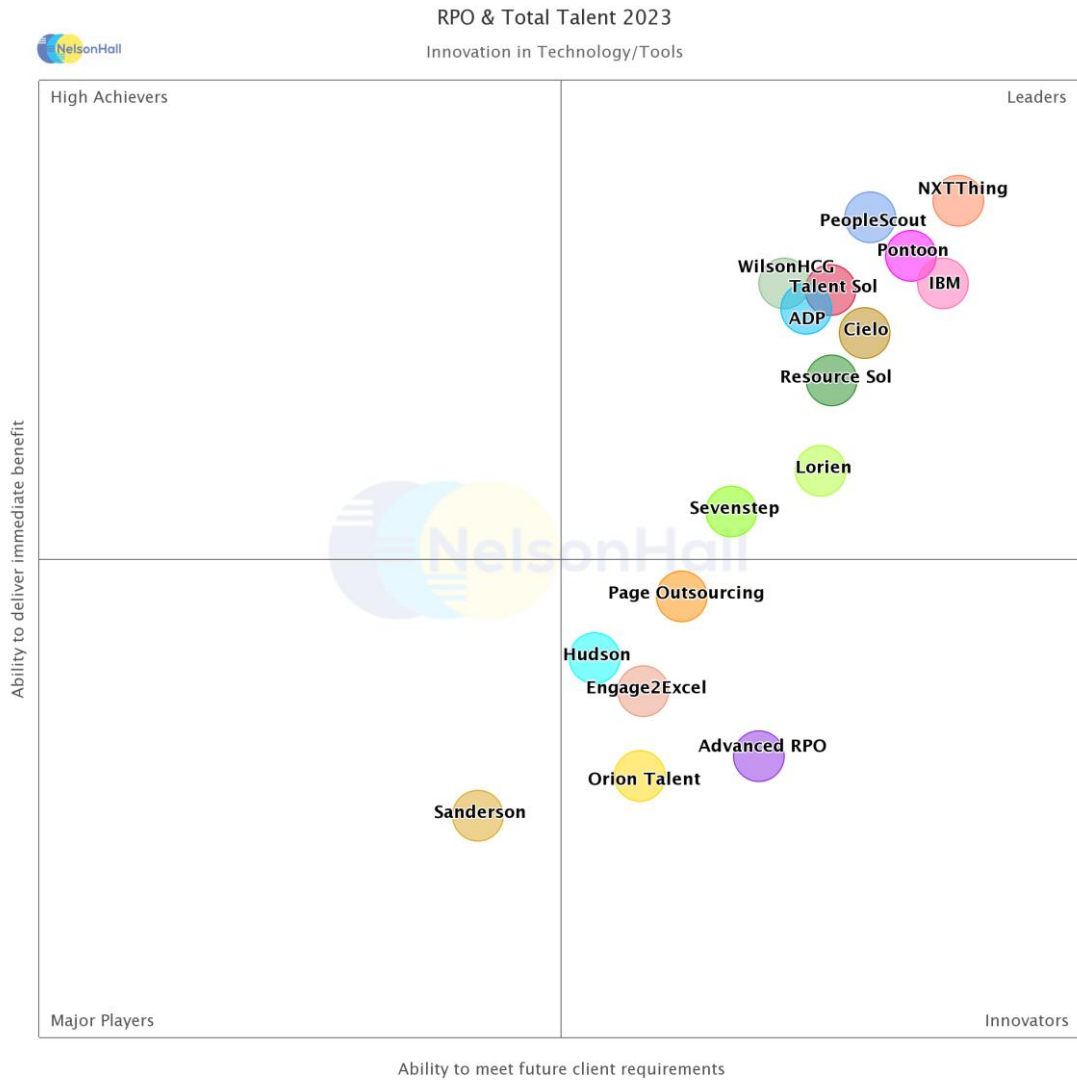
NelsonHall has identified NXTThing as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects NXTThing’s overall ability to meet future client requirements as well as delivering immediate benefits to its RPO & Total Talent clients.

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)

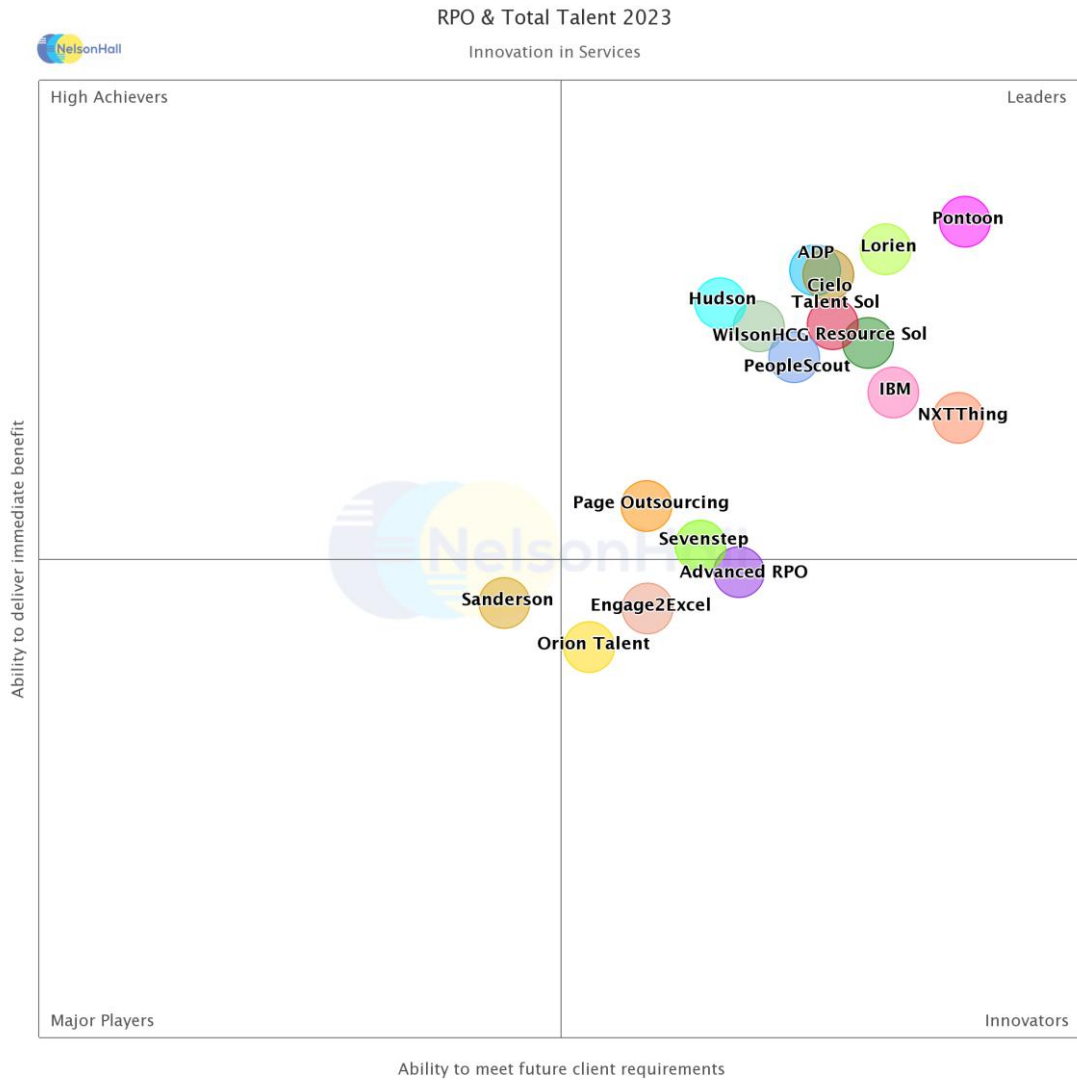


NelsonHall has identified NXTThing as a Leader in the *Innovation in Technology/Tools* market segment, as shown in the NEAT graph. This market segment reflects NXTThing’s ability to meet future client requirements as well as delivering immediate benefits to its clients with specific capability in delivering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

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



NEAT Evaluation: RPO & Total Talent (Innovation in Services)



NelsonHall has identified NXTThing as a Leader in the *Innovation in Services* 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 clients with specific capability in delivering innovation in RPO services.

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



Vendor Analysis Summary for NXTThing

Overview

NXTThing RPO (NXTThing) is a differentiated recruitment process outsourcing (RPO) company that changes how companies hire talent into their organization. Headquartered in Columbus, Ohio, the company was established in 2018 by its founder and current president, Terry Terhark.

Between April 2021 and July 2022, NXTThing joined forces with Jobvite, JazzHR, and Lever, combining four complementary companies to form a comprehensive provider of talent acquisition (TA) and recruiting solutions (services and technology) under the Employ brand. These four companies serve organizations of all sizes spanning SMBs to global enterprises. K1 Investment Management brought together the four companies.

NXTThing offers Enterprise RPO, High Volume RPO, Project-based RPO, and Hybrid (Total Talent) solutions. Its approach is high touch. It aims to keep talented people at the center of everything it does and blend technology, innovative tools, and personal connections as an integrated solution.

NXTThing saw its clients' needs change over 2022, from urgent hiring needs in early in the year to a more considered SWP focus towards Q4 2022. Consequently, its consulting work increased as organizations wanted to develop medium-term plans for early 2023. The SWP approach has seen demand rise for employer branding and compensation projects and delivering speedy hiring processes. NXTThing is involved with benchmarking compensation in all client engagements. Organizations want to see how they stand against their competition and the broader industry/market. Clients' key competitors are not necessarily in the same sector but may be geographical, targeting a location-specific audience.

The joining forces of NXTThing, Jobvite, JazzHR, and Lever (July 2022) to form a comprehensive provider of TA solutions under the Employ™ brand means that NXTThing can offer a broader range of proprietary platforms to its existing client base. Organizations of all sizes can have purpose-built tech, with each proprietary platform targeted at a specific business size. NXTThing builds portals that act as the single interface layer between NXTThing and the clients' ecosystems or uses one of its proprietary platforms as that interface layer.

NXTThing has adapted its technology implementation methodology, offering parallel implementations (a quick-start implementation alongside a traditional implementation path) where it suits a client organization.

Its proprietary tech roadmap is built on overcoming the problems associated with third-party tech and creating innovative solutions to those challenges within its own platforms.

NXTThing operates a predominantly virtual SSC model, with ~330 resources covering three languages (English, French, and Spanish). NXTThing supports clients across North America and the U.K. Some resources are based in its SSC in Columbus, Ohio (its headquarters). Others are located in Boston, Pittsburgh, Indianapolis, San Francisco, and Toronto (as a result of its acquisitions). In 2022, it grew 100% y/y in revenue and employees due to winning new clients.

The company anticipates life sciences to remain strong in 2023, while it will also seek to grow its work in other sectors, notably healthcare. It will target growth across all sizes of organizations aligned with its product offerings.



Strengths

- Range of flexible RPO and total talent programs and services
- Consulting services offered around the future of work
- High-touch and expert service delivery model balanced by cutting-edge technology
- Range of proprietary technology to enhance the TA process (Jobvite, JazzHR, and LeverTRM)
- High level of year-on-year market growth since 2018
- Strength in the life sciences and retail sectors
- NXTThing maintains a strong 2023 pipeline of opportunities developed through client referrals.

Challenges

- In a challenging economic market, carefully selecting those opportunities across all possible organizational sizes and platforms that will offer NXTThing maximum growth opportunities
- Ensuring that it promotes its varied USPs to stand out in a crowded vendor market fighting for the same audiences.

Strategic Direction

NXTThing has the following strategic priorities for 2023:

- Expanding its client list, comprising organizations of all sizes across all sectors, by going to market with its broadened platform portfolio of JazzHR, Lever, and Jobvite, which will involve the acquisition of notable logos
- Developing an SMB bundle offering
- Building custom portals for clients with streamlined workflow management
- Expanding its talent insights, providing valuable market research and trends for its clients by following and reporting on what it sees in the market using credible sources.

Outlook

NelsonHall expects that, in 2023, NXTThing will:

- Develop and showcase new service offerings, such as SMB-focused services and solutions
- Win consulting work, which will predominantly focus on:
 - Benchmarking compensation, as organizations will want to see how they stand against their competition and in the broader industry/market
 - Employer branding/EVP creation, with a focus on DE&I



- Promote and deploy its parallel implementation methodology for tech (quick-deploy and traditional) to support clients' urgent hiring needs and their long-term SWP needs
- Continue to evolve its expanding portfolio of proprietary technology, notably:
 - Integrating the 2022-acquired LeverTRM platform, utilizing its best features and functionality to complement its existing tech stack
 - Continuing to improve and optimize all proprietary platforms by developing features and functionality that overcome TA process challenges seen in third-party platforms
 - Building portals that act as the single interface layer between NXTThing and the clients' ecosystems or deploying one of its proprietary platforms as the interface layer; this work will involve creating custom portals
 - Creating innovative solutions to solve clients' specific process challenges (maximizing the use of texting, interview scheduling, and mobile-enabled platforms)
 - Continuing to add unique data/analytics capability while expecting more companies to reach out for labor analytics as they discover why they are no longer competitive when hiring talent
- Anticipate ongoing uncertainty and volatility in the market and keep front of mind the need for agility and the ability to pivot at a moment's notice to meet clients' needs
- Expect organizations to continue to take a cautious hiring approach but see some demand returning from those businesses that had a temporary freeze during the second half of 2022
- Continue to see many clients taking an operational/tactical approach to hiring, with some longer-term SWP activity and a corresponding demand uptick for consulting work
- See more clients embracing a total talent approach to hiring, comprising the whole gamut of activities from talent attraction, TA, onboarding, talent management, and retention. It expects more conversations around internal mobility and upskilling
- See strong demand from life sciences organizations while growing in healthcare, based on its 2022 successes, maximizing its high-touch service delivery approach and the deep niche expertise within its internal bench of recruiters
- Continue to grow its business across organizations of all sizes, offering the appropriate services and complementary tech aligned to client size and future ambitions. This goal will involve targeting critical logos
- Predominantly focus on growth in the U.S. while embracing some organic opportunities to expand internationally, should its clients wish to do so
- Aim for approximately 30% growth.



RPO & Total Talent Market Summary

Overview

Economic instability will likely prevail until 2025. Factors include geopolitical conflicts, inflationary and recessionary concerns, and the enduring impact of the pandemic. These factors continue generating business uncertainty and require organizations and vendors to pivot and adapt rapidly. These influences are impacting RPO & Total Talent.

Critical social issues such as employee health, safety, well-being, flexible working, and diversity, equity, inclusion, and belonging (DEIB) are transforming HR and organizational culture.

The infusion of technology within candidate sourcing and attraction is evolving, with vendors increasingly applying AI, RPA, and ML to boost recruiting efficiency and strengthen candidate quality and engagement.

Next-generation recruitment platforms leveraging microservices and low-code/no-code architecture enrich vendor tech stacks. Intelligence around holistic talent using predictive and prescriptive analytics supports broad organizational strategies, including candidate recruiting and employee retention considerations such as compensation disparities, populations with a high probability of resignation, skilling, and internal mobility opportunities.

Continued enrichment of modern, AI-enabled RPO solutions enables all-encompassing candidate and employee insights and processes supporting the new era of work.

Buy-Side Dynamics

In addition to core RPO & Total Talent sourcing services, buyers seek broader HR offerings, namely data analytics and consulting services supporting recruiting and organizational performance. The increased integration of AI into candidate attraction activities delivers valuable insights impacting recruiting metrics, including time to hire and overall candidate quality. For example, the embedded use of psychometrics enables hiring managers to confidently predict a candidate's fit within a particular role and the organization itself before making an offer. Chatbots used within initial online engagement deliver immediate interaction and feedback, increasing the candidate experience.

A continuing trend from 2021 is that buyers are seeking advice on recruitment technology and tools to underpin their recruitment function, drive hiring speed, and attain other process efficiencies. And since 2022, we have seen vendors leveraging IP and third-party technologies at a heightened pace to enhance their tech stacks and share these lessons learned within consulting engagements.

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 core RPO services helping them navigate and mitigate talent and skills shortages and enabling hiring managers to find quality talent with the right cultural fit as quickly as possible. Buyers emphasize marketing consulting, including employer branding, recruitment marketing, campaign management, direct sourcing targeted at specific audiences (e.g., early careers or career returners), and gaining insights through enhanced data and analytics to drive competitive advantage.

Factors inhibiting the adoption or progression of RPO & Total Talent are budget availability, demand for low-cost solutions, and decentralized or siloed operating models.



Market Size & Growth

Although permanent hiring will slow in early 2023 due to ongoing economic uncertainty and geopolitical conflicts, the future of the RPO & Total Talent market looks strong. The global RPO market was worth ~\$7.5bn in revenue in 2022 and will grow at 12.45% per annum to reach ~\$11.2bn in 2026.

The North American market will show the most substantial growth with 12.1% revenue growth, followed by LATAM and APAC (each above 11.5%). The other regions will grow at ~10%. Manufacturing, financial services, healthcare, and professional services will be the most buoyant sectors.

Challenges & Success Factors

The current global economic uncertainty is challenging vendors to price RPO and associated services competitively. Rapidly changing market forces and fluctuating organization needs drive cost/price considerations. Success may come from designing various service level and pricing models, revising operating structures, applying strategic consulting approaches during an initial client engagement, and driving a strategic workforce planning (SWP) approach with goals and cost transparency.

A second challenge is maintaining sourcing talent standards with a much-depleted candidate supply. Success requires transparent, collaborative, and problem-solving initiatives with organizations to navigate these talent challenges. These may include educating clients on the short-term and longer-term talent market challenges and road mapping the proactive, longer-term SWP approach. This challenge also requires vendors to provide continuous skilling opportunities for all roles and all tenures across the organization to ensure ongoing attainment of recruiting and client satisfaction metrics.

A third challenge is vendors' abilities to recommend and win follow-on consulting service engagements, particularly technology-focused programs. Successful vendors will articulate the right balance of targeted operational investments, change leadership, and technology enhancements. Vendors will also persuade current and prospective clients that they are the right partner to guide and nurture their organization throughout their digital evolution journey.

Outlook

The RPO & Total Talent market outlook remains healthy as many organizations seek recruiting and HR technology expertise to navigate current and anticipated staffing challenges. The market comprises three distinct areas: enterprise RPO & Total Talent services, project and on-demand RPO & Total Talent, and specialty RPO & Total Talent, e.g., specialty skill recruitment and executive search outsourcing. Vendors may operate across these three areas or choose specific focus areas and targeted populations.

As organizations continue modernizing their HR processes and infrastructure, RPO & Total Talent providers are expanding their portfolios to deliver various consulting services to enrich the recruiting experience for candidates, recruiters, and hiring managers. Employer branding, recruitment marketing, organizational change management, and HR technology consulting services are emerging offerings enabling companies to attract and retain appropriately qualified candidates.

Data science is another evolving service from vendors, as organizations understand the strategic value of the broad application of data throughout the HR lifecycle to minimize hiring



expenses, anticipate and plan for upcoming retirement horizons, and optimize employee retention strategies. The application of prescriptive and predictive analytics is evolving, with recruiting, retention, and internal mobility use cases becoming more widespread.

Vendors continue investing significantly in technology, with formal launches of next-generation experiential recruitment platforms. Second-generation platforms support digital onboarding and deliver immediate and ongoing candidate engagement. The use and acceptance of voice-enabled technologies, blockchain, and digital assistants/bots are further streamlining talent management. A notable increase in the integration of AI, machine learning, skilling, learning platforms, and engagement tools provides a holistic talent experience and supports internal mobility strategies.

The need for organizations to attain cost savings targets prevails, requiring vendors to consider innovative pricing and operating models.



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...



	LATAM
	Single Country
	Multi-country (One Region)
	Multi-region
	Global

Benefits Achieved	Reduced Cost of Recruitment
	Reduced Time to Hire
	Improved Quality of Hire
	Improved Stakeholder Satisfaction
	Increased Direct Sourcing
	Improved Employee Retention
	Improved Business Outcomes
	Increased Diversity Mix
	Perceived Value for Money
	Improved Overall Performance



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Clients' Requirements to Meet Future TA Needs	<ul style="list-style-type: none"> Ability to Reimagine Service Offerings (aligned to market/global trends) Vendor Knowledge and Expertise Best Caliber Personnel (includes proactiveness) Strength of Partnership Flexibility of Approach Ability to Scale/Pivot at Speed (Agility) Digitalization/Transformation Capability Continuous Improvement Mindset Recommendation
Market Momentum	RPO Market Momentum
Evolution of RPO Solutions to Meet Future TA Needs	<ul style="list-style-type: none"> RPO (+ Blended) Models or Programs to Meet Future TA Needs Range of Standard Services to Meet Future TA Needs Range of Advanced Services to Meet Future Maturing/Complex TA needs Range of Services to Meet Future Total Talent Needs (TTA/TTM) Range of Specialist/Broader Services to Support Building Talent Deployment of Advanced Sourcing Strategies Use of Data/Analytics for Informed Insights Deployment of Intelligent Tech/Tools to Enhance TA Deployment of Intelligent Tech/Tools to Enhance broader talent needs (TTA/TTM/Building Talent) 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)



For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



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Sales Inquiries

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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