NEAT EVALUATION FOR CAPGEMINI:

Experience-Led HR Transformation

Market Segment: Overall

Introduction

This is a custom report for Capgemini presenting the findings of the 2025 NelsonHall NEAT vendor evaluation for *Experience-Led HR Transformation* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Capgemini for HR transformation, and the latest market analysis summary.

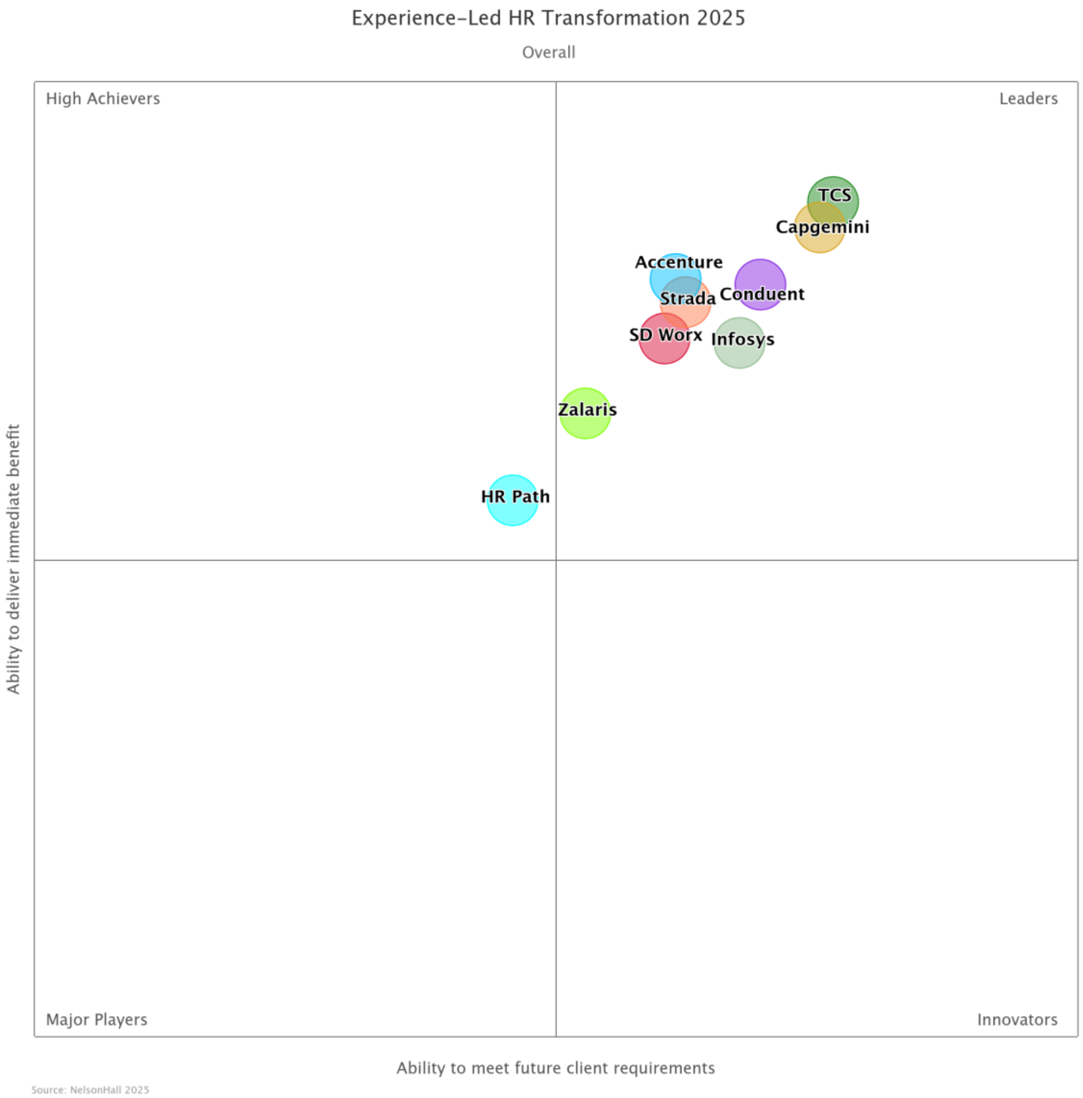
This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering HR transformation services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall and with specific areas of capability (talent/skills, experience and engagement, efficiency, transformation journey); SME-mid market focus; and geographic coverage (Americas, Europe, Asia-Pacific, and global).

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: Accenture, Capgemini, Conduent, HR Path, Infosys, SD Worx, Strada, TCS, and Zalaris.

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

NEAT Evaluation: Experience-Led HR Transformation (Overall)



NelsonHall has identified Capgemini as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Capgemini's overall ability to meet future client requirements as well as delivering immediate benefits to its HR transformation 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 *Experience-Led HR Transformation* NEAT tool (*Overall*) here.

Vendor Analysis Summary for Capgemini

Overview

As part of its People Experience offering, Capgemini has ~32 multi-process HR transformation services clients and serves ~820k employees. Capgemini's People Experience business supports experience-led HR transformation services through:

- *Strategy and culture*: focuses on creating an adaptive, people-centric organization
- *Technology services*: includes application transformation services to support a connected enterprise with employee interactions, engagement, and collaboration. It has technical capability across HCM platforms such as SAP SuccessFactors, Workday, Oracle, ServiceNow, Zendesk, Salesforce, Microsoft, and other digital workplace solutions
- *Operations*: its intelligent people operations division is designed to bring intelligent people experiences while addressing talent and workforce challenges. Its services framework is supported by ~3.5k HR practitioners and ~800 change practitioners focusing on HR effectiveness and people experience improvements across:
  - *Recruit to hire*: includes recruitment and staffing services
  - *Administer to work*: includes workforce administration services
  - *Reward to pay*: includes payroll, pensions, and compensation and benefits
  - *Learn to perform*: includes learning and development, performance management, and succession planning
  - *Helpdesk*: includes employee experience and omnichannel digital contact centers
  - *Analytics*: includes operational dashboards and workforce analytics to drive insightful decisions.

The company primarily targets North American and EMEA-headquartered organizations. Multi-Process HR transformation services have mainly been sold to organizations headquartered in the U.S., U.K., France, Germany, Netherlands, and Australia.

Financials

NelsonHall estimates Capgemini's 2024 revenue for experience-Led HR transformation services was $356m.

Strengths

- Capability in orchestrating and designing processes that leverage multiple technologies to elevate experiences. Capgemini brings a holistic approach incorporating all aspects of HR operations, including knowledge management, collaboration, case management, process automation, and employee experience platforms. It also heavily leverages next-generation technological innovations, including RPA, chatbots, and machine learning/AI and estimates a deflection rate of 83% using a GenAI-based chatbot
- Strength across large-market HR geographies, including the U.S., France, U.K., Germany, the Netherlands, and Australia. It has significant breadth in service to include HCM

deployment, as well as HR operations that include HR master data management and payroll services in ~40 countries

- Commitment to continuous improvements, pricing and metrics to meet HR operational outcomes with clear results, as shown in a large number of case studies, and supports transformations with the digital command center for reporting
- Digital design-thinking, with a robust methodology and delivery capability for digital solutions through its D-GEM methodology and key guiding design principles supported by design workshops and digital twin mode. It has a heavy focus on digital, including Digital Employee Operations, Digital Helpdesk, and Digital Learning Operations to offer consumer-grade experiences, with recent investments in Digital copilots
- Capgemini delivers digital learning solutions with a knowledge-centric focus to drive up employee engagement and address the upskilling challenges of organizations
- Ability to support all three major HCM technologies: Workday, SAP SuccessFactors, and Oracle HCM
- Capgemini includes application services and release management for all its operational service clients, which means that all HR transformation services clients benefit from a single provider for the technology and operational support to drive through continuous improvement.

Challenges

- Despite having benchmarking capability within its data-driven models, it cannot easily leverage benchmarks across its client base due to client customizations and limited evidence of delivering market benchmarks. However, its analytics offering is not built into the Capgemini digital command center
- Driving continual innovation through its digital command center as experience and performance measurements adapt to new ways of working and new ways of measurement
- Limited offerings for mid-market-sized organizations.

Strategic Direction

Capgemini has the following strategic priorities:

- Growing its footprint in North America and Europe via multitowered client opportunities, expanding beyond learning and talent
- Increasingly focusing on talent acquisition, leveraging its Cielo RPO partnership, and actively utilizing its Cielo TalentLink platform for sourcing and integrating this platform into the Capgemini D-GEM models
- As well as talent acquisition, continuing to focus on employee onboarding, employee interactions/query resolutions, and learning, representing complex HR business process areas that are typically handled poorly in the market
- Driving improved business outcomes with improved and connected employee experiences supported by applying digital twin offerings, notably MS Copilot for HR, and further developing the Copilot library. It will continue to develop D-GEM and drive more digital twin offerings to enhance both the experience and digital productivity

- Continuing to invest in its intelligent people operations command center to measure and drive business outcomes
- Further developing partnerships across the ecosystem, notably with ADP for global payroll.

Capgemini's approach is to offer unified, consistent experiences to enhance employee happiness, provide growth opportunities, and leverage technology and data-driven decision-making to help organizations achieve a transformation that drives competitive advantages.

Capgemini will emphasize digital transformation heavily through its applications (e.g., Digital Employee Helpdesk, Digital HR Operations, and Digital Learning Operations). Capgemini's developments over 2025 are expected to focus on greater collaboration tools, particularly Microsoft Viva Copilots, as well as improved analytics to support increased process decision-making and measurement of outcomes.

Outlook

The three key factors driving interest in Capgemini's experience-led HR transformation services offerings are:

- Capability to leverage multiple technologies to design fit-for-purpose experiences with a focus on digital experiences
- Holistic approach that includes people, HR operational design, and governance, particularly for organizations who have adopted minimal viable product offerings from HCM vendors and have not yet realized the full potential of their investments. Capgemini's breadth of process optimization and experience improvement spans recruitment, learning, and HR administration
- Emphasis on business outcomes and reporting.

Capgemini is expected to attract clients at all stages of HR maturity and readiness who are looking for the following:

- Cost-effective 'operations in a box' leveraging RPA, mainly where onboarding is less than satisfactory
- Higher ROI from HR investments already made
- Reduced time for starting operations with right-shoring and faster results
- Virtual knowledge collaboration, document management support with digital copilot support
- A 'transfer and then transform' approach.

As digital delivery further matures, NelsonHall estimates that Capgemini's HR transformation services revenues will increase in single digits over 2025 and maintain momentum in the near to medium term.

Experience-Led HR Transformation Market Summary

Overview

HR transformation initiatives continue to enhance experiences whilst driving out inefficiencies, supported by technological investments in GenAI and AI. HR functions are under pressure to deliver ongoing savings whilst facing skills shortages, aging populations, lower workforce participation rates, cost pressures, as well as regulatory and productivity challenges, all of which are drivers for transformational change.

The broad HR environment is also experiencing increased legislation with greater focus on AI governance, pay equity and pay transparency. In this context, securing employee trust and building high levels of employee retention is seen as vital to underpin strong workforce capability. As such, buyers look to better engage employees and offer richer experiences that uplift employee value propositions and build loyalty.

Overall satisfaction with HR transformation services is very high among buyers, although there is an opportunity to invest further in employee experience offerings. 'GenAI readiness' activity across HR services has been one of the areas of greatest investment. However, evidence of GenAI adoption across buyers remains nascent (at the time of this publication). The market is poised for change in 2025 as GenAI continues to develop. Significant efficiency gains from readily accessible knowledge and communication support offer significant transformational opportunities in the speed, agility, transparency, and personalization of HR communication. Some buyers cite delays while they await internal approvals and the creation of AI governance bodies.

HR technology deployment and ongoing services bundled with payroll continues to represent over half of the market, but this is largely seen in mid-market and small-market organizations.

There are increasing investments in growing workforce management capability through acquisition or partnerships as part of a bundled solution with payroll and HR offerings.

Key market developments include:

- Voice of the customer and experience
- HR service automation and GenAI integration
- Technology and process optimization and speed to market
- Low-code, API, and app developments.

Buy-Side Dynamics

Drivers of multi-process HR transformation services adoption include:

- Cost savings and efficiency improvements whilst keeping a human-centered approach, enhancing employee experiences with the latest technological developments
- Supporting a culture transformation for global companies, enabling global operating leaders and employees to deliver, including the ability to support changing legislation such as pay transparency laws that could drive a greater focus on skills and pay information
- Legacy technologies no longer supported
- Improving HR data analytics capability

- Supporting M&A activity, with the need to stand up new HR operations
- Vendor and technology consolidation to help reduce the management onus of complex IT architecture and the provider landscape.

Examples of planned buyer initiatives over the next two years include:

- Appointing AI offices and exploring both the use of GenAI for employee and HR practitioner support, as well as to help navigate AI legislation and ensure the appropriate use of AI in the business, increasing awareness
- Replacing platforms
- People data analytics, talent management integration, global compensation policy and processes.

Market Size & Growth

NelsonHall estimates the size of the experience-led HR transformation services global market to be $10.3bn in 2024, growing at ~8.7% CAGR to reach $15.6bn by 2029.

Success Factors

The top five success factors in the experience-led HR transformation services market are:

- *Partnership approach*: successful HR transformation service vendors collaborate with clients to support tailored needs and build client relationship management structures and governance structures to proactively serve and manage client relationships
- *Experience-led HR services*: with a focus on experience-led and engagement-led integrated service design, vendors need to ensure design thinking and collaborative workshops are inclusive of change and organization management, process, and technology experts
- *Technology innovation through GenAI*: for successful transformation, operational delivery needs to keep up to date with ongoing technological developments and change needs to be embedded into the digital design. There is growing appetite to explore GenAI technologies to support HR services
- *Integration capability*: successful vendors offer integration services, tools, and technologies to enable organizations to best leverage existing technologies and offer flexibility to add new solutions
- *Flexibility of approach*: successful vendors focus on value-added discrete offerings. Where they can offer outcome-based offerings, they are likely to be most successful. Second-generation transformation buyers increasingly look to leverage their existing technology platforms, so HR experience offerings bringing workflow and AI tools are increasingly important.

Outlook

Future expectations for the experience-led HR transformation services market are:

- HR experience orchestration offerings, including growing collaboration and workflows, will increasingly support more finely-tuned handoffs between parties (including partner offerings)
- Digital platforms will increasingly incorporate conversational experiences with contextual searches where knowledge and chat capability can digest multiple sources of information from transactions and policy documents, as well as perform transactions on your behalf
- Sentiment analysis to divert queries to appropriate contact points and use of AI to classify queries and increase response rates, including GenAI to either answer or propose answers to queries, will be increasingly supported
- Greatest growth will be in manufacturing, health and defense sectors, and among large enterprise-sized organizations
- Further consolidation of the market is expected, with numerous providers looking to continue acquisition paths. HR technology firms specializing in point solutions, as well as country-based HR service providers in Europe and Latin America are expected to be key acquisition targets
- Local or regional knowledge workers will be increasingly preferred to global offshore centers to support local compliance needs and where services in scope are of a complex nature
- SLAs will be tuned to support experience metrics, including agent and virtual agent metrics
- Both buyers and providers will require AI policies to support compliance with increased global regulations
- Surveys, sentiment analysis, and change management offerings are likely to be increasingly applied to support organizational health checks, drive more personalized experiences, and improve visibility of opportunities to optimize the HR function
- Deployments will become faster and use greater automation and more simplified interfaces, helped by API libraries for integrations, client onboarding, and testing.

NEAT Methodology for Experience-Led HR Transformation

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 future client 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 future client 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
Breadth of Offerings	Consulting & Advisory services Transformation deployment services Application support services HR Admin & Time digital services Talent digital services Benefits & Payroll digital services Employee Experience platform offerings
Delivery Capability	Ability to drive experience excellence Customer experience Analytics & benchmarks Automation/AI/ML/NLP/GenAI Use of low cost locations Delivery capability in North America Delivery capability in U.K. Delivery capability in Continental Europe Delivery capability in Asia Pacific Delivery capability in Latin America Delivery capability in SME-Mid Market Delivery capability in Large Market
Client Presence	Overall HR client presence EMEA client presence Asia Pacific client presence Multi-country client presence Americas client presence
Benefits Achieved	Improved experience Process improvement Visibility of experience metrics Greater agility to scale Experience platform improvements

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Capability to Meet Future Service Needs	Suitability to achieve transformation Suitability to achieve talent transformation Suitability to achieve efficiency Suitability to drive Mid-market innovation Suitability to drive Large Enterprise innovation
Roadmap Initiatives and Developments	HR services roadmap AI and GenAI roadmap Employee engagement roadmap Analytics and benchmarking roadmap Multi-country roadmap
Ability to Deliver Innovation	Americas focused innovations EMEA focused innovations APAC focused innovations Perception of HR innovation Perception of employee experience innovation Perception of speed of transformation

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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