The IEC Group names the Top 25 Global EOR Providers globally

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The emerging EOR market is growing to 9.8 Billion US Dollars by 2028

Employer of Record (EOR) services should be an essential component of every Chief Human Resources Officer's (CHRO) service portfolio for companies aiming to achieve globalization. – Luis Praxmarer, IEC CEO

BASINGSTOKE, UNITED KINGDOM - As businesses face the increasing demands of globalization, agility and flexibility have become key factors across various industries. In addition, the challenging staffing market has amplified the need for staffing flexibility. As a result, global employer of record (EOR) services have become crucial in facilitating expansion plans and business roadmaps in numerous enterprise industry verticals.

The EOR market experienced a remarkable surge during the pandemic and continues to exhibit a strong growth rate in the double digits. Luis Praxmarer, the CEO of The IEC Group, emphasizes the outstanding service quality and high employee retention rate already demonstrated by the nascent and dynamic EOR market.

While North America (36%) still accounts for the largest market, EMEA (29%) has increased strongly due to the geopolitical instability with the Ukraine / Russia situation and growth in Africa. APAC (26%) and upcoming LATAM (9%) are accounting for the remaining percentages. Ash Pal, IEC Partner & Practitioner, “EMEA EOR suppliers have performed robustly in response to geopolitical instability in Russia and Ukraine and growing demand in the Middle East and Africa”.

Those EOR suppliers are increasingly being trusted for mission-critical work shows how the market is maturing to focus on delivering the right resources, at the right quality, at the right time, in the right place. The old race to the bottom focused on lowest cost labor arbitrage and any quality will do is becoming an increasingly doomed strategy pursued by legacy players in the market.

The 2023 Global EOR Dynamic Map™ Study identified over 800 EOR companies, invited 102 companies for the detailed analysis, and awarded the top 25 providers as IEC Elite Members. Competitive positioning is an essential criterion for thousands of enterprises in their decision-making process. In addition, many financial investors use it for information on the players’ competitiveness in the market. While some charts deliver useful overviews, they quickly hit their limitations when it comes to client-specific competitive ratings. IEC Dynamic Map ™ has been designed to provide the best competitive positioning chart in the industry. It provides many different views and customer specific analysis.

IEC Dynamic Map™ is a provider comparison methodology empowered by IEC practitioners’ experience, research, and client feedback. Research reports provide independent vendor evaluations and enterprise buying behavior clusters. Provider positioning is based on a neutral and independent research and evaluation process with free-of-charge participation.

The IEC Group, a leading global technology research and advisory firm, focused in the study on one axes of the quadrant on the business services and strategy of the companies and on the other axes on the customer and user experience as well as the business value delivered.

Within this report The IEC Group analyses many global EOR service providers based on a 20 x 20 balanced matrix with direct inputs via questionnaires and briefings covering all of the topics mentioned in this executive summary.

This results in a granular output of data which both algorithms and expert analysts work upon to produce the IEC Dynamic Map™ graphic which serves as an easy visual aid in placement of the relevant providers in comparison to the market, deliverables, and each other.

IEC Dynamic Map™ Global EOR is based on an average customer environment. “Customer specific EOR quadrants are going to be based on the results of a workshop identifying the best match based on the

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individual customer situation and priorities and are ideal to generate a quick short list of suppliers", says Kenn Walters, IEC Practitioner & Partner and responsible for the study.

Our study revealed that the Employer of Record industry has several pioneers, including G-P, Atlas, and CXC Global who are widely recognized as leaders in the field. G-P is a powerhouse and clear leader in the Global EOR space. Atlas is a technologically advanced leader in direct EOR at any scale, globally. CXC Global delivers deep experience and comprehensive capabilities in EOR.

However, we also identified a significant number of up-and-coming startups and companies that are rapidly gaining momentum in this space. These emerging players are demonstrating innovative approaches and bringing fresh perspectives to the industry, which is helping to drive growth and reshape the landscape. With a focus on agility, technology, and customer-centric solutions, these companies are poised to make a significant impact in the Employer of Record and Human Resource outsourcing market in the coming years.

CHROs (Chief Human Resource Officer) today face a wide range of challenges, including attracting talent, overcoming the skill shortage, and building a global workforce. HR leaders must stay up-to-date with changing laws and regulations to ensure compliance with labor laws, health and safety regulations, and other employment-related legislation. EOR providers are experts in taking over these tasks.

"The purchasing decision for EOR suppliers is still often tactical and local. Speed is important with HR seen as a brake rather than as an accelerator. To be relevant CHROs need to develop or facilitate EOR decision processes that work at the speed of the business demand", quotes Ash Pal, IEC Practitioner & Partner.

However only a minority of organizations have achieved a clear business value from technology focused acquisitions. Therefore a well thought out strategy and implementation plan should be prerequisite in order to execute it correctly.

Multi-national firms remain the primary target for EOR services, with small to mid-market enterprises (SME), with less than 12,000 employees being most of the driving enterprise force behind the overall EOR market expansion. SMEs typically field a lack of in-house expertise in critical employer areas, such as HR, legal, and accounting, with global or foreign country know-how. From the over 1,200 Unicorns many are actively seeking professional HR service providers as well for quick and easy growth. These, however, are not the only enterprise segments driving growth in the EOR services market. Many larger enterprises have now decided on their digitization and expansion plans to map themselves more effectively to their existing and planned markets and services expansion roadmaps, while others are looking to improve the service for remote employees and cutting operational costs.

This has led to a re-examination of business set-up and hiring strategies in many of these larger enterprises, with conclusions being drawn in many cases that dealing with an effective and well-fitting EOR services company can rapidly fulfill expansion plans globally at less cost and risk than internal efforts.

The accelerating growth of globalization across industry sectors is drawing many companies, especially emerging new companies into new countries or areas of operation. This leaves many enterprises seeking assistance in understanding and delivering legal compliance with HR, personal data, and payroll regulations globally, especially in countries where the enterprise has no existing presence.

Many enterprise executives are now seeking effective, global technology platform-driven EOR organizations who are legally compliant in target countries and who can help them with their challenges in staffing, as well as in accelerating the business expansion plans while sinking the costs of doing so. An EOR assumes all legal responsibility for the people who work for the enterprise.

In addition to in-country experts and legal staff, many EOR service providers have developed tools, dashboards, and country-specific compliance databases that immediately provide local HR, tax, and legal requirements, regulations, and recommendations.

These solutions enable enterprises to eliminate or significantly reduce the costs, effort, and risks of establishing business entities and operations abroad.

Looking to the future, the global Employer of Record (EOR) services market is expected to see continued evolution and growth, driven by advanced platforms and enabling technologies that enable next-generation automation-assisted solutions. The HR Tech market has already seen over $25 billion in venture capital investments in just the years 2021 and 2022, and this has also had a positive impact on EOR companies. Many providers are now under pressure to grow their customer base and revenue

quickly, which is likely to result in increased M&A activity and the expansion of their service portfolios to cover a larger share of the overall HR market. Additionally, providers will seek to expand their geographical footprint as much as possible. While many of the current EOR customers are young, fast-growing startups, there are also significant untapped opportunities for restructuring and cost reduction for midsize and large global organizations. Overall, the future outlook for the EOR services market looks very promising, with continued growth and innovation on the horizon.

Invitation Webcast:

We are excited to announce that The IEC Group will be hosting a Webcast on June 14th at 16:00 GMT to share the findings of our latest study. We invite you to join us for this informative session, where we will present the results and insights gained from our research.

Participation in the Webcast is completely free, and we welcome everyone to attend. Whether you are a professional in the field or simply interested in the topic, this Webcast is for you.

To learn more about the event and register your attendance, simply click on the link provided. We look forward to seeing you there!

https://app.livestorm.co/the-iec-group/top-25-global-employer-of-record-companies

Executive Summary:

The IEC Group recently conducted a study of 800 global Employer of Record (EOR) providers and awarded the Top 25 companies in the industry. With the rapidly expanding globalization requirements of businesses, the skill shortage, and the need for staffing flexibility, EOR services have become a critical component for companies striving for global expansion. The EOR market has grown significantly during the pandemic and is expected to reach $9.8 billion USD by 2028. The IEC Group's CEO, Luis Praxmarer, emphasizes the importance of EOR services and their excellent service quality and high retention rate of employees.

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https://theiecgroup.com/about-us/

About The IEC Group

The IEC Group (International Expansion Group, Limited) is a global business research and advisory firm. As a trusted business partner, The IEC Group is committed to helping corporations, organizations, and service and technology providers excel in their expansion strategy.

The IEC Group specializes in globalization strategy, business transformation, operation excellence, merger & acquisition, human resource management, recruiting, compliance, legal, tax, and accounting.

Founded in 2022 The IEC Group consists of a team of highly experienced executive practitioners and partners with experience working with technology leadership teams across virtually every industry and geography to deliver successful organizational change. We work with clients with ambition and the will to be leading-edge players. Clients appreciate our challenging, pragmatic, and collaborative style of working and our insight into the profound organizational and leadership changes facing their industries.

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