

Global Outsourcing Industry Finishes Strong in 2015

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Information Services Group (ISG) [reported](#) that the global outsourcing industry delivered one of its best fourth-quarter performances ever, fueled by nine “mega-deals” (contracts with an annual value of \$100 million or more). Data measuring commercial outsourcing contracts with *annual contract values (ACV)* of \$5 million or more show that fourth-quarter ACV rose 5% to \$7 billion, marking the highest quarterly level in the last four years.

Although ACV for the full year fell 8% to \$23.7 billion, deal volume in 2015 was at an all-time high. In the Americas, manufacturing had a strong year, with ACV increasing 19% and the number of awards hitting a record high. The travel and transport and retail industries also had a healthy year. Despite the nine mega-deals in the fourth quarter, the trend of smaller, shorter deals continued in 2015. In fact, from 2012 to 2015, the data show that the average ACV decreased by 20% and the average deal length decreased by 15%.

ISG predicts a slow start to 2016, but John Keppel, partner and president of ISG, stated that “more enterprises are sourcing than ever before, and they’re paying less for those services, which encourages them to participate in the sourcing market even more.”

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