

NEAT EVALUATION FOR ATLAS:

Global Employer of Record Services

Market Segment: Enterprise EoR Capability

Introduction

This is a custom report for Atlas presenting the findings of the 2024 NEAT vendor evaluation for *Global Employer of Record (EOR) Services* in all the *Enterprise EOR Capability* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Atlas for global EOR services, and the latest market analysis summary.

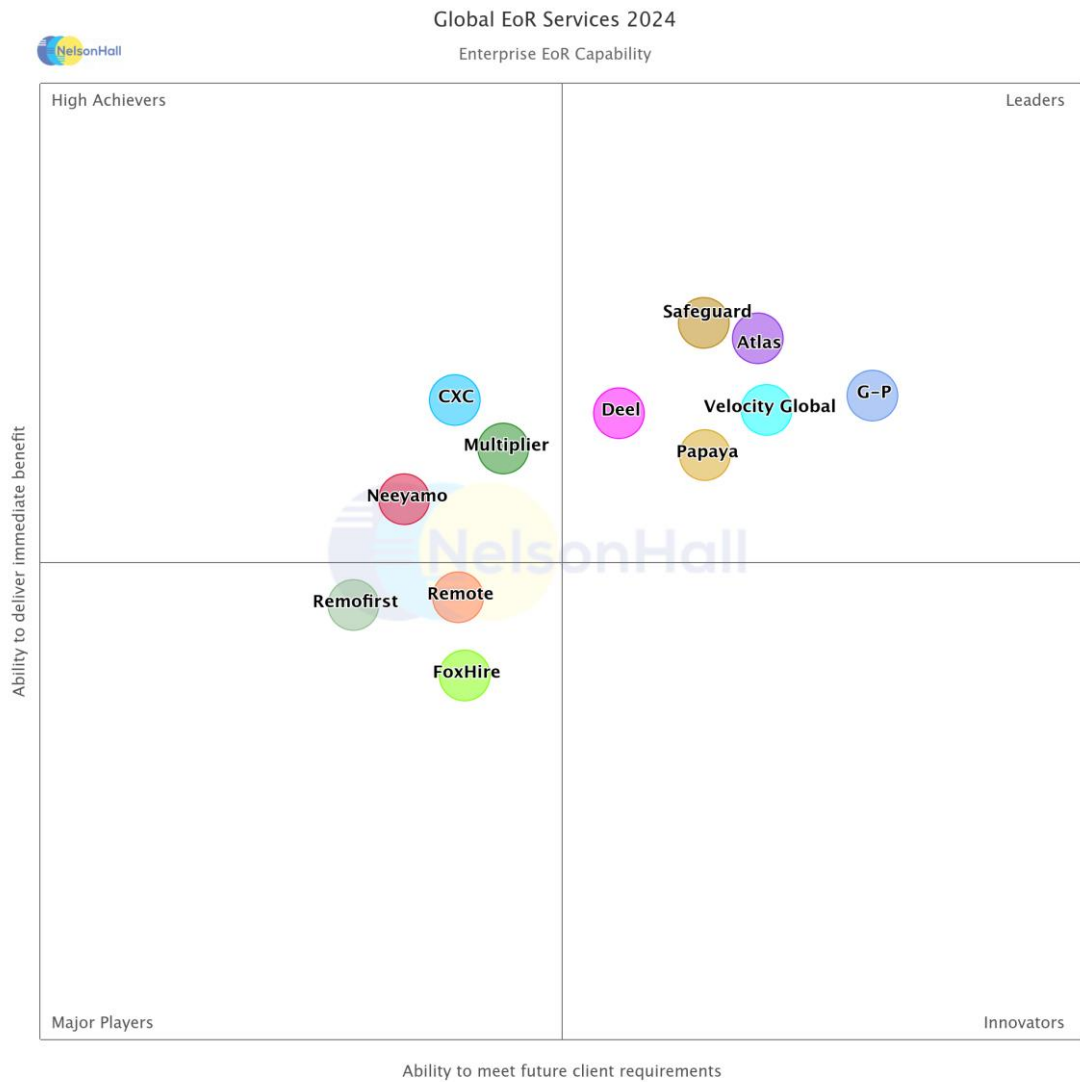
This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering global EOR services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, those with specific capability in delivering innovation in both technology and services, and those with specific capability serving enterprise-level and SMB companies.

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: Atlas, CXC Global, Deel, FoxHire, G-P, Multiplier, Neeyamo, Papaya Global, Remofirst, Remote, Safeguard Global, and Velocity Global.

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

NEAT Evaluation: Global EOR Services (Enterprise EoR Capability)



NelsonHall has identified Atlas as a Leader in the *Enterprise EoR Capability* market segment, as shown in the NEAT graph. This market segment reflects Atlas' ability to meet future client requirements as well as delivering immediate benefits to global EOR enterprise-level 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 *Global Employer of Record Services* NEAT tool (*Enterprise EoR Capability*) [here](#).



Vendor Analysis Summary for Atlas

Overview

Headquartered in Chicago, Illinois, Atlas provides global workforce advisory services, including EOR, HR technology, onboarding, legal and tax compliance, payroll, benefits, visa & immigration support, and human capital management. The minority-owned company also offers industry-specific HCM services and HR consulting.

The company was founded in 2015 by Rick Hammell after identifying opportunities to support organizations in navigating the complexities of their globalization efforts. In December 2023, the company appointed Jim McCoy as its new Chief Executive Officer, succeeding Rick Hammell, who remains Chairman of the Board.

In the past decade, the company has grown from a local EOR start-up servicing clients in ~30 countries to a global EOR services provider with technology platform capabilities across ~160 countries, with ~675 clients and managing ~4,700 active workers across ~90 languages.

Atlas' service-enabled technology solutions comprise the following products and services:

- Employer of Record
- EOR Payroll
- Government Contracting Program Solutions
- M&A Portfolio Solutions
- Global Workforce Advisory Consulting
- Visa Sponsorships and Global Mobility
- Global Salary Calculator.

The company's proprietary technology stack, Atlas HXM, provides end-to-end HCM capabilities. Core functionality includes worker onboarding, management of people operations, regulations & management, reporting & data analytics, global payment management, immigration & mobility services, learning, and benefits administration. The platform offers a self-service web interface and an API-enabled mobile capability with responsive design.

Financials

Atlas is a privately-held organization and does not publicly report its revenues. NelsonHall estimates that Atlas' revenues (not including worker salaries) in 2023 attributable to its global EOR services reflect ~21% YOY growth. Its revenues were derived primarily from SMB multi-national professional services, telecommunications companies, and government agencies.

The estimated breakdown of Atlas' 2023 EOR revenue by region based on workers actively supported is: North America 64%, EMEA 26%, APAC 9%, LATAM 1%.



Strengths

- Mature EOR service provider offering multi-national firms across all market segments compliant service-enabled technology solutions with capabilities in ~160 countries and ~21 industries, with targeted growth in underrepresented regions and countries
- Atlas' 100% direct EOR services model strengthens service quality and compliance by eliminating third-party global and in-country partners
- Total equity funding of ~\$220m raised to date supports continued R&D efforts and growth strategies to expand its worldwide footprint and service-enabled technology
- The Atlas HXM platform offers a single and modern system supporting all aspects of human experience management, including global expansion, onboarding, payroll, and resource management. The company maintains a robust product roadmap supporting continuous improvement and relevance of the platform's functionality, including developing expanded AI and fintech capabilities
- Atlas' planned roadmap projects and expanded advisory services will deliver end-to-end talent insights and the design of optimal staffing solutions supporting market expansion and business growth.

Challenges

- Buyers are more educated about EOR services and compliance risks, particularly second-generation EOR buyers with poor previous experiences. Increasingly, buyers are requiring fixed-term contracts, which are easier to terminate. Procurement cycles include 'trap questions' to test vendor knowledge about country-level compliance and assess candid responses (i.e., saying no to a request and explaining the risks and rationale for declining)
- Recent leadership appointments and newly introduced strategies will require Atlas staff to balance reorganization efforts while remaining focused on existing client program performance.

Strategic Direction

Atlas differentiates itself through its direct model, global reach, localized service, and employee experience, supporting employee retention and promoting its clients' organizations as employers of choice.

NelsonHall anticipates Atlas will continue targeting firms seeking direct, service-enabled technology for compliant international expansion across all market segments, including start-ups, SMBs, and enterprises. The organization will enable its continued growth through organic and inorganic strategies.

The company culture will continue evolving through the appointment and promotion of new senior leadership and leadership roles. Client solutions and internal initiatives will focus on enabling agility by:

- Adopting a sales culture throughout the organization, whereby Atlas team members will celebrate wins for the client and each other and maintain a profitable growth mindset
- Pushing decision-making authority deeper into the organization through increased knowledge sharing and responsibility.



This culture shift reflects Atlas' maturity in the market and goals of delivering compliant client solutions at scale, aligning IP enhancements with client and market needs, and attaining critical industry standards, including ISO2700.

Atlas' service roadmap focuses on human interaction and process automation through its platform, which comprises the following recent and planned enhancements:

- Launching a fully integrated Coursera learning platform to improve retention and satisfaction
- Releasing an enhanced Atlas mobile experience for employees to easily manage onboarding, profiles, pay, time off and expenses
- Upcoming enhancements to master data management, employee self-service, visa/mobility, time tracking, and UI/UX
- Improvements to customer onboarding, role-based access, APIs, document management, and mobile capabilities
- Initiatives for real-time payroll cost visibility, centralized global payroll inputs, and payroll forecasting
- Optimizing the user experience and inform future module development by leveraging analytics.

The company continues to expand and enhance the functionality and feature set of its Atlas HXM platform. NelsonHall estimates that Atlas invests ~30%-35% of its net revenues into advancing its proprietary HR technology stack.

Planned technology roadmap investments over the next 12-18 months focus on enriching Atlas HXM's payroll, visa, and automation. This includes IP enhancements to customer and country data; work site employee self-service; Visa applications; time and attendance capabilities; user interface design; customer onboarding; document management; expense management; centralized payroll.

Longer-term, Atlas' CEO envisions the growth and evolution of the following strategies:

- Global Workforce Advisory Practice: harnessing market insights to anticipate and lead talent trends; providing workforce analytics and global planning solutions to optimize talent strategies
- Enabling world-class customer experiences: leveraging a direct EOR model; delivering custom solutions tailored to each client's industry and region; enabling clients' seamless and compliant global expansion
- Nurturing a partnership ecosystem: investing in strategic partnerships supporting holistic, end-to-end global talent solutions; establishing collaborative relationships with key industry partners; developing synergistic business development relationships with partners to drive growth and expand market reach.

Outlook

Atlas experienced ~21% YOY growth in 2023 for its direct service-enabled technology solutions, driven primarily by small and mid-market organizations. The company will continue diversifying its industry and market segment targets to expand its client portfolio. Atlas will focus regional growth efforts in the U.S., China, and India, with targeted pursuits within the Philippines, Vietnam, and Mexico.



With the recent executive appointments, the organization will focus on new leader assimilation and the execution of transformational strategies, including optimizing and scaling business operations, enriching the Atlas HXM platform using advanced technologies and establishing third-party relationships, and investing in global compliance through active participation in industry organizations (i.e., GEIO) and attaining ISO27001 certifications.

Atlas will continue shifting its offerings from a service focus to global workforce advisory services, providing strategic staffing consulting and helping clients navigate and apply appropriate labor solutions.

The company will nurture relationships with new and established third-party technology partnerships to accelerate Atlas HXM platform enhancements and marketplace offerings and pursue collaborative business development opportunities. IP enhancements will also support existing contract service add-ons and prospective client engagement.

NelsonHall expects Atlas to achieve strong revenue growth for its EOR technology and service offerings of ~20%-25% for 2024, achieving revenue growth through organic and inorganic strategies.

Global Employer of Record Services Market Summary

Overview

Economic instability will likely prevail through 2025. Geopolitical and regional conflicts, inflationary and recessionary concerns, and the competitive labor market continue to be major influences, generating business uncertainty and requiring organizations and vendors to secure the required workers and specialized skills from countries where they may not have an established presence. These factors drive the demand for EOR services as organizations gain a broader understanding of the benefits of this model.

Multinational firms of all sizes will remain the primary target for EOR services, with the largest concentration of adopters (~85%) operating in the small to mid-market segment (<15k employees). SMB adoption is attributable to smaller start-up organizations within emerging sectors and a lack of in-house expertise in global expansion strategies, i.e., HR, legal, and accounting resources. As buyers' understanding of global EOR services and their respective benefits increases, global EOR vendors are more frequently engaging and securing contracts with enterprise organizations.

The rapid introduction and evolution of advanced technology, including GenAI, drives vendors to innovate and rapidly balance ethical risks against industry regulations associated with technology's responsible use and application. While technology is a crucial differentiator between vendors, with AI/GenAI, predictive/prescriptive analytics, and extreme personalization as top technology roadmap investments, vendors agree there is a delicate balance between the application of technology and human interaction.

North American-headquartered businesses continue to lead other geographies in adopting global EOR services with ~46% of the market, with predicted heavy APAC targeting and growth. Continental Europe and APAC continue providing solid pipelines for new client/new worker growth as firms within these regions expand their targeting of critical countries.

Global expansion initiatives by emerging small and mid-sized firms will continue escalating over the next five years, driven by the continued trend in globalization and the need to access top talent in high-demand industries compliantly.

Buy-Side Dynamics

The continued globalization trend across sectors is pulling emerging firms into new geographies of operation, driving buyers to seek support in navigating and maintaining compliance with rapidly intensifying statutory HR and payroll regulations globally, particularly in countries where firms lack a presence and expertise. Primary drivers for organizations to engage with a global EOR vendor include:

- Reducing or eliminating the costs, effort, and risks in navigating the complex process of establishing legal entities and operations in foreign countries
- Maintaining direct access to knowledgeable HR, legal, and payroll experts to support workforce cost modeling and international expansion strategies.

Buyers indicate that international HR and payroll reliability and compliance remain the most critical desired outcomes of global EOR outsourcing; HR and payroll compliance are rated highest for potential vendor impact.

Global EOR buyers seek enhanced reporting capabilities through dashboards and analytics to provide greater cost transparency, trend analysis, and strategic data insights. In response, vendors are focusing on nurturing long-term client relationships and broadening advisory capabilities. Vendor technologies and engagements are advancing, with open-source API-enabled technology platforms and tiered product and pricing models aligned with client buying maturity and organizational requirements.

With increasing buyer understanding of EOR services, vendor organizations are progressing to include dedicated client success organizations, reflecting growing global EOR market maturity, strategic client engagement, and recent C-suite appointments. Vendors leverage data and client relationships to design and deliver adaptable and easily scalable solutions in alignment with a client's current and anticipated future needs. Additionally, as working environments continue shifting, EOR vendors must assess and modify policies and procedures, providing the appropriate level of enablement for workers, such as flexible work schedules, four-day work weeks, etc. Supporting a remote workforce requires a well-defined culture, allowing workers to remain connected and informed. In response, vendors are focusing on employee engagement, career development, and success planning for the future of work.

Buyers state that statutory and supplemental benefits offerings and cultural alignment with the vendor's organization are highly rated selection factors, as are contractor management and payment service capabilities. Additionally, buyers indicate that innovative pricing and commercial terms are primary selection factors.

Market Size & Growth

The net value of the global EOR services market is estimated to be ~\$2,047bn in 2023, with growth driven by the intensifying globalization trend, the continued impact of a competitive global labor market, and strategic workforce planning supporting the initial wave of Gen X retirements. NelsonHall estimates that the global EOR market will grow at ~23.2% per annum to reach a net value of ~\$5.9bn in 2028.

Challenges & Success Factors

Beyond primary challenges tackled within the industry, i.e., compliance, regulatory changes, etc., EOR vendors face many peripheral threats, including the following:

- Cost oppression in response to global economic uncertainty and clients expecting premium service levels at lower, highly competitive price points
- The rapid introduction and evolution of advanced technology, e.g., GenAI, is driving vendors to innovate and rapidly balance ethical risks against industry regulations associated with the responsible use and application of technology
- Consistently delivering adaptable and easily scalable solutions in alignment with client needs
- Supporting a remote workforce requires a well-defined culture, allowing workers to remain connected and informed. Vendors must focus on employee engagement, career development, and success planning for the future of work
- As working environments continue shifting, EOR vendors must assess and modify policies and procedures, providing the appropriate level of enablement for workers, such as flexible work schedules, four-day work weeks, etc.



- Increasing buyers' understanding of EOR benefits and services requires BD investment in market education.

The rapid intensification of statutory requirements creates difficulty for vendors to maintain compliance without in-country expertise and supporting platform functionality. While systems and processes continue maturing, consistent communication and status updates from the EOR provider can alleviate employer and worker dissatisfaction.

Outlook

Global EOR services continue flourishing as organizations respond to the competitive labor market, future of work, and SMBs requiring multi-country expansion to secure talent. The service model, by design, reduces costs, risks, and time to market entry, thereby enabling a competitive advantage for growing multinational firms seeking to expand their footprint or to access talent in new countries of operation. 57% of buyers interviewed indicated that global expansion is in their plans over the next two years, with payroll processing reliability and compliance as the primary benefits of an EOR engagement.

Vendors continue to expand their service portfolios in alignment with buyer preferences and longer-term workforce needs. Comprehensive HR service offerings spurred by these factors include complete employee lifecycle services, such as candidate search, recruitment, talent pipeline management, and strategic HR advisory. Longer-term considerations, such as retirement horizon and succession planning, will support sustained growth within the industry as organizations scramble to fill critical talent and skill gaps and enable internal mobility opportunities.

Corporate social responsibility (CSR) influences have triggered broader service offerings from select EOR providers, including equity management plans (e.g., ESOP, ESPP, option plans), expanded care & benefits programs, and multi-currency/cryptocurrency payroll payments. Rebranding efforts by EOR vendors reflect a people-centric approach to EOR services and employee engagement.

Enhanced technology investment and third-party partnerships across the global EOR services market continue as providers refine their focus and strategies as global workforce management, payroll, and payments platform providers. EOR vendors increasingly leverage various partnership program models to support technology enrichment, augment staff capabilities, and provide broader channel marketing and synergistic business development opportunities.

Long-term success in the global EOR services space will require vendors to offer innovative commercial terms and complementary service add-ons to meet buyer preferences and maturity in targeted countries for expansion. The application of advanced technology, including the integration of GenAI and ML, continues but is not currently viewed as critical by buyers in the selection process. In the next 18-24 months, vendors will enrich existing IP and create intelligent platforms, further minimizing risk, supporting compliance, and providing real-time worker and employer guidance in the flow of work. While technology is a critical enabler, vendors will continue balancing tech with immediate accessibility to human experts to extend value and sustain client satisfaction.



NEAT Methodology for Global Employer of Record Services

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 |
|--|--|
| Offering | <ul style="list-style-type: none"> Consulting and advisory for international expansion Talent sourcing supporting expanded international operations Data administration and HR reporting for international workers Payroll and tax administration for international workers Benefits administration for international workers Expense management for international workers HR and payroll compliance for international workers and operations HR analytics and insights HR technology consulting or management Sponsoring work permits/visa processing Broader HR or other services |
| Delivery | <ul style="list-style-type: none"> North America Continental Europe Middle East/Africa APAC LATAM Overall performance Ability to reimagine services and processes Digitalization/Transformation Capability Best Caliber Personnel (includes proactiveness) Strength of Partnership - Strategic vision/advisory Flexibility/Scalability |
| Presence (Employees, Proportion of Revenues) | <ul style="list-style-type: none"> EOR client size mix EOR Enterprise client revenue percentage EOR Medium size client revenue percentage EOR Small size client revenue percentage North America EMEA APAC LATAM |
| Benefits Achieved | <ul style="list-style-type: none"> Reduced time-to-hire Improved compliance Reduced costs Improved global expansion/ease of expanding globally Additional benefits achieved Overall level of benefit achievement |



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

| Assessment Category | Assessment Criteria |
|---------------------------|--|
| Service Culture | Increased flexibility and scalability |
| | Caliber of personnel |
| | Ability to meet future geographic footprint |
| | A digital marketplace of certified integrations (APIs) |
| | Data and analytics-driven insights for business decision making |
| Roadmap Execution & Plans | Mechanisms to deliver innovation |
| | Ability to Reimagine Product and Service Offerings (Design Thinking) |
| | Predictive Analytics and Reporting |
| | Technology Roadmap and Execution |
| | Range of EOR and Broader Service Offerings |
| | Integrations (APIs) to connect third-party solutions |

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



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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