

NEAT EVALUATION FOR ATLAS:

Global Employer of Record Services

Market Segment: Overall

Introduction

This is a custom report for Atlas presenting the findings of the 2023 NEAT vendor evaluation for *Global Employer of Record (EOR) Services* in the *Overall* 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.

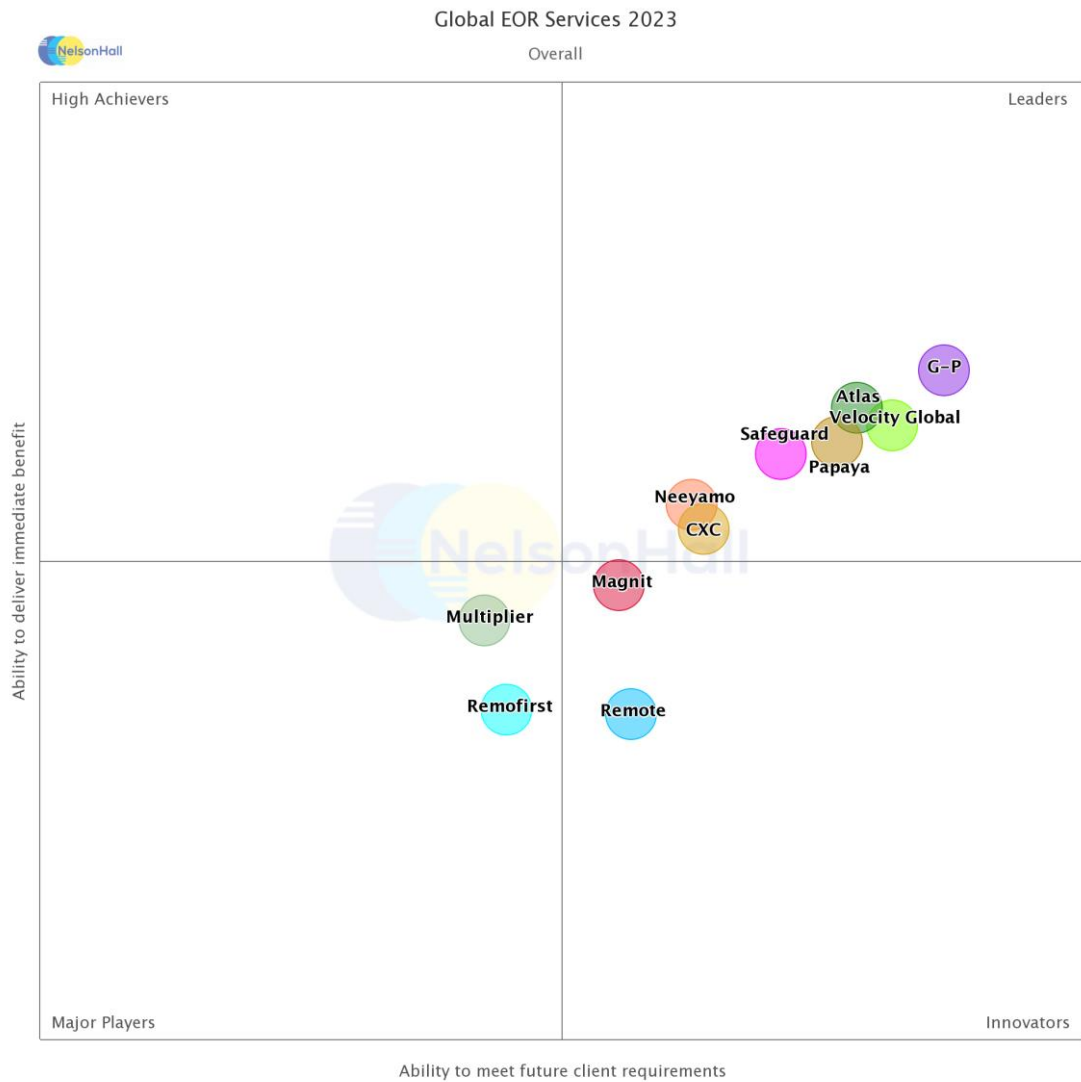
This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering global EOR services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors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

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, Globalization Partners, Magnit, 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 (Overall)



Source: NelsonHall 2023

NelsonHall has identified Atlas as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Atlas' overall ability to meet future client requirements as well as delivering immediate benefits to its global EOR services 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 (*Overall*) [here](#).

Vendor Analysis Summary for Atlas

Overview

Atlas is headquartered in Chicago, Illinois, and provides HR technology and direct EOR services, including onboarding, legal and tax compliance, payroll, benefits, visa & immigration support, and human capital management. The minority-owned company also offers technology-enabled industry-specific HCM services and HR consulting. The company was founded in 2015 by its current CEO, Rick Hammell, after identifying opportunities to support organizations in navigating the complexities of their globalization efforts. Atlas has been a direct employer of record since its formation, with owned legal entities in ~160 countries.

The company rebranded from Elements Global Services to Atlas in June 2022. Similarly, its SaaS-based technology stack was enhanced, relaunched as a single platform, and renamed Atlas Human Experience Management (Atlas HXM). Its rebranding efforts reflect the flexibility, agility, and enabling technology required to meet client and worker UX expectations, talent needs, and data requirements intensified by recent global events.

The company maintains a humanitarian focus to bridge global gaps between employers and employees and create opportunities for small and minority-owned businesses. Atlas' culture promotes diversity and equality for its clients, worksite, and internal employees.

In the past seven years, the company has grown from a local EOR start-up servicing clients in ~30 countries to a global technology firm currently providing EOR services with capabilities across ~160 countries.

In August 2020, the company secured \$20m through a minority investment round with Guidepost Growth Equity. This funding supported new service offerings and multiple enhancements to the Atlas HXM SaaS-based HR technology platform, including:

- Government: A worker onboarding and human capital management solution for prime contractors and subcontractors to transition global United States Department of Defense (DoD) and United States Agency for International Development (USAID) projects quickly and compliantly
- Venture Capital: Human capital management solution for venture capital firms in planning and managing mergers & acquisitions, restructuring, divestitures, and investment deals
- Enhancements to its technology platform enriched the company's payroll and business intelligence functionality, allowing clients to access specific country pages, download documents, and submit requests online to hire or expand into a new country
- In addition to recent technological advancements, Atlas expanded its global presence by opening new offices in Shanghai, China (its APAC headquarters); Lagos, Nigeria; Johannesburg, South Africa; Washington D.C., U.S.; San Francisco, U.S.; London, U.K.; and Dublin, Ireland.

In September 2022, the company announced it secured an additional \$200m in strategic equity funding through Sixth Street Growth to support its continued global expansion and technology enrichment.

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

- Direct Employer of Record
- Contractor Pay



- Consulting Services
- Data & Insights
- Global Mobility & Visa.

The company's proprietary technology stack, Atlas HXM, enables centralized online access for employers and workers. Atlas offers its global employer of record services to ~560 clients and manages ~4,700 active workers across ~160 countries and ~90 languages.

Financials

Atlas is a privately held organization and does not publicly report its revenues.

NelsonHall estimates that Atlas' revenues (not including worker salaries) for 2022 attributable to its global EOR services were ~\$102m, reflecting ~36% YOY growth. Its revenues were derived primarily from SMB multi-national technology firms, government & defense contractors, and professional services companies.

NelsonHall estimates the breakdown of Atlas' 2022 EOR revenue by region to be:

- North America: 65%
- EMEA: 25%
- LATAM: 8%
- APAC: 2%.

Strengths

- Mature EOR service provider, established in 2015, offering multi-national firms across all market segments compliant service-enabled technology solutions with capabilities in ~160 countries and ~13 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 relevancy of the platform's functionality, including the development of expanded AI and fintech capabilities
- Atlas' cultural initiatives and human interaction focus, such as learning opportunities for internal team members and worksite employees, the ESG program, and DEI values, demonstrate the company's commitment to its employees and support client and employee retention.

Challenges

- Increased administrative and overhead expenses associated with its direct EOR model to operate and maintain in-country entities and staff. Additionally, the expanded use of internal marketing & sales resources may be required to promote capabilities and attract prospective clients due to the direct EOR model, limiting the use of partner organizations and consequent reciprocal business development relationships
- As the EOR market becomes increasingly commoditized, it yields more significant price point pressures for EOR vendors. In response, Atlas will leverage its platform to drive efficiency that benefits clients and workers.

Strategic Direction

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, leveraging its most recent \$200m equity funding to support its growth initiatives. Specifically, Atlas plans to expand its existing EOR business operations into new regions, specifically in the South Africa and MEA markets, adding local and regional expertise to support newly added entities and achieve market penetration.

Atlas aims to extend its solution offerings and vertical depth to gain further competitiveness. The company will add full client lifecycle support maturing its position in the HR marketplace. Atlas' top three focus areas for R&D investments addressing current and emerging market needs include:

- Promoting its learning culture by offering learning opportunities to its worksite employees and internal staff
- Enhancing contractor pay functionality and data insights within Atlas HXM
- Establishing new regional or local entities to meet the unique requirements of a solution or vertical.

These planned actions enable clients to minimize and rationalize their supply chain, achieving greater efficiencies and value from Atlas.

With the Atlas HXM platform launch in 2022, Atlas announced its focus on human experience management. The company continues to invest internally to improve its EOR services delivery and execute the next phase of its product roadmap.

EOR services rely on human interaction, critical thinking, process automation, and integrated technology to drive efficiency and assure compliance. Atlas launched Coursera, a learning platform to improve the capabilities and ensure the skill relevancy of its team members. The company's career-long learning culture supports service quality and employee retention. Atlas formally commits to environmental, social, and governance ideals worldwide through its ESG program. The program delivers a genuine message to its staff, worksite employees, and clients about Atlas' mission, culture, and values.

The company continues to expand and enhance the functionality and feature set of its Atlas HXM platform. Atlas will secure technical talent in critical areas, including machine learning and fintech, by hiring in-house staff or establishing third-party partnerships. 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 will focus on enriching Atlas HXM's human interaction, critical thinking, and automated features, including the following IP enhancements:

- Modern UI/UX - Leveraging reviews and feedback related to the customer and worksite employee journey, Atlas redesigned a modern, effective UI/UX design for its platform
- Coursera integration - Atlas' strategic partnership with Coursera provides career-long learning opportunities for its internal staff and worksite employees
- Expense management - The expense management module and mobile app allow worksite employees and client managers to interact in real-time when submitting, reviewing, and approving expenses in Atlas HXM
- Benefits administration - Enabling employees to select country-level benefit plans and manage beneficiaries
- Contractor Pay - Atlas launched Contractor Pay version 1.0 in 2022. Version 2.0 includes greater document upload automation, an improved UX for clients who are using both EOR and Contractor Pay, and enhanced reporting functionality
- Risk and compliance - Atlas appointed a Chief Risk Officer to oversee enterprise risk, data privacy & protection, and insurance compliance. The company is planning to hire a dedicated compliance manager in each region
- Real-time in-region support - Atlas will expand regional capabilities and customer service support in local languages. The company launched three regional headquarters in Brazil, South Africa, and Hong Kong and is investing in localizing the platform, legal contracts, onboarding materials, and payment functionality
- Expansion hub - Permits clients to visually track the onboarding process of employees on a country-by-country basis
- Atlas Connect - Allowing clients to access Atlas HXM through third-party platforms with read & write privileges via the Atlas API.

The Atlas HXM platform is available in English, French, Spanish, and Chinese Mandarin, with additional translations into Japanese, German, Portuguese, and Arabic planned.

Outlook

Atlas experienced ~36% YOY growth in 2022 for its direct service-enabled technology solutions, driven primarily by small and mid-market organizations. The company will focus its business development strategies on start-ups, SMBs, and enterprise organizations. Atlas will also concentrate growth efforts in recently entered South Africa, Brazil, Hong Kong, and the Middle East markets. While the company remains industry-agnostic, it will focus heavily on the technology, government & defense, and professional services industries, addressing ongoing and niche talent demands.

Atlas' investment in its Atlas HXM platform to provide full employee lifecycle support and the upcoming launch of its modernized client and worksite employee interface will support existing contract service add-ons and prospective client engagement.

The company will explore acquisitions, internal staffing, and third-party relationships to enhance its technology capabilities, particularly in AI and fintech. NelsonHall expects Atlas to achieve strong revenue growth for its EOR technology and service offerings of ~25%-30% for 2023, achieving revenue growth through organic and inorganic strategies.



Global Employer of Record Services Market Summary

Overview

Economic instability will likely prevail until 2025. Factors spurring instability include geopolitical conflicts, inflationary and recessionary concerns, and the tight labor market. These influences continue generating business uncertainty, 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, 83%, 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 (i.e., HR, legal, accounting) dedicated to global expansion strategies.

Buyers indicate that timely access to required subject matter expertise and relevant international HR and payroll experience are primary selection factors when choosing an EOR vendor.

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. Future of work and 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. Longer-term considerations, such as 3- to 5-year retirement horizons, will support sustained growth within the industry as organizations scramble to fill critical talent and skill gaps.

Enabling technology across the global EOR services market continues to evolve rapidly. It is a critical differentiator between vendors, with many vendors repositioning from EOR/HR service providers to technology companies. Expense management, contractor pay, refining analytics, and UX enhancements are standard roadmap initiatives to deliver deeper talent insights and early organizational trends, particularly around skill gaps. Vendors will also enrich platforms with IP or via third-party technology, providing expanded HR capabilities, such as recruiting, strategic planning, and training. Intelligent assistants and the broader integration of generative AI solutions and LLMs will emerge in the next 18-24 months, empowering self-service requests.

The continued enrichment of modern global EOR solutions enables critical worker compliance, all-encompassing employee insights, and processes supporting the new era of work. While technology is a critical 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.

Cloud extensibility enables organizations to design a 'best fit' HCM landscape by filling HR and EOR white spaces through dynamic API integrations. EOR vendors increasingly leverage technology partnerships to speed the time-to-market of tech stack and staff capabilities across functions, including AI, fintech, learning, workflow management, and time/expense management.

Buy-Side Dynamics

The continued globalization trend across sectors is pulling emerging firms into new geographies of operation. This is driving buyers to seek support in navigating and maintaining compliance with rapidly intensifying statutory HR and payroll regulations globally, particularly in countries where the firm lacks a presence and expertise.

In addition to in-country experts and legal staff, many EOR vendors have developed online country-specific compliance databases that immediately reference local HR, tax, cultural, and legal norms and regulations. These solutions enable employers to reduce or eliminate the costs, effort, and risks in navigating the complex process of establishing business entities and operations in foreign countries.

Global EOR services buyers also seek automated technology integrated with internal HRISs to improve the efficiency of manual tasks such as worker onboarding, payroll, and payment processing. Buyers also seek enhanced reporting capabilities through dashboards and analytics to provide greater cost transparency, trend analysis, and data insights. Vendor technology roadmaps emphasize the planned application of RPA, AI, machine learning, and additional HRIS and ATS integration projects in the next 12-18 months to increase compliance, minimize onboarding time, and enhance employer and worker satisfaction and experience. Adopting leading-edge technology and solutions enables HR to react with greater agility to support broader organizational strategic initiatives and business growth plans.

Buyers indicate that a critical selection factor in adopting EOR services is timely access to required subject matter experts and assigned resources to navigate in-country HR, legal, and accounting regulations. Additionally, buyers indicate that relevant in-country HR and payroll experience and process understanding are very important when selecting an EOR vendor. Buyers also state that statutory and supplemental benefits offerings and cultural alignment with the vendor's organization are also highly rated selection factors.

Market Size & Growth

The global EOR services market is estimated to be worth ~\$1,536m in 2022, with growth driven by the intensifying globalization trend and the continued impact of a competitive global labor market.

North American-headquartered businesses continue to lead other geographies in adopting global EOR services with ~49% of the market, with the North America and EMEA regions holding ~66% of the workers deployed under the service model. Growth in LATAM will continue steadily, with heightened engagement from foreign companies vs. those expanding from within the region.

EMEA and APAC are both expected to continue their dominance as the top locations for expansion by outside firms entering the region; adoption by firms based within these regions is also likely to escalate steadily with countries in focus including:

- EMEA: Continental Europe and South Africa
- APAC: Hong Kong, Indonesia, Japan, Taiwan
- LATAM: Argentina, Barbados, Brazil, Colombia, Panama.



Challenges & Success Factors

Several challenges in the global EOR market exist. As the global EOR market grows and matures, established providers face increased competition from new market entrants. The low barrier to market entry results in additional marketing and business development investment by vendors to educate the market and prospects about EOR services, the value delivered, and risks averted. Success comes from compliant in-country coverage and support, proper employee classification, assignment of qualified personnel, and international HR and payroll process understanding and experience.

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 will continue to improve as they mature over time, consistent communication and status updates from the EOR provider can alleviate employer and worker dissatisfaction.

The rapid transformation of HR technology requires vendors to define and promote an appropriate balance of human and technology interaction for workers and clients. Targeted country coverage and qualified team members assigned to deliver international EOR services are critical and highly-rated selection factors for buyers. In-house staff or subcontracted relationships with established in-country EOR vendors are alternative solutions to satisfy an immediate talent and skill gap. Buyers indicate that timely access to skilled in-country subject matter experts for ongoing HR and payroll compliance support is essential within an EOR engagement.

Outlook

Global EOR services continue flourishing as organizations respond to impacts generated by the constricted labor market, future of work, WFA, 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. 81% of buyers interviewed indicate 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 response to near-term global worker shortages and buyer preferences. Comprehensive HR service offerings spurred by these factors include complete employee lifecycle services, such as candidate search, recruitment, talent pipeline management, and strategic HR consulting. 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 a number of leading EOR vendors reflect a people-centric approach to EOR services and employee engagement.

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.

Enhanced technology investment and third-party partnerships across the global EOR services market continue as providers shift focus and strategies from an HR service provider to an HR technology provider. This change is evident across multiple providers, who now promote technology-first operating models. Enabling technology is a critical differentiator between vendors, with machine learning, artificial intelligence, and data analytics becoming table stakes and generative AI, such as ChatGPT, enhancing client and worker experiences, leading a long list of product and service roadmap investments.



Long-term success in the global EOR services space will require vendors to offer technology-enabled EOR service models, innovative commercial terms, and complementary service additions to meet buyer preferences and maturity. Advanced technology, including the integration of generative AI and machine learning, will enable the creation of intelligent platforms that minimize risk, support compliance, and provide real-time worker guidance in the flow of work. While technology is a critical enabler, vendors must balance 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
Offerings	<ul style="list-style-type: none"> Consulting and advisory for international expansion Talent sourcing in support of 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 Multi-country payroll delivery scope and control Best Caliber Personnel (includes proactiveness) Strength of Partnership Flexibility of Approach Value for money Recommendation
Presence	<ul style="list-style-type: none"> EOR client size mix EOR Enterprise client percentage EOR Medium size client percentage EOR Small size client percentage North America EMEA APAC LATAM
Benefits Achieved	<ul style="list-style-type: none"> Improved speed-to-hire supporting international expansion Improved HR and payroll compliance for new international locations of operations Improved reliability (i.e., accuracy and timeliness) for international worker EOR/payroll processing

continued...

Access to consolidated HR and payroll analytics and reporting for countries of operation

Improved HR and payroll operating costs for new international locations

Ease of entering new international locations

Other benefits achieved

Overall level of benefit achievement

Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Transformed EOR Services	Increased agility
	Increased flexibility
	Ability to scale
	Proactive team engagement
	Access to skilled in-country SMEs for ongoing HR and payroll compliance support
	Digitalization of multi-country HR and payroll processes through the cloud, mobile, ESS/MSS, integrations, etc.
	Leveraging intelligent talent platforms
	A digital marketplace of certified integrations (APIs)
	Data and analytics-driven insights for business decision making
Level of Investment	Continuously updated expertise/learning culture
	Mechanisms to deliver innovation
	Investments in EOR service offerings and scope
	Data-driven insights and analytics
	Technology enhancements
	Investments in broader consulting services
	Investments in process improvements
	Investments in broader HR services
	Investments in EOR service delivery footprint and execution (e.g., in-country resources, centers, tools, automation)
	Investments in multi-country compliance
	Investments in multi-country HR/payroll reporting
	Investments in developing digital HR and payroll enablers
Market Momentum	Mechanisms/Roadmap in Place to Evolve Appropriate Tech/Tools Strategy
	Integrations (APIs) to connect 3rd party solutions
	Future Holistic Talent Journey (Buy, Borrow, Build, Bot)
Market Momentum	EOR market momentum



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:
Guy Saunders at guy.saunders@nelson-hall.com

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