

NEAT EVALUATION FOR ATLAS:

# Global Employer of Record Services

Market Segments: Overall, Enabling Technology

## Introduction

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This is a custom report for Atlas presenting the findings of the NelsonHall NEAT vendor evaluation for *Global Employer of Record (EOR) Services* in the *Overall* and *Enabling Technology* market segments. It contains the NEAT graphs 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 in terms of their underlying technology.

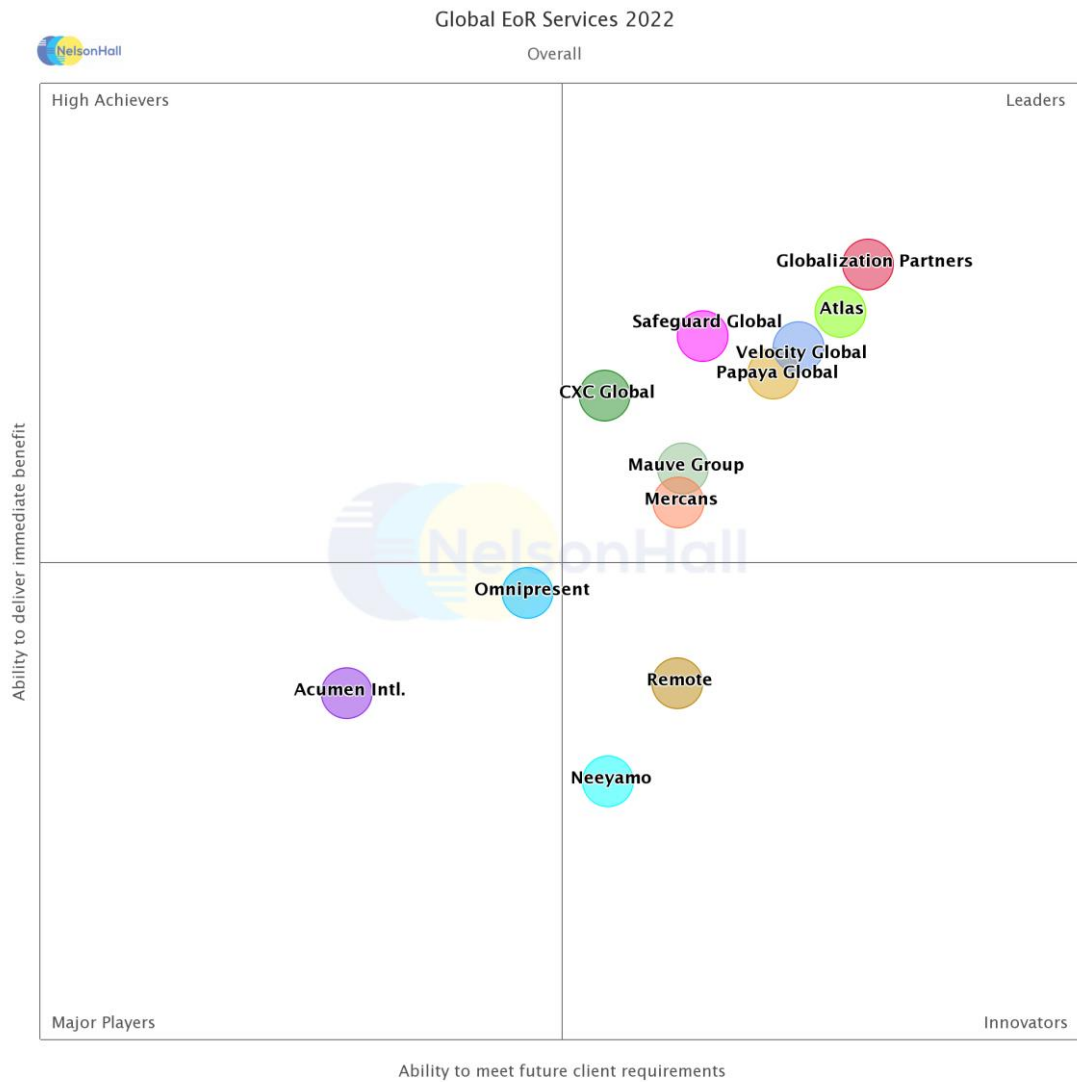
Evaluating vendors on both their ‘ability to deliver immediate benefit’ and their ‘ability to meet client future requirements’, vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Acumen International, Atlas, CXC Global, Globalization Partners, Mauve Group, Mercans, Neeiamo, Omnipresent, Papaya Global, 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)



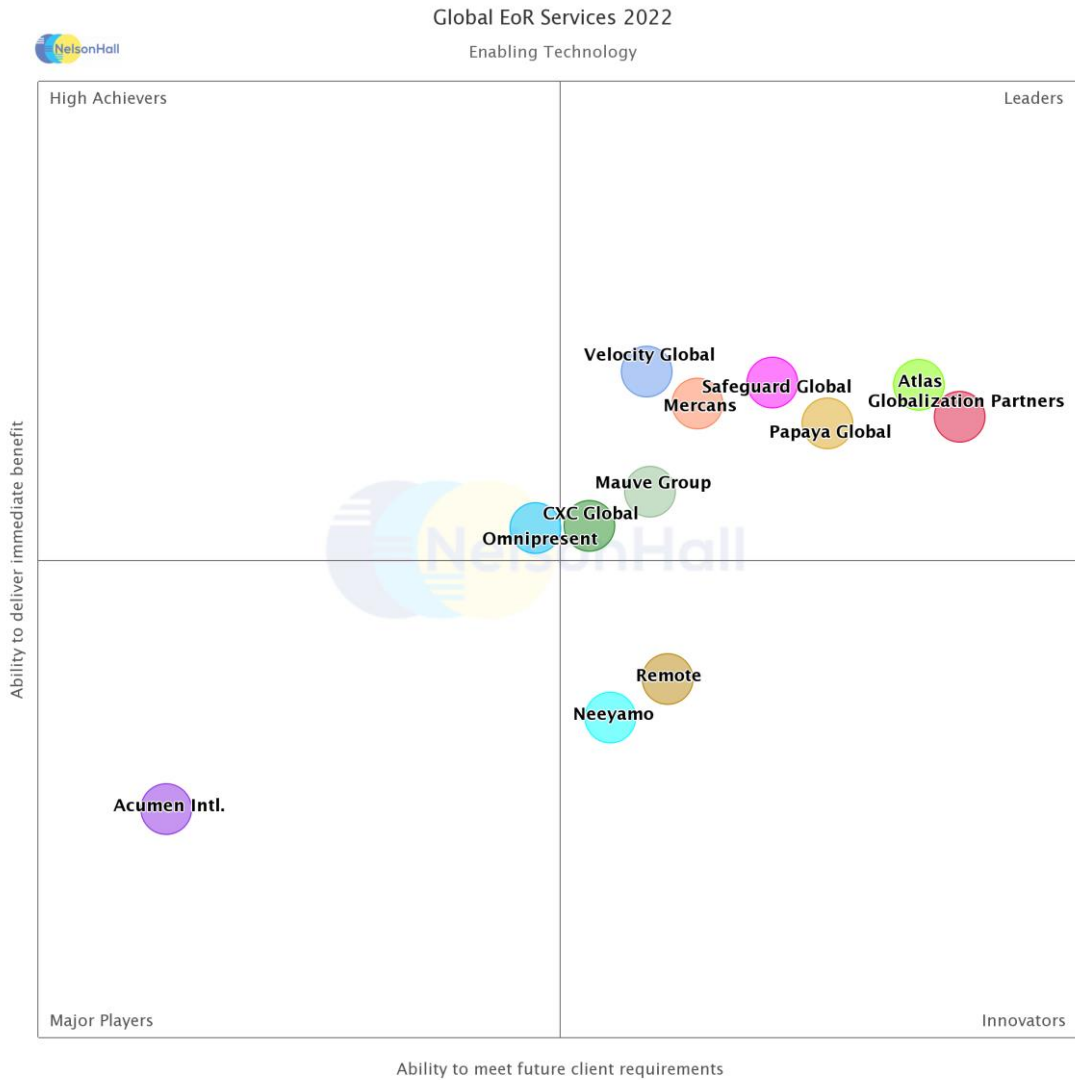
NelsonHall has identified Atlas as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Atlas’ overall ability to meet future client requirements as well as delivering immediate benefits to its global EOR services clients.

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](#).



## NEAT Evaluation: Global EOR Services (Enabling Technology)



NelsonHall has identified Atlas as a Leader in the *Enabling Technology* 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 its global EOR services clients based on its enabling technology.

Buy-side organizations can access the *Global Employer of Record Services* NEAT tool (*Enabling Technology*) [here](#).



## Vendor Analysis Summary for Atlas

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### Overview

Atlas, formerly Elements Global Services, is headquartered in Chicago, Illinois, and provides HR technology and direct global employer of record 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. From its formation, Atlas has been a direct EOR provider 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 employees, 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 in ~138 countries, 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 their 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.; San Francisco; London; and Dublin. The company operates 19 in-country offices and maintains remote teams in ~50 countries.



Atlas' 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 EOR services to ~500 clients and manages ~3,500 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 2021 attributable to its global EOR services were ~\$75m and derived primarily from North American-based multi-national technology firms, government & defense contractors, and professional services companies.

The breakdown of Atlas' 2021 EOR revenue by region based on workers actively supported is: EMEA 50%, APAC 28%, North America 11%, LATAM 11%.

## Strengths

- Early EOR market entrant, established in 2015, offers multi-national firms of all sizes a compliant and integrated global EOR solution that supports ~160 countries and ~13 industries
- Direct EOR services model provided by Atlas strengthens service quality and consistency through the elimination of third-party global and in-country partners
- Total equity funding of ~\$20m raised in 2020 will support continued R&D efforts and inorganic growth strategies to expand service offerings and enhance its proprietary technology stack. Planned enhancements include expanded self-service functionality and a broader application of AI and data analytics
- The Atlas HXM platform offers a single system to support both EOR and agency of record services to support the growth of independent contractors in the gig economy and technology roles
- Internal and external ecosystem of legal and accounting staff to assure continued in-country HR and tax compliance and data integrity within its global knowledge base (i.e., Atlas HXM Expand module)
- Recent complementary services offerings, including the launch of the Contractor Pay module in June 2022 and the Government and Venture Capital solutions, will help increase Atlas' market share beyond its traditional segments aligned with its direct EOR operating model. In addition to its industry-specific EOR solutions, these offerings will attract prospective clients seeking to transition and execute human capital management strategies more efficiently

## Challenges

- Increased use of internal marketing & sales resources may be required to promote capabilities and attract prospective clients due to the direct EOR model, which limits the use of partner organizations and consequent reciprocal business development relationships
- As the global EOR and agency of record markets continue to grow and mature, established providers like Atlas will face increased competition from new market entrants. The low barrier to market entry may result in increased marketing and business development investment to promote its local tax, legal, and HR compliance expertise, in-country presence, and a complete portfolio of service offerings.

## Strategic Direction

NelsonHall anticipates that Atlas will continue targeting small and mid-market firms seeking support for compliant international expansion. Specific services include human capital management, benefits administration, visa & global mobility services, and contractor payment management to grow its direct global EOR services. The organization will enable its continued global expansion through organic and inorganic growth strategies.

With the 2021 launch of its Government solution, Atlas will seek to expand its government & defense client base to provide rapid worker transition and onboarding services for OCONUS government contractors and subcontractors supporting U.S. DoD and USAID programs.

Similarly, the company will increase the number of professional services clients it supports through its 2021 deployment and added marketing of the Venture Capital solution. Atlas' services and human capital expertise will attract new clients planning an acquisition or divestiture.

The company will focus on vertical differentiation by targeting and attracting prospective clients within the life sciences, financial services, and non-profit industries. Its recently introduced targeted industry EOR solutions will support expansion in these markets.

Atlas will leverage its equity funding to expand its global presence beyond the ~160 countries in which it maintains legal entities. Additional staff in new regions will support the growth of its EOR and extended service offerings.

NelsonHall estimates that Atlas is investing ~30%-35% of its 2021 net revenues into advancing its proprietary HR technology stack, Atlas HXM. In June 2022, the company launched its Contractor Payments solution, which provides an integrated onboarding, localized contracts, document management, and payment system.

Planned technology roadmap investments over the next 12-18 months will focus on enriching its service offerings and the Atlas HXM functionality within three primary categories: people, payments, and platform:

- People-focused process and system enhancements such as core HR and foundational human capital management (HCM) capabilities, benefits, compliance & insights, time & attendance management, learning & development, mobility, recruitment, relocation, performance management, employee collaboration (FOW), and predictive analytics
- Payments-focused process and system enhancements in support of EOR payroll, managed global payroll and contractor payroll features, multi-partner money transfer, cryptocurrency options



- Platform integration and application of AI, machine learning, and data analytics to further automate HR and benefits administration processes, enhance the user experience, and enable significant data-driven decision-making insights for their clients.

The Atlas HXM platform is available in English only; however, the company plans to release Japanese and Mandarin Chinese next on its product roadmap, with additional translations into French, German, Spanish, Portuguese, and Arabic scheduled thereafter.

## Outlook

Atlas has experienced continued strong adoption of its direct EOR service offerings, driven primarily by small and mid-market organizations, including human capital management, payroll, and contractor management services supporting global talent acquisition. The organization will continue to focus on mid and small-market start-ups and present itself as a technology-enabled direct EOR service provider. Atlas will concentrate business development efforts on the technology, government & defense, and professional services industries.

NelsonHall anticipates increased revenue across industries with the recent launch of its rebranded Atlas HXM platform and Contractor Pay solution, as well as its industry-specific services that focus on the Government, Venture Capital, and Tech markets. Atlas' investment in its HCM platform to expand system integration capabilities and enhance the client and worksite employee experience will support prospective client engagement. Additionally, the organization will seek to deepen its growth across all industries, particularly the pharmaceuticals, financial services, and consumer services markets.

NelsonHall expects Atlas to achieve strong revenue growth for its EOR service offerings of ~40%-50% for 2022. The company will achieve revenue growth through organic and inorganic strategies, including the continued acquisition of companies offering complementary workforce management services and technology to enhance its existing capabilities.



## Global Employer of Record Services Market Summary

### Overview

Ongoing talent shortages spurred by ‘the great resignation’, economic uncertainty, and formal adoption of ‘Work from Anywhere’ policies will likely prevail through 2026, requiring organizations to secure required workers and specialized skills from countries where they may not have an established presence. These factors are driving the demand for employer of record services as organizations gain a broader understanding of the benefits associated with this model.

Multi-national firms of all sizes will remain the primary target for EOR services, with the largest concentration of adopters, 93%, operating in the small to mid-market segment (<15k employees). This can be attributed 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.

Future of work and corporate social responsibility (CSR) influences have triggered other service offerings from select EOR providers: equity management plans (e.g., ESOP, ESPP, option plans), expanded care & benefits programs, and multi-currency/cryptocurrency payroll payments. Longer-term considerations, including the pandemic (shrinking working age population) and the baby boom retirement horizon, 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. It serves as a critical differentiator between vendors, with machine learning, artificial intelligence, data analytics, workflow management, integrated expense & payroll processing, and enhanced client and worker experience as top technology roadmap investments.

Vendors earmarked significant private equity funding awards in 2021-2022 to support HR technology advancements and inorganic growth strategies to aid in service expansion via merger & acquisition activity.

### Buy-Side Dynamics

The continued globalization trend across sectors is pulling emerging firms into new geographies of operation. This shift has buyers seeking 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 service 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 in the form of 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 further HRIS and ATS integration projects in the next 12-18 months to increase compliance, minimize required time to onboard, and enhance employer and worker satisfaction and





experience. The adoption of modern technology and solutions enables HR to react with greater agility to support broader organizational strategic initiatives and business growth plans.

Factors inhibiting the adoption of EOR services are the increased costs of adopting a global employer of record service vs. leveraging in-house resources to navigate the in-country HR, legal, and accounting regulations, limited in-country expertise in new countries, and inconsistent service quality during the introduction of new service offerings or systems.

## Market Size & Growth

The net value of the global EOR services market is estimated to be worth ~\$755m in 2022, with growth driven by the intensifying globalization trend and continued impact of 'the great resignation' as flexible WFA ('Work from Anywhere') policies are formalized.

North American headquartered businesses continue to lead other geographies in adopting global EOR services with ~49% of the market share, with the North America and EMEA regions holding ~66% of the workers deployed under the service model. Growth in LATAM will continue at a steady pace, 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; countries in focus include:

- EMEA: Middle East, Africa, broader Europe (Croatia, France, Germany, Poland)
- APAC: Australia, New Zealand, Korea, Philippines, Taiwan
- LATAM: Argentina, Brazil, Colombia, Panama.

## Challenges & Success Factors

There are several challenges in the global EOR services market. As the global employer of record and agency of record markets continue to grow and mature, established providers will face increased competition from new market entrants. The low barrier to market entry may result in increased marketing and business development investment to promote local tax, legal, and HR compliance expertise, in-country presence, and a complete portfolio of service offerings. Success comes from in-country coverage & support, qualified personnel, and solid international HR and payroll process understanding.

Next, enabling technology and supporting processes may yield inconsistent service quality and reliability due to manual or partially automated processes and evolving technology, such as recruitment and payroll processing. With the influx of new EOR providers into the market and expanded vendor service portfolios, organizational infrastructure continues to be developed and refined. These systems and processes will continue to improve as they mature over time; however consistent communication, and status updates from the EOR provider can alleviate employer and worker dissatisfaction.

A third challenge EOR vendors face is limited subject matter expertise in new countries that may impact the timing of planned global expansion or talent acquisition by employers. Targeted country coverage and qualified team members assigned to deliver international EOR services are critical and highly rated selection factors by buyers. The use of in-country partners or subcontracted relationships with established in-country EOR vendors are alternative solutions to satisfy an immediate talent and skill gap.



## Outlook

The global EOR services market is flourishing as organizations respond to impacts generated by ‘the great resignation’, 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. Buyers interviewed consistently indicated that global expansion is in their plans over the next two years, with 93% expecting to engage their current EOR vendors and the global EOR model to support future development.

Vendors continue to expand their service portfolios in response to near-term global worker shortages and the formalization of remote work policies. Comprehensive HR service offerings spurred by these factors include complete employee lifecycle services, such as candidate search, recruitment, talent pipeline management, and worker redeployment services. Future of work and corporate social responsibility (CSR) influences have triggered other service offerings from select EOR providers: equity management plans (e.g., ESOP, ESPP, option plans), expanded care & benefits programs, and multi-currency/cryptocurrency payroll payments. Longer-term considerations, including the pandemic (shrinking working age population) and the baby boom retirement horizon, will support sustained growth within the industry as organizations scramble to fill critical talent and skill gaps.

Enhanced technology investment across the global EOR services market continues as providers shift focus and strategies from an HR service provider to an HR technology provider. Enabling technology across the global EOR services market continues to evolve. It serves as a critical differentiator between vendors, with machine learning, artificial intelligence, data analytics, workflow management, integrated expense & payroll processing, and enhanced client and worker experience topping a long list of technology roadmap investments.

Long-term success in the global EOR services space will require offering a technology-enabled, ‘one-stop shop’ of global expansion and HRM enabling solutions, data-driven insights, and complementary services to extend client value as this market continues to gain momentum globally.



## NEAT Methodology for Global Employer of Record Services

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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 client future 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 client future 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"> <li>Overall global employer of record service offering and capability</li> <li>International expansion consulting and advisory capability</li> <li>Ongoing multi-country HR and payroll compliance support and services</li> <li>Workforce data administration services</li> <li>Workforce management (time and attendance) capability</li> <li>Multi-country payroll and tax administration services</li> <li>Employee expense management services</li> <li>Benefits administration services</li> <li>Talent acquisition (recruiting) services</li> <li>Talent management technology and services</li> <li>Enabling technology leveraged in EOR services</li> <li>Multi-country HR/payroll reporting capability</li> <li>Mobile ESS/MSS functionality offered</li> <li>Integrations (APIs) to connect third-party solutions</li> <li>Breadth of digital HR/payroll enablers offered</li> </ul>
Delivery Capability	<ul style="list-style-type: none"> <li>Delivery capability - North America</li> <li>Delivery capability - LATAM</li> <li>Delivery capability - EMEA</li> <li>Delivery capability - APAC</li> <li>Multi-country payroll delivery scope and control</li> <li>Ability to offer a multi/omni-channel client/employee support model</li> <li>EOR client engagement and ongoing account success management approach</li> <li>Application of machine learning, accessibility of data analytics</li> <li>Extent of RPA and AI technology leveraged in EOR service delivery</li> </ul>
Client Presence	<ul style="list-style-type: none"> <li>EOR client presence</li> <li>EOR client 'worksite' employee presence</li> <li>EOR pay slips processed</li> </ul>
Benefits Achieved	<ul style="list-style-type: none"> <li>Improved agility in multi-country expansion</li> <li>Improved HR compliance for multi-country operations</li> <li>Improved accuracy, timeliness, and compliance for multi-country payroll</li> <li>Improved access to globally consolidated HR/payroll reporting</li> <li>Improved speed-to-hire in international expansion</li> <li>Improved user/employee experience</li> <li>Improved digitalization of multi-country HR/payroll processes</li> <li>Level of cost savings achieved/value for the cost paid</li> </ul>



*Exhibit 2*

**‘Ability to meet client future requirements’: Assessment criteria**

Assessment Category	Assessment Criteria
Service Delivery	<ul style="list-style-type: none"> <li>Vendor partnership approach</li> <li>Vendor service culture</li> <li>Adaptability of services and enabling technology</li> <li>Mechanisms to deliver innovation</li> <li>Suitability to meet client future needs</li> </ul>
Level of Investments	<ul style="list-style-type: none"> <li>Investments in EOR service offering and scope</li> <li>Investments in EOR service delivery footprint and execution (e.g., in-country resources, centers, tools, automation)</li> <li>Investments in multi-country compliance</li> <li>Investments in multi-country HR/payroll reporting</li> <li>Investments in enabling technology</li> <li>Investments in developing digital HR/payroll enablers</li> </ul>
Market Momentum	EOR market momentum

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



[research.nelson-hall.com](https://research.nelson-hall.com)

**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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