



Finance & Accounting Delivery from GICs: Trusted Partner to Move F&A Beyond Delivery to Value Creation

Global Sourcing – April 2016 – Preview Deck

Our research offerings for global services

▶ Market Vista™

Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

▶ BFSI¹ Information Technology

▶ BFSI¹ Business Process

▶ Healthcare & Life Sciences

▶ Application & Digital

▶ Cloud & Infrastructure

▶ Global Sourcing

▶ Locations Insider™

▶ Service Optimization Technologies

▶ PricePoint™

▶ Finance & Accounting

▶ Procurement

▶ Human Resources

▶ Recruitment & Talent Acquisition

▶ Contact Center

▶ Transaction Intelligence

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Subscription information

- The full report is included in the following subscription(s)
 - **Global Sourcing (GS)**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**



Corporate Headquarters

Office: +1-214-451-3000

info@everestgrp.com



European Headquarters

Office: +44-207-129-1318

unitedkingdom@everestgrp.com

¹ Banking, financial services, and insurance

Contents

- **Background and scope**
- Executive summary
- Overview of F&A delivery from GICs
- Evolution and maturity of F&A delivery from GICs
- Key operating model elements for F&A delivery from GICs
- Outlook for F&A delivery from GICs
- Appendix

Table of contents (page 1 of 2)

Topic	Page no.
Background and scope	6
Executive summary of the report	9
Section I: Overview of F&A delivery from GICs	14
• Summary	15
• GIC delivery market and share of F&A: Market size	16
• Key delivery locations for F&A delivery from GICs	17
• Characteristics of GIC set-up growth	18
– Number of leading GICs delivering F&A function	18
– Number of new GIC set-ups delivering F&A across 2011-2015	19
– Distribution of GIC set-ups by delivery location	20
• Adoption trends by:	22
– Parent industry	22
– Parent revenue	22
Section II: Evolution and maturity of F&A delivery from GICs	23
• Summary	24
• F&A evolution in GICs across key themes	25
– Evolution from a “siloed” approach to end-to-end approach	26
– Increasing leverage of nearshore locations among key adopters of GIC model	29
– Intentional focus to deliver judgment-intensive F&A processes through the GIC model	30
– Transformation from regional to global delivery centers	31
– Building Centers of Excellence (CoE) to achieve greater value from delivery of F&A	32
• Maturity of F&A process delivery from GICs	33

Table of contents (page 2 of 2)

Topic	Page no.
Section III: Key operating model elements for F&A delivery from GICs	38
• Summary	39
• Key operating model elements	40
– Adoption of RPA	41
– Role of Analytics	44
– Charge-back mechanisms	45
– Performance metrics	46
Section IV: Future outlook for F&A delivery from GICs	47
Appendix	49
• GS research calendar	50
• References	51

Overview and abbreviated summary of key messages

This report traces the development of F&A delivery from global in-house centers (GICs). In particular, it highlights the pivotal themes which led to the evolution of F&A delivery, the varying degrees of process maturity which GICs have achieved, and descriptions of key operating model elements. The report also briefly describes the outlook for future F&A delivery from GICs.

Some of the findings of the report

Overview of GIC market for F&A delivery

- The market size (in FTEs) for F&A delivery from GICs ranges from 100,000-150,000 FTEs
- The market has grown at a rate of 4% (CAGR) from 2011 to 2015, reaching a level of 466 setups
- India is the single largest country from which F&A is being delivered through the GIC model. Other prominent regions are Central and Eastern Europe, and Rest of Asia. Share of Latin America is also growing

Evolution and maturity of F&A delivery from GICs

- F&A delivery from GICs has evolved across a variety of themes. One of the key themes is the adoption of an end-to-end definition for F&A that incorporates record-to-report (R2R), procure-to-pay (P2P) and order-to-cash (O2C) processes within the F&A definition
- Additionally, organizations are evolving their scope of delivery by increasing adoption of nearshore locations, leveraging Centers of Excellence, focusing on delivery of judgment-intensive F&A processes, and moving away from a regional to a global delivery model
- GICs across verticals have achieved different levels of F&A process maturity, with banking & financial and insurance GICs achieving greater maturity as compared to GICs from other verticals

Key operating model elements for F&A delivery

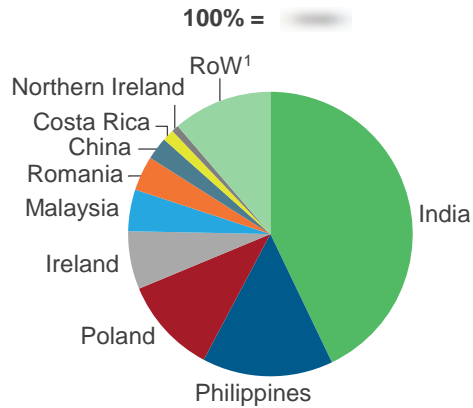
- Adoption of Robotic Process Automation (RPA) is one of the key operating models increasingly being adopted by GICs for F&A delivery. Although the adoption is in nascent stage, few mature GICs have started leveraging RPA for delivery of transactional processes
- GICs are also leveraging analytics beyond FP&A to derive additional value from F&A delivery

Future outlook for F&A delivery from GICs

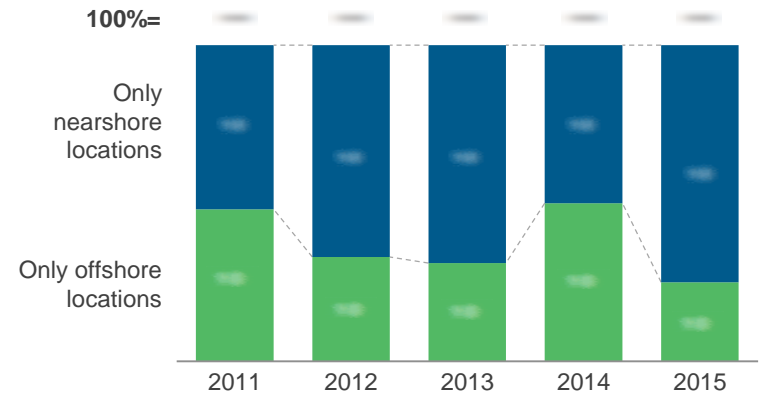
- GICs are likely to increase their investments in disruptive technologies, e.g., RPA to deliver transactional processes.
- Nearshore locations are likely to be preferred for judgment-intensive / knowledge-based F&A roles, whereas offshore locations will continue to be leveraged for transactional processes

This study offers four distinct chapters providing a deep dive into the various aspects of the GIC market for F&A delivery; below are four charts to illustrate the depth of the report

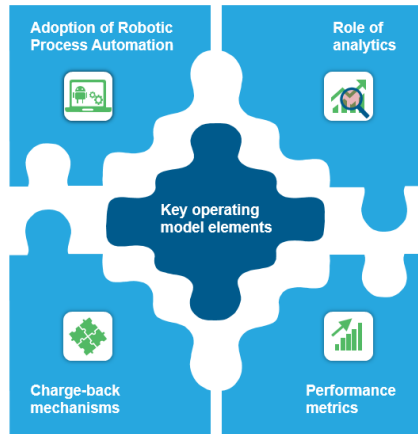
Market size by location for F&A delivery from GICs
2015, in '000s



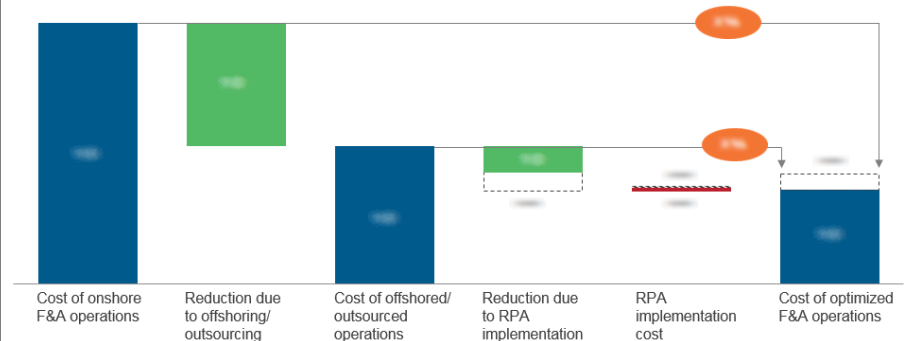
GIC setups by nearshore and offshore locations
Percentage; 2015



Key operating model elements for F&A delivery from GICs



Impact of RPA on F&A
Percentage reduction in cost



Source: Everest Group (2016)

GS research calendar

■ Published ■ Current

Topic	Release date
GICs leading the way for digital transformation of the enterprise	January 2016
Viewpoint: Upshifting Value and Talent through Robotic Process Automation (RPA)	February 2016
Global In-house Center (GIC) Landscape Annual Report 2016	March 2016
Finance & Accounting Delivery from GICs: Trusted Partner to Move F&A Beyond Delivery to Value Creation	April 2016
Thematic Report: GIC talent landscape in India for IT services	Q2 2016
GIC landscape report: Delivery landscape for retail and commercial banking in GICs	Q2 2016
Thematic report: Future readiness of talent model in GICs	Q2 2016
Function focused report - Procurement services in GIC	Q3 2016
Location focused report - Philippines as delivery geography for GICs	Q3 2016
Viewpoint: Evolving role of Global sourcing CoE	Q4 2016
Thematic report - A practitioner's view on GICs supporting parent's digital agenda	Q4 2016
Global In-house Center (GIC) Landscape Annual Report 2017	Q1 2017

Additional research recommendations

The following documents are recommended for additional insight into the topic covered in this research. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Global In-house Center (GIC) Landscape Annual Report 2016 (EGR-2016-2-R-1727); 2016.** This report provides an in-depth analysis of the GIC landscape and trends. It covers market size, growth, and distribution of GICs by buyer portfolio, scale, functions supported, and offshore delivery locations. The research also provides an overview of the trends witnessed in the overall GIC landscape in 2015. This has been compared with the GIC activity for the previous two years, to bring forth key areas of differences. It also analyzes the GIC market across key offshore delivery locations, industry verticals, and functions
2. **GICs Leading the Way for Digital Transformation of the Enterprise (EGR-2016-2-R-1682); 2016.** This report gives an overview of the current state of digital adoption in GICs, assesses digital maturity of GICs based on a framework, evaluates functional maturity of the top three industry verticals, and highlights best practices, key implications, and the call-to-action for GICs. The report will assist senior GIC stakeholders in understanding the opportunities and challenges offered by this disruptive wave of digital services
3. **Upshifting Value and Talent through Robotic Process Automation (EGR-2016-2-R-1654); 2016.** This whitepaper analyzes the distinct position of GICs to provide leadership in the robotic automation journey for their enterprises. This whitepaper is based on Everest Group's extensive research examining the state of RPA and the broader topic of Service Delivery Automation (SDA). The whitepaper leverages Everest Group's ongoing primary and secondary research encompassing enterprises, technology vendors, GICs, and other relevant industry stakeholders

For more information on this and other research published by Everest Group, please contact us:

Sakshi Garg, Practice Director:

sakshi.garg@everestgrp.com

Rohitashwa Aggarwal, Senior Analyst:

rohitashwa.aggarwal@everestgrp.com

Shailee Raychaudhuri, Senior Analyst:

shailee.raychaudhuri@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empowers clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com and research.everestgrp.com.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-647-557-3475

London

unitedkingdom@everestgrp.com
+44-207-129-1318

Delhi

india@everestgrp.com
+91-124-284-1000

Stay connected

Websites

www.everestgrp.com
research.everestgrp.com



Twitter

@EverestGroup



Blog

www.sherpasinblueshirts.com

SHERPAS
IN BLUE SHIRTS

