



# Record-to-Report (R2R) BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015

Finance & Accounting Outsourcing (FAO)  
Market Report: January 2015 – Preview Deck

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### Corporate Headquarters

Office: +1-214-451-3000

[info@everestgrp.com](mailto:info@everestgrp.com)

### European Headquarters

Office: +44-207-129-1318

[unitedkingdom@everestgrp.com](mailto:unitedkingdom@everestgrp.com)

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## 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

<sup>1</sup> Banking, financial services, and insurance

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# Background and methodology of the research

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## **Background of the research**

Record-to-Report (R2R) is the least penetrated area in terms of services within Finance & Accounting Outsourcing (FAO). In the past, the scope of services within R2R was limited to General Ledger (GL) entry and reconciliation processes. However, the combined effect of increasing regulatory pressure and expectations of end-to-end R2R process transformation from the buyers is leading to service offerings in judgment-oriented processes as well.

The developments in the market are being mirrored by service provider investments. A number of providers are setting up Centers of Excellence (CoE) in order to develop R2R process expertise. The service providers are also forging technology partnerships in order to get access to tools for processes beyond GL and reconciliation, e.g., asset management solutions and reporting solutions.

In this perspective, this report focuses on the service provider capability assessment along with industry-wide trends and solution characteristics.

## **In this study, we analyze the R2R BPO market across various dimensions**

- | Market overview and service provider landscape
- | Position of 20 service providers on the Everest Group PEAK Matrix for R2R BPO
- | Key Insights on PEAK Matrix dimensions
- | R2R BPO solution characteristics

## **Scope of the study and methodology of this report include**

- | Nearly 650 R2R BPO active contracts in 2013
- | Coverage across 20 R2R BPO service providers: Accenture, Capgemini, Cognizant, EXL, Genpact, HCL, HP, IBM, IGATE, Infosys, Minacs, Serco, Steria, Sutherland Global Services, TCS, Tech Mahindra, Wipro, WNS, Xchanging, and Xerox

## **Key exclusions**

- | Shared services / Global In-house Centers (GICs)

# This report is based on three key sources of proprietary information

1

- Proprietary database of **1,600+ R2R BPO contracts** (updated annually)
- The database tracks the following elements of each R2R BPO contract:
- Buyer details including industry, size, and signing region
  - Contract details including Total Cumulative Value (TCV), Annualized Contract Value (ACV), term, start date, service provider FTEs, managed spend, and pricing structure
  - Scope including buyer geography and functional activities
  - Technology including core R2R technology, tools provided by service providers (if any), ownership, and maintenance
  - Global sourcing including delivery locations and level of offshoring
  - Sourcing process including sole-sourced, competitive, advisor, or non-advisor led ones

2

- Proprietary database of **operational capability of 20 R2R BPO service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
- Key leaders
  - Major R2R BPO clients and recent wins
  - Overall revenue and R2R employees
  - Recent R2R-related developments
  - R2R BPO delivery locations
  - R2R BPO service suite
  - R2R-related technology solution

3

### Buyer surveys and interactions

- Global surveys and one-on-one executive-level interviews to understand how organizations perceive the performance of their R2R BPO providers

### Service providers covered in the analysis

accenture

Capgemini

Cognizant

EXL

GENPACT

HCL

hp

IBM

IGATE

Infosys

minacs

serco

steria

TATA CONSULTANCY SERVICES

SUTHERLAND

Tech Mahindra

WIPRO

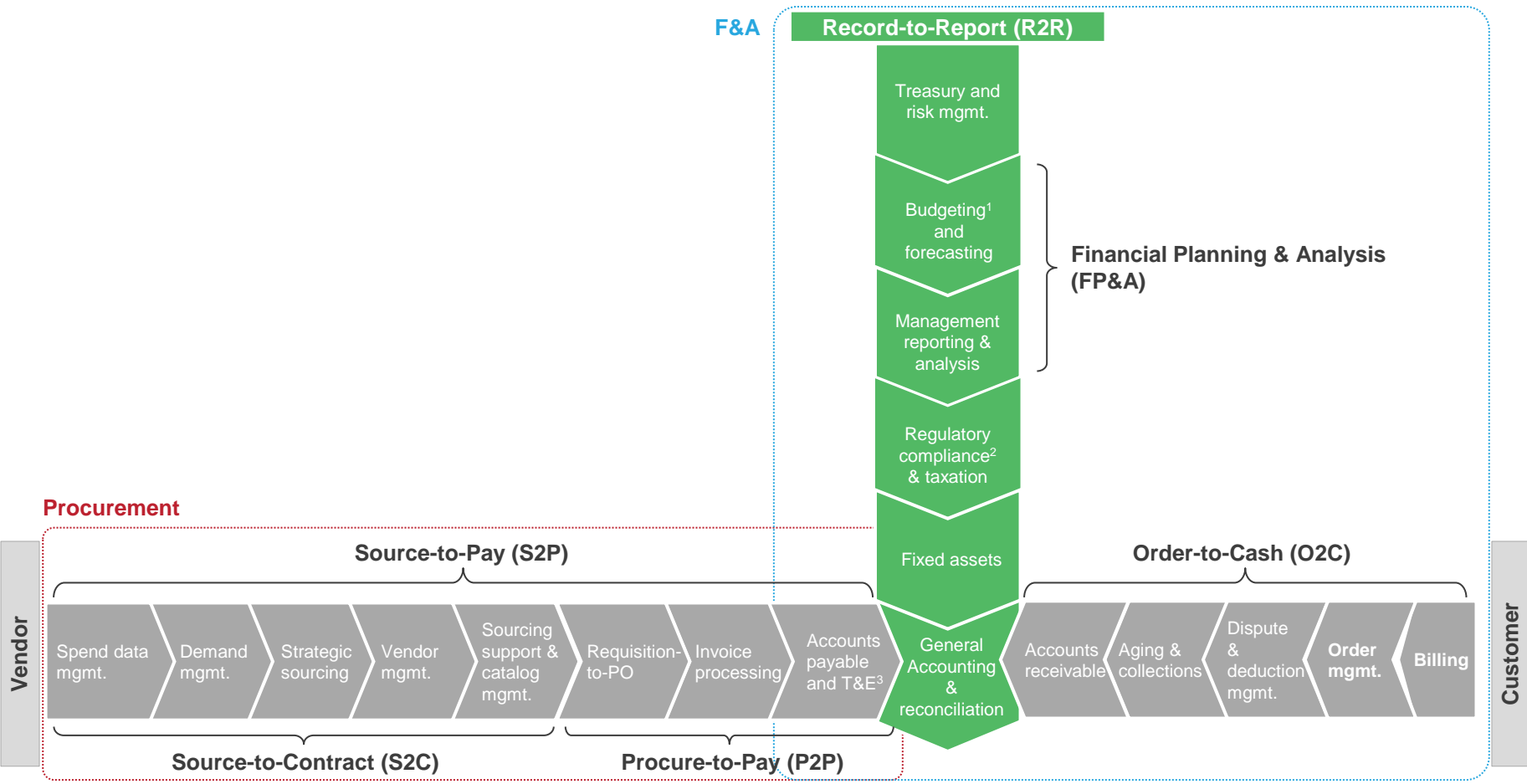
WNS

Xchanging

xerox

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information collected by us, will only be presented back to the industry in an aggregated fashion

# Everest Group's view of integrated procurement and F&A value chain



1 Includes capital budgeting  
 2 Includes internal auditing  
 3 Travel & expenses

# Everest Group's detailed view of R2R value chain

## Typical end-to-end R2R process





# Overview and abbreviated summary of key messages

This report examines multiple aspects of the R2R BPO market. It focuses on service providers' positions on the Everest Group PEAK Matrix™ while assessing their capabilities on the dimensions of market success, scale, scope, delivery capability, technology solution, and buyer satisfaction. The report also encompasses analysis of R2R BPO landscape and key solution characteristics.

## Some findings of the report:

### Market overview and service provider landscape

- | The R2R BPO is growing at a significant rate
- | The market is relatively nascent and service providers are looking to build capabilities to serve it better
- | R2R BPO is at variation with FAO in terms of various adoption dimensions
- | The trends indicate opportunities in new areas

### 2015 R2R PEAK Matrix

- | Leaders – Accenture, Genpact, IBM, Infosys, TCS, and Wipro
- | Major Contenders – Cognizant, EXL, HCL, HP, Serco, Sutherland Global Services, Tech Mahindra, WNS, and Xerox
- | Emerging Players – IGATE, Minacs, Steria, Tech Mahindra, and Xchanging

### Key insights on PEAK Matrix dimensions

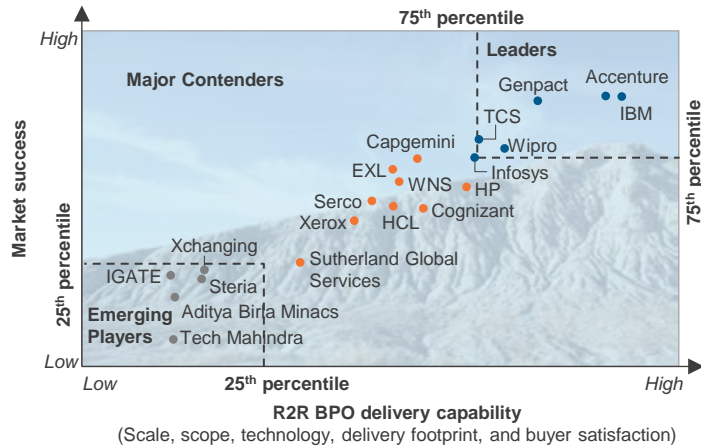
- | We assess the overall R2R capability of the service providers by evaluating them along six dimensions – market success, scale, scope, technology, delivery footprint, and buyer satisfaction
- | Leaders outperform other service providers across nearly all the metrics assessed

### Key solution characteristics

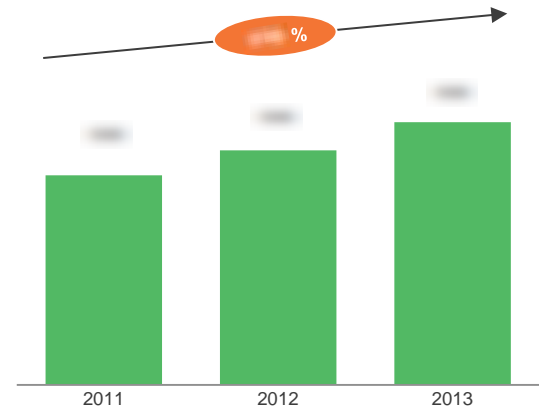
- | Process scope of the contracts exhibit some unique trends
- | Global sourcing is being leveraged for delivery of R2R BPO services
- | Technology adoption is also increasing
- | Traditional pricing methods are giving way to new models

# The study offers service provider positions on the Everest Group PEAK Matrix™ for R2R BPO, landscape, assessment of delivery capability, and market analysis

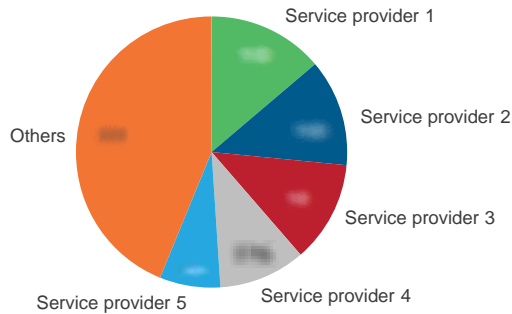
## Everest Group PEAK Matrix™ for R2R



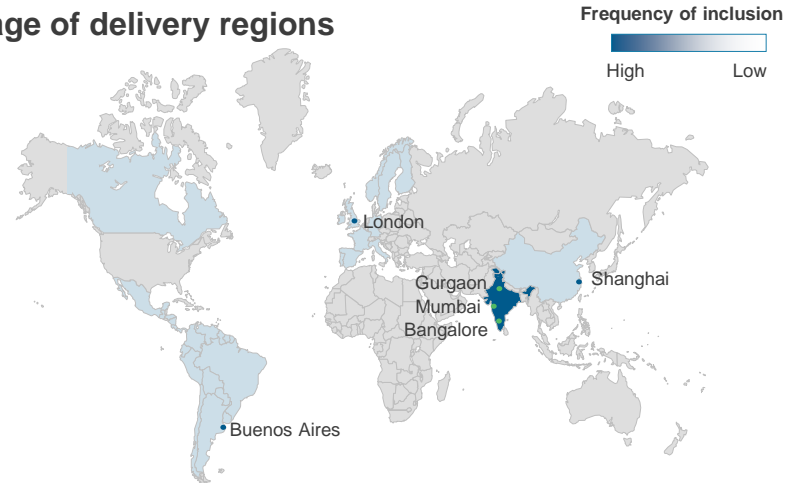
## Size of R2R BPO outsourcing market



## Landscape by industry & geography



## Leverage of delivery regions



Source: Everest Group (2015)

# FAO research agenda

■ Published
 ■ Current

Topic	Release date
BPS Code of Conduct: A Shared Solution for Protecting Confidential Information.....	October 2014
Debunking the Myth of Leveraged AO-FAO Solutions .....	October 2014
Procure-to-Pay (P2P) – Service Provider Landscape with PEAK Matrix Assessment 2014.....	October 2014
Rising Anti-Incumbency in Outsourcing: Breaking Up Is Not Hard to Do .....	October 2014
Service Delivery Automation (SDA) Market in 2014 – Moving Business Process Services Beyond Labor Arbitrage .....	October 2014
Augmenting the FAO Technology Landscape .....	November 2014
FAO – Service Provider Compendium 2014 .....	December 2014
Order-to-Cash (O2C) – Service Provider Landscape with PEAK Matrix Assessment 2014 .....	December 2014
(Record-to-Report) R2R – Service Provider Landscape with PEAK Matrix Assessment 2015 .....	January 2015
Role of Robotics in FAO .....	Q1 2015
Technology in business process services (BPS) – Next step in the evolution .....	Q1 2015
The convergence of FAO, PO, and SCM functions .....	Q1 2015
Service Provider Technology Landscape – The Pecking Order .....	Q2 2015
Finance and Accounting Outsourcing (FAO) – Annual Report 2015 .....	Q2 2015
FAO – Service Provider Landscape with PEAK Matrix Assessment 2014 .....	Q3 2015
FAO – Service Provider Compendium 2014 .....	Q3 2015

# Additional FAO research references

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

1. **FAO outsourcing Annual report 2014** ([EGR-2014-1-R-1108](#)); 2014. This report assists key stakeholders (buyers, service providers, and technology providers) in understand the changing dynamics of the FAO outsourcing market. It also helps them identify the trends and outlook for 2013. The report provides comprehensive coverage of the global FAO outsourcing market including detailed analysis of market size and growth, buyer adoption trends, FAO outsourcing value proposition and client satisfaction, solution characteristics, and service provider landscape
2. **FAO – Service Provider Landscape with PEAK Matrix™ Assessment** ([EGR-2014-1-R-1204a](#)); 2014. This report examines the dynamics of global FAO service provider landscape and its impact on the FAO market. We focus on the position of the 20+ FAO service providers on the Everest Group PEAK Matrix™ for FAO and 2014 FAO Star Performers. Additionally, it provides details of the various area in which service providers are investing to stand out in the crowded FAO market

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

**Rajesh Ranjan**, Partner:

[rajesh.ranjan@everestgrp.com](mailto:rajesh.ranjan@everestgrp.com)

**Vishnu Khandelwal**, Senior Analyst:

[vishnu.khandelwal@everestgrp.com](mailto:vishnu.khandelwal@everestgrp.com)

**Nitesh Sinha**, Senior Analyst:

[nitesh.sinha@everestgrp.com](mailto:nitesh.sinha@everestgrp.com)

Website: [www.everestgrp.com](http://www.everestgrp.com) | Phone: +1-214-451-3000 | Email: [info@everestgrp.com](mailto:info@everestgrp.com)



## At a glance

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- | Through its practical consulting, original research, and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies, and management approaches
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### 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

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