



Finance and Accounting Digital Augmentation Suite (F&A DAS) – Service Provider Landscape with Solutions PEAK Matrix™ Assessment 2018

Finance and Accounting Outsourcing (FAO)

Market Report – August 2018: Complimentary Abstract / Table of Contents

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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

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Background and methodology of the research

Background of the research

As the FAO industry shifts from arbitrage-first to digital-first model, buyers increasingly seek to understand the digital capabilities of service providers to eliminate/reduce human effort, improve efficiency, and drive better outcomes. While individual digital components (such as Robotic Process Automation (RPA) and analytics) are important, the impact is much higher when they are integrated and implemented collectively as a suite. Such solutions are referred to as Digital Augmentation Suite (DAS). The purpose of this research is to understand and assess service providers based on such solutions offered by them in the FAO market.

In this research, we focus on

- Everest Group Solutions PEAK Matrix™ evaluation, a comparative assessment of DAS solutions of 19 FAO service providers
- Service provider digital capability assessment
- Remarks on key strengths and areas of improvement for each FAO service provider

The scope and methodology of this report includes:

Services: FAO

Geography: Global

Service providers: 19 leading FAO service providers

This report is based on various sources of proprietary information

Everest Group's proprietary database of F&A DAS capabilities of 19 providers

The database, developed through a comprehensive Request For Information (RFI) exercise, tracks each service provider's capability along elements such as:

- Clients with DAS deployments, DAS Proof of Concepts (POCs), and case studies
- DAS client portfolio across buyer sizes, geographies, and industries
- DAS vision & strategy, top DAS solutions, their value propositions, development mode, and technology features such as RPA, Artificial Intelligence (AI), and analytics
- Technology partnerships and collaborations with academic institutes
- Innovations and investments specific to DAS
- Engagement & commercial models

• Service provider briefings and demonstrations

- Detailed briefings and demos demonstrations with service providers for a comprehensive view of their solutions
- Vision and strategy for DAS
- Current state of the market
- Opportunities and challenges
- Expected direction of movement in the industry
- Emerging areas of investment (e.g., focus on AI and cognitive solutions)

Service providers assessed



The source of all content is Everest Group unless otherwise specified

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information we collect that is contract specific will only be presented back to the industry in an aggregated fashion

Traditionally, FAO has been limited to transaction-intensive processes with labor arbitrage being the key driver behind outsourcing

Functional definition of FAO

Capital budgeting

- Strategy
- Administering approval process
- Project reporting

Management reporting and analysis

- Strategy
- Regular reporting
- Data extraction
- Analysis
 - Ad hoc analysis and special projects
 - Cost accounting

Regulatory reporting and compliance

- Strategy
- Data extraction
- Analysis and MD&A
- Regulatory reporting
- Compliance program

Strategy

- F&A strategy including tax and risk position
- Accounting policy and control
- Shareholder relations
- M&As/divestitures
- External reporting

Internal audit

- Strategy
- Establish an annual audit plan
- Conduct audits
- Reports and recommendations

Strategy

Judgment-intensive

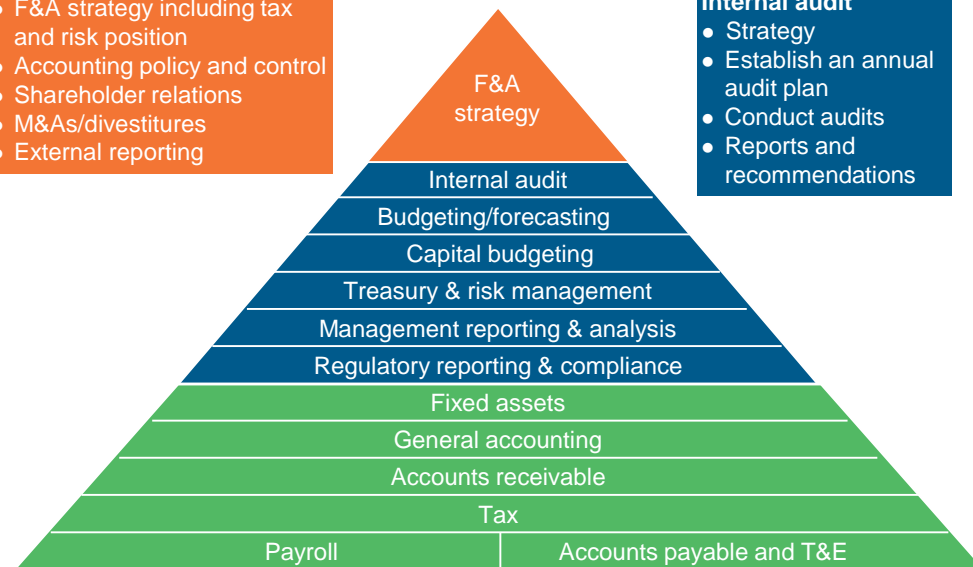
Transaction-intensive

Budgeting/forecasting

- Strategy
- Budget analysis and approval process
- Build-line item budget
- Forecast roll-ups and consolidation
- Forecast analysis and approval processes

Treasury & risk management

- Strategy
- Bank relations and administration
- Cash management and forecasting
- Investments
- Debt management
- Foreign exchange
- Treasury risk management



Payroll

- Strategy
- Earnings
- Deductions
- Checks and EFT
- Reconciliation
- Third-party payments
- Tax reporting and filing
- Vendor management

Tax

- Strategy
- Tax accounting
- Tax planning and analysis
- Tax compliance
- Tax audit

Accounts receivable

- Strategy
- Customer set-up
- Billing
- Cash applications
- Credit and collections
- Customer inquiries
- Reporting

General accounting

- Strategy
- Processing general entries
- Account reconciliations
- Inter-company accounting
- Preparing trial balances
- Performing closings
- Managing consolidations
- Cost accounting

Fixed assets

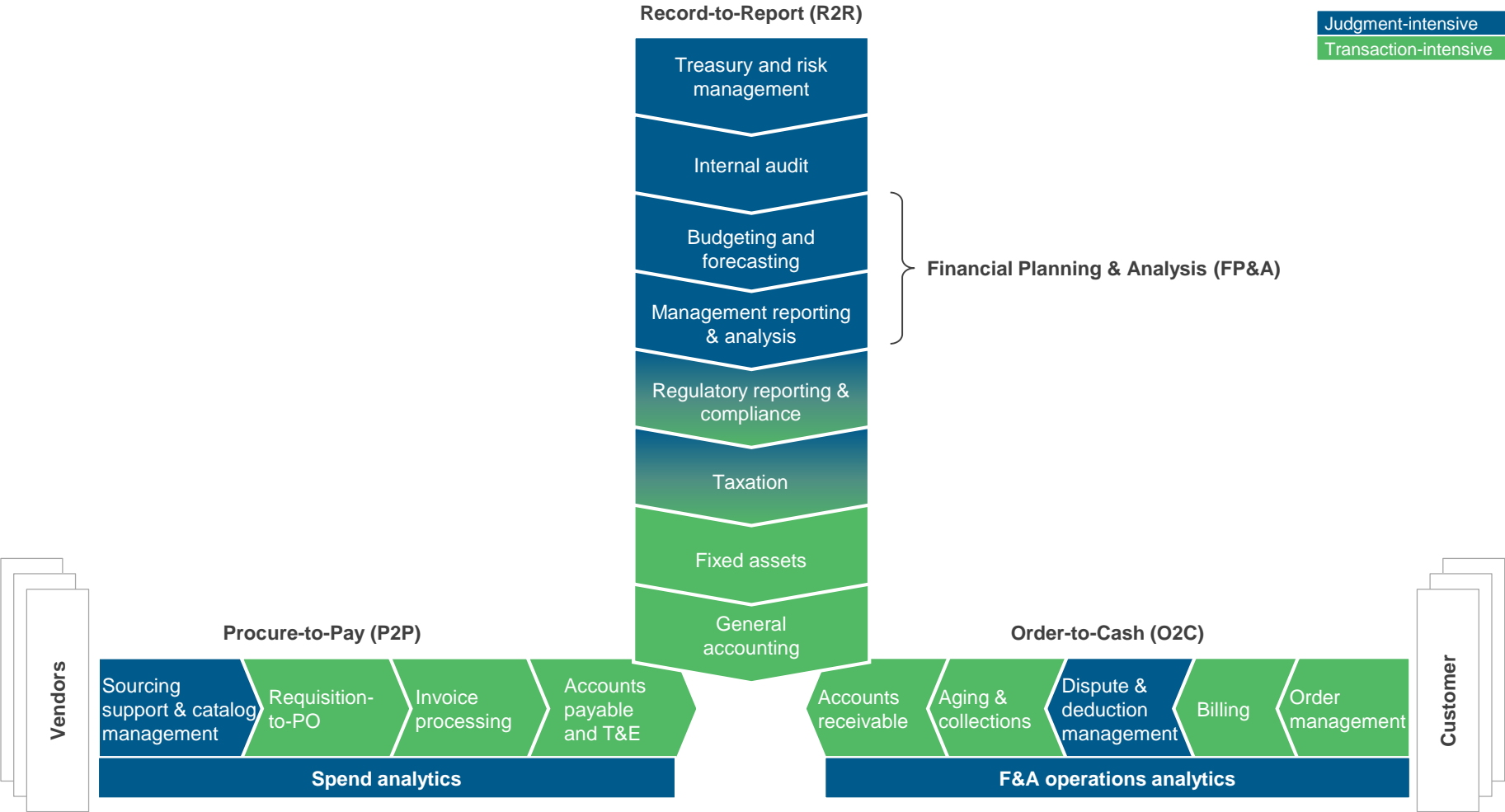
- Maintaining master data
- M/A/C of assets
- Post depreciation

Accounts payable and T&E

- Strategy
- Maintaining master data
- Processing payment requests
- Processing T&E claims
- Administering EDI /P-card
- Month-end close
- Vendor inquiries
- Reporting

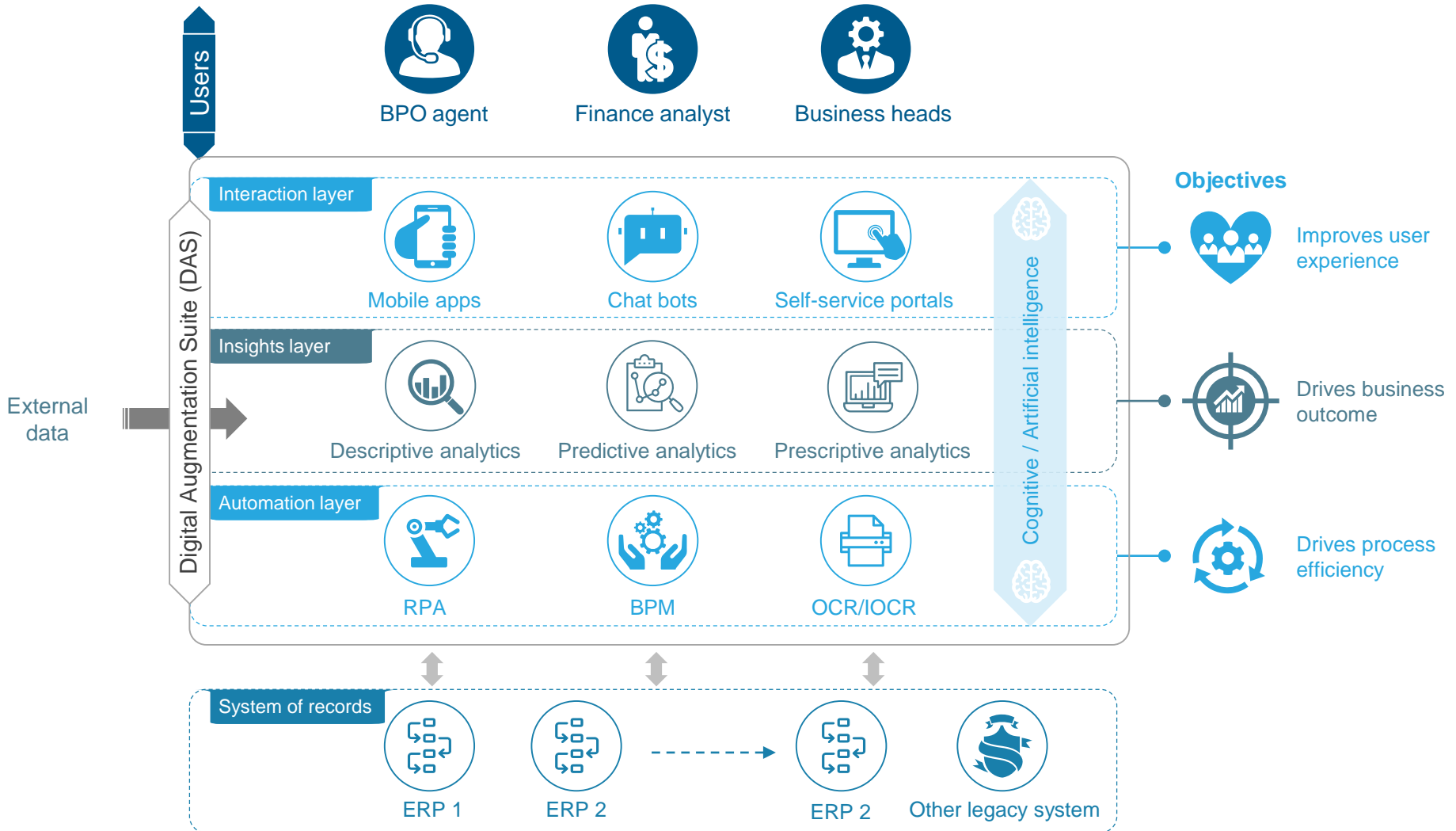
However, more judgment-intensive processes, with an end-to-end process-driven approach, have evolved with development in technologies and providers' capabilities

End-to-end process-driven definition of F&A



Everest Group's definition of Digital Augmentation Suite (DAS)

Everest Group defines Digital Augmentation Suite (DAS) as an integrated digital solution, comprising of multiple of following components



Overview and abbreviated summary of key messages

This report examines the next-generation digital capabilities of FAO service providers, their ability to integrate different technology levers, and their impact on F&A processes. Based on the comprehensive Everest Group PEAK Matrix™ assessment, each of the 19 FAO service providers are segmented into Leaders, Major Contenders, and Aspirants. The report also provides key insights into service provider position & market success, as well as an assessment of service provider digital capabilities. It will assist key stakeholders (service providers, buyers, and technology vendors) to understand the current state of the digital capabilities of FAO service providers.

Some of the findings in this report, among others, are:

2018 F&A DAS PEAK Matrix

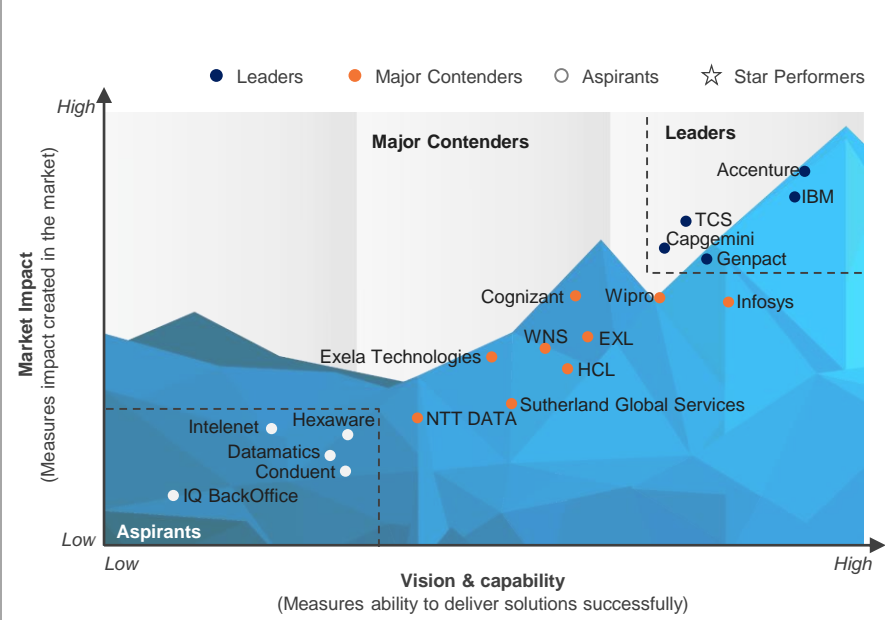
- Everest Group classifies F&A DAS solution providers on the Everest Group PEAK Matrix™ into the three categories of Leaders, Major Contenders, and Aspirants
- Based on Everest Group's comprehensive evaluation framework, the PEAK Matrix, 19 F&A DAS solution providers are segmented into three categories:
 - **Leaders:** Accenture, Capgemini, Genpact, IBM, and TCS
 - **Major Contenders:** Cognizant, Exela Technologies, EXL, HCL, Infosys, NTT Data, Sutherland Global Services, Wipro, and WNS
 - **Aspirants:** Conduent, Datamatics, Hexaware, Intelenet, and IQ BackOffice

Everest Group analysis on service providers

- We assessed the overall F&A DAS capability and market success of service providers by evaluating them along eight dimensions – technology capability, service capability, innovation and investments, engagement and commercial model, vision and strategy, market adoption, portfolio mix, and value delivered

This study offers two distinct chapters providing a deep dive into key aspects of F&A market; below are three charts to illustrate the depth of the report

Everest Group PEAK Matrix™ for F&A DAS 2018



Note: Service providers scored using Everest Group's proprietary scoring methodology

Capability assessment

Illustrative example

Measure of capability: ● High ○ Low

Service provider	Market impact				Vision & capability					
	Market adoption	Portfolio mix	Value delivered	Overall	Vision & strategy	Technology capability	Services capability	Innovations & investments	Engagement & commercial model	Overall
Service provider 1	●	○	●	●	●	○	●	●	○	○
Service provider 2	○	○	○	○	○	○	○	○	○	○
Service provider 3	○	○	○	○	○	○	○	○	○	○
Service provider 4	○	○	○	○	●	○	○	○	○	○
Service provider 5	○	○	○	○	○	○	○	○	○	○
Service provider 6	○	○	○	○	○	○	○	○	○	○
Service provider 7	○	○	○	○	○	○	○	○	○	○
Service provider 8	○	○	○	○	○	○	○	○	○	○

Everest Group's remarks on service providers

Illustrative example

Measure of capability: ● High ○ Low

Market impact				Vision & capability					
Market adoption	Portfolio mix	Value delivered	Overall	Vision & strategy	Technology capability	Services capability	Innovation & investments	Engagement & commercial model	Overall
○	○	○	○	○	○	○	○	○	○

Strengths

Areas of improvement

- Built a solution with advanced analytics that leverages unstructured information from multiple sources to provide prescriptive actions and personalized information/reports through a conversation UI
- Complements its significant focus on process level automation by leveraging BPM tools with point automation solutions and RPA to patch any gaps
- Service provider 1 should focus on integrating predictive and prescriptive analytics across the entire F&A value chain, especially for complex and judgment-driven F&A processes, to enable CFOs to make strategic decisions
- Industry-specific customizations can be added to the existing solutions to address industry nuances and increase adoption among clients

Research calendar – Finance and Accounting Outsourcing (FAO)

Published
 Planned
 Current release

Flagship FAO reports

Release date

Finance & Accounting Outsourcing (FAO) – Service Provider Landscape with PEAK Matrix™ Assessment 2017	November 2017
Finance & Accounting Outsourcing (FAO) Annual Report 2018 – Reimagining Finance through Technology	December 2017
Finance and Accounting Digital Augmentation Suite (F&A DAS) – Service Provider Landscape with Solutions PEAK Matrix™ Assessment 2018	August 2018
Finance & Accounting Outsourcing (FAO) – Service Provider Landscape with PEAK Matrix™ Assessment 2018	Q3 2018
Finance & Accounting Outsourcing (FAO) Annual Report 2019	Q4 2018
Finance & Accounting Outsourcing (FAO) Service Provider Profile Compendium 2019	Q4 2018

Thematic FAO reports

Finance of the Future: Driving Business Results Through a Finance & Accounting Orchestration (FAO) Model	May 2017
R2R Technology: Enabling a New Level of Effectiveness and Efficiency: The End of the Month-End Fire Drill	May 2017
3PL or 4PL: An Increasingly Complex Decision	June 2017
Delivering Business Outcomes via Smarter Order-to-Cash (O2C): Cash is Still King, but Put it to Work	July 2017
F&A BPaaS: A Game Changer for SMB and Mid-market Companies	April 2018
Are Buyer Expectations Outpacing Provider Capabilities?	May 2018
Blockchain in F&A – identifying possibilities and challenges	Q3 2018
Growth and Impact of Cognitive / Artificial Intelligence in Finance and Accounting Outsourcing (FAO)	Q3 2018
Fulfilling the Promise of RPA in Finance & Accounting – A Reality Check	Q3 2018

Note: For a list of all of our FAO reports, published by us, please refer to our [website page](#)

Additional FAO research references

The following documents are recommended for additional insight into 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. Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with PEAK Matrix™ Assessment 2017** ([EGR-2017-1-R-2412](#)); 2017. This report examines the dynamics of the global FAO service provider landscape and its impact on the FAO market. Based on the comprehensive Everest Group PEAK Matrix, each of the 25 FAO service providers are segmented into Leaders, Major Contenders, and Aspirants. The report also provides key insights into service provider position & growth in the market, changing market dynamics, and assessment of service provider delivery capabilities. It will assist key stakeholders (service providers, buyers, and technology vendors) understand the current state of the FAO service provider landscape
- 2. Finance & Accounting Outsourcing (FAO) Annual Report 2018 – Reimagining Finance through Technology** ([EGR-2017-1-R-2513](#)); 2017. This report is meant to provide FAO buyers, service providers, and third-party enablers (technology vendors, investment firms, etc.) a detailed view of the current state of the market. As part of this, the current report provides insights into market growth, contractual activity trends, buyer adoption trends, insights from buyer satisfaction surveys. This report focuses on next-generation technology levers that service providers are investing in, to provide digital-led transformation solutions. It also addresses the changing service provider landscape in terms of mergers and acquisitions, spin-offs, and change in ownerships as the industry is going through a shift in era
- 3. Finance & Accounting Outsourcing (FAO) – Are Buyer Expectations Outpacing Provider Capabilities?** ([EGR-2018-23-R-2639](#)); 2018. This report examines the evolving expectations of FAO buyers from service providers and providers' efforts and investments in meeting those expectations. It also provides insights into key factors driving FAO adoption among buyers, in addition to providing an overview of buyers' perception of the aggregate service provider performance. With the FAO industry shifting from arbitrage-first to the digital-first model and increased focus on driving business outcomes, enterprises are looking for innovative and digitally-oriented offerings from their providers

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