Everest Group®
RESEARCH

Market Report | Finance & Accounting

Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020

Everest Group PEAK MATRIX®

September 2020: Complimentary Abstract / Table of Contents

Copyright © 2020 Everest Global, Inc.
We encourage you to share these materials internally within your company and its affiliates. In accordance with the license granted, however, sharing these materials outside of your organization in any form—electronic, written, or verbal—is prohibited unless you obtain the express, prior, and written consent of Everest Global, Inc. It is your organization's responsibility to maintain the confidentiality of these materials in accordance with your license of them.

EGR-2020-23-CA-3936

Our research offerings for global services

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

- Application Services
- BPS | Banking & Financial Services
- BPS | Healthcare & Life Sciences
- BPS | Insurance
- Catalyst™
- Cloud & Infrastructure
- Customer Experience Management Services
- Contingent Workforce Management
- Data & Analytics
- Digital Services
- Engineering Services
- Enterprise Platform Services
- Finance & Accounting
- Human Resources
- ITS | Banking & Financial Services
- ITS | Healthcare
- ITS | Insurance
- IT Services Executive Insights™
- ITS | Life Sciences
- Locations Insider™
- PricePoint™
- Procurement
- Recruitment Process Outsourcing
- Service Optimization Technologies

Membership information

- This report is included in the following research program(s)
  – Finance & Accounting Outsourcing (FAO)
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at **info@everestgrp.com**

More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model® reports
- PriceBook
- Virtual Roundtables
- Workshops

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

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936

Contents

1	**Introduction and overview**	**6**
	• Research methodology	7
	• FAO value chain and process map	8
	• Background and scope of the research	11
2	**Summary of key messages**	**12**
3	**FAO PEAK Matrix® 2020**	**14**
	• Summary	15
	• Services PEAK Matrix® evaluation dimensions	16
	• FAO PEAK Matrix® 2020	19
	• Characteristics of Leaders, Major Contenders, and Aspirants	20
	• FAO Star Performers	21
	• Service provider capability summary dashboard	23
4	**FAO service provider landscape**	**27**
	• Summary	28
	• Overall market share	29
	• Top providers by geography	30
	• Top providers by industry	31
	• Leaders vs. Others – analysis	32
5	**Everest Group's remarks on FAO service providers**	**36**
	• Leaders	36
	– Accenture	37

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

Shirley Hung, Vice President:

Vignesh Kannan, Practice Director:

Abhishek Singh, Senior Analyst:

Sailee Ladole, Senior Analyst:

BPS Team

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936

Contents

- – Capgemini 38
- – Genpact 39
- – IBM 40
- – Infosys 41
- – TCS 42
- – Wipro 43
- • Major Contenders 44
- – Cognizant 45
- – Concentrix 46
- – Conduent 47
- – DXC Technology 48
- – Exela Technologies 49
- – EXL 50
- – HCL 51
- – NTT DATA 52
- – Sutherland Global Services 53
- – Tech Mahindra 54
- – Teleperformance 55
- – TMF Group 56
- – WNS 57
- • Aspirants 58
- – Datamatics 59
- – Hexaware 60

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936

Contents

	– IQ BackOffice	61
	– Quatrro	62
	– Startek	63
6	**Appendix**	**64**
	• Glossary of terms	65
	• Research calendar	67

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936

Research methodology

Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

01

Robust definitions and frameworks

F&A pyramid, multi-process FAO definition, Total Value Equation (TVE), PEAK Matrix®, and market maturity

02

Primary sources of information

Annual contractual and operational RFIs, service provider briefings and client interviews, and web-based surveys

03

Diverse set of market touchpoints

Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership

04

Fact-based research

Data-driven analysis with expert perspectives, trend analysis across market adoption, contracting, and service providers

Proprietary contractual database of over 1,000 FAO contracts (updated annually)

Year-round tracking of 25+ FAO service providers

Large repository of existing research in FAO

Over 25 years of experience in advising clients on strategic IT, business services, engineering services, and sourcing decisions

Executive-level relationships with enterprises, service providers, technology providers, and industry associations

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936

Everest Group FAO process map (page 1 of 2)

Everest Group's research is guided by a framework that clearly distinguishes F&A from supply chain and procurement processes

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

Covered under procurement

Covered under supply chain

Record-to-Report (R2R)

- Treasury and risk management
- Internal audit
- Budgeting and forecasting
- Capital budgeting
- Management reporting & analysis
- Regulatory reporting & compliance
- Taxation
- General accounting

Financial Planning & Analysis (FP&A)

Vendors

Customer

Procure-to-Pay (P2P)

- Sourcing support & catalog management
- Requisition-to-PO
- Accounts payable
- Travel & expense

Order-to-Cash (O2C)

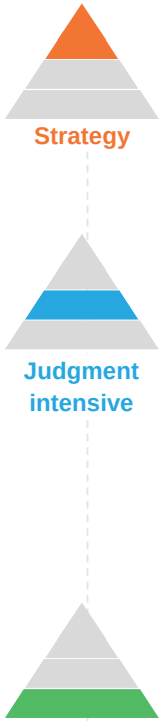
- Accounts receivable
- Billing
- Order management

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936

Everest Group FAO process map (page 2 of 2)

These processes can be further segmented based on their primary nature – transactional vs. judgment-intensive

Detailed description of processes within F&A



Strategy

F&A strategy

- F&A strategy
- Accounting policy and control
- Shareholder relations
- M&As/divestitures

Judgment intensive

Internal audit

- Audit planning
- Audit execution
- Audit reports and recommendations

Budgeting/ forecasting

- Line item budget development
- Budget analysis and approval
- Roll-ups and consolidation
- Forecast analysis and approval

Capital budgeting

- Capital investment planning
- Capital budget preparation
- Capital analysis and approval
- Capital project reporting

Treasury & risk management

- Bank relationship management
- Cash management and forecasting
- Investment management
- Debt management
- Foreign exchange
- Treasury risk management

Management reporting & analysis

- Performance analysis & reporting
- LOB analysis & reporting
- Variance analysis & reporting
- Benchmarking
- Action plan development

Regulatory reporting & compliance

- Management Discussion & Analysis (MD&A)
- External reporting
- Compliance program

Transaction intensive

Billing

- Order receipt and entry
- Review & approval of billing information
- Invoice generation
- Billing query resolution

General accounting

- Journal entries
- Account reconciliations
- Trial balance preparation
- Intercompany accounting
- Cost accounting
- Fixed assets accounting
- Payroll accounting
- Book closings
- Consolidations

Accounts receivable

- Customer setup
- Cash applications
- Credit and collections
- Customer inquiries
- Dispute & deduction management
- Aging and AR reporting

Taxation

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

Accounts payable

- Invoice receipt
- Invoice processing and matching
- Payment processing
- Purchasing card administration
- Supplier inquiries
- AP reporting

Travel and Expense

- Expense report processing
- Reimbursement processing
- Compliance monitoring and audit
- Travel and expense card administration

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936

Source of information

This report is based on multiple key sources of proprietary information

- Proprietary database of 1,000+ active multi-process FAO contracts of major FAO service providers (updated annually)
- The database tracks the following elements of each contract:
  - Client details including size and contract signing region
  - Contract details including service provider, contract type, TCV & ACV, service provider FTEs, start & end dates, duration, and delivery locations
  - Scope details including share of individual client locations being served in each contract, Line of Business (LOB) served, and pricing model employed

- Proprietary operational database of 25+ FAO service providers (updated annually)
- The database tracks the following for each service provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different LOBs
  - Revenue split by region
  - Location and size of delivery centers
  - Technology solutions developed

- **Service provider briefings**
  - Vision and strategy
  - Annual performance and future outlook
  - Key strengths and improvement areas
  - Emerging areas of investment

- **Client reference interviews, ongoing client surveys, and interactions**
  - Drivers and challenges for adopting workplace services
  - Assessment of service provider performance
  - Emerging priorities
  - Lessons learnt and best practices

Service providers assessed

accenture, Capgemini, Cognizant, CONCENTRIX, CONDUENT, DATAMATICS, DXC.technology, exela TECHNOLOGIES, EXL, genpact, HCL, HEXAWARE, IBM, Infosys, IQ BackOffice, NTT DATA, Quatrro Beyond the existing, TATA CONSULTANCY SERVICES, Teleperformance each interaction matters, STARTEK, SUTHERLAND, Tech Mahindra, TMF GROUP, wipro, WNS

The source of all content is Everest Group unless otherwise specified

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

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936

Overview and abbreviated summary of key messages

This report examines the dynamics of the 2020 global FAO service provider landscape and its impact on the FAO market. Based on Everest Group's proprietary PEAK Matrix® assessment framework, 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.

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

FAO PEAK Matrix® 2020

- Everest Group classified 25 FAO service providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants:
  - Leaders: Accenture, Capgemini, Genpact, IBM, Infosys, TCS, and Wipro
  - Major Contenders: Cognizant, Concentrix, Conduent, DXC Technology, Exela Technologies, EXL, HCL, NTT Data, Sutherland Global Services, Tech Mahindra, Teleperformance, TMF Group, and WNS
  - Aspirants: Datamatics, Hexaware, IQ BackOffice, Quatrro, and Startek
- Based on Year-on-Year (YoY) movement of different service providers on the PEAK Matrix®, Everest Group identified five service providers as the "2020 FAO Market Star Performers" – Cognizant, EXL, Infosys, TCS, and WNS

FAO service provider landscape

- Leaders hold more than 50% of the FAO market share
- Accenture and Genpact stand out as the top providers by revenue across all geographies and most of the buyer industries
- While Leaders have demonstrated significantly better capabilities than rest of the service providers in most of the parameters, the gap between expectations from buyers and service providers' performance is consistent across different categories of service providers

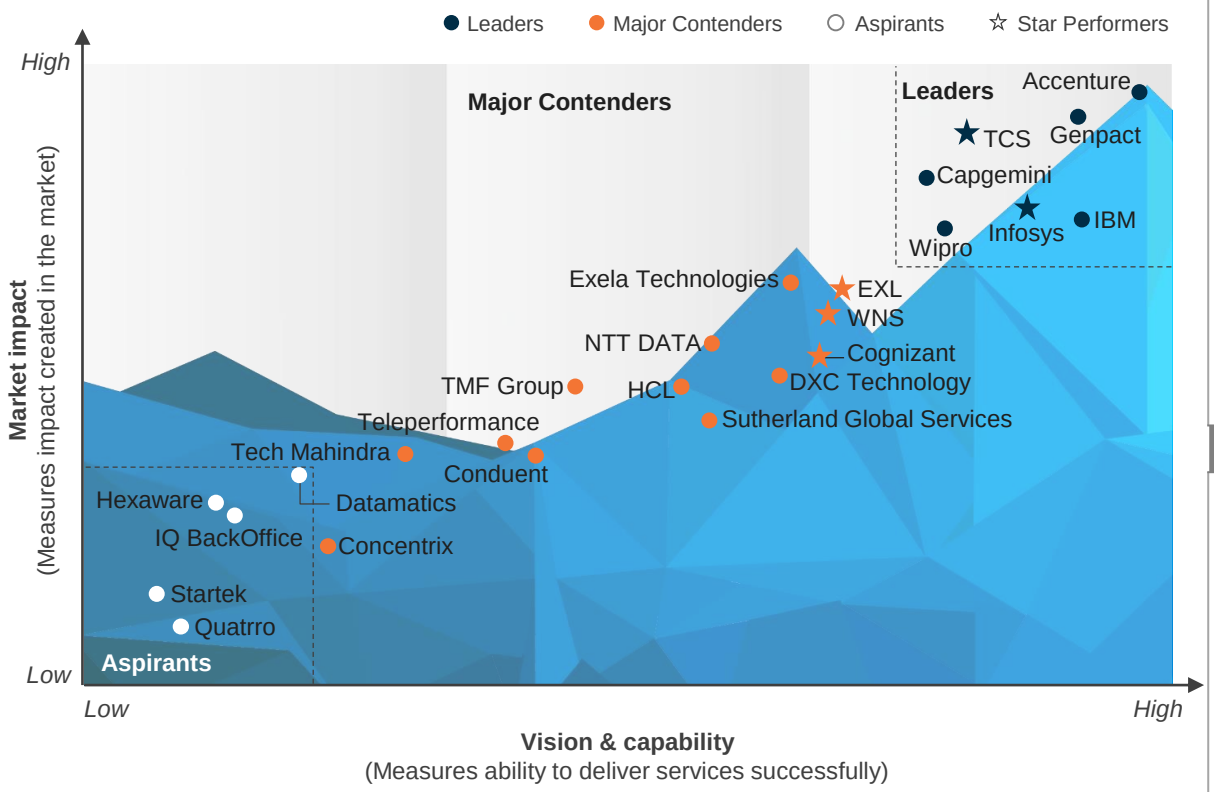
Everest Group's remarks on FAO service providers

- We assessed the overall FAO vision & capability and market impact of service providers by evaluating them along seven dimensions – market adoption, portfolio mix, value delivered, scope of services offered, innovation and investments, delivery footprint, and vision and strategy

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936

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

Finance and Accounting Outsourcing (FAO) – Services PEAK Matrix® Assessment 2020[1]



1 Assessment for Concentrix, Hexaware, Startek, TMF Group, and Quatrro excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with FAO clients

Capability assessment

Illustrative example

Measure of capability: ● High ◔ Low

Service provider	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	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	◑	◔	◑	◑	◔	◔	◔	◑	◔
Service provider 9	◔	◑	◕	◔	◕	◔	◑	◑	◑

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 and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
◕	◕	●	◕	●	◑	◕	◑	◕

Strengths

- Service provider 1, has a robust delivery presence in Asia Pacific with multiple delivery centers in India, Australia, the Philippines, and China, enabling it to service client requirements efficiently
- It has a good number of multi-country as well as single-country clients across the world

Areas of improvement

- Service provider 1 should increase offerings of value-added services such as employer branding, talent communities and workforce planning
- It should try to expand into larger multi-country deals and also scout for engagements in other Asia Pacific markets to strengthen its presence in the region

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936

Research calendar

Finance and Accounting Outsourcing (FAO)

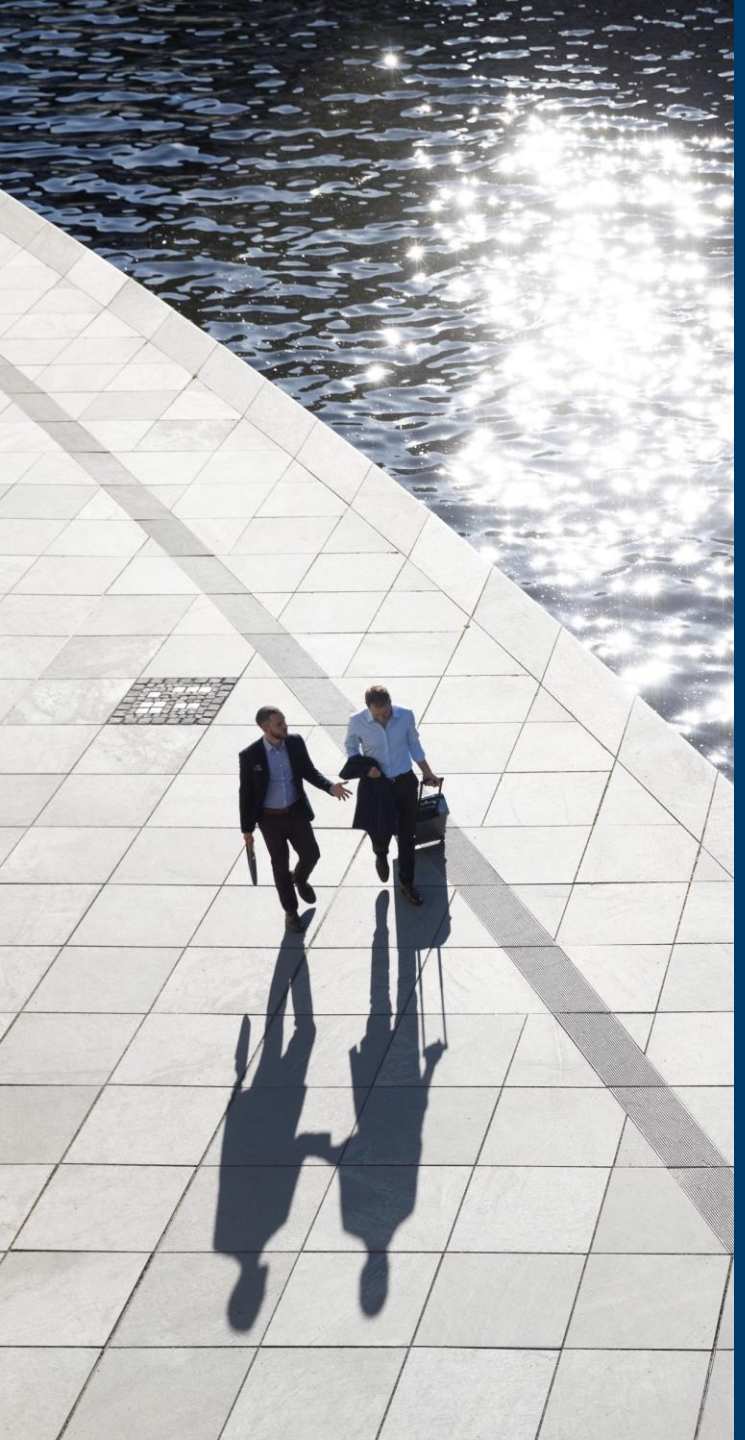
Published | Planned | Current release

Flagship FAO reports	Release date
Finance and Accounting Outsourcing (FAO) Service Provider Compendium 2019	June 2019
Finance and Accounting Outsourcing (FAO) Annual Report 2019	September 2019
F&A DCP Service Provider Landscape with PEAK Matrix® Assessment	December 2019
Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	**September 2020**
Finance and Accounting Outsourcing (FAO) Service Provider Compendium 2020	Q3 2020
Finance and Accounting Outsourcing (FAO) State of the Market Report 2020	Q4 2020

Thematic FAO reports	Release date
The Changing Priorities of Chief Financial Officers (CFOs) and Chief Procurement Officers (CPOs)	July 2019
Powering the Future of Finance Through Blockchain	November 2019
Impact of Recession on the Business Process Services (BPS) Industry	March 2020
Moving Beyond the Horizontal with Industry-specific F&A Solutions	August 2020
FAO buyer report 2020	Q4 2020
Evolution of transition, engagement, and governance models in BPS	Q4 2020

Note: For a list of all our published FAO reports, please refer to our website page

Proprietary & Confidential. © 2020, Everest Global, Inc. | EGR-2020-23-CA-3936



Everest Group®
With you on the journey

Everest Group is a consulting and research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global enterprises, service providers, and investors. Through our research-informed insights and deep experience, we guide clients in their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at **everestgrp.com**.

Stay connected

Website
everestgrp.com

Social Media
@EverestGroup
@Everest Group
@Everest Group
@Everest Group

Blog
everestgrp.com/blog

Podcast
DigitalRealITy

Listen on Apple Podcasts | Google Play | STITCHER | TUNE IN

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

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

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

Toronto
canada@everestgrp.com
+1-416-388-6765

This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.