

Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with PEAK Matrix® Assessment 2021

August 2021: Complimentary Abstract / Table of Contents



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Background and scope of the research

Background of the research

Despite the pandemic, the global multi-process FAO market continued to grow at a steady rate of 5-7% in 2020. While there was a negative impact on transaction volumes and large-scale initiatives, especially in the heavily-impacted industries, for around two quarters in 2020, huge demand for digitization and cost takeout / cash unlock, and the need for Business Continuity Planning (BCP), agility, and resilience drove growth in 2020 and still continues to do so in 2021.

Increased openness among organizations to engage with third-party F&A service providers, drive for digital transformation, increasing number of first-time outsourcers (especially in the SMB and mid-market segment), and increasing demand for next-generation technology and high-end F&A work from mature outsourcers is expected to continue driving market growth in 2021. Some of the key means by which providers are differentiating themselves is by offering end-to-end transformative solutions, combined with domain and industry expertise, a design thinking approach, transformation frameworks, and next-generation innovative offerings leveraging automation and analytics. The purpose of this research is to understand and assess FAO service providers based on their vision & capabilities and impact on the FAO market, and to position them on the Everest Group PEAK Matrix®.

In this research, we analyze the global multi-process FAO service provider landscape and its impact on the FAO market. In particular, we focus on:

- FAO PEAK Matrix® 2021 including service provider capability assessment and Star Performer analysis
- Service provider landscape
- Remarks on key strengths and areas of improvement for each FAO service provider

Scope of this report:



Geography

Global



Service providers

28 FAO service providers



Services

Finance and Accounting Outsourcing (FAO)

Overview and abbreviated summary of key messages

This report examines the dynamics of the 2021 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 28 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® 2021

- Everest Group classified 28 FAO service providers on the PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants:
 - Leaders: Accenture, Capgemini, Genpact, IBM, Infosys, TCS, and Wipro
 - Major Contenders: Cognizant, Corcentric, Conduent, Datamatics, DXC Technology, Exela Technologies, EXL, HCL, NTT DATA, Sutherland Global Services, Tech Mahindra, Teleperformance, TMF Group, and WNS
 - Aspirants: Concentrix, Hexaware, IQ BackOffice, OneSource Virtual, Quattro Business Support Services, Sundaram Business Services, 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 “2021 FAO Market Star Performers” – Datamatics, Genpact, HCL, Infosys, Wipro, and Quattro Business Support Services

FAO service provider landscape

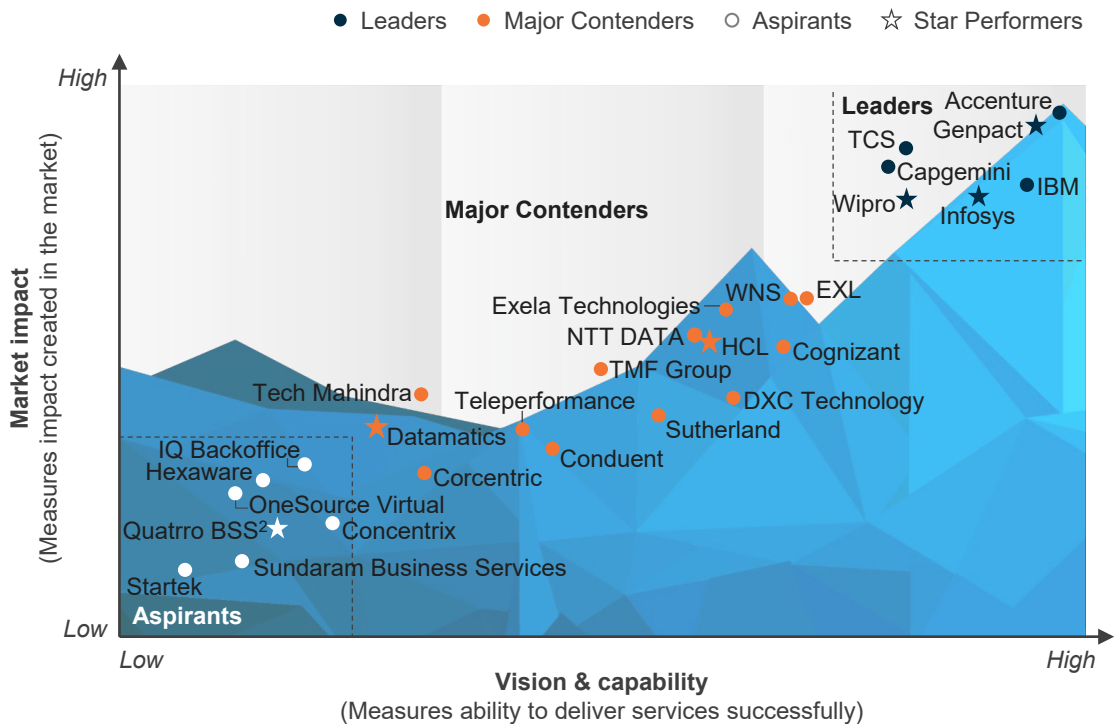
- Leaders continued to hold more than 67% share of the FAO market in 2020, strengthening their market position as compared with the previous year, and continue to be drivers of the FAO market
- Accenture, Genpact, and TCS are the only providers to rank among the top service providers in terms of market share across all geographies
- Leaders have managed to perform better than their peers across all key assessment parameters; while there is significant gap in terms of capability and market adoption, Others (Major Contenders and Aspirants) are catching up with Leaders in terms of delivering perceived value

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

This study offers three 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 2021^{1,2}



Capability assessment

Illustrative example

Measure of capability: ☐ Low ● High

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: ☐ Low ● High

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

1 Assessment for Concentrix, Hexaware, Startek, and Teleperformance 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

2 Quattro BSS: Quattro Business Support Services

Source: Everest Group (2021)

Research calendar

Finance and Accounting Outsourcing (FAO)

Published Planned Current release

Flagship FAO reports

Release date

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	September 2020
Exploring Data & Analytics, Resilience, and the Next Normal in Finance: Finance and Accounting Outsourcing (FAO) State of the Market Report 2021	December 2020
Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with PEAK Matrix® Assessment 2021	August 2021
Finance and Accounting Outsourcing (FAO) Service Provider Compendium 2021	Q3 2021
Finance and Accounting Outsourcing (FAO) State of the Market Report 2021	Q4 2021

Thematic FAO reports

Release date

Building Future-ready Finance in the New Normal – A Glimpse into the CFO Mindset	December 2020
Is Work From Home (WFH) the Future of Work? A Perspective on WFH, Locations, and Delivery Strategy Beyond COVID-19	December 2020
Business Process Services (BPS) 4.0: Heralding the Start of a New Era	February 2021
Getting Your Business in Order through Integrated Order Management	June 2021
A View of the Evolving Record-to-Report Technology Ecosystem	August 2021
ESG in Finance	Q3 2021
Cash is King	Q4 2021
Service Provider and Buyer Archetypes in F&A	Q4 2021
Power of AI in driving the future of Finance in the next normal	Q4 2021

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