

# Global Business Services as the Nerve Center for Enterprise Finance and Accounting Services

March 2022: Complimentary Abstract / Table of Contents



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## Background and scope of the research

### Background of the research

- This report is part of a multi-report series focused on corporate functions delivery from Global Business Services (GBS) organizations. Corporate functions include activities that deliver enterprise-wide support; their delivery is limited to internal customers. Corporate functions comprise the following functions: Finance & Accounting (F&A), procurement, Human Resources (HR), marketing, legal, real estate, and Supply Chain Management (SCM)
- F&A was one of the first corporate functions to be delivered from GBS centers and is one of the most mature capabilities residing within GBS organizations
- F&A has witnessed high adoption of the GBS model and includes a set of processes that can be transactional, judgement intensive, and strategic, which is explained further in the process map in the following page
- There are multiple drivers for the adoption of these functions in GBS centers – leveraging cost advantage across locations, providing 24/7 support, process standardization, and access to additional talent pool. Increasingly, GBS organizations are becoming global Centers of Excellence (COEs) for F&A services for the enterprise, driving end-to-end delivery

### Scope of the research

- The scope of delivery is limited to in-house centers and does not include any outsourced parts of the function
- The scope of this research includes:
  - Maturity of the F&A function against other functions such as HR, procurement, legal, marketing, real estate, and SCM since their inception
  - Key trends affecting different spheres such as talent, operational structure, and product portfolios in a finance and accounting GBS center
  - Breakdown of GBS centers by onshore and offshore and the geographic share
  - Distribution of GBS centers delivering F&A services by functional capabilities to understand whether centers are multi-functional or pure-play in nature
  - GBS adoption maturity for F&A services across each of the processes
  - Comparison of GBS adoption maturity by verticals
  - Examples of GBS delivering F&A services across leading verticals that account for the highest shares in the GBS landscape
  - Delivery locations landscape highlighting the top delivery locations, growth in the recent past, and notable players
  - Challenges faced by the F&A GBS centers, their responses to the challenges, and key transformation levers driving the future growth

### Methodology

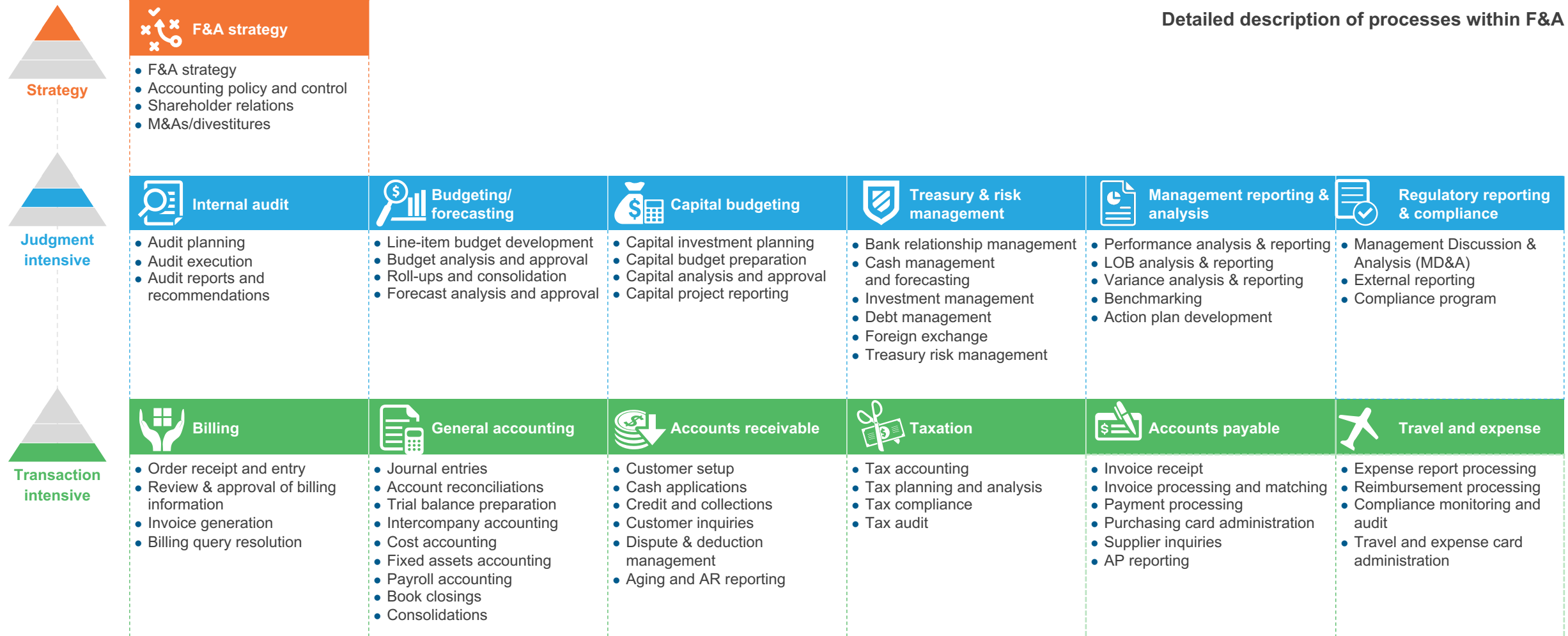
This report is based on our ongoing tracking and interactions with

**100+** GBS organizations delivering corporate functions from their in-house centers, and Everest Group's proprietary GBS centers database with information on more than

**6,000** GBS centers



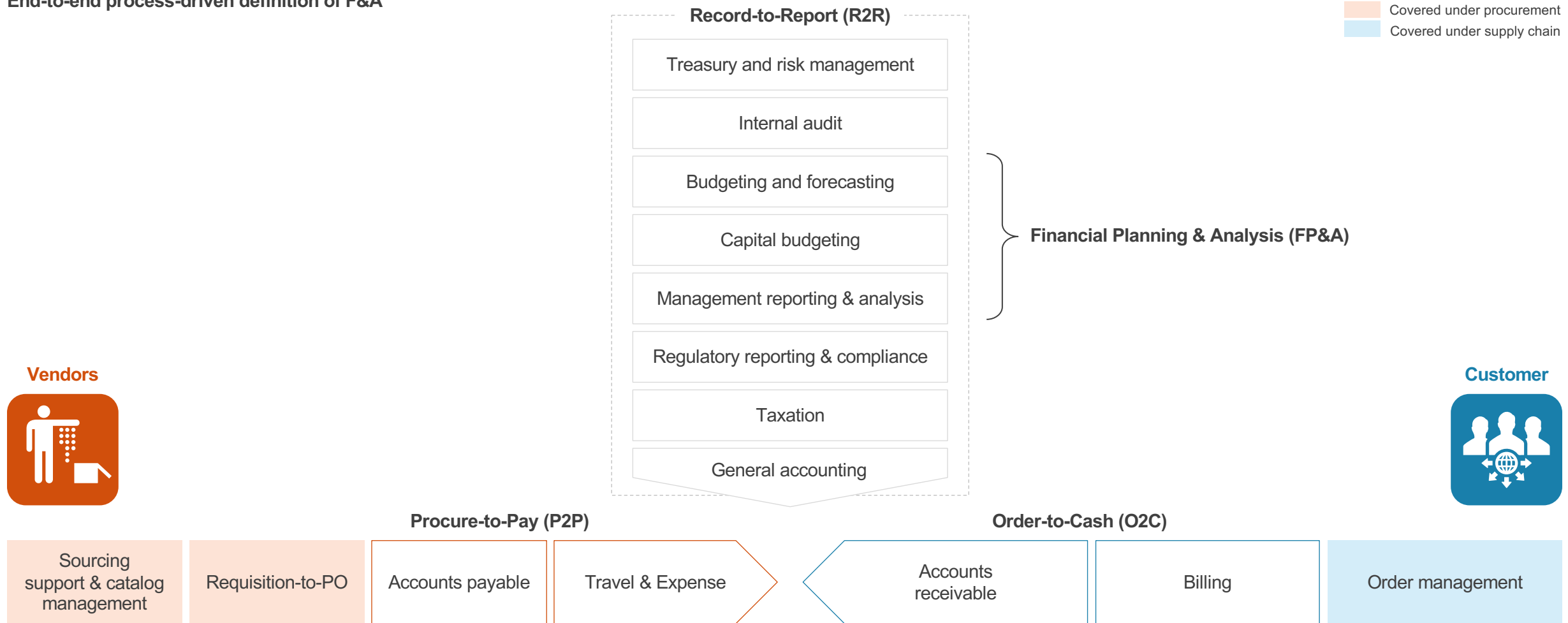
# Everest Group FAO process map



## Detailed description of processes within F&A

# The constituent parts of the typical F&A function

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





## Summary of key messages

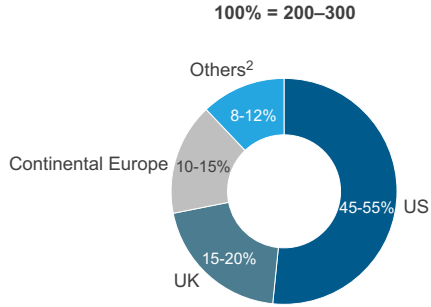
- F&A is one of the most mature functions to be carried out from the GBS centers, displaying a significant amount of adoption and penetration across the players
- Offshore/nearshore GBS centers tend to handle a significant share of F&A processes, rather than the onshore centers, with close to 80% being in offshore/nearshore locations
  - While Nearshore Europe and APAC are the most favored regions for delivery, the US remains the top choice for onshore delivery followed by the UK
  - The offshore/nearshore and onshore GBS centers are mostly multi-functional, with over 20% of them handling purely F&A
- There is very high evidence of GBS centers being leveraged for transactional processes such as Accounts Payable (AP), Accounts Receivable (AR), billing, and Travel and Expenses (T&E), while there is minimal evidence for GBS centers being leveraged for strategic and judgment intensive processes such as capital budgeting, F&A strategy, and taxation
- Among verticals, BFSI, manufacturing, technology and communications, and retail and consumer packaged goods are more mature with respect to penetration and complexity of processes delivered
- GBS centers have been facing a set of common challenges in managing and scaling the F&A function in the offshore and onshore centers, with centers responding to them with similar mitigation strategies
  - There has been a growth in cyber attacks leading to large amount of confidential financial data being exposed to vulnerabilities. This has led to the enterprises establishing dedicated teams or COEs for cyber security
  - Differences in time-zones have made real-time financial processing less feasible. This has driven the GBS centers across the globe to explore alternate ways of working
  - Repeated processes and cumbersome data management due to volume and nature of financial data have led to a large-scale automation across transactional processes
- GBS leaderships would also require to focus on transformation levers for sustaining a continuous future growth. The ABCDE levers focus on Ambition, Business Speed, Center Of Excellence (COEs), Data and digital-driven, and Employee Experience (EX) and culture



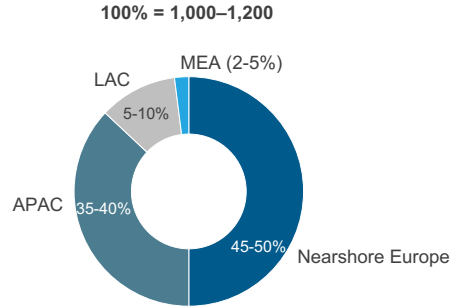
# The report offers a deep dive into key aspects of delivery of F&A through GBS; below are four charts to illustrate the depth of the report

## Presence of onshore and offshore centers delivering F&A

**Percentage of onshore GBS centers delivering F&A services by geography<sup>1</sup>**  
2021; Percentage



**Percentage of offshore/nearshore GBS centers delivering F&A services by geography<sup>1</sup>**  
2021; Percentage



<sup>1</sup> Count represents the total number as of December 2021.  
<sup>2</sup> Others include Australia, Japan, and Canada.

## Delivery locations

Low  High  
○○○○○○○

Location	Key cities with evidence of delivery	Growth trend in the last 12-18 months
India	Bangalore, Hyderabad, Mumbai, Pune, Chennai, and Gurgaon	●●●●○
Philippines	Metro Manila, and Cebu City	●●○○○
Ireland	Dublin, Limerick, Cork, and Galway	●●○○○
Poland	Wroclaw, Krakow, Warsaw, Gdansk, and Poznan	●○○○○
Costa Rica	Heredia and San Jose	●●●●○

## Examples of GBS delivering F&A services across leading verticals

xx% Share of top verticals in total number of GBS centers delivering F&A services

Vertical	Share of top verticals
<b>BFSI</b>	20-25%
<b>Manufacturing</b>	15-20%
<b>Technology &amp; Communications</b>	15-20%
<b>Retail &amp; CPG</b>	10-15%

Logos of major companies in each vertical: BFSI (AIG, Allianz, Bank of America, Barclays, Citi, Credit Suisse, Danabank, Deutsche Bank, Fidelity, HSBC, JPMorgan Chase & Co., MetLife, Societe Generale, Standard Chartered, State Street, UBS, Wells Fargo); Manufacturing (ABB, Flextronics, Ford, Hyundai, Mercedes-Benz, Rockwell, Siemens, Toyota, Volkswagen, Whirlpool); Technology & Communications (Apple, AT&T, AWS, BT, Cisco, Dell, Facebook, Google, HP, Intel, Oracle, SAP, Vodafone, VMware); Retail & CPG (ABInBev, Amazon, Amway, Coca-Cola, eBay, General Mills, Kellogg's, L'Oréal, Nestle, P&G, Tesco, Unilever, Walmart).

## GBS adoption maturity for F&A services

○ Limited instances of delivery from GBS ● Some instances of delivery from GBS ● Multiple instances of delivery from GBS

Process	GBS adoption maturity	Comments
Travel and expense	●	High-volume of claims, timely and accurate record management, targeted approval of claims, etc., makes the process very transactional, with need for dedicated teams with automation and AI-driven decision-making skills
Accounts payable	●●	<ul style="list-style-type: none"> <li>Across industries, delivery of transactional/rule-based services such as accounts payable support through GBS has gained high maturity because of availability of quality talent pool at relatively lower cost</li> <li>High-volume and transactional/rule-based nature of this service renders it as an ideal candidate for automation. Many peers have conducted successful Robotic Process Automation (RPA) implementations for Accounts Payable (AP), Accounts Receivable (AR), and General Accounting processes</li> </ul>

Note: GBS adoption maturity assessment is based on relative maturity of processes within a function.



# Research calendar

## Global Business Services

■ Published
 ■ Planned
 ■ Current release

### Flagship reports

	Release date
Global In-house Center (GIC) Landscape Annual Report 2018 – GICs Emerging as Innovation CoEs for Global Enterprises	May 2018
Global In-house Center (GIC) Landscape Annual Report 2019 – Enterprises Insourcing IT Services to their GICs	July 2019
GBS State of the Market Report: Evolving Operating and Governance Models to Build GBS of the Future	March 2020
US Global Business Services Market Report	March 2021
GBS State of the Market Report: Top 2021 priorities for GBS	March 2021
GBS CXO Insights: GBS Key Issues Report 2022	February 2022
GBS State of the Market Report: 2022	Q2 2022

### Thematic reports

	Release date
Banking, Financial Services, and Insurance GBS Market Landscape Report	September 2021
Playbook for Successful Business Relationship Management (BRM) for GBS Organizations	September 2021
Playbook for Building Global Centers of Excellence (CoEs) in GBS Organizations	November 2021
The Next Wave of Automation in Global Business Service (GBS) Organizations: What Lies Ahead?	December 2021
<b>Global Business Services as the Nerve Center for Enterprise Finance and Accounting Services</b>	<b>March 2022</b>
Global Business Services as the Enabler for Enterprise Hire-to-Retire Services	March 2022
Global Business Services as the Backbone for Enterprise Procurement (S2P) and Supply Chain Management Services	March 2022
GBS 4.0: Reimagining GBS of the Future	March 2022
“How-to” Guide to Quantify Value Delivered by GBS Organizations	Q2 2022

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



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