

Everest Group PEAK Matrix™ for Finance and Accounting Outsourcing (FAO) Service Providers 2019

Focus on Accenture
April 2019



Introduction and scope

Everest Group recently released its report titled “[Finance and Accounting Outsourcing \(FAO\) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019](#).” This report analyzes the changing dynamics of the FAO landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 24 service providers on the Everest Group PEAK Matrix™ for Finance and Accounting Outsourcing (FAO) into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of FAO service providers based on their absolute market success and delivery capability. Everest Group also identified 6 service providers as the “2019 FAO Market Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

Based on the analysis, **Accenture emerged as a Leader and a star performer**. This document focuses on **Accenture** FAO experience and capabilities and includes:

- Accenture position on the FAO PEAK Matrix
- Detailed FAO profile of Accenture

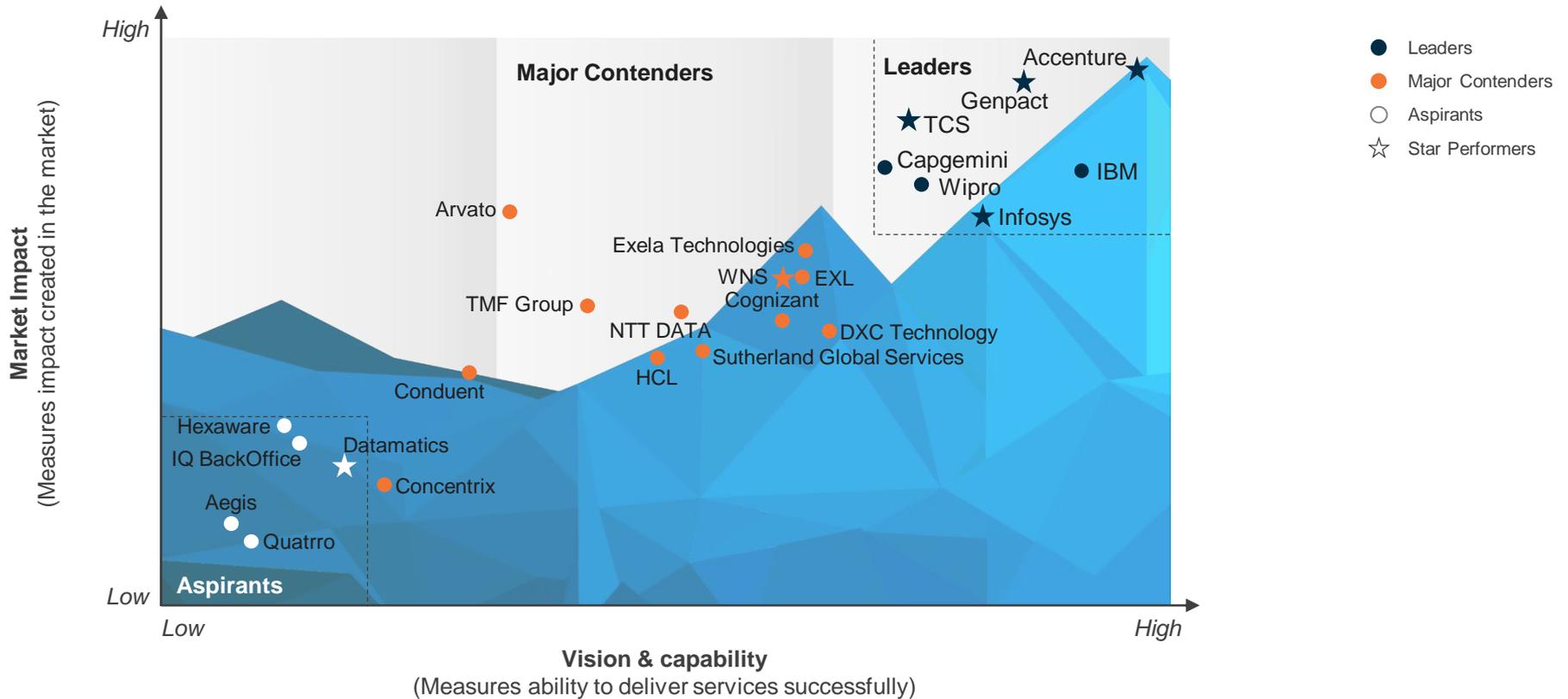
Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Source: Everest Group (2019) unless cited otherwise

Everest Group PEAK Matrix™

FAO Services PEAK Matrix™ Assessment 2019 | Accenture positioned as Leader

Everest Group Finance and Accounting Outsourcing (FAO) Services PEAK Matrix™ Assessment 2019¹



¹ Assessment for Aegis, Arvato, Concentrix, and Quattro 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 buyers

Overview

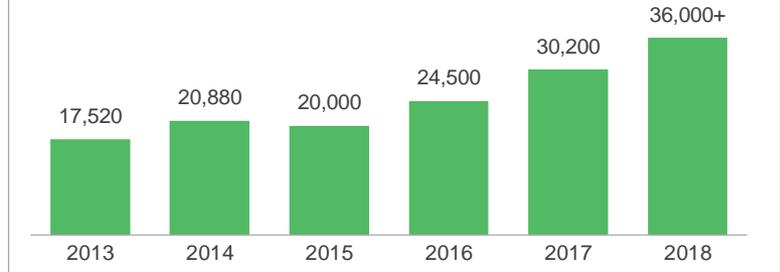
Key FAO leaders

Manoj Shroff, Global F&A BPS Offerings Lead

Category	Recent developments/investments
Service scope expansion	<ul style="list-style-type: none"> 2017: Acquired solid serVision and Focus Group to expand and strengthen its ServiceNow capabilities 2016: Acquired DayNine, a leading global Workday consulting and deployment services provider 2016: Acquired OPS Rules, a boutique analytics consulting company to expand its machine learning and operations analytics capabilities 2015: Acquired Cloud Sherpas to enhance its ability to provide clients with improved cloud strategy and technology consulting 2014: Acquired PureApps, an end-to-end Enterprise Performance Management (EPM) and business intelligence solution using Oracle Hyperion 2014: Acquired Hytracc, an integrator of energy components software for oil & gas companies
Technology expansion	<ul style="list-style-type: none"> 2018: Acquired Kogentix, a big data and AI services and solutions company to strengthen its open-source big data and advanced analytics solutions 2018: Partnered with multiple leading technology vendors 2016-2017: Partnered with Automation Anywhere and BluePrism to provide RPA solutions across industries 2016: Partnered with Google to bring to market industry-specific solutions to help clients use cloud, mobility, and analytics 2016: Collaborating with RoboValley to advance the development of the next-generation of robotics technology 2016: Partnered with IPSoft to accelerate client adoption of Artificial Intelligence (AI) to improve business outcomes 2015: Alliance with ServiceNow to create a client-facing self-service F&A platform
Delivery capability expansion	<ul style="list-style-type: none"> 2018: Opened delivery centers in Japan, Malaysia, and Portugal 2017: Expanded delivery footprint in China and Brazil 2016: Opened delivery centers in the Philippines, Dublin, and Romania

Scale of operations

Number of FAO FTEs over time



FAO service suite

Accenture offers a complete suite of F&A services including Procure-to-Pay (P2P), Order-to-Cash (O2C), Record-to-Report (R2R), and Financial Planning & Analysis (FP&A). Accenture can deliver F&A BPO in an as-a-service model –

- Plug-in, scalable, secure, and consumption-based
- Supported by analytics, cloud, and automation
- Delivered according to specified business outcomes

Accenture's F&A BPO offering also includes Accenture Hospitality Services, a scalable shared-services model specifically designed by, and for the hospitality industry (based on a model pioneered in partnership with Marriott Business Services, which Accenture acquired in 2013)

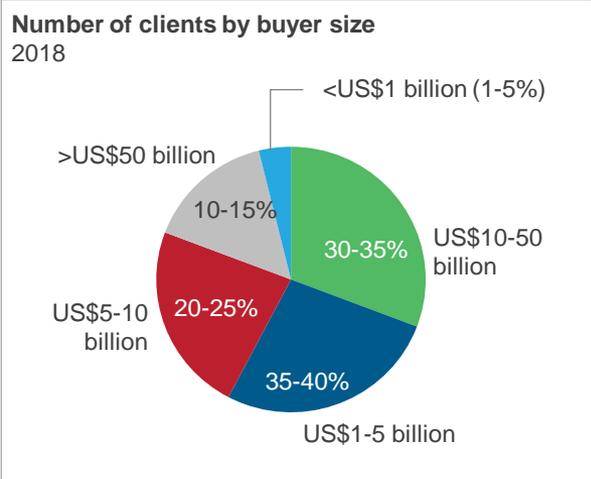
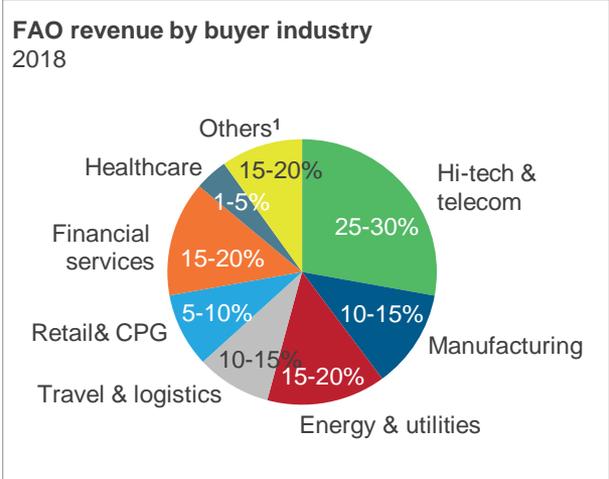
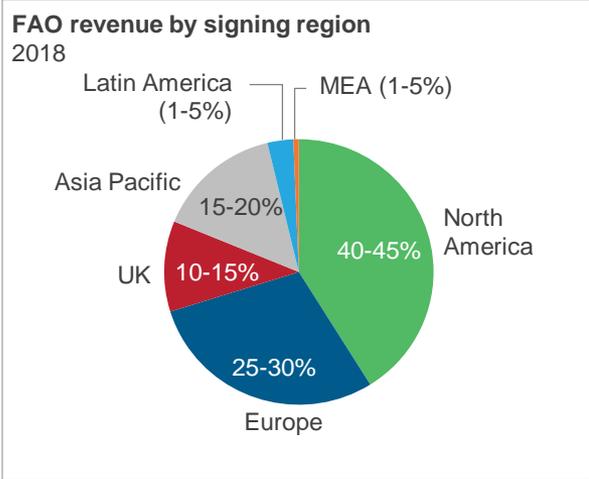


Client portfolio

Major FAO clients: BP, a device company, a high-tech firm, a logistics firm, a large retail company, leading hotel chain, Microsoft, and an airline

Recently-announced FAO engagements (non-exhaustive)

Time of signing	Client	Contract details
February 2018	UK-based electricity & gas services company	Six-year contract term
February 2018	U.S.-based multinational electric utility company	Four-year contract term
May 2016	Netherlands-based medical devices company	Six-year contract term



¹ Others include hospitality, media, government, professional services, and other industries

Location landscape

FAO delivery locations



Technology solutions

FAO technology approach: Accenture augments its FAO offering with an F&A solution that offers enabling technologies and works with a client's existing enterprise resource platform and tools to deliver best practices, control, and efficiency

	O2C solution	R2R solution	P2P solution
Solution description	<ul style="list-style-type: none"> Configured for each industry and subprocess within O2C Creates visibility and accountability across retained and outsourced functions Provides robust data trending and analytics 	<ul style="list-style-type: none"> Helps integrate accounting activities with ERP and other business processes Agnostic approach across platforms and industries with focus on pervasive visibility, insights, controls, and growth 	<ul style="list-style-type: none"> Multi-tier bolt-on invoice automation solution to address client and industry requirements Continuous analytical capability to ensure realization of sourcing and process benefits Vendor portal to support self-service functionality
Process scope	Order management, credit management, collection, dispute & deduction management, cash application, and analytical reporting	Regulatory compliance, budgeting/forecasting, fixed assets, general accounting, internal audit, financial analytics & reporting, tax management, and industry-specific revenue accounting	<ul style="list-style-type: none"> Invoice & payment processing, T&E and card administration, working capital management, period-end closing, analytics, control, and compliance Upstream P2P (purchasing, spot buy, and enablement) services also provided
Technology leveraged	<ul style="list-style-type: none"> Accenture-developed delivery workflow and quality collections tool; Intelligent Cash and Receivables Management solution powered by proprietary analytics suite and AI covering the E2E process Experience with SAP's FSCM & dispute management modules, Oracle's advanced collections, iReceivables, GetPaid, and iMany 	<ul style="list-style-type: none"> Accenture-developed planning and control calendar solution, process toolkits, reconciliation workflow, and analytics Experience with multiple ERP platforms including SAP, PeopleSoft, Oracle, JD Edwards, Microsoft Dynamics, and Lawson SAP HANA-based finance transformation solution 	<ul style="list-style-type: none"> Accenture-developed control & workflow solutions, document management, scanning, and ingestion; e-invoicing (Ariba/Coupa), duplicate payment prevention, and supplier self-service portal Multiple proprietary analytics platforms and AI advisors for spend analysis, working capital, and compliance Partnership with SAP Ariba and Coupa for E2E P2P services
Delivery model & pricing	<ul style="list-style-type: none"> Private cloud, hosted, single-client, and multi-client As-a-service model Upfront implementation fees, pay-per-transaction, bundled-in FTE pricing, and performance-based pricing 	<ul style="list-style-type: none"> Private cloud, hosted, single-client, and multi-client As-a-service model Upfront implementation fees, license fees, bundled-in FTE pricing, and performance-based pricing 	<ul style="list-style-type: none"> Private cloud, hosted, single-client, and multi-client As-a-service model Upfront implementation fees, pay-per-transaction, license fees, bundled-in FTE pricing, and performance-based pricing

Technology solutions

FAO technology approach: Accenture augments its FAO offering with an F&A solution that offers enabling technologies and works with a client's existing enterprise resource platform and tools to deliver best practices, control, and efficiency

FP&A administration & governance

Process-independent solution

Solution description

- Focuses on budgeting, forecasting, monthly reporting, variance analysis, commentaries, and decision support
- Aligning talent to aggregate, analyze, and synthesize operational data

- Focuses on the key activities of budgeting, forecasting, monthly reporting, variance analysis, commentaries, and decision support
- Aligning talent to aggregate, analyze, and synthesize operational data is a critical component

Process scope

- FP&A administration & governance is executed with a strong BPO governance model, supporting technologies to drive value-based transformation
- Descriptive FP&A is very similar to R2R reporting – supports fact-based historically-oriented reporting operations with a high degree of BPO engagement
- Prescriptive & predictive analytics – generates hybrid compilations and comparative explanation reports addressing business requests/requirements including trending analysis, variance reports, and ad hoc reporting

Accenture FAO dashboard provides a portfolio including month close, reconciliations, invoice processing, workflow, query management, collections data, and service management

Technology leveraged

- Analytics capabilities via proprietary insights using fifth-generation BPO technology platform:
 - Accenture Insights Platform (AIP) tool for advanced analytics for budgeting & forecasting
 - Accenture Planning & Control tool
- Experience with multiple ERP platforms including SAP, Oracle, JD Edwards, PS, and business intelligence tools such as Hyperion, Cognos, Discoverer, BusinessObjects, Microsoft Dynamics, SPSS, SAS, Visual Science, and Qlikview

- A platform developed by Accenture, designed for cloud and on-premise deployment
- Connected to transactional platforms through an integration hub
- Automation through Blue Prism / Fusion
- Automated work-scheduling tool

Delivery model & pricing

- Private cloud, hosted, single-client, and multi-client
- As-a-service model
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Accenture | FAO profile (page 6 of 6)

Everest Group assessment – Leader

Measure of capability:  High  Low

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
								

Strengths

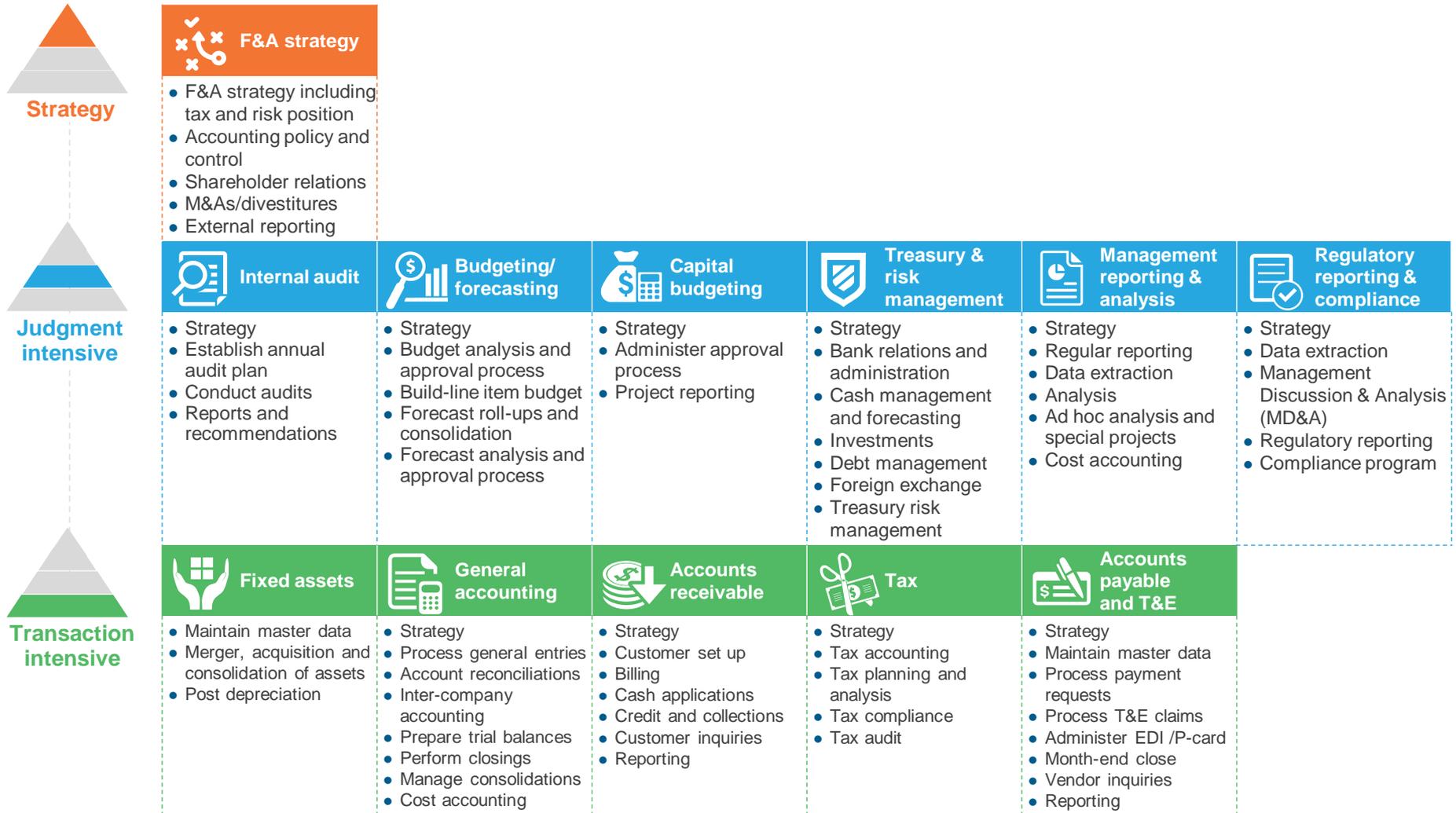
- Enhanced its capabilities across the entire F&A value chain including complex processes through in-house developments, acquisitions, and strategic partnerships
- Significant leverage of next-generation digital tools such as RPA, AI, and advanced analytics, combined with a consultative approach to offer digital-led transformation of F&A processes
- Has a well-balanced portfolio across industries with strong presence in energy & utilities, high-tech, and software sectors
- Developed multiple cognitive advisory tools such as collection concierge (to predict problematic invoices when generated and flag issues upstream), reconciliation, and journal entry advisor (to facilitate continuous accounting)
- One of the few FAO service providers to develop blockchain solutions; some of these solutions include blockchain for claims/trade deductions, joint venture accounting, and supplier verification
- Strategic partnership, structured and consistent delivery, and quick resolutions of issues are highlighted as key strengths by buyers

Areas of improvement

- While some of its mature clients are ahead in terms of process and digital maturity, Accenture should be more nimble and develop a handholding approach for its other clients to transform their F&A operations and engage with them in a more strategic manner
- Scope exists to increase the adoption rate of its next-generation digital solutions by developing F&A domain-specific frameworks to identify opportunities for process improvement and eventually technology intervention
- While Accenture is consistent in delivery, there is scope to improve on some alignment issues between different delivery centers
- Buyers expect Accenture to be more proactive in sharing best practices and engage consistently with business leaders on key initiatives

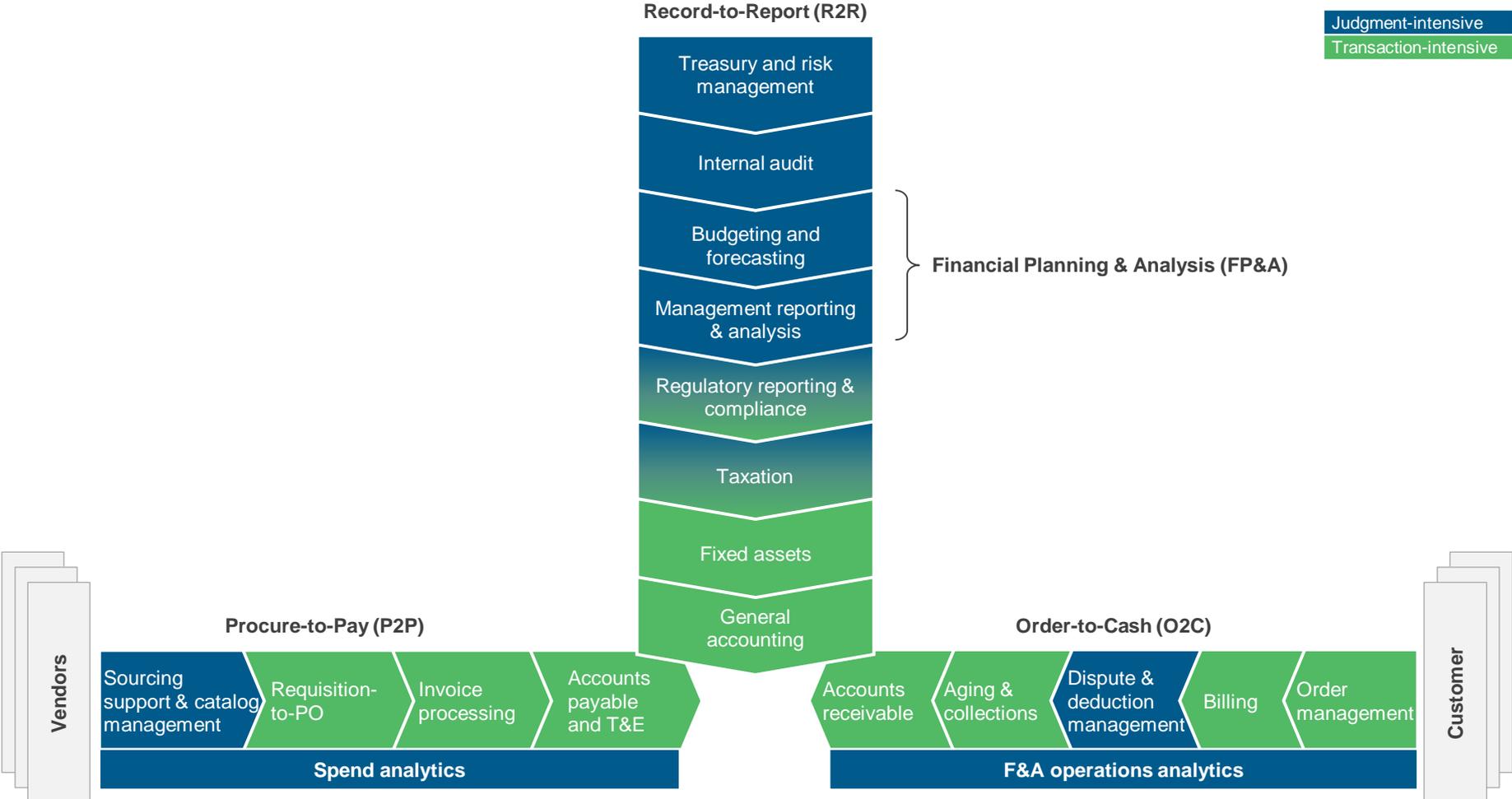
Appendix

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

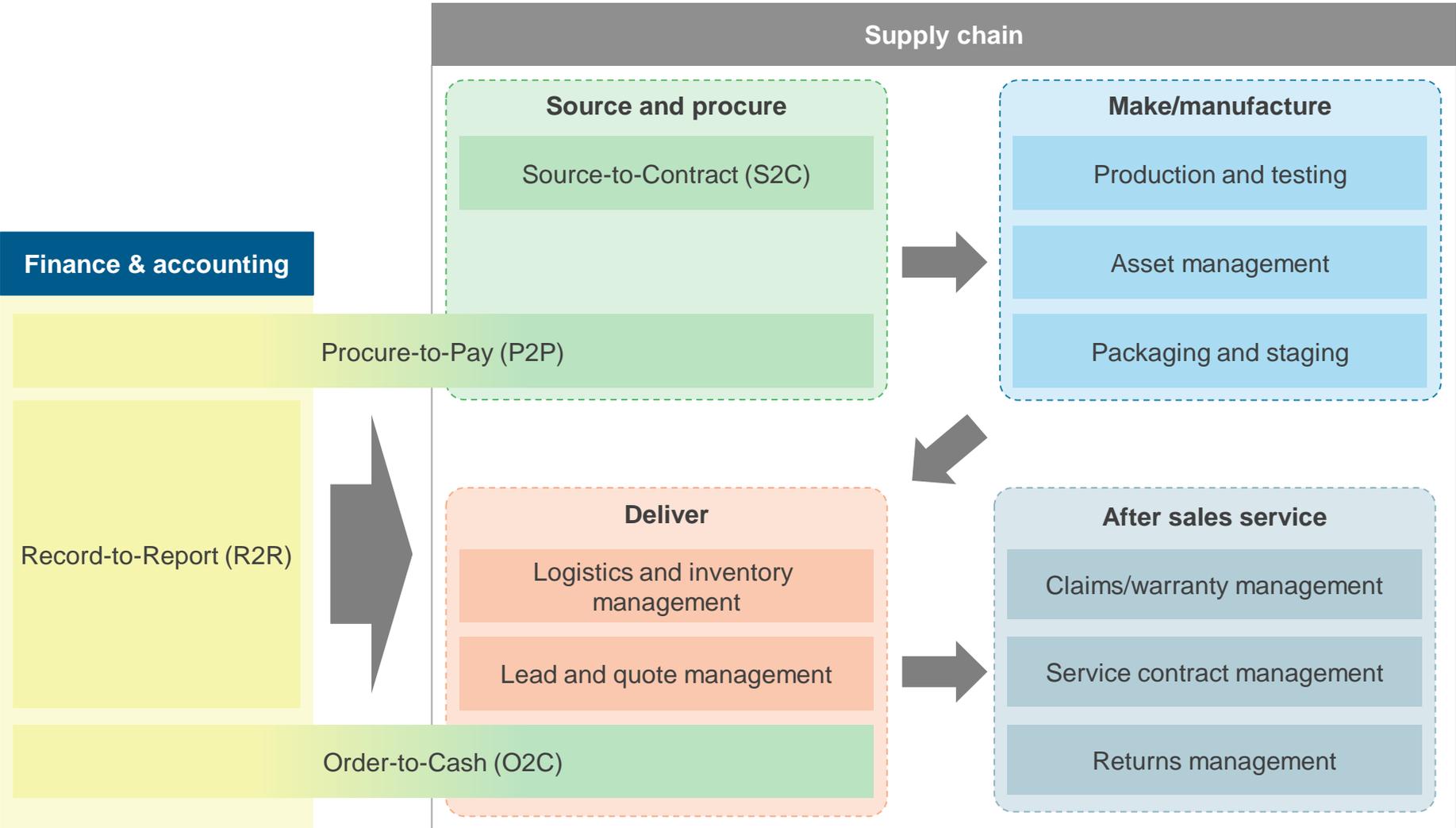


However, an end-to-end process-driven approach is emerging, which focuses on consistency, delivery, and enterprise-wide integration

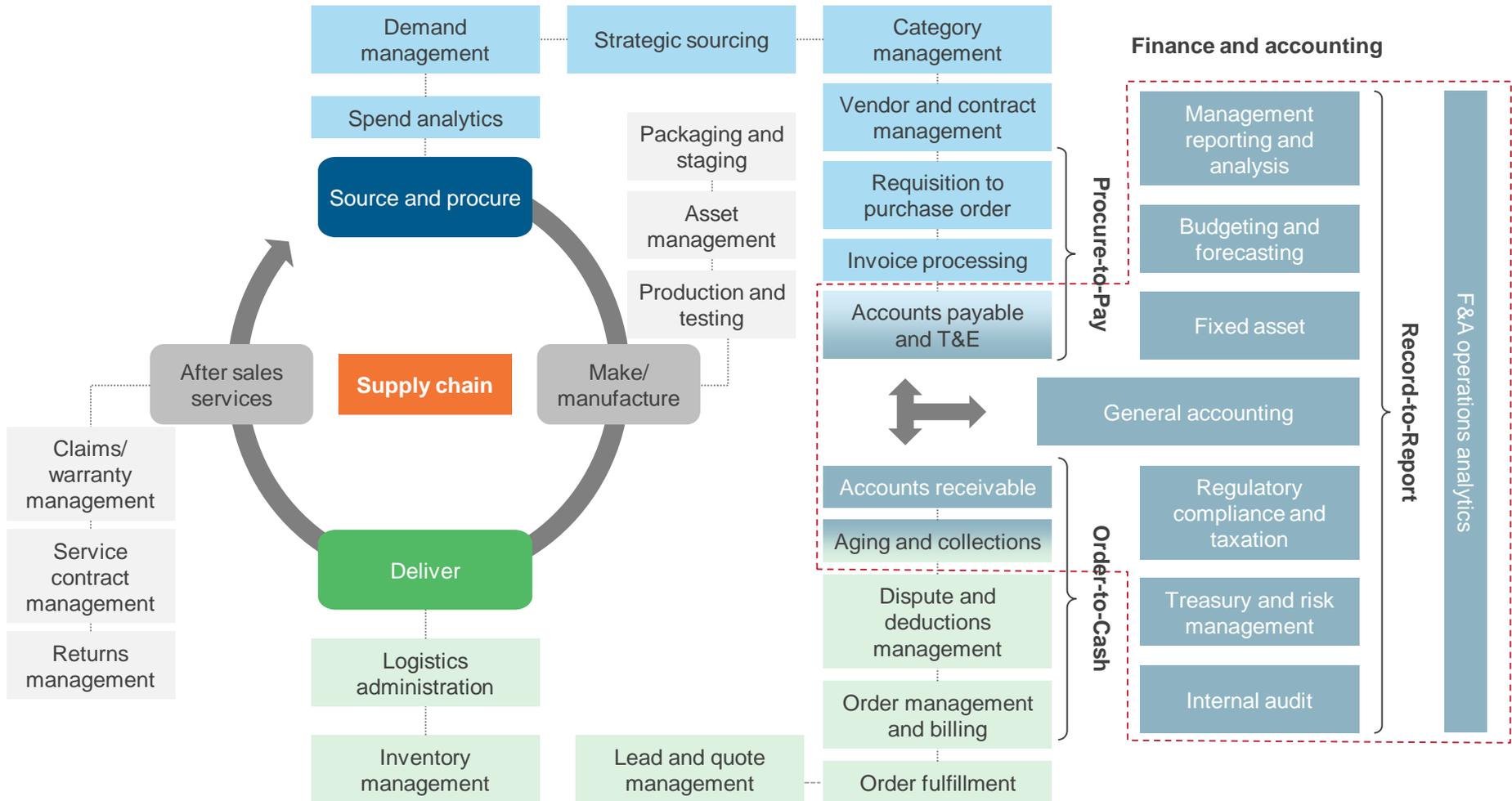
End-to-end process-driven definition of F&A



This end-to-end process-driven approach is expanding the F&A scope into the adjacent areas of procurement and supply chain



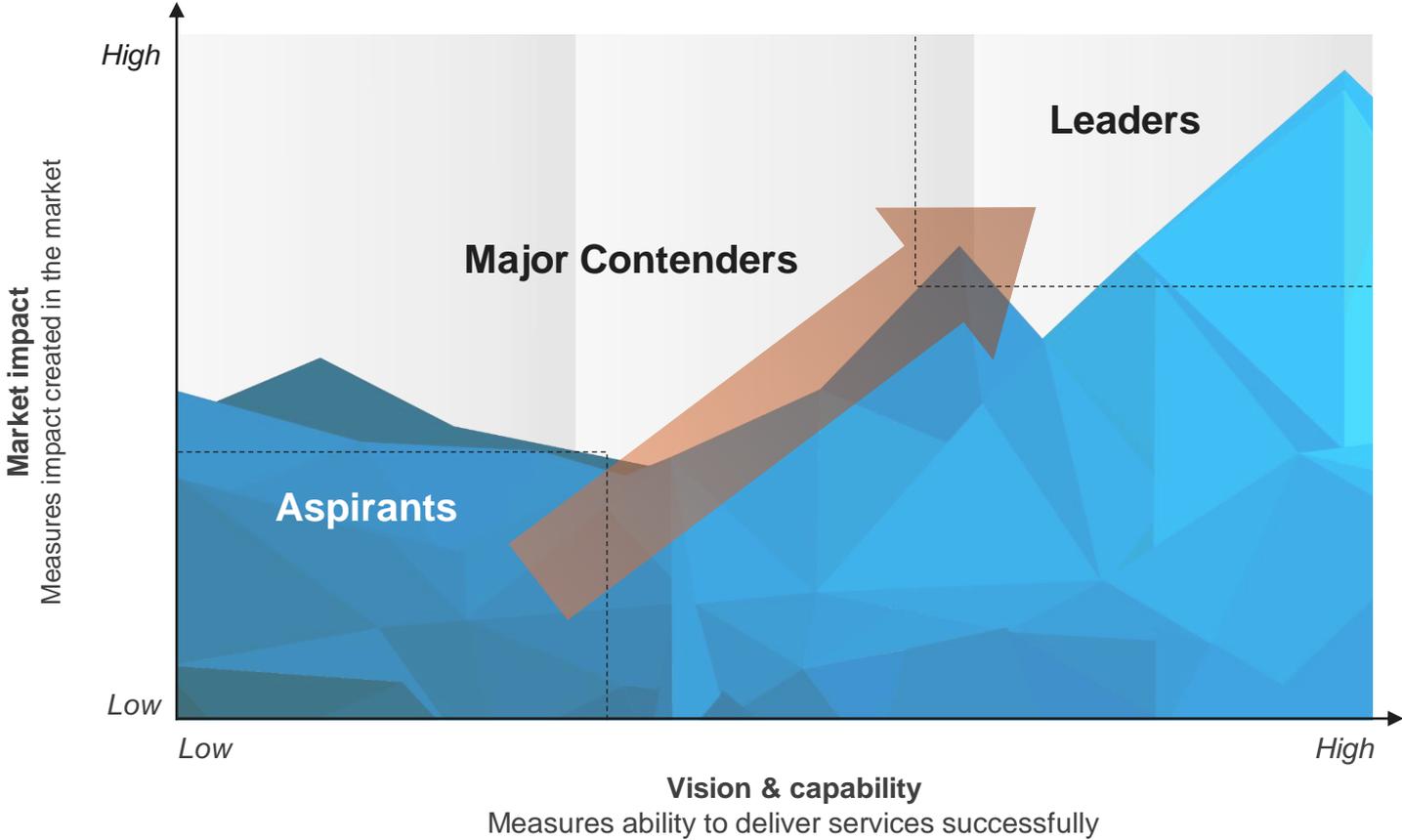
Everest Group's research is guided by a framework that clearly distinguishes F&A from supply chain and procurement processes



Note: Everest Group's analyses include multi-process FAO contracts with a minimum of two F&A processes, over US\$1 million in ACV, and a minimum contract term of three years

Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix



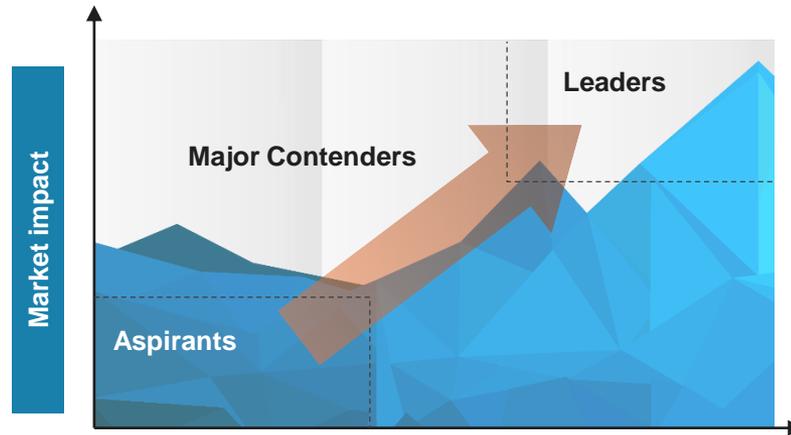
Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

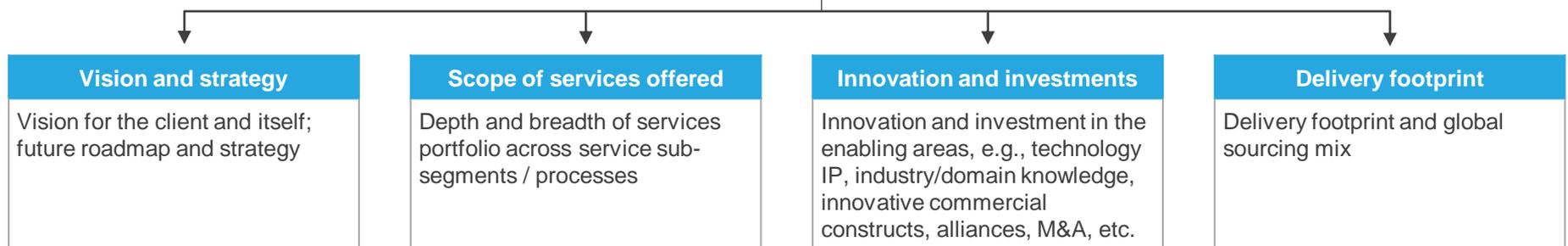
Portfolio mix
Diversity of client/revenue base across geos and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact



Vision & capability

Measures ability to deliver services successfully. This is captured through four subdimensions



Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service sub-segments / processes

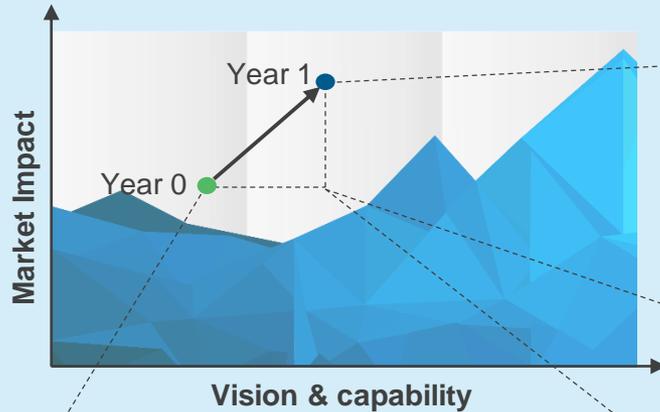
Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix™

Methodology

Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix



In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:

- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:

- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:

- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

Star Performers are identified by top quartile performance improvement on the X and Y axes for each segment

The Star Performers title relates to YOY performance for a given service provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

Does the PEAK Matrix™ assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?

No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender,” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status ?

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
 - Issue a press release declaring their positioning. See [citation policies](#)
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from Everest Group analysts could be disseminated to the media
 - Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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