

HFS Top 10 Finance & Accounting (F&A) Service Providers – Excerpt for Accenture

HFS Research authors:

Saurabh Gupta, Chief Strategy Officer

Hema Santosh, Senior Research Analyst

TOP 10
HFS

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“Enterprises want a lot more for far less from F&A. They need a holistic finance OneOffice, not just an efficient back office.”

—Saurabh Gupta, Chief Strategy Officer

“While service providers are in the race to take enterprise clients to the promised land of transformation-led F&A services, their experience, technology prowess, domain expertise, and partner ecosystem become key differentiators to deliver a holistic finance OneOffice.”

—Hema Santosh, Principal Analyst

What you'll read



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Introduction

- Enterprises want a lot more for far less from F&A. They need a holistic finance OneOffice, not just an efficient back office. As the role of finance radically transforms, the expectations from third-party F&A services are also rapidly evolving.
- The *HFS Top 10 Finance and Accounting (F&A) Service Providers* report examines 17 service providers across a defined series of innovation, execution, and voice of the customer criteria. The report highlights the overall ratings for all participants and the top five leaders for each sub-category. The report looks at F&A capabilities as defined by our F&A value chain. It focuses on ongoing third-party services (outsourcing and managed services) and does not include strategic F&A advisory or short-term F&A projects.
- This report also includes detailed profiles of each service provider, outlining their overall and sub-category rankings, provider facts, and detailed strength and development opportunities.
- The *HFS Top 10 Finance and Accounting (F&A) Service Providers* report assessed and scored service provider participants across execution, innovation, and voice of the customer criteria. The inputs to this process were detailed RFIs we conducted with 17 service providers, briefings with service provider leaders of F&A practices within service providers, interviews with reference and non-reference F&A clients, an HFS survey with 350 Global 2000 enterprises, and publicly available information sources.

Service providers covered in this report

accenture

CONDUENT

DXC.technology

Capgemini

Cognizant

genpact

DATAMATICS®
Data to Intelligence

EXL

HEXAWARE

HCL

Infosys®

IBM

SUTHERLAND

NTT DATA

TATA
CONSULTANCY
SERVICES

wipro

WNS
Extending Your Enterprise

Research methodology

The *HFS Top 10 Finance and Accounting (F&A) Service Providers* report assessed and scored service provider participants across execution, innovation, and voice of the customer criteria. The inputs to this process were detailed RFIs we conducted with 17 service providers, briefings with service provider leaders of F&A practices within service providers, interviews with reference and non-reference F&A clients, an HFS survey with 350 Global 2000 enterprises, and publicly available information sources. Specific assessment criteria and weighting include:



33%

Ability to execute

- Scale and experience: F&A revenue, number of clients, growth, number of FTEs and digital workers
- Industry and geography presence: F&A portfolio by industry and geography
- Scope of services across the HFS F&A value chain: P2P, O2C, R2R, controllership, and transformation services
- Delivery scale: Offshore-nearshore-onshore mix, global reach of delivery centers, digital workforce
- Account management: Quality of account management and customer service



33%

Ability to innovate

- Vision and strategy: Vision for F&A, go-to-market strategy, non-linear growth
- Leveraging emerging technologies: Across RPA, AI, smart analytics, and blockchain
- Investments and IP: Mergers and acquisitions, investments in future talent and technology (staff, skills, tools), partnership ecosystem, proprietary tools, and frameworks
- Co-innovation and collaboration: Collaborative engagement (consultative sales, problem solving), models for client co-innovation, outcome-driven commercial models



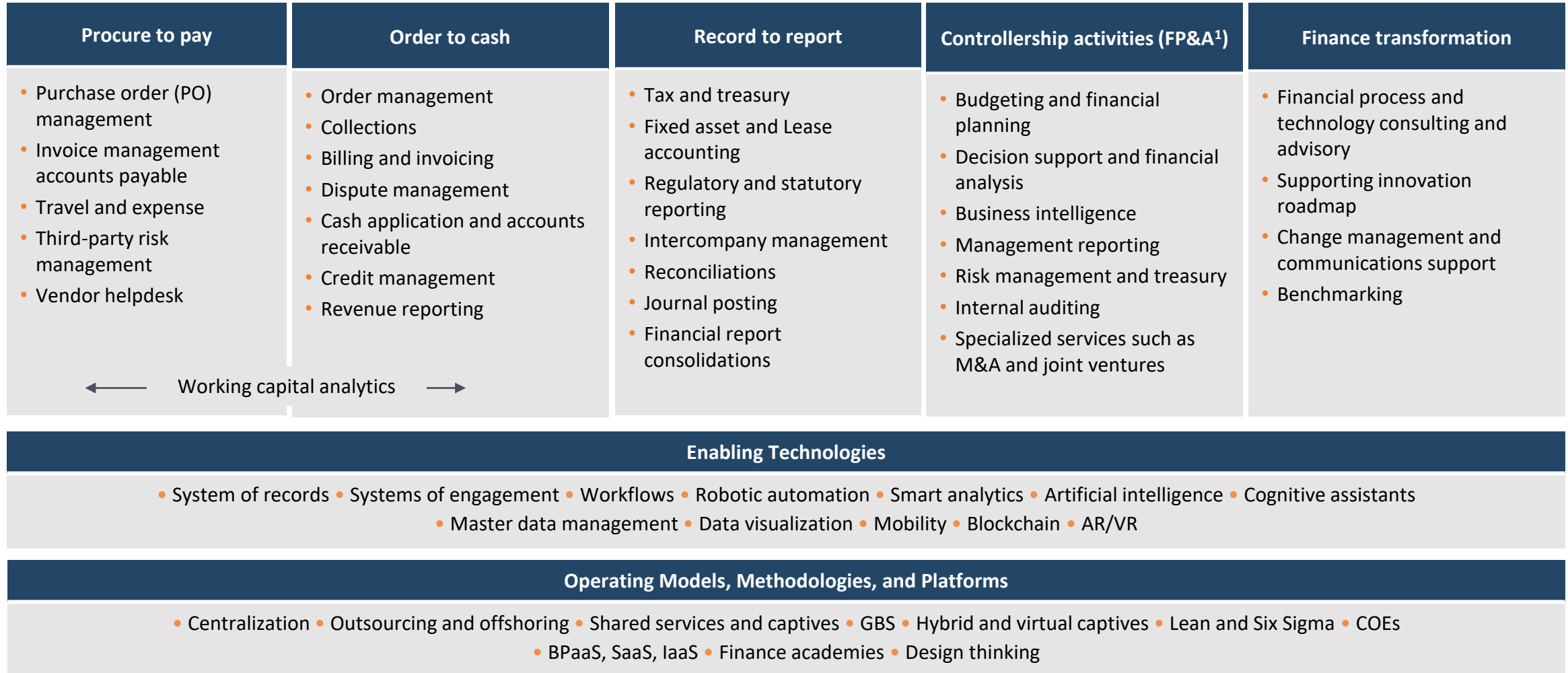
34%

Voice of the customer

- Client reference-ability, quality of client references and number of references provided
- Average satisfaction from reference clients
- Average satisfaction from non-reference clients
- Innovation and business impact of client case studies presented

Finance and accounting as-a-service value chain

In this report, we look at how service providers are supporting F&A as-a-service:



1. FP&A = Financial Planning & Analysis

Executive summary

Executive summary (page 1 of 5)

- **Finance is no longer a back-office function. Enterprises want a lot more for far less from F&A (see Exhibit 1).**
 - Enterprises today face unprecedented threat (and opportunity) from digital disruption, data explosion, and heightened customer expectations. The role of the CFO has evolved beyond bottom-line and compliance focus to become a trusted business partner to drive profitable growth.
 - Finance is emerging as a critical business partner to power organizational business imperatives including driving growth, entering new markets, launching new products, and improving customer experience.
 - As the role of finance radically transforms, the expectations from third-party F&A services are evolving where cost-reduction alone does not meet client needs.
- **Only 20% of F&A outsourcing contracts are safe (see Exhibit 2)!**
 - Multi-process F&A services have now matured to an \$8 billion market driven by an offshore-centric model.
 - However, legacy F&A BPO has reached its saturation point, as most major enterprises have enjoyed all the low hanging fruit on offer from profitable, manageable F&A labor arbitrage.
 - While the demand for F&A outsourcing continues to be strong, the nature of the demand is very different from the traditional ask of running the processes at low cost. There is immense pressure on legacy “lift-and-shift” and more clients are willing than before to change the status quo.

Exhibit 1. Top three factors driving F&A initiatives

Sample: 38 F&A executives, 2019

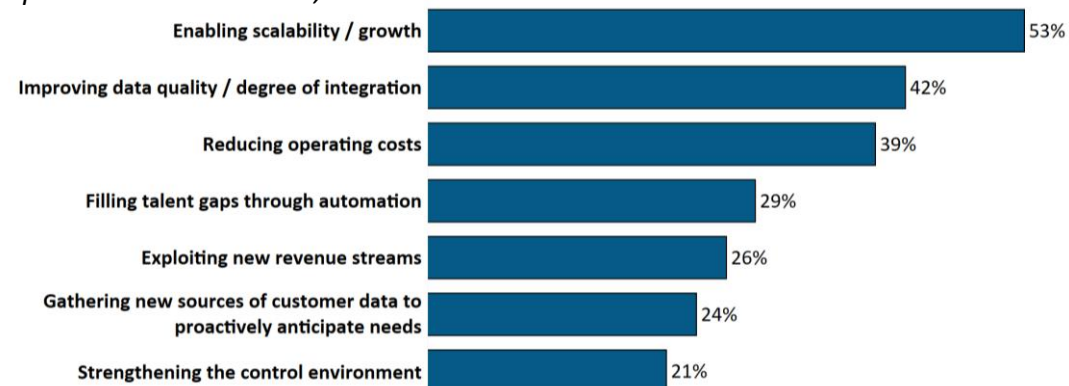
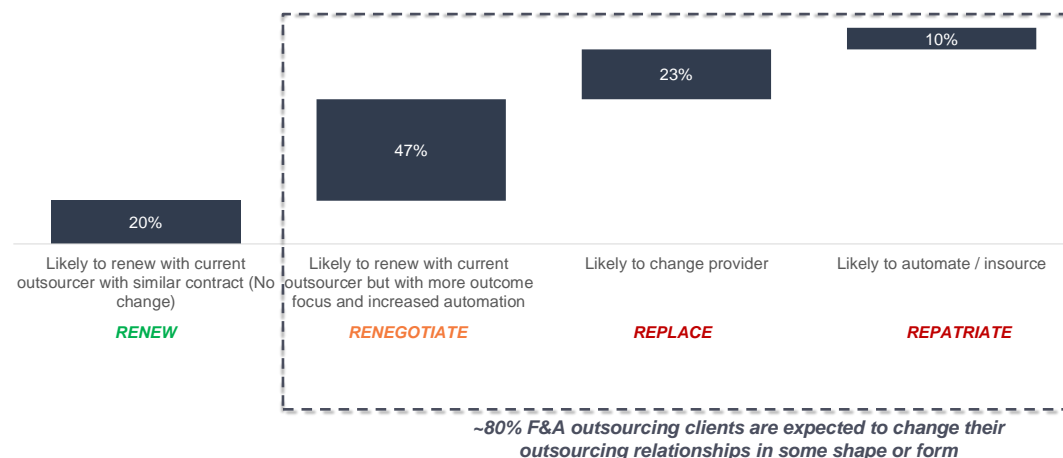


Exhibit 2. Plans regarding current F&A outsourcing agreements

Sample: ~400 client executives, 2018

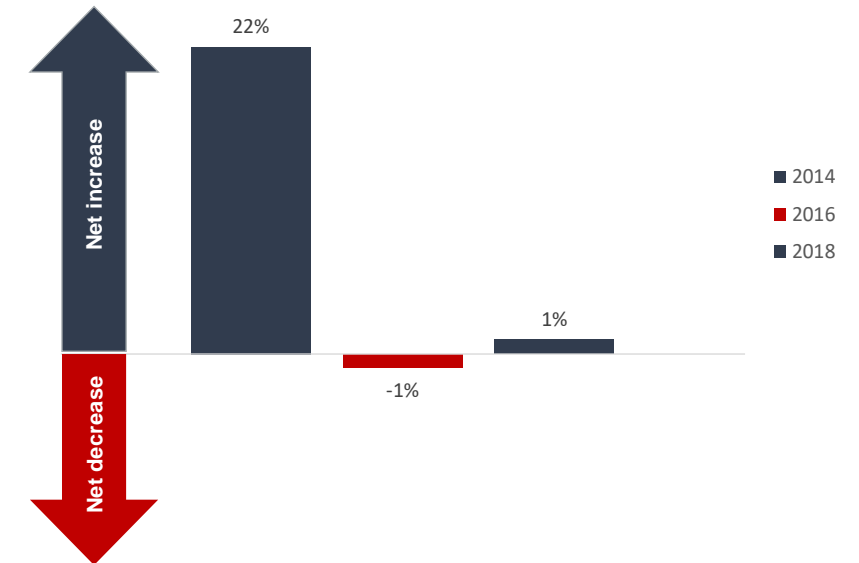


Executive summary (page 2 of 5)

- **The focus on offshoring as a solution element has diminished significantly (see Exhibit 3). Third-party F&A services are ripe for disruption.**
 - F&A in the late 1990s and early 2000s was all about cost-reduction (and of course regulatory compliance!). The F&A services market exploded with the powerful labor-arbitrage opportunity where you could access the similar quality of talent at a significantly lower cost base.
 - This was hugely attractive for the Global 2000 enterprises, but soon everyone realized that labor arbitrage was a one-time benefit. Both clients and their delivery arms (third-party service providers and shared services) started to wonder what else could be done.
 - Some service delivery improvements were introduced, such as Lean and Six Sigma, end-to-end process definitions and scope, technology augmentation through workflows and other bolt-on tools, and the rise of right-shoring. This improved client satisfaction, but many continue to declare a lack of innovation as a pet peeve. The watermelon effect is also widespread—the service levels are green, but the heart of process transformation is still flaming red!
 - Growth in F&A services has slowed down from about 15% YoY growth in the mid-2000s to less than 10% YoY today. This is still healthy on a relative basis when you compare to other global service market segments such as IT services, but not in absolute terms. The pipeline of new deals (especially large deals) for every leading service provider has dried up, and a large proportion of the current growth is based on expanding existing client relationships. A number of mature subsegments within F&A, such as payables and receivables, that account for a majority of the existing revenue base are also on the verge of commoditization.
 - Consequently, the inertia to linger with what worked for a better part of two decades is loosening up. The top leadership within service providers is becoming more transparent about pivoting their value propositions and trying something different.

Exhibit 3. How will offshore use change in F&A outsourcing and shared services over the next two years? (Net increase or decrease)

Sample: ~400 client executives, 2018

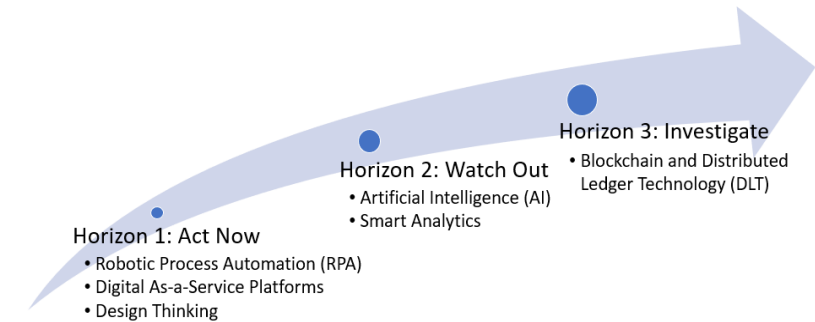


Executive summary (page 3 of 5)

- **Emerging technologies across RPA, AI, smart analytics, and blockchain promise to generate far more value with an even lower cost-base**

- The rise of digital as-a-service platforms such as Concur, Tradecraft, Blackline, Trintech, and OmPrompt is changing how we think of traditional F&A value chains and associated service delivery as cloud-based solutions increasingly provide an end-game, getting work done with vastly reduced needs for intensive labor and technology fixes.
- Design thinking is used to help finance executives become better partners within their businesses, to identify new areas of opportunity, and to shift the focus of work and engagement to the end consumer. Wipro and IBM are using Design Thinking heavily to understand their clients' end customers. Capgemini has "Transformation on the Fly"—a series of workshops developed by the Transformation Team with the client.
- 9,000+ bots have been deployed in F&A engagements by the 17 service providers assessed in this report. However, digital FTEs comprise only 5% to 7% of the total workforce, implying significant untapped growth potential. For instance, DXC is pushing a cloud-based bots as-a-service offering to meet the cyclical demands of business without upfront investments or significant licensing costs. Genpact offers an online store for downloading pre-configured bots that can be assembled quickly with a LEGO-like ease to deliver automation solutions under its Cora Bot Hub offerings.
- Elements of artificial intelligence (AI), especially machine learning (ML), natural language processing (NLP), and computer vision are starting to find their feet in F&A. For instance, Accenture is starting to use AI-based smart matching for real-time unapplied cash reconciliation. Intelligent invoicing solutions are emerging that help predict invoice accuracy and outcomes. TCS is leveraging machine learning to manage invoice and billing exceptions, detecting fraud, manage past dues, etc.
- We are also witnessing the rise of smart analytics through development of visualization tools with simulation capability. Examples include IBM Cognos Analytics and its use of ML algorithms to model how enterprise and market forces interact, using structured and unstructured and internal and external data sources to help optimize financial planning. WNS's TRAC suite has embedded analytics and big data visualization tool for CFOs.
- Blockchain, or distributed ledger technology (DLT), is starting to offer a disruptive future vision for F&A. Blockchain is still nascent but it is real, and leading organizations are investing and investigating as it could be a means to a sustainable competitive advantage that is very hard to find especially in the F&A services world. IBM is starting to leverage blockchain solution to eliminate accounts payable as a resolution intermediary and Capgemini is leveraging Blockchain for intercompany reconciliations.

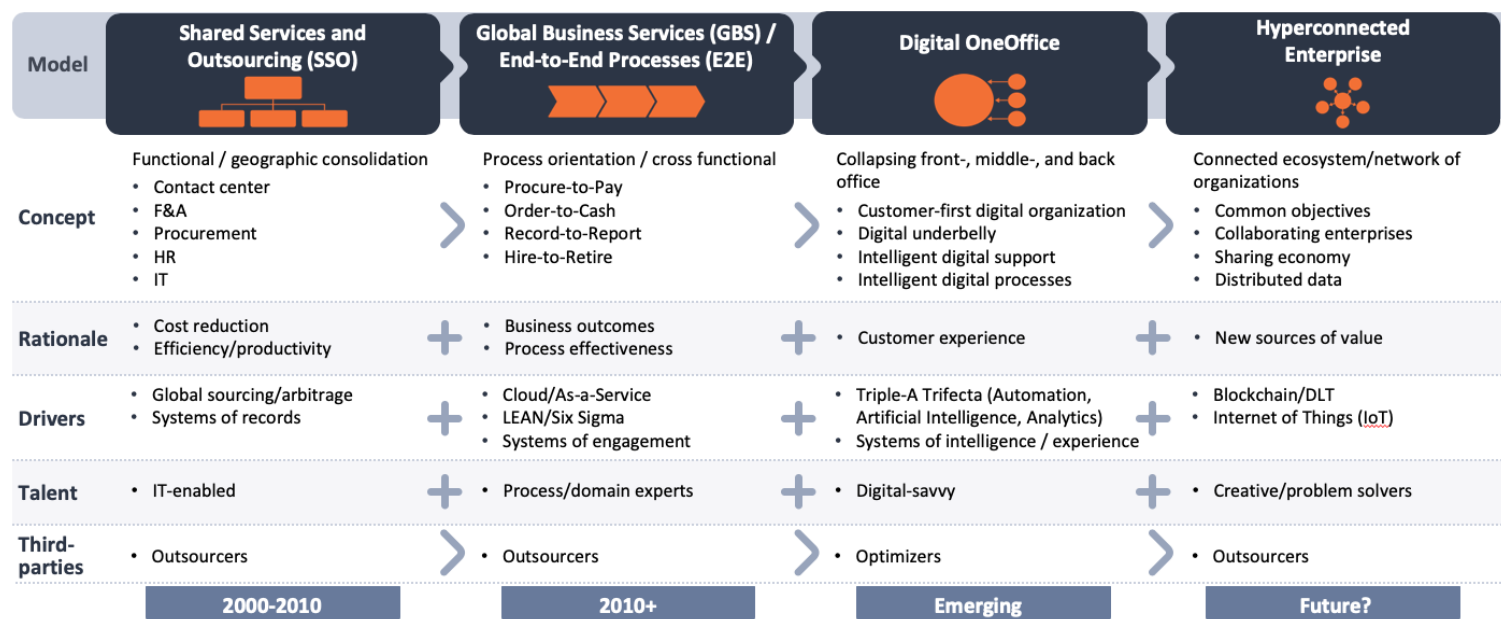
Exhibit 4. Emerging value creation levers for F&A Services



Executive summary (page 4 of 5)

- Enterprises need a holistic finance OneOffice, not just an efficient back office. And as organizational silos converge, ecosystems will start to develop and a hyperconnected enterprise will emerge.
 - Advancements in technology are pushing the boundaries of enterprise value creation. The journey of operational transformation started nearly two decades ago with the rise of shared services and outsourcing (SSO). It evolved into global business services (GBS) driven by end-to-end (E2E) processes, and is culminating with the advent of what HFS calls the “Digital OneOffice.” Organizational silos around front-, middle-, and back-office collapsing and creating boundary-less organizations where there is only one office that matters: the office that caters to the customer.
 - The value proposition, the value creation levers, the underlying talent requirements, and the role of third-parties has evolved significantly over the years. This journey to the OneOffice has taken more than 20 years and is still not complete. However, the Triple-A Trifecta (automation, AI, and smart analytics) and the emergence of blockchain and IoT are helping organizations reach their OneOffice goals at a much faster pace than before.
 - HFS believes that as organizational silos converge, new ecosystems will emerge. These networks will be driven by collaboration across multiple organizations with common objectives around driving completely new source(s) of value. Enterprises will need to be as hyperconnected and as autonomous as possible within their business environments if they want to pinpoint where disruption is coming from, where to disrupt, and how to keep reinventing themselves in an unforgiving world when we no longer have time to rest on our laurels. Emerging technologies are starting to make this vision of a shared economy with distributed and trustworthy information a reality.

Exhibit 5. The Evolution toward the finance OneOffice and hyperconnected enterprise



TOP 10

1. Hyperautomation of transactional services powered by the Triple-A Trifecta

	Today	Future
Manual	High	Low
Automated	Low	High

2. End-to-end capability to manage data drives differentiation

3. People focus on specialized and creative scope to add value

4. Convergence of F&A and procurement with supply chain

5. Integrated automation platform replaces patchwork of technology

6. Partnership ecosystem drives solution (No one can be everything to anyone)

7. Success measured by digital change management versus digital adoption

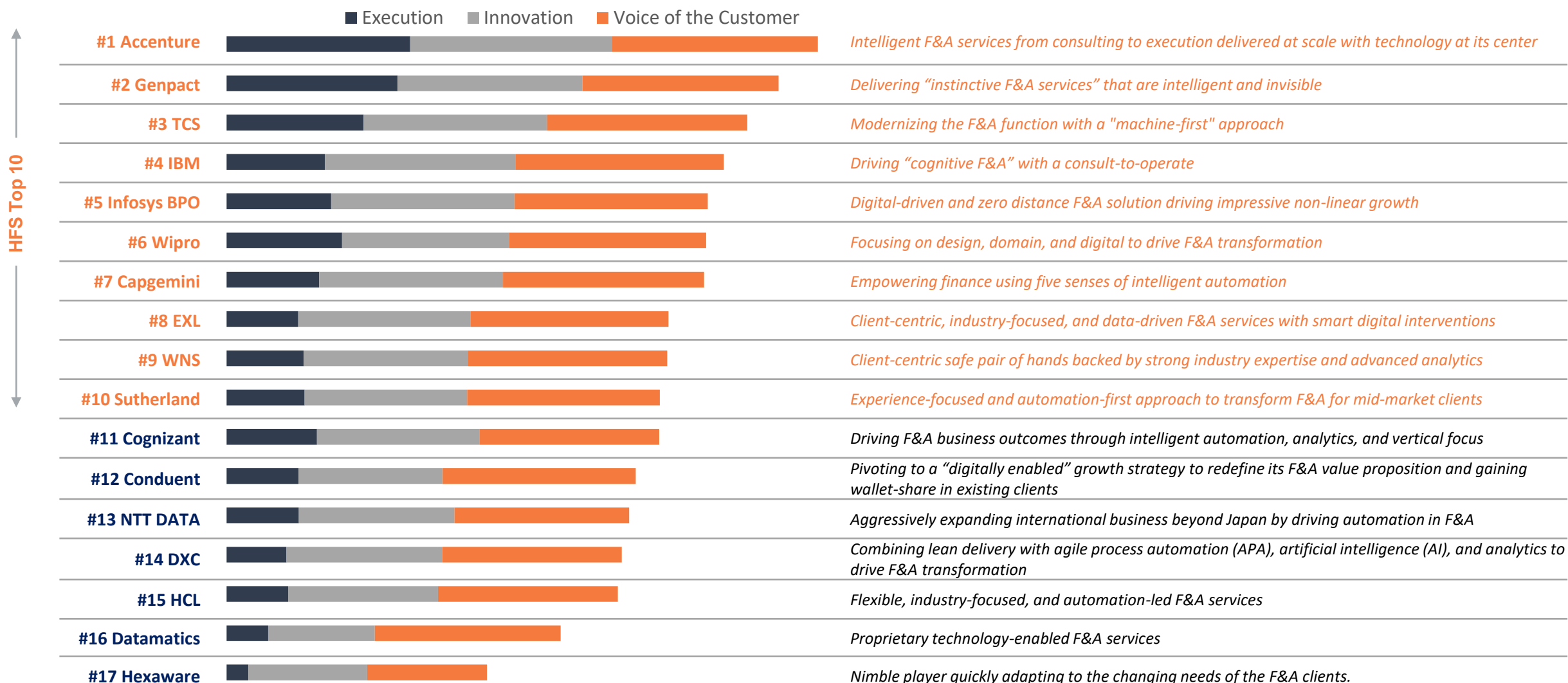
8. Commercial models incentivizing outcomes not effort

9. Ongoing technology-driven disruption

10. Good old account management and customer service
























































The HFS Top 10 F&A Service Provider Rankings

HFS Top 10 F&A service providers, 2019



Source: HFS Research, 2019

HFS top five F&A service providers by individual assessment dimensions

HFS Ranking	Ability to execute						Innovation capability				Voice of the customer
	Overall	Scale and experience	Industry and geography presence	Scope of services	Delivery capabilities	Account management	Vision and strategy	Leveraging emerging technologies	Investments and IP	Co-innovation and collaboration	
#1											
#2											
#3											
#4											
#5											

Source: HFS Research, 2019

F&A Service Provider Profiles

Intelligent F&A services from consulting to execution delivered at scale with technology at its center

Dimension	Rank	Strengths	Development opportunities		
HFS Top 10 position	#1	<ul style="list-style-type: none">• Impressive F&A client base with demonstrable non-linear growth: Accenture has the largest market share in F&A, servicing 260+ clients with 45+ new clients added in 2018. It accomplished a double-digit revenue growth with ~5% FTE growth and 20% increase in automation deployments. Accenture’s diverse workforce is a combination of digital, domain, and industry experts.• End-to-end F&A offering backed by scaled up consulting, technology and execution capabilities: Accenture offers mature advisory and delivery capabilities across P2P, O2C, R2R, and FP&A. The improved synergies between its various business units is creating better alignment with its clients’ business objectives.• Go-to-market driven by Intelligent Operations. Accenture is enabling its clients to shift from a transactional to outcome mindset with technology at the center. The recent addition of SynOps tool, which is based on human-machine operating engine, is expected to create value and help transform business operations.• The future of Finance narrative: Accenture continues to be at the forefront to drive next-gen F&A outcomes (e.g., continuous accounting) enabled by its investments in emerging technologies including AI, blockchain, and quantum computing.• Robust partner ecosystem. Accenture continues to build its strong ecosystem of partners across start-ups and big-tech with several new partnerships in 2018 (incl. Anachron, Anaplan, Sisense, and InvoiceSharing)	<ul style="list-style-type: none">• Service delivery. Despite significant investments in innovation, Accenture cannot take its eye of service delivery basics. Clients suggest potential improvements in service standardization across centers.• Account management. Accenture has a reputation as a premium, and high cost, and may be perceived as a less responsive organization, at times this can steer some clients toward more niche specialized firms to get the attention, flexibility, and experience.		
Ability to execute					
Scale and experience	#1				
Industry and geography presence	#1				
Scope of services	#1				
Delivery capabilities	#1				
Account management	#9				
Capabilities across the F&A value chain (% FTE distribution) ¹					
<div><div></div><div></div><div></div><div></div></div> <div><div></div><div></div><div></div><div></div></div> <div>P2PO2CR2R (Includes FP&A)F&A transformation</div>					
Innovation capability		Market share and client portfolio	Service Delivery Operations	Acquisitions and partnerships	Proprietary tools and technologies
Vision and strategy	#1	<p>Market share² (revenue) 100% = ~\$8+ B</p> <div><div></div><div></div></div> <div>86%14%</div> <div>AccentureOthers</div> <p>Industry mix – (260+ Clients)</p> <ul style="list-style-type: none">• Energy & Utilities (20%)• CPG (5%)• BFSI (15%)• Electronics & High Tech (15%)• Manufacturing (10%)• Retail (10%)• Travel & Transportation (10%)• Media & Entertainment (10%)• Others (5%) <p>Notable clients</p> <ul style="list-style-type: none">• BP• Microsoft• Marriott• Schlumberger• Delta Airlines• TDC	<p>Total F&A delivery headcount: 36,000+</p> <p>Distribution of Headcount by Location</p> <div><div></div><div></div><div></div></div> <div>75%20%5%</div> <div>OffshoreNearshoreOnshore</div> <p>F&A Delivery Centers by Location (37)</p> <div><div>•North America (3)</div><div>•South America (4)</div><div>•Western Europe (5)</div><div>•UK (2)</div><div>•Eastern Europe (6)</div><div>•Asia (10)</div><div>•Africa (2)</div><div>•India (5)</div></div>	<p>F&A related acquisitions:</p> <ul style="list-style-type: none">• 2016: OPS Rules, Allen International, Nashco Consulting Ltd, solid serVision• 2015: Cloud Sherpas, EnergyQuote, FusionX• 2014: i4C Analytics, PureApps, Hytracc• 2013: ChangeTrack Research, Procurian <p>F&A related partnerships: Anachron, Anaplan, Sisense, InvoiceSharing, Trintech, Coupa, OmPrompt, Blackline, Duke, MIT, Vanderbilt University, Marriott (Accenture Hospitality Services)</p>	<ul style="list-style-type: none">• SynOps™ for Finance• Intelligent Automation Platform (IAP)• Accenture Agile Workforce,• Accenture Operations Navigator 2.0,• Radix™,• Accenture Cognitive Engine (ACE)• TOTAL VALUE - Brilliant Basics framework for technology-enabled as-a-service business operations• ZBx – Anything Zero Based
Leveraging emerging technologies	#1				
Investments and IP	#1				
Co-innovation and collaboration	#3				
Voice of the customer	#2				

¹ May not sum to 100% due to overlap of resources across transformation and FP&A

² Market share based on 2018 F&A revenues estimates across the 17 service providers assessed in this report

About the authors

Hema Santosh | Senior Research Analyst



Hema leads The Buyers' Guides, Delivery Locations and M&A Analysis along with various Data initiatives at HFS. Prior to HFS, Hema has worked across all the facets of IT Services and BPO research for more than a decade in organizations such as ISG, Accenture and ITFinity Solutions, honing her skills across custom research, competitive analysis, outsourcing contracts analysis, location assessments, quantitative & qualitative research. ([View bio and contact details](#)).

Saurabh Gupta | Chief Strategy Officer



Saurabh Gupta is Chief Strategy Officer at HFS. He oversees HFS' global research function managing the global team of analysts across US, Europe, and Asia-Pac. He works closely with the CEO to set the strategic research focus and agenda for HFS Research, understanding the needs of the industry, and ensuring that HFS remains a thought leader for operations and services research.

As an analyst, Saurabh leads our coverage for emerging technologies such as blockchain, business services (such as finance & accounting and procurement) as well as overarching and cross-cutting themes under the OneOffice concept like digital change management. ([View bio and contact details](#)).



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