



***ISG** Provider Lens™

2020

Financial and Accounting
Outsourcing

imagine your future®

ISG (Information Services Group) (Nasdaq:III) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including more than 70 of the top 100 enterprises in the world, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,300 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data. For more information, visit www.isg-one.com.



Table of Contents

Definition	4
Quadrant Research.....	5
Archetype Report.....	7
Schedule.....	8

© 2019 Information Services Group, Inc. All rights reserved. Reproduction of this publication in any form without prior permission is strictly prohibited. Information contained in this report is based on the best available and reliable resources. Opinions expressed in this report reflect ISG’s judgment at the time of this report and are subject to change without notice. ISG has no liability for omissions, errors or completeness of information in this report. ISG Research™ and ISG Provider Lens™ are trademarks of Information Services Group, Inc.

Definition

Finance and accounting (F&A) services have evolved from FTE-based transactional services to digitalized services. Companies have come a long way from mere cost savings to now being able to improve efficiency and accuracy. With the advent of digital technologies, the F&A outsourcing landscape has changed and defines how services are being delivered today. Cloud technologies have gained considerable traction and FAO services are being delivered on cloud platforms (BPaaS). Automation has become an integral part of how F&A outsourcing services are delivered today, thus reducing costs and improving accuracy.

In addition to technology adoption, enterprises are seeking to partner with providers to outsource not just transactional services but the entire finance and accounting services. This includes complex functions such as financial planning, budgeting and M&As.

This year, we also focus on value-added services, including analytics by outsourcing partners and the benefits achieved. With the significant influx of data along with changing industry dynamics, insights should be derived from this data to help organizations become more proactive in their finance management. This entails more of a strategic relationship for service providers to help enterprises achieve their transformation goals.

This study on Finance and Accounting Outsourcing Services is aimed at understanding enterprise requirements and provider capabilities to meet their demands.

The ISG Provider Lens™ study offers IT decision makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments
- Focus on different markets, including Global, the U.S. and the U.K.

Our study serves as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current vendor relationships and potential new engagements.

Quadrant Research

As part of this ISG Provider Lens™ quadrant study, we are introducing the following two quadrants on F&A outsourcing:



Digital Consulting

This quadrant assesses a provider's ability to provide consulting services in the F&A domain, in terms of technology implementation as well as process improvement. It analyzes the ability of each provider as a strategic partner and to provide transformation roadmaps to clients.

F&A service providers are helping clients in their finance transformation journeys and are taking over core finance functions. They demonstrate an ability to understand their clients' businesses and related processes and offer solutions that can help them achieve their objectives. Clients have become more open to outsourcing core F&A processes such as external reporting, management reporting, budgeting and forecasting, audit and risk management, cost accounting, project accounting and treasury accounting. On the other hand, service providers need to demonstrate strong domain expertise along with vertical specialization and a best-of-breed technology offering.

Providers should develop deep-dive consulting and design thinking practices that are comparable to the tax and financial consulting practices of the Big 4 firms.

Eligibility criteria:

- Ability to advise on F&A outsourcing
- Employ design thinking or alternative methodologies to involve the customer in designing products and services or the transformation roadmap
- Provide services with local expertise in the assessed region or country
- Demonstrate industry and domain expertise to deal with core finance functions and lead digital implementation of roadmap design

Digital Operations

This quadrant assesses the digital F&A capabilities and core domain expertise of service providers. The providers should be able to offer end-to-end F&A support, including high-end financial planning and analysis (FP&A) capabilities that are underpinned by technology.

Client companies are seeking to leverage technology, outsource more of their critical functions and gain deeper insights to support decision making. The automation journey is not limited to robotic process automation (RPA), but goes a step further to enable decision-making and managing the enterprise's finances more efficiently. Service providers are offering artificial intelligence (AI) with natural language processing (NLP) capabilities and machine learning. They are also offering advanced optical character recognition (OCR) technology to enable electronic invoice processing for both paper and digital invoices.

CFOs want to focus on their core business and want to use technology to get real-time insights to make quick decisions, so their finance departments function more effectively. An analytics solution should move beyond predictive capabilities and offer action-driven insights. Providers need to give finance executives anytime and anywhere access to data and insights through cloud-based solutions. They should be able to offer ERP integration, intelligent automation, machine learning, NLP and cognitive computing, in addition to cloud and analytics solutions.

Eligibility criteria

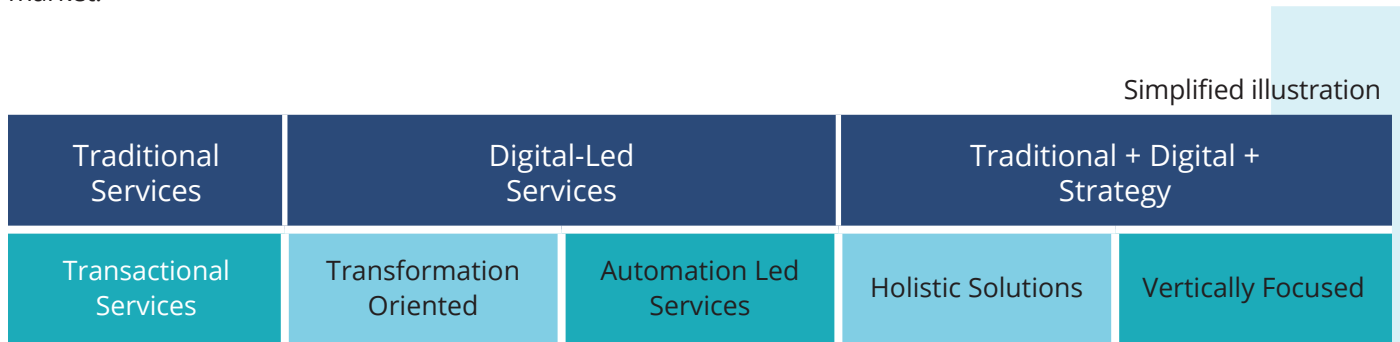
- Ability to offer solutions ranging from transactional to holistic in the F&A outsourcing domain
- Provide digital technologies to clients
- Bring in deep domain expertise in this domain
- Offer vertical solutions

Quadrants by Region

	Global	U.S.	U.K.
Digital Consulting	Overview	✓	✓
Digital Operations	Overview	✓	✓

Archetype Report

As part of the ISG Provider Lens™ archetype report, we are introducing five archetypes for the F&A outsourcing market:



Source: ISG 2020

- **Transactional Services Buyer:** This archetype represents point solution buying behavior with a focus on non-critical transactions. The objective of clients falling under this archetype is to reduce cost of transaction processing through offshore labor arbitrage.
- **Transformation Buyer:** These clients are seeking to embark on their digital journey. They are looking for cloud solutions/BPaaS services.
- **Automation & Transformation Buyer:** These clients are keen on cost savings, accuracy and higher efficiencies. They want to leverage automation to speed up the process and improve accuracy. They also want to use analytics to improve automation capabilities and are looking to explore cognitive tools that go beyond RPA.
- **Holistic Solutions Buyer:** These clients are looking to outsource end-to-end F&A outsourcing services, including complex functions. The objective is to achieve better outcome by minimal investment on the enterprise front. They want to leverage the outcomes for critical decision making so that CFOs can focus on core business functions.
- **Vertically Focused Buyers:** Clients falling under this archetype are looking for solutions and frameworks that are specific to their verticals and will help them address both process and regulatory requirements when it comes to F&A outsourcing.

Schedule

The research phase falls in the period between **December 2019 and May 2020**, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in **June 2020**.

Milestones	Beginning	End
Launch	December 10, 2019	
Survey Phase	December 10, 2019	January 29, 2020
Sneak Preview	April 20, 2020	
Press release	June 2020	

Research production disclaimer:

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.

Contacts for this study



Namratha Dharshan
Lead Analyst – U.S. and UK



Aparna Ganjanan
Co-Lead Analyst – U.S. and UK



Amar Changulani
Global Overview



Ravi Ranjan
Global Project Manager

Do you need any further information?

If you have any questions, please do not hesitate to contact us at isglens@isg-one.com.

Partial list of invited companies for the survey

Are you in the list or do you see your company as a relevant provider that is missing in the list? Then feel free to contact us to ensure your active participation in the research phase.

Accenture	DXC	OneSource Virtual
Aegis	EXL Services	Quattro
API Outsourcing	Genpact	Serco
Arvato	HCL	Sopra Steria Group
Atos	Hexaware	Sutherland
Capgemini	HGS	TCS
Capital Group	IBM	Tech Mahindra
CGI Group	Infosys	TMF Group
Ciber Global	Intelenet Global Services	Wipro
Cognizant	Invensis	WNS
Concentrix	IQ BackOffice	Xchanging
Conduent	NIIT	
Datamatics	NTT DATA	