# Everest Group PEAK Matrix® for Finance and Accounting Outsourcing (FAO) Service Provider 2022

**Focus on Infosys**
October 2022

Everest Group
PEAK
MATRIX®

# Background and scope of the research

**Background of the research**

The global multi-process FAO market continued to grow at a steady rate of 9-10% in 2022. Surging inflation, recessionary environment, geopolitical instability, coupled with the volatility that the pandemic left the enterprises in, has increased enterprises' openness to leverage third-party service provider support for their finance functions. The drive for digital transformation, increasing number of first-time outsourcers, and increasing demand for next-generation technology and high-end F&A work from mature outsourcers is expected to continue driving market growth in 2022.

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 and innovative ESG solutions, flexible pricing models, 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 Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with PEAK Matrix® Assessment 2022.

**In the full report, 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 2022 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**
27 FAO Service Providers

**Services**
Finance and Accounting Outsourcing (FAO)

# Key characteristics of Leaders, Major Contenders, and Aspirants

**Leaders:**

Accenture, Capgemini, Genpact, IBM, Infosys, TCS, and Wipro

- Leaders have been consistent in the delivery of FAO services – they continue to invest in strengthening their all-round F&A capabilities. They continue to expand through organic and/or inorganic means, entering new geographies & industries, and serving various client sizes
- They leverage deep industry and F&A domain expertise, superior technology capabilities (augmented by heavy investments in next-generation technologies), innovative engagement models, end-to-end digital transformation and consulting experience, and multi-tower BPS capabilities to differentiate themselves in the market
- They also leverage their scale of operations and wide delivery presence across onshore and nearshore locations to cater to clients' varied strategic requirements

**Major Contenders:**

Cognizant, Corcentric, Conduent, Datamatics, DXC Technology, Exela Technologies, EXL, HCLTech, Sutherland Global Services, Tech Mahindra, Teleperformance, and WNS

- Major Contenders are increasingly building capabilities in serving different geographies and industry segments – many of them are focusing on specific industry verticals and have developed capabilities to address industry-specific nuances by developing modular solutions
- They are also developing sophisticated digital solutions and have been successful in implementing them across their client base, with some providers relying on third-party vendors to fill the capability gaps

**Aspirants:**

Concentrix, Hexaware, IQ BackOffice, Nexdigm, OneSource Virtual, Quatrro Business Support Services, QX Global, and Sundaram Business Services

- Aspirants are either focused on a particular region(s), industries, F&A process(s), and/or currently have relatively small FAO operations
- They offer innovative point solutions, primarily in transactional F&A processes. While they continue to strengthen digital capabilities, their current set of capabilities and limited scale may not be best suited to handle end-to-end requirements for large organizations

# Everest Group PEAK Matrix®

## Finance and Accounting Outsourcing (FAO) Services PEAK Matrix® Assessment 2022 | Infosys positioned as Leader and Star Performer

**Everest Group Finance and Accounting Outsourcing (FAO) PEAK Matrix® Assessment 2022[1,2]**
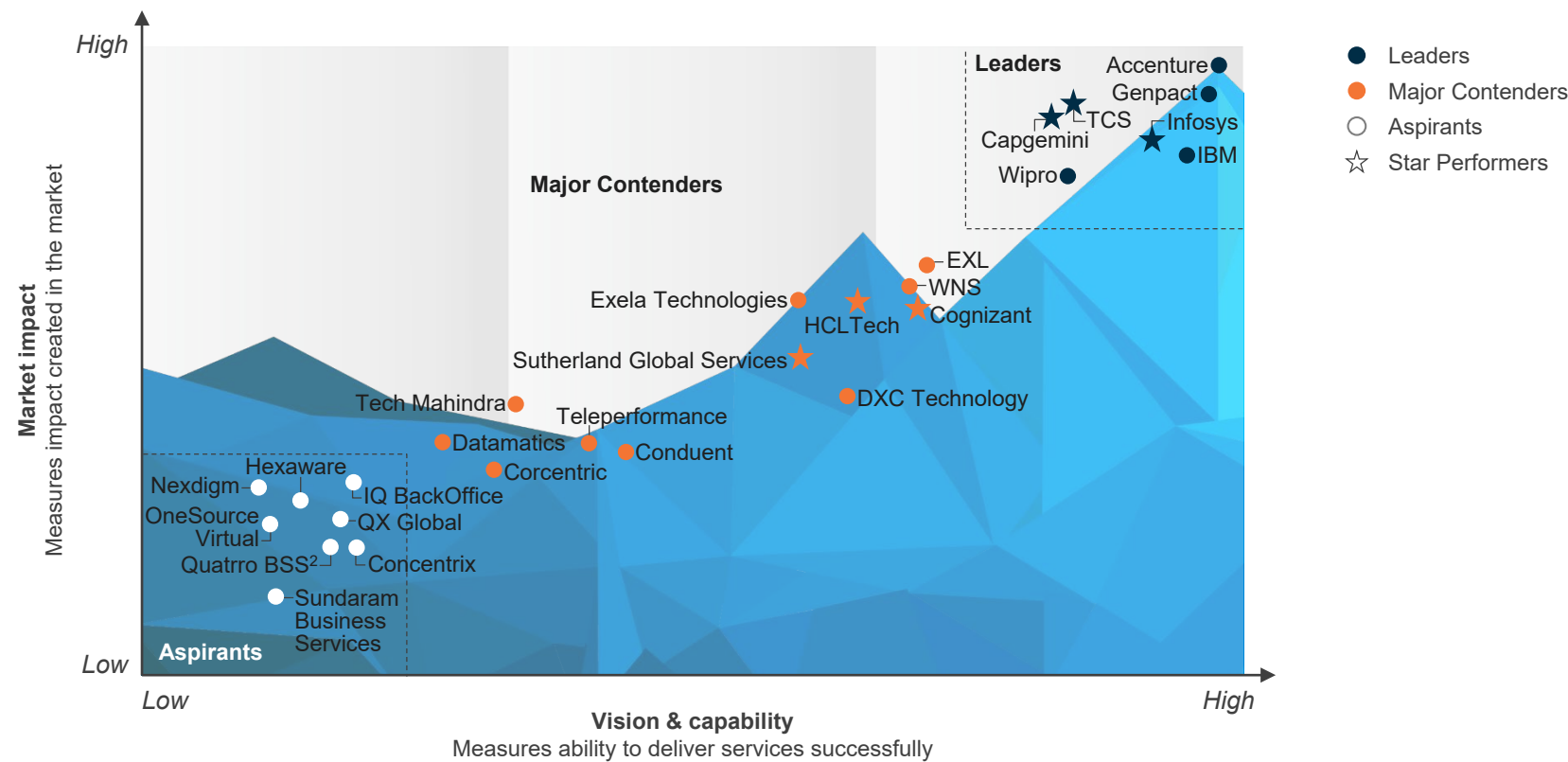


1. Assessment for Concentrix, DXC Technology, Hexaware, Sundaram Business Services, Teleperformance, and WNS excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with FAO clients
2. Quatrro BSS: Quatrro Business Support Services

Source:   Everest Group (2022)

# Infosys | FAO profile (page 1 of 6)
## Overview

**Key leaders**
- **Kapil Jain,** SVP Global Head of Sales & Capability, Infosys BPM
- **Vinay Gopal Rao,** VP & Strategic Business Practice Head, F&A
- **Santosh Premdas,** AVP and Sr. Solution Design Head, F&A
- **Prasanth Nair,** AVP and Sr. Director, F&A Practice Engagement
- **Sandeep Sahadevan,** Head, F&A Key Solutions Practice

**Recent developments/investments**

| Service scope expansion | • Invested in building Enterprise financial analytics and reporting services comprising of digital predictive costing, cost impact analysis, asset inventory optimization, financial statement prediction, supply chain finance / product costing, finance-as-a-service, and GRC and security services<br>• Expanded digital FAO services, finance insights-as-a-service, sustainability reporting-ESG services, finance RPA assessment, industry specialized services, business transformation, business process integration & product management, finance maturity assessment, change management-as-a-service |
|---|---|
| Technology expansion | • **APOC implementation –** this platform with rearchitecture into cloud-based multi-tenancy model is built on the Live Enterprise framework<br>• **FinTrak for F&A –** built on LEAP architecture – Functionalities include BOT orchestration layer, integrated workflow, and smart analytics<br>• **Compliance-as-a-Service –** automation and analytics-driven continuous compliance solution<br>• Deeper SI Capabilities with new partner ecosystem Signavio, Anaplan, Blackline, and HighRadius<br>• **New Partnerships with Xelix –** AI-powered software that uncovers payment risks and K-Prism - assists clients in concurrent audit automation<br>• **Intelligent Ledgers –** leverages AI to mine the transactions in ledger |
| Others | • **Distributed Model –** the new normal due to COVID-19 – Setting up offices that acts a spoke, while the existing centers remains as hub, where employees working from home can visit the center<br>• Leveraging forecasting-based talent hiring enabled by AI with a centralized demand and supply management<br>• Invested in skills-based career pathing and progression<br>• Train and hire Model – deployment of pre-trained and operations ready resources<br>• Learning and Training re-defined – online trainings on digital platforms like WebEx and MS forms |

**Scale of operations**

Number of FAO FTEs over time

| 19,016 | 18,854 | 19,264 | 20,391 |
|---|---|---|---|
| 2018 | 2019 | 2020 | 2021 |
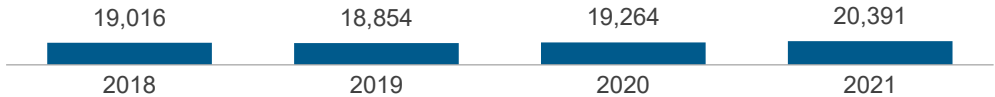
Infosys' in-house products are adopting the Live Enterprise Architectural Principles (LEAP), and their transformation journeys are designed to build Live Enterprise-enabled finance organizations (Finance.Live) with the following components:
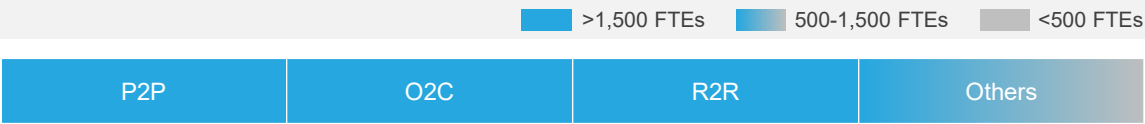- **Connected –** Introduce networks and portals in Finance for efficiencies of "one to many"
- **Agile –** solutions with a quicker time to value realization in ever increasing demand for digitization
- **Sentient –** to sense signal, learn patterns and build solutions using AI/ML
- **Hyper Automation –** is to move away from "brick and mortar" and be platform-based even as we embrace emerging technologies such as blockchain and IOT-based use cases
- **Experience –** shift to real-time with information and insights on-demand

**FAO services suite**

It offers end-to-end CFO support F&A services classified as:
- **Transactional services:** E2E P2P, O2C, and R2R (inclusive of FP&A)
- **CFO's office services:** enterprise finance analytics and reporting, SAP GRC, data governance, data analytics, scenario-based modeling, decision support, financial reporting, and analysis
- **Industry-specific solutions:** supply chain finance, business partnering, commercial negotiations, profit/cash/stock protection group, and trade promotion
- **Other services:** finance-as-a-service, finance insights-as-a-service, sustainability reporting – environmental, social, and governance support

**Distribution of FTEs across processes**

| | ■ >1,500 FTEs | ■ 500-1,500 FTEs | ■ <500 FTEs |
|---|---|---|---|

| P2P | O2C | R2R | Others |
|---|---|---|---|

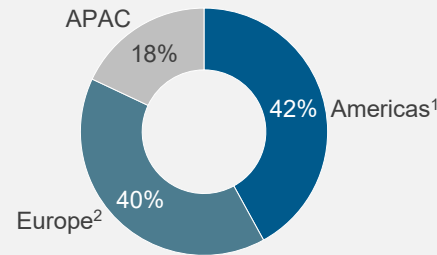Everest Group®

# Infosys | FAO profile (page 2 of 6)
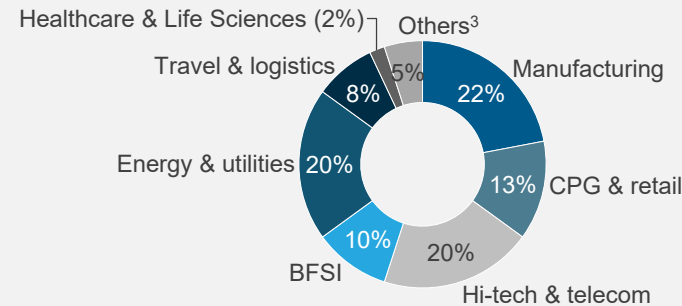## Client portfolio

**Major FAO clients:**

Global household appliance products giant, leading British electrical retailer, Asia's leading communications group, an American leading organic and natural products company, the largest supermarket chain in the European region, a worldwide contract logistics & freight management company, a global pet & confectionary company, a world-leading steel & mining company, a British multinational aerospace & defense company, world's largest airline company, a global leader in manufacturing and innovation for the nutraceutical and supplement industries, a leading professional services organization, a leading procurement solution provider, the largest wine company in Australia, world's leading manufacturer of wheelchairs, bariatric equipment, disability scooters, respiratory products, and other homecare products, and a technology leader delivering hybrid networking and cloud connectivity

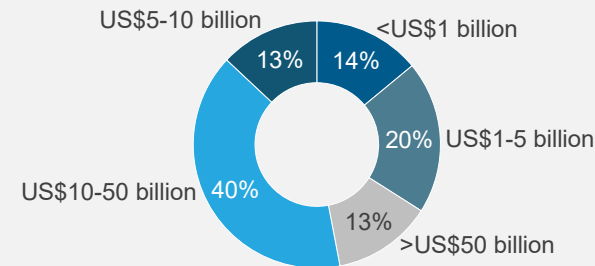| Recently announced FAO engagements (non-exhaustive) | | |
|---|---|---|
| **Time of signing** | **Client** | **Contract details** |
| 2021 | A construction engineering company | Five-year contract; ~200+ FTEs; scope of services – P2P, O2C, and R2R; delivery location: Pune, Lodz, Dalian |
| 2021/ 22 | A leading British electrical retailer | Five-year contract; ~350+ FTEs; scope of services – P2P, O2C, and R2R; delivery location: Brno |
| 2021 | A leading household appliance products giant | Two-year contract; ~240 FTEs; P2P, O2C, and R2R; delivery location: Chennai, China, Poland, Pune |

**FAO revenue mix by buyer geography (2021)**



APAC 18%
Americas[1] 42%
Europe[2] 40%

**FAO revenue mix by buyer industry (2021)**



Healthcare & Life Sciences (2%)
Others[3] 5%
Travel & logistics 8%
Manufacturing 22%
Energy & utilities 20%
CPG & retail 13%
BFSI 10%
Hi-tech & telecom 20%

**Number of clients by buyer size (2021)**



US$5-10 billion 13%
<US$1 billion 14%
US$1-5 billion 20%
US$10-50 billion 40%
>US$50 billion 13%

1   Americas include revenue from North and Latin America
2   Europe includes revenue from UK and rest of Europe
3   Others include revenue from government/public sector

# Infosys | FAO profile (page 3 of 6)
## Location landscape

**FAO delivery locations**

# Infosys | FAO profile (page 4 of 6)
## Technology solutions

**FAO technology approach:** offers both proprietary and COTS bolt-on and cloud-based tools augmented with AI.

| Solutions | P2P | O2C | R2R, FP&A, and compliance |
|---|---|---|---|
| **Solution description** | • Accounts payable platform for integrated payables and disbursement management.<br>• AI intelligent platform for anomaly detection, statement reconciliation, and actionable insights<br>• Partnerships with leading COTS products supporting e-invoicing, EDI, and AP automation<br>• Accounts payable conversational cloud for multichannel vendor and employee interaction<br>• Travel expenses submission and audit automation solutions third-party platforms and Infosys FinTrak<br>• Accounts payable insights | • Pre-billing audit solution – Infosys One Billing<br>• Infosys Receivables Management 3.0<br>• Revenue accounting & close solution<br>• Unique platform to support network subrogation<br>• Partnerships with leading COTS products supporting credit, collections, cash application, deductions, electronic billing<br>• Electronic invoice presentment and payments<br>• Advanced AI and analytical solutions around collections strategies and self healing dispute resolution<br>• Accounts Receivable Insights<br>• SI and consulting capabilities of leading 3rd Party AR solutions | • 1 Revenue accounting & close solution<br>• Compliance and controls testing platform<br>• Partnerships with leading COTS products<br>• Direct and indirect tax platform for statutory compliance<br>• Blockchain for intra-and-intercompany transactions<br>• Ledger intelligence<br>• SI and consulting capabilities of leading 3rd party partners in R2r and FP&A |
| **Process scope** | • End-to-end AP automation from invoice receipt to vendor payment, helpdesk and reconciliation, AI/ML code assist for non-PO invoice, intelligent duplicate check, BOT library, and hosted subledger module<br>• PO transmission, invoice creation, invoice receipt, invoice processing and payment, supplier financing, and vendor onboarding<br>• Vendor queries, statements, invoice submission, employee queries, and conversational chatbot<br>• T&E receipts, audit to rules and payments, fraud analytics<br>• Analytics engine for actionable insights – early payment discounts, cash forecasts, DPO trends for W/C optimization, and payment insights<br>• AP Compliance<br>• Consulting service for AP solution implementation, process definition, and AP transformation | • Billing pre-audit, preparation and presentment<br>• Network subrogation<br>• Single receivables platform to manage collections, disputes and cash applications, AI-/ML-driven self-correcting collection strategy<br>• Comprehensive revenue accounting and close solution for enterprise-wide revenue, inventor, and debtors' visibility<br>• Invoice presentment, billing review, self-service portal for customers invoice payments, master data requests<br>• Analytics engine for actionable insights – 360-degree customer profiling – credit risk / behavioral / payment pattern, customer propensity to default, cash flow & DSO predictions<br>• Consulting service for AR solution implementation, process definition and AR transformation (DSO, ADD and working capital etc.,) | • Comprehensive revenue accounting and close solution for enterprise-wide revenue , inventor and debtors' visibility, real-time revenue visibility<br>• Modular component-driven platform for automated testing application controls, data level monitoring, ITGC and SOD conflicts across ERP & data platforms<br>• Process controls with automated reconciliations, task management, compliance, variance analysis;, automation with transaction matching, journals and smart close;, intercompany management<br>• FP&A and ERAP services - Finance performance management, planning, budgeting and forecasting, reporting, and analysis<br>• Statutory reporting, filing, and compliance services<br>• Business partnering enablement functions<br>• End-to-end e-filing portal for direct and indirect taxes enabled with self-service<br>• Intercompany transaction management and reconciliations<br>• Consulting service for process definition, R2R transformation, and implementation of BlackLine and Anaplan |

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# Infosys | FAO profile (page 5 of 6)
## Technology solutions

**FAO technology approach:** offers both proprietary and COTS bolt-on and cloud-based tools augmented with AI.

| Solutions | P2P | O2C | R2R, FP&A, and compliance |
|---|---|---|---|
| **Cross-functional** | • Live person next-gen conversational cloud for enhanced stakeholder experience<br>• Process and data mining CoE– Celonis & AE Discoverer, Signavio<br>• RPA – Assist Edge, WorkFusion, Blue Prism, Automation Anywhere, Pega, and UiPath<br>• Language neutralization – in-built & alliance partners<br>• Infosys FinTrak solution for cross-functional collaboration<br>• Digitran (for SOP digitization & process standardization)<br>• Digital command console – a tool for transparent service delivery management<br>• AI – Infosys NIA, Google, IBM Watson, Microsoft Azure, Abbyy, and Cortana<br>• Private blockchain POCs – R3 Corda, Ethereum, Ripple, Multichain, and Hyperledger | | |
| **Delivery model and pricing** | • Strategies based on right-fit segmentation and product classification for verticals and regions – one size does not fit all<br>• Highly integrated synergized offering – IT + BPM services<br>• Inter coupling of capabilities for seamless integrated experience (ERP / platform's implementation; risk & governance – GRC; with BPM services)<br>• As-a-process models<br>• Two-tier implementation approach<br>• SMART BPM solution comprising four layered solution: services, process, applications including RPA, workflows, AI, and point solutions, and infrastructure<br>• Flexible deployment options – hosted, on-premise, or private cloud<br>• Tailored offshore application support throughout the contract life cycle<br>• Flexible pricing options – traditional pricing (FTE and fixed), transactional pricing, license-based, and innovative pricing models such as Phantom and S-Curve | | |

# Infosys | FAO profile (page 6 of 6)
## Everest Group assessment – Leader and Star Performer

Measure of capability:  ◑ Low  ● High

| Market impact | | | | Vision & capability | | | | |
|---|---|---|---|---|---|---|---|---|
| Market Adoption | Portfolio mix | Value delivered | Overall | Vision and strategy | Scope of services | Innovation & investments | Delivery Footprint | Overall |
| ◕ | ◕ | ◕ | ◔ | ◕ | ◕ | ◕ | ● | ◕ |

### Strengths

- Infosys leverages a strong suite of integrated modular solutions enabled by its in-house technologies, frameworks, and a robust partnership ecosystem to cater to its client needs across the F&A value chain, including complex processes (GRC, FP&A, taxation, and compliance), shared services consulting, and industry-specific F&A processes
- It has strengthened its digital and domain capabilities through continued investments/partnerships to improve existing solutions such as APOC™ (accounts payable platform) and develop new solutions such as Fin Trak (finance platform across fixed assets, journal entries, credit assessment, and T&E)
  - It has recently developed its Enterprise Financial Analytics & Reporting Services to support clients with offerings across digital predictive costing and financial statement prediction
  - It leverages its SAP GRC and Security Practice and Compliance and Controls Testing Automation Platform to support clients in managing regulations & compliance and operational risk
  - Its strong domain expertise and collaborative approach is often appreciated by its clients
- Infosys is one of the few providers with tremendous experience in handling very large-scale automation deployments (that are supported by its proprietary AssistEdge™ platform, RPA CoE, and partnerships with UiPath, Automation Anywhere, Blackline, and Celonis)
  - Its intelligent automation capabilities, beyond just RPA, are frequently highlighted by clients as its key strengths
- It has robust experience in serving manufacturing, hi-tech & telecom, and CPG & retail sectors and has significantly increased its presence in the energy & utilities sector
- Infosys is one of the few providers with a good focus on serving clients in the APAC and LATAM regions (in addition to North America, the UK, and Europe) with wide delivery capabilities across the globe and a good nearshore/onshore presence
- It has a highly flexible engagement and commercial model and is one of the very few providers with a high prevalence of flexible pricing constructs such as hybrid pricing
- To help its clients meet their ESG goals, Infosys has developed advisory capabilities related to ESG reporting, ESG investments and readiness initiatives, ESG best practices, and performance management by tracking ESG metrics

### Limitations

- Enterprises looking for an outsourcing partner for end-to-end F&A with deep experience in the healthcare sector should evaluate Infosys' offerings and its ability to address industry-specific nuances further
- While Infosys is heavily focused on catering to large clients, its focus on serving SMB and mid-market clients is limited
- Clients expect Infosys to be better in terms of sharing strategic insights and to be more innovative
- Lack of proactiveness in escalating issues and talent retention remain as key areas of concern for some of its clients

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# Appendix

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

**Everest Group PEAK Matrix®**
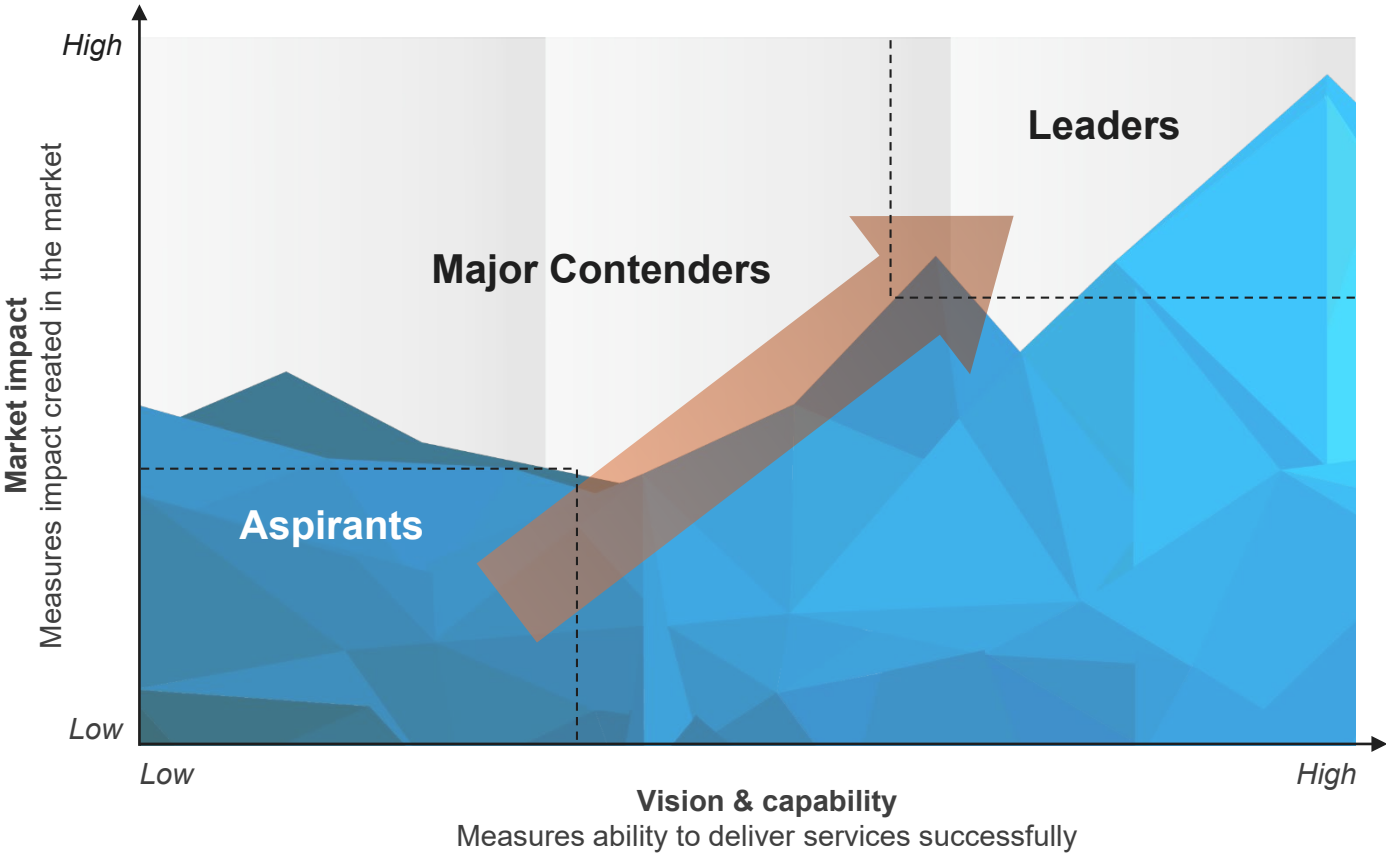
# Services PEAK Matrix® evaluation dimensions

Measures impact created in the market –
captured through three subdimensions
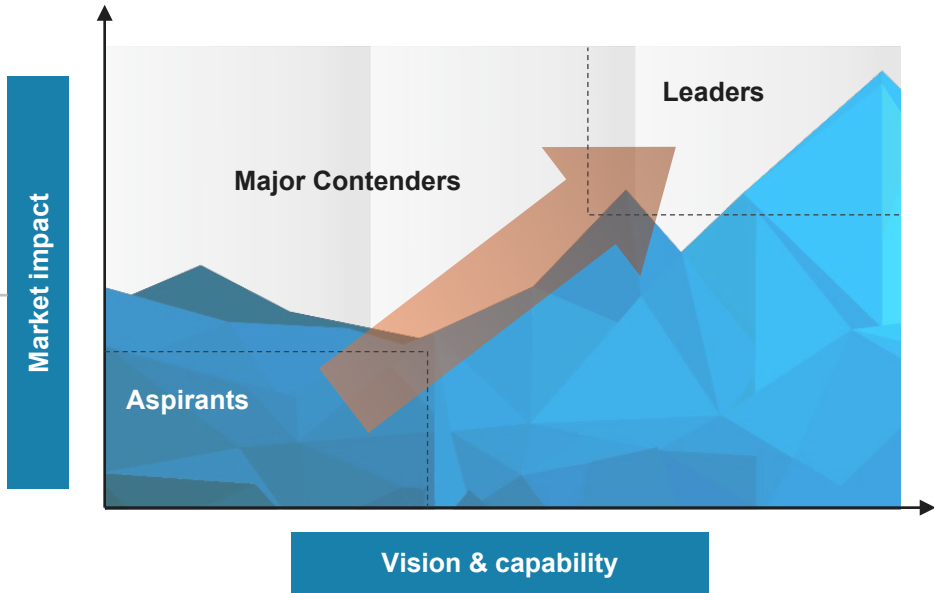
### Market adoption
Number of clients, revenue base,
YoY growth, and deal value/volume

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

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

**Market impact**

Major Contenders

Leaders

Aspirants

**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 subsegments/processes

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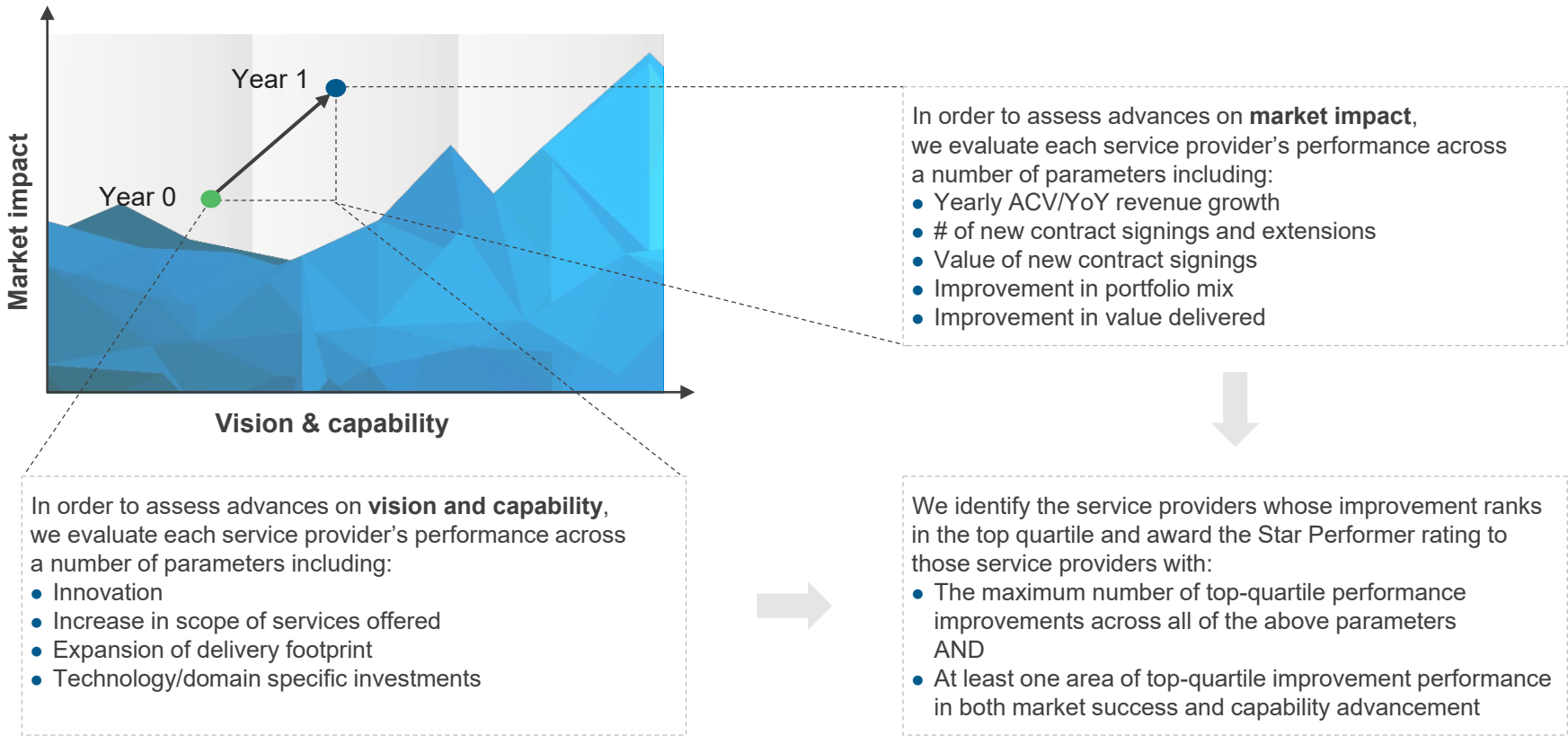constructs, alliances, M&A, etc.

### 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

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

# FAQs

**Does the PEAK Matrix® assessment incorporate any subjective criteria?**
Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results 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 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 the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?**
A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

**What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?**
- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
  - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  - In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

**What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?**
- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
  - Issue a press release declaring positioning; see our citation policies
  - Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  - Use PEAK Matrix badges for 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 Everest Group; please contact your CD or contact us

**Does the PEAK Matrix evaluation criteria change over a period of time?**
PEAK Matrix assessments are designed to serve enterprises' current and future needs. 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 and to serve enterprises' future expectations.

# Everest Group®

## With you on the journey

Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global companies, service providers, and investors. Clients use our services to guide their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at **www.everestgrp.com**.

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