



**\*ISG** Provider Lens™

2021

Finance and Accounting  
Digital Outsourcing Services  
2021

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 75 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; technology 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 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](http://www.isg-one.com).



## Table of Contents

Definition .....	4
Quadrants Research .....	5
Quadrants by Region .....	8
Archetype Report.....	9
Schedule.....	10
Partial list of companies being invited for the survey .....	11
ISG Provider Lens QCRT Program Description for Brochures.....	13

© 2021 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

The nature of finance and accounting (F&A) outsourcing engagements is evolving from transactional to more of a holistic function, with growing business and technological needs. Enterprises are increasingly willing to transform their F&A operations and embrace digital technologies to make their processes more efficient, increase productivity, improve data accuracy, reduce costs and enhance customer experience.

Automation and analytics have been an integral part of every contract signed for F&A outsourcing services over the last two years, thereby empowering CFOs with real-time insights and meaningful information to enable quick decision-making and, subsequently, help finance departments function more efficiently.

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 the following to enterprise finance leaders and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments based on their competitive strengths and portfolio attractiveness
- A view of the global services market

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.

# Quadrants Research

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

Simplified illustration



Source: ISG 2021

## Procure-to-Pay (P2P) Services

This quadrant will assess providers that offer P2P services covering the complete range of accounts payable processes, from capturing, processing invoices, vendor queries, master data management and claims management to ensuring on-time payment, while minimizing value leakages and enhancing vendor and employee satisfaction. The nature of these transactions not only requires an understanding of the domain, but also relies on effectively leveraging automation and analytics. The automation journey is not limited to robotic process automation (RPA) but goes a step further to enable decision-making and managing enterprise's finances more efficiently. Service providers offer artificial intelligence (AI) with natural language processing (NLP) capabilities and machine learning (ML). They also provide advanced optical character recognition (OCR) technology to facilitate electronic processing for both paper and digital invoices.

### Eligibility criteria:

- Have a strong vision to grow the F&A practice and must offer P2P services
- Bring in deep domain and technology expertise, including automation, analytics, AI, ML, cloud and blockchain
- Strong partnership ecosystem across the F&A service lines to drive innovation and digital transformation
- Ability to provide vertical-specific and platform solutions and offer advice and guidance on process optimization to deliver tangible benefits
- Employ design thinking or alternative methodologies to involve the customer in designing products and services or the transformation roadmap
- Demonstrate industry and domain expertise to deal with core finance functions and lead digital implementation of roadmap design
- Referenceable case studies

## Order-to-Cash (O2C) Services

Most first-generation outsourcers begin their transformation journey by outsourcing less complex finance functions, including O2C, that are repetitive and transactional in nature. This quadrant will assess providers that provide end-to-end O2C services supporting the entire customer-to-cash lifecycle, driving more efficient process, improving working capital performance and reducing days sales outstanding (DSO). Additionally, this provides enterprises with more flexibility to price products and services competitively and gain a market advantage. Service providers in this space would not only require bringing in domain expertise to clients, but also involve expectations in terms of active use of automation and analytics.

### Eligibility criteria:

- Have a strong vision to grow the F&A practice and must offer O2C services
- Bring in deep domain and technology expertise, including automation, analytics, AI, ML, cloud and blockchain
- Strong partnership ecosystem across the F&A service lines to drive innovation and digital transformation
- Ability to provide vertical-specific and platform solutions and offer advice and guidance on process optimization to deliver tangible benefits
- Employ design thinking or alternative methodologies to involve the customer in designing products and services or the transformation roadmap
- Demonstrate industry and domain expertise to deal with core finance functions and lead digital implementation of roadmap design
- Referenceable case studies

## Record-to-Report (R2R) Services

Digital-native companies and second-generation outsourcers are open to outsourcing high-end and complex finance functions such as record to report (R2R), and they seek insights that are actionable and in real time. This quadrant will assess providers that provide end-to-end R2R services such as general ledger accounting and reconciliation, inter-company accounting, fixed assets accounting, regulatory compliance and taxation, treasury and risk management using a mix of automation, intelligent data and workflow solutions, and advanced business analytics. These are aimed at empowering CFOs to focus on their core business and leverage technology to get real-time insights for making decisions quickly and enabling their finance departments to function more effectively and with greater accuracy.

### Eligibility criteria:

- Have a strong vision to grow the strategic F&A practice and must offer R2R services
- Bring in deep domain and technology expertise, including automation, analytics, AI, ML, cloud and blockchain
- Strong partnership ecosystem across the F&A service lines to drive innovation and digital transformation
- Ability to provide vertical-specific and platform solutions and offer advice and guidance on process optimization to deliver tangible benefits
- Employ design thinking or alternative methodologies to involve the customer in designing products and services or the transformation roadmap
- Demonstrate industry and domain expertise to deal with core finance functions and lead digital implementation of roadmap design
- Referenceable case studies

## Financial Planning and Analysis (FP&A) Services

High-end and complex F&A services such as FP&A that were usually retained by companies are now being outsourced, allowing them to get more complete, meaningful data and insights from service providers. They are viewing providers as strategic partners that can offer real-time insights and support faster decision-making capabilities. This quadrant will assess providers that provide FP&A services such as budgeting, forecasting, financial planning, decision support and financial analysis, management reporting, and merger and acquisition and divestiture analysis. These provide CFO organization with timely, reliable financial insights and reports for effective decision-making.

### Eligibility criteria:

- Have a strong vision to grow the strategic F&A practice and must offer FP&A services
- Bring in deep domain and technology expertise, including automation, analytics, AI, ML, cloud, and blockchain
- Strong partnership ecosystem across the F&A service lines to drive innovation and digital transformation
- Ability to provide vertical-specific and platform solutions and offer advice and guidance on process optimization to deliver tangible benefits
- Employ design thinking or alternative methodologies to involve the customer in designing products and services or the transformation roadmap
- Demonstrate industry and domain expertise to deal with core finance functions and lead digital implementation of roadmap design
- Referenceable case studies

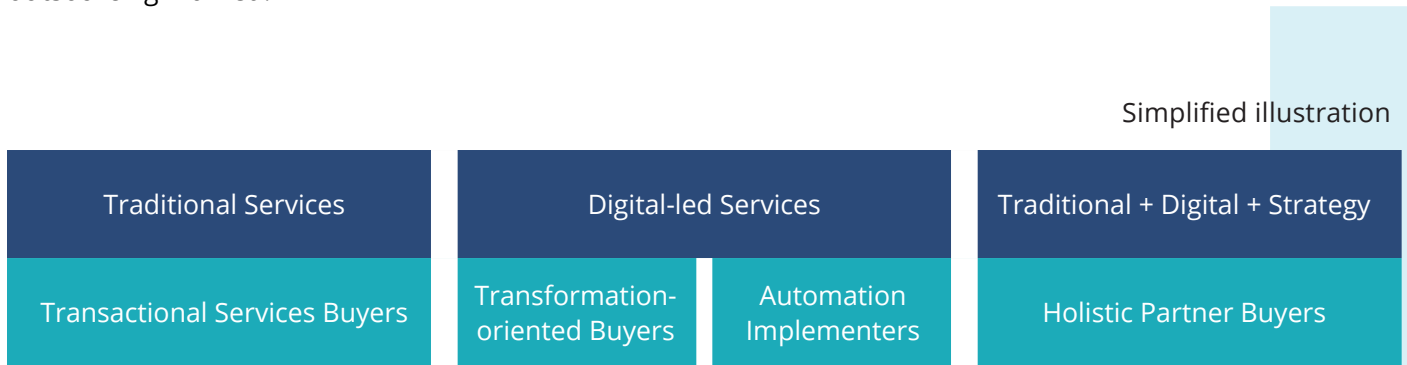
# Quadrants by Region

Quadrants	Global
Procure-to-Pay Services	√
Order-to-Cash Services	√
Record-to-Report Services	√
Financial Planning and Analysis Services	√



# Archetype Report

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



Source: ISG 2021

- **Transactional Services Buyers:** Typically, these are first-generation outsourcers seeking to outsource less complex finance functions, which are repetitive and transactional in nature. The most frequently outsourced functions mainly include O2C, P2P and some components of R2R transactions. These buyers seek point solutions and are not inclined to outsource other critical finance functions. The buyers in this archetype mainly focus on reducing the cost of processing transactions by using offshore labour arbitrage. However, RPA adoption is increasing among these buyers, and basic automation has become table stakes with these engagements.
- **Transformation-oriented Buyers:** Clients in this category seek to transform their F&A operations to be ahead of the curve, improve customer experience and optimize the use of technology to their advantage. Embracing the chain of digital technologies is of prime importance for these buyers. Their outsourcing objective is not limited to transactional processes. Analytics is one of the key focus areas, as CFOs increasingly focus on their core business and use technology to get real-time insights to make quick decisions and enable their finance departments to function more effectively. Also, the clients in this archetype believe that effective training and talent upskilling are keys to their success transformation.
- **Automation Implementers:** Automation implementers are buyers that seek to leverage automation extensively, and their outsourcing objective is not limited to cost savings. The clients in this archetype are more matured and consider outsourcing finance functions that go beyond transactional, including critical functions. The objective is to reap the benefits of technology to get deeper insights for supporting decision-making. Automation in this category is not limited to rule-based automation, but blends intelligence into the process.
- **Holistic Partner Buyers:** Clients in this archetype seek to outsource end-to-end F&A functions to focus on their core business activity. The objective of buyers in this archetype goes beyond technology, which continues to be a priority. The buyers seek for a strategic partner that can understand their business and its related processes and offer solutions that can help them achieve their business objectives. Leveraging technology to accelerate the time to market is a critical initiative with this type of engagement.

# Schedule

The research phase falls in the period between **April 2021 and June 2021**, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in **August 2021**.

<b>Milestones</b>	<b>Beginning</b>	<b>End</b>
Survey Phase	8th April, 2021	30th April, 2021
Sneak Preview	16th June, 2021	30th June, 2021
Press release	18th Aug, 2021	

## 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.

# Partial list of companies being invited for the survey

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

Accenture

Aegis

API Outsourcing

Arvato

Atos

Capgemini

Capita Plc

CGI Group

Cognizant

Concentrix

Conduent

Conneqt

Datamatics

DXC

Equiniti

Exela Technologies

EXL Services

Firstsource

Genpact

HCL

Hexaware

HGS

IBM

Infosys

Teleperformance

Invensis

IQ BackOffice

Coforge

Mphasis

NTT DATA

OneSource Virtual

Quattro

Serco

Softtek

Sopra Steria Group

Sutherland

TCS

Tech Mahindra

TMF Group

UST

Wipro

WNS

Xchanging

# Contacts for this study



Amar Changulani  
Senior Lead Analyst



Venkatesh B  
Research Analyst



Srividya Prasad  
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](mailto:isglens@isg-one.com).

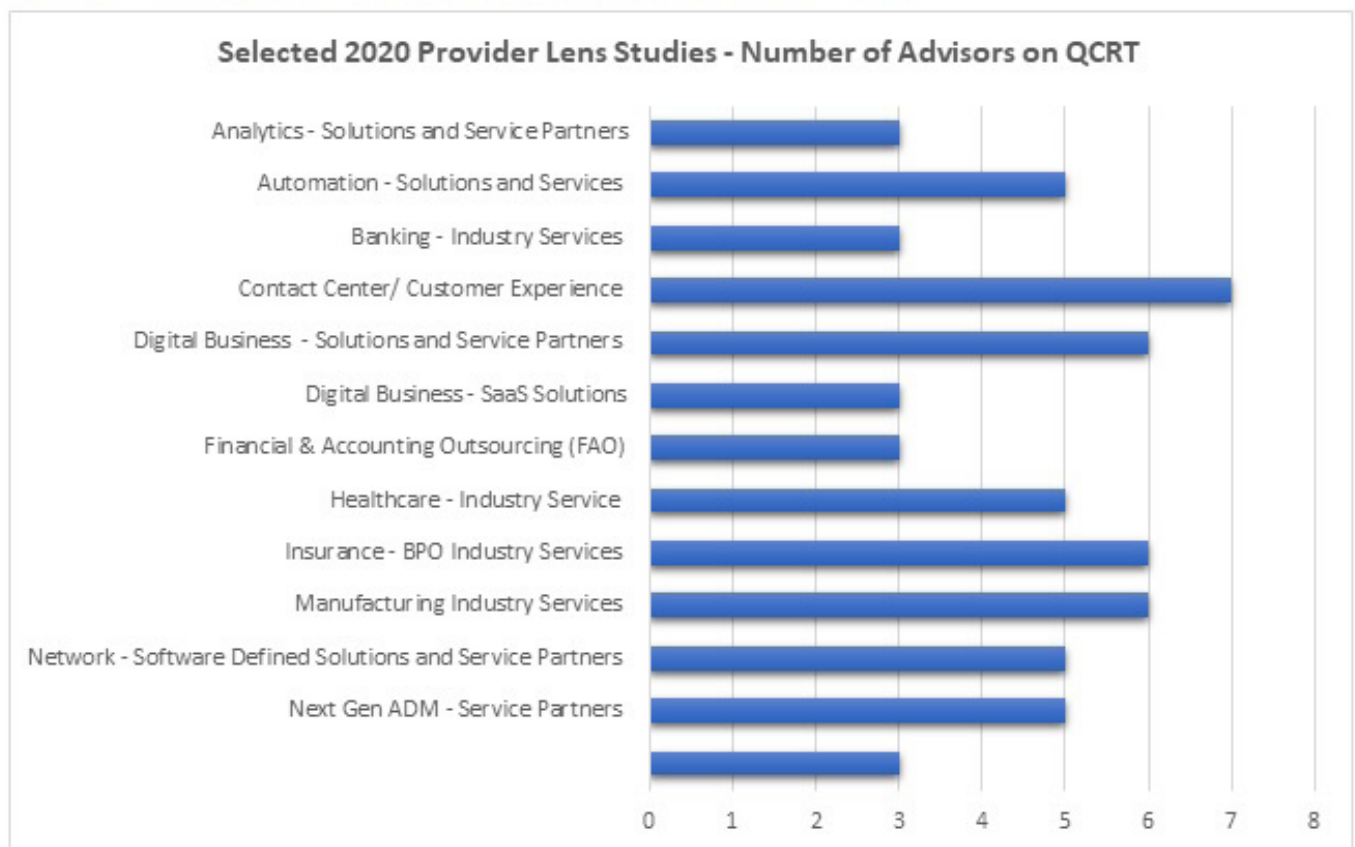
## ISG Provider Lens QCRT Program Description for Brochures

ISG Provider Lens offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context. In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three advisors participate as part of each study's Quality & Consistency Review Team (QCRT). The QCRT ensures each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the QCRT group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

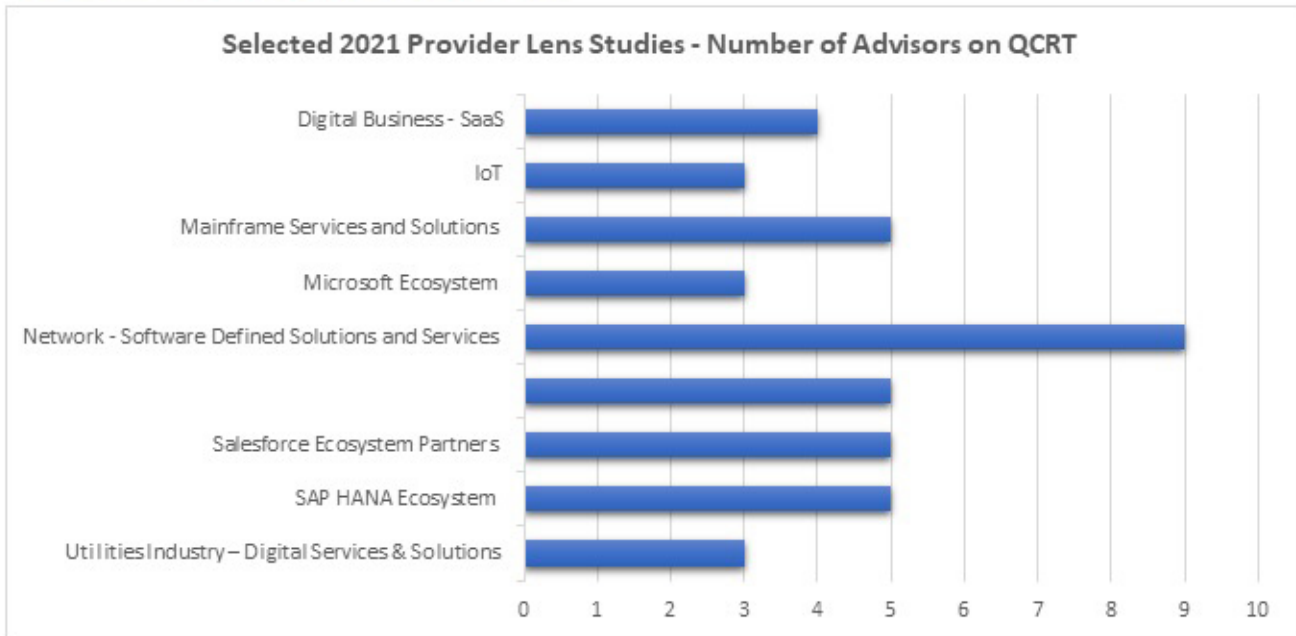
- help define and validate quadrants and questionnaires
- advise on service providers inclusion and participate in briefing calls
- give their perspectives on service provider ratings and review report drafts

In 2020, on average three ISG advisors supported Provider Lens studies.



Source: ISG Research

In 2021, studies are enjoying similar involvement.



Source: ISG Research

The ISG Provider Lens QCRT program helps round out the research process, supporting comprehensive research-focused studies.

## Quality & Consistency Review Team for this study



Scott Furlong  
Partner, United States



Dave Houston  
Director United States



Matt Shaheen  
Principal Consultant  
United States



Gautam Saha  
Principal Consultant , United States



Ed Walsh  
Principal Consultant  
United States