



High performance. Delivered.

Outsourcing

Accenture Finance and Accounting BPO Services

Creating a high-performance
finance organization

• Consulting • Technology • Outsourcing



An efficient and effective finance organization

Most chief financial officers we work and speak with share a common goal: one that is both simple and profound: to create a world-class finance organization. CFOs seek to build and manage a finance function that is efficient and effective—that has the process rigor and control to keep costs in line, while the business savvy to help their companies achieve high performance in a challenging, multi-polar world. It's an admirable, yet difficult, task.

According to Accenture's recent High Performance Finance Study—a study involving more than 350 finance executives in more than 30 countries—few executives believe their finance organization has achieved that world-class status. Many CFOs believe they lack the processes, data, tools, organizational structures, governance and skilled workforces they need to capitalize on the new markets, resources and opportunities for value creation offered by the global economy.

Our research points to a number of specific challenges:

- **Globalization.** Increasing globalization is presenting CFOs with both opportunities and threats. It provides access to new markets and pools of labor talent, while challenging them with rapid change and heightened complexity, new

competition and ever-increasing pressure to control costs. Both organic and inorganic growth require new approaches to cost containment and finance processes.

- **Enterprise performance management.** An integrated approach to enterprise performance management, which can drive bottom-line results, is lacking in a majority of companies in our study.

- **Workforce capabilities.** Attracting and retaining talent is one of the biggest expected challenges of the next two years. However, companies are lagging in practices they consider critical to building and sustaining an effective finance workforce.

Above all, finance executives seek to make a positive impact on their organizations. Yet they often lack the time, resources and capabilities to

achieve optimal alignment between their investments and overall business performance. To meet those challenges, outsourcing is now an option being considered by many—perhaps most—CFOs.

Accenture is helping today's leading companies meet their finance challenges

For today's multinational companies looking to achieve high performance through an effective and efficient finance organization, Accenture offers its Finance and Accounting Business Process Outsourcing (BPO) Services.

With extensive experience, research-based knowledge and the skills of thousands of professionals across our Global Delivery Network, Accenture has a demonstrated ability and track record of delivering measurable improvements in business performance through finance and accounting BPO. We created the market with our ground-breaking deal with BP in 1991—a contract that has been renewed multiple times—and we continue to be acknowledged as a leader by industry analysts.

We currently provide finance and accounting BPO services in multiple languages to more than 50 clients with operations in 150 countries. Our capabilities span a full suite of services covering the entire finance value chain, and with integrated consulting services we not only deliver core services effectively and efficiently but we also help

drive continuous improvement in the finance organization.

While some organizations begin with an internal shared services center and move to outsourcing as a second step, many others choose to leapfrog their peers and competitors by moving directly to an outsourcing model. For either strategy, Accenture has the deep experience to transition organizations to a delivery model that is right for them.

Our client list includes companies across most industry sectors. Our value—our ability to deliver measurable results and to create deep, long-lasting business relationships—can be seen in the awards we have won with our clients. These industry accolades include best partnership (with BP), best European deal (with Thomas Cook) and most strategic deal (with Microsoft).

Greater control over back-office functions, better visibility across the entire company, access to deep skills and innovation, scalable services tied to business outcomes—these are just a few of the reasons why today's companies on the path to high performance are choosing Accenture for finance and accounting BPO services.



Accenture's end-to-end framework for finance and accounting BPO services

Accenture's distinctive advantage as a provider of finance and accounting BPO services is in the ability to help companies cover core services, supporting functions and services for the retained function.

Comprehensive Finance and Accounting BPO Services from Accenture

Order-to-Cash		
Collections & Accounts Receivable	Order Management & Billing	Analytics
Procure-to-Pay		
Transaction Processing	Financial Integrity	Help Desk
Record-to-Report		
Asset & Transaction Processing	Period Close & Data Integrity	Financial & Government Reporting
Change Management	Technology Enablement	Management Operating System
Services for Retained Function: Finance Strategy, Organization Design, Skills and Competency		

“Why did I choose Accenture? Because I want to be able to sleep at night. With Accenture I know that the team is right there with me. If there is a problem I can call them and we’ll be able to solve it together.”

Andrew Kemp, Group Reporting, Planning and Analysis Director, BT

Core services

At the heart of the Accenture offering is a set of services covering processes across the entire finance value chain, end-to-end:

- Order-to-cash: collections and accounts receivable; order management and billing; analytics.
- Procure-to-pay: transaction processing; financial integrity; help desk.
- Record-to-report: asset and transaction processing; period close and data integrity; financial and government reporting.

We perform these processes effectively on a global scale, with a robust management operating system that delivers important efficiencies to the business.

We also support the transformation of the finance organization with advanced, innovative services in areas such as change management and technology enablement.

Services for the retained organization

CFOs who speak with us about a previous, less-than-satisfying experience with finance and accounting BPO often state a common complaint: the performance of their retained organization is at risk when the focus is solely on the outsourced processes.

Accenture knows that the best outsourcing providers aren't simply "providers" at all; they are partners, joining forces with their clients to deliver high performance across the entire finance organization and

beyond. Accordingly, Accenture offers experience and guidance in areas such as organization design, finance strategy and talent development so that the retained organization is strengthened and operating in harmony with the outsourced services.

High performance delivered: The benefits of finance and accounting BPO

Why outsource some or all of your finance and accounting processes? Based on our research, and on our experience working with Global 1000 companies as a provider of outsourced finance services, we find that companies can expect to realize all the expected benefits of finance and accounting BPO and more including:

Increased effectiveness and efficiency

In the end, a BPO arrangement is a tightly managed performance environment driven by a business partner who is assessed, and even paid, according to contract performance.

With Accenture's finance and accounting BPO work with Microsoft, a monthly balanced scorecard rates all of the services that Accenture provides—both consulting and outsourcing. For the outsourcing arrangements, 50 percent of the scorecard rating is based on execution excellence (according to service level agreements), 25 percent on business value delivered to Microsoft, including the creative ideas and process changes recommended, and 25 percent on customer satisfaction. According to Taylor Hawes, Microsoft's

general manager and controller for finance operations, "This scorecard has helped us stay aligned with expectations and performance. We are able to standardize and agree on the measures of success for Accenture and the expectations for Microsoft."

Bottom line improvements

Cost reduction is one of the key drivers for finance and accounting BPO. However, aside from standard cost reduction, costs can be further saved through improvements in the execution of finance processes. For example, an efficient procure-to-pay process has enabled many of our clients to secure early payment discounts amounting to millions of dollars—more than \$10 million was saved for a global high-tech company in its most recent financial year. Conversely, the order-to-cash process has a significant impact on

an organization's working capital, for example Accenture reduced client bad debt expense by over \$1.3 million (42 percent) and achieved the lowest period of credit in its history (19 days) for an electronics manufacturer.

More consistent continuous improvement

A focus on continuous improvement is a hallmark of an effective outsourcing relationship. Accenture works with clients to develop joint commitment to operational excellence and identify opportunities to reduce costs, improve consistency of service and enhance efficiencies. Some examples include:

- For DHL Exel we improved their control environment through 100 percent balance sheet reconciliations every accounting period.

- For a key division of an energy company we reduced problem invoices by 88 percent and reduced unpaid invoices older than 30 days by 85 percent.

- For a document management company we reduced their Central European sales order cycle time from 13 days to 5—a 62 percent reduction.

A focus on innovation

We are continuously improving our technology landscape to further automate finance processes and provide greater transparency into each client's finance operations.

The continuous contribution of ideas and technologies is also important to help our clients achieve high-performance. In fact, at Thomas Cook UK and Ireland, innovation is so important that Accenture regularly

proposes innovative solutions—either adopted from other industries or developed specifically by Accenture for the travel sector—to bolster Thomas Cook's performance.

Better control and visibility

Chief financial officers sometimes worry that an outsourcing relationship will weaken their control and ability to manage the finance organization effectively. Our clients and market data tell us that the opposite is actually true: Outsourcing actually maintains or even increases transparency and control. How? Because outsourced processes are usually better defined and documented, leading to greater clarity and transparency than before outsourcing. Also, comprehensive service level agreements quantify and effectively measure service quality.

An innovative asset, the Accenture Planning and Control Tool, is a comprehensive and collaborative task management tool that effectively and collaboratively manages the monthly close, enabling management and process owners to capture and track critical path activities and issues in a real-time environment.



Improved processes

Several mature assets, already shown to deliver value to Accenture's finance and accounting BPO clients, help organizations improve their finance processes to help reduce risk and processing errors. For example, inconsistent procure-to-pay processes often lead to vendor overpayments and data errors. The Accenture Transaction Compliance & Analytics Tool was specifically designed to prevent such errors and overpayments. The tool monitors purchasing and payables transactions using sophisticated algorithms beyond those of even advanced ERP solutions. Comprehensive, integrated modules in the tool include capabilities focused on duplicate payments, allowances, pricing and price protection, and claims.

The tool was recently implemented at a pharmaceutical company and identified \$1.6 million in duplicate and erroneous payments in just a few months of operation.

Less risk

With proven methods and transition services, and a global delivery network staffed with thousands of professionals, Accenture can reduce the risk of moving to an outsourcing relationship.

Risk and reward sharing is a distinctive aspect of Accenture's work with several of its finance and accounting BPO clients, including BP (see case study). Such a close collaboration, where both parties have "skin in the game," can significantly boost the benefits delivered through an outsourcing relationship.

Improved flexibility and scalability

Outsourcing gives an organization the ability to handle more efficiently the surges in activity that may be seasonal or based on business cycles. Rather than building an internal staff that is too busy at some times and not busy enough at others, finance executives can give those concerns over to the outsourcing provider. A provider like Accenture also enables companies to tap into a proven, scalable, global infrastructure for delivery, rather than having to handle the complexity and expense of building such an infrastructure from scratch. Clients find considerable value in tapping global experience and knowledge on demand, and ramping up service delivery when needed.



More freedom to focus on the essentials

Chief financial officers usually tell us that their greatest concern is not a lack of awareness of what must be done; it's having the time and resources to do it. By outsourcing core transactional services to Accenture, finance executives have the space in which to broaden their services and improve their impact on the business. This has been an important development in BT's decision to outsource its finance functions to Accenture (see case study). Automating less-strategic reporting and analysis activities enables the broader finance team to support market/industry evaluation, customer segmentation analyses and competitor assessments more proactively.

More effective post-merger integration

Inorganic growth through mergers and acquisitions is likely to remain constant in the ever-changing business world. An outsourced finance organization can help eliminate the redundancies that often result from a merger or acquisition, which can undermine the business case for the merger itself.

This benefit has been an important part of the Thomas Cook story. The Thomas Cook Group plc is the result of a merger between Thomas Cook AG and MyTravel Group plc. Following the merger, Thomas Cook focused on managing the integration of front-office systems and processes, and asked Accenture, as part of the finance and accounting BPO relationship, to manage the integration of MyTravel's back-office functions to Thomas Cook's outsourcing operations.

Case study

Redefining the possibilities of finance and accounting BPO: BT and Accenture

A key characteristic of high performance (the ability to significantly outpace competitors over time) is constantly seeking ways to "raise the bar."

True to this principle, BT Group—one of the world's leading providers of communications solutions and services—launched an aggressive financial operations improvement program in 2006, which included outsourcing financial transaction processing. Internal cost reduction (up to 50 percent) was a key objective of this initiative. But BT was also focused on a bigger prize: operational excellence, superior service to customers, standardized processes, tighter metrics, greater flexibility, higher levels of visibility and improved controls and compliance.

Based on a longstanding relationship, and on Accenture's extensive finance and accounting outsourcing capabilities, BT chose to work with Accenture to realize this vision. The first of two initiatives began in spring 2006,

with Accenture working with BT to outsource its non-UK transaction processing activities.

The second program—a pioneering move in finance and accounting outsourcing—was launched in early 2007, when BT transferred 50 percent of its reporting, planning and analysis functions to Accenture. This was the first time that a major company had outsourced high-value finance processes to a third party.

Guided by, and accountable to, BT's senior finance executives, Accenture is helping to deliver higher-value finance and accounting services—including management reporting, financial planning/analysis, month-end close activities and budgeting/forecasting services—from the Accenture Delivery Center in Chennai, India. Accenture also is assisting in designing and implementing a robust control and compliance framework to support Sarbanes-Oxley obligations and meet BT's internal performance benchmarks and metrics.

BT is using outsourcing in a unique way and is deriving benefits that few other initiatives have realized. From the first initiative the company's costs per transaction have dropped by almost 60 percent, and total cost of ownership fell by half.

But the rewards of innovation and financial transformation go beyond the quantifiable. It's not a reach to say that BT has taken finance and accounting outsourcing in a new and more strategic direction. As a result, it now enjoys outstanding finance performance levels, as well as worldwide visibility into the activities, accomplishments and concerns of its financial operations.

According to Andrew Kemp, director of group reporting, planning and analysis at BT Group, "BT and Accenture are working together to explore the 'boundaries of the possible'—collaborating in a way that isn't constrained by a series of contracts or service level agreements."

Case study

An ongoing success story: BP and Accenture



BP, one of the world's largest petroleum and petrochemicals groups, may well be the world's leading practitioner of finance and accounting BPO. Since the early 1990s, it has worked with Accenture to outsource an extensive suite of finance and accounting operations, with rewards that are both extensive and tangible.

The relationship began following an acquisition by BP's North Sea business operations. To rationalize finance operations associated with its North Sea business, BP leaders took a unique step at the time: outsourcing the company's complete North Sea finance function to Accenture. Buoyed by the initial success of this relationship, BP soon expanded its outsourcing relationship with Accenture to include up and downstream operations in North America.

Following the company's acquisitions of Amoco and Arco, Accenture first helped BP manage the enterprise systems transformation—a complex assignment completed swiftly and effectively—and then won a 10-year outsourcing contract to manage BP's new SAP applications, including technical support, maintenance and system enhancements. Most of this work is now handled through Accenture's delivery center in Bangalore, India, with additional support from onshore centers. Since Accenture took the reins, BP has enjoyed reliable and consistently improving service levels to more than 3,000 users who manage more than \$60 billion on the SAP system. Accenture's outsourcing relationships with BP expanded still further with the 2005 outsourcing of finance and accounting operations for BP Lubricants Americas.

The BP story is an excellent example of how an effective outsourcing relationship deepens over time and allows a company to reap new kinds of rewards with each passing year. Explains BP accounting services manager Jim Biles, "Accenture understands what our objectives are, and they do a very good job of aligning their objectives with BP. I don't think it would have been possible to manage costs as we have and to grow simultaneously without the assistance of an outsourcing provider."

Continuous cost improvement and risk/reward sharing both are hallmarks of BP's relationships with Accenture. Together, Accenture and BP have reduced baseline finance and accounting costs by more than 45 percent. BP has also benefited from enhancements of the SAP platform and improvements to its control environment and the quality of accounting processes.

Why Accenture?

Achieving high performance with Accenture Finance and Accounting BPO Services

What sets Accenture apart from competitors when it comes to finance and accounting BPO services? Here are just a few of our differentiated capabilities.

Market maker, market leader

With more than 18 years of experience and a substantial market share, Accenture is a market leader in finance and accounting BPO. We pioneered the first major finance outsourcing deal in 1991, and we have been acknowledged ever since as a market leader by industry analysts.

We have an established portfolio of more than 50 clients across all industries, served by more than 8,000 skilled professionals in our global finance and accounting BPO practice. We also have demonstrated experience in managing complexity—more than 90 percent of our finance and accounting BPO deals include multiple finance processes and over half are served by more than one delivery center.

A mature organization

Ours is a mature, proven organization, as evidenced by clients who return to us again and again. We have renewed 15 of our current contracts—four of them more than once. Eleven of our current contracts have been running for six years or longer. In the last few years we have celebrated finance and accounting BPO partnerships of 15 years with BP and 10 years with DHL Exel.

We employ a suite of assets as part of our industrialized solution that have demonstrated their value to our clients all over the world—assets such as the Accenture Transaction Compliance & Analytics Tool and the Accenture Planning and Control Tool.

Global reach, scalable solutions

With the Accenture Global Delivery Network, clients have access to Accenture resources day and night. Our delivery network provides the flexibility and scalability of a global system organized to run as a unit, powered by an unparalleled depth of technical, business process and specialist industry talent. The Global Delivery Network includes SAS70 audited centers and robust compliance, security and disaster recovery policies and practices. Accenture is uniquely positioned to deliver "bundled outsourcing"—the delivery of multiple business functions or processes under a single outsourcing relationship. For example, bundling finance and procurement together enables an integrated source-to-pay process to be designed and executed effectively. The

ability to provide bundled outsourcing is important, as research has shown that companies that outsource an initial function, system or business process will outsource at least one more within two years. It's vital to choose a provider who can grow with you as your needs change.

Integrated consulting capabilities

Consulting capabilities are part of Accenture's "DNA." By integrating our BPO offering with our Finance & Performance Management service line, we provide clients with a powerful engine for innovation and continuous improvement that's also applied to our finance and accounting BPO operations. Our experience with finance strategy helps us transform a client's retained finance organization.

Our change management service line and our extensive experience with mergers and acquisitions can help companies manage large-scale transformation and integration initiatives.

Accenture conducts regular research into high performance within finance to shed light on the challenges CFOs face, but also to identify the practices that "finance masters" are employing to help position their organizations to achieve high performance. Thus far, more than 6,000 companies have been studied to identify the challenges facing the finance function in today's multi-polar world including more than 500 companies that meet our criteria as high performers. Insights gathered from these research efforts enable our clients to identify what finance

capabilities are critical in supporting their organization in its pursuit of high performance.

A focus on business impact

Finance and accounting BPO delivers improvements in overall cost structures, to be sure. But the differentiating question is: what else? At Accenture, we measure our success not only in delivering cost efficiencies, but also in other measurable impacts on the business, and we can structure a contract such that business measures are a key performance driver. At Microsoft, for example, 25 percent of the balanced scorecard used to assess our performance is based on the business value delivered to Microsoft through our finance and accounting BPO services.

Contact

For more information about how Accenture can help you create an effective and efficient finance organization. Visit us at www.accenture.com/financeBPO

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About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. With more than 186,000 people in 49 countries, the company generated net revenues of US\$23.39 billion for the fiscal year ended Aug. 31, 2008. Its home page is www.accenture.com.

