



# Everest Group PEAK Matrix™ for FAO Service Providers

Focus on Accenture  
July 2016



Everest Group recently released its report titled “[Finance and Accounting Outsourcing \(FAO\) – Service Provider Landscape with PEAK Matrix™ Assessment 2016](#)”. This report analyzes the changing dynamics of the FAO landscape and assesses service providers across several key dimensions.

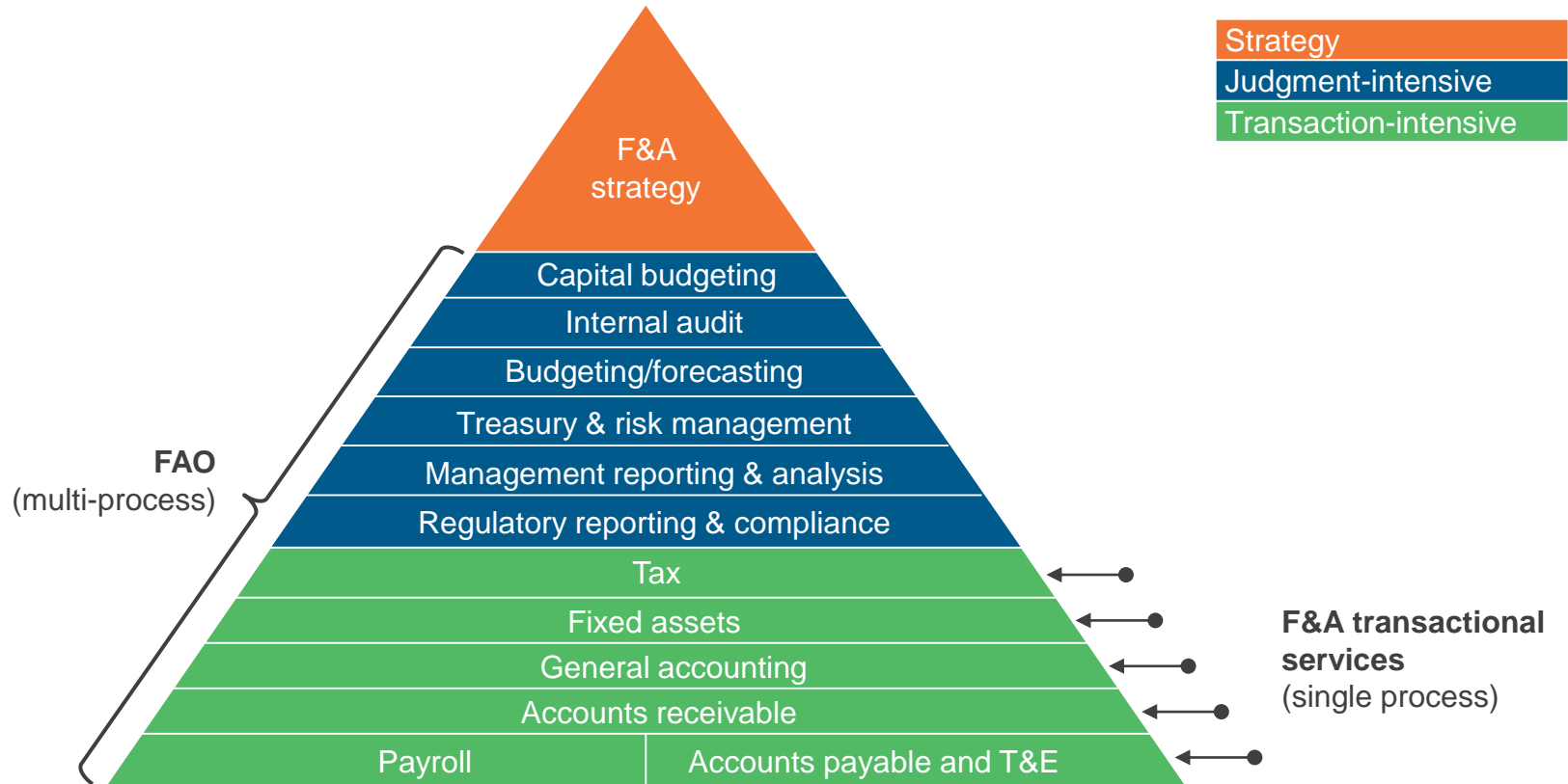
As a part of this report, Everest Group updated its classification of 26 service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for FAO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of FAO service providers based on their absolute market success and delivery capability. Everest Group also identified five service providers as the “2016 FAO Market Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

Based on the analysis, **Accenture emerged both as a Leader and a Star Performer**. This document focuses on Accenture’s FAO experience and capabilities and includes:

- Accenture’s position on the FAO PEAK Matrix
- Accenture’s year-on-year movement on the FAO PEAK Matrix
- Detailed FAO profile of Accenture

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

# Everest Group's research is guided by a framework that distinguishes multi-process FAO from single process Finance and Accounting (F&A) transactional services



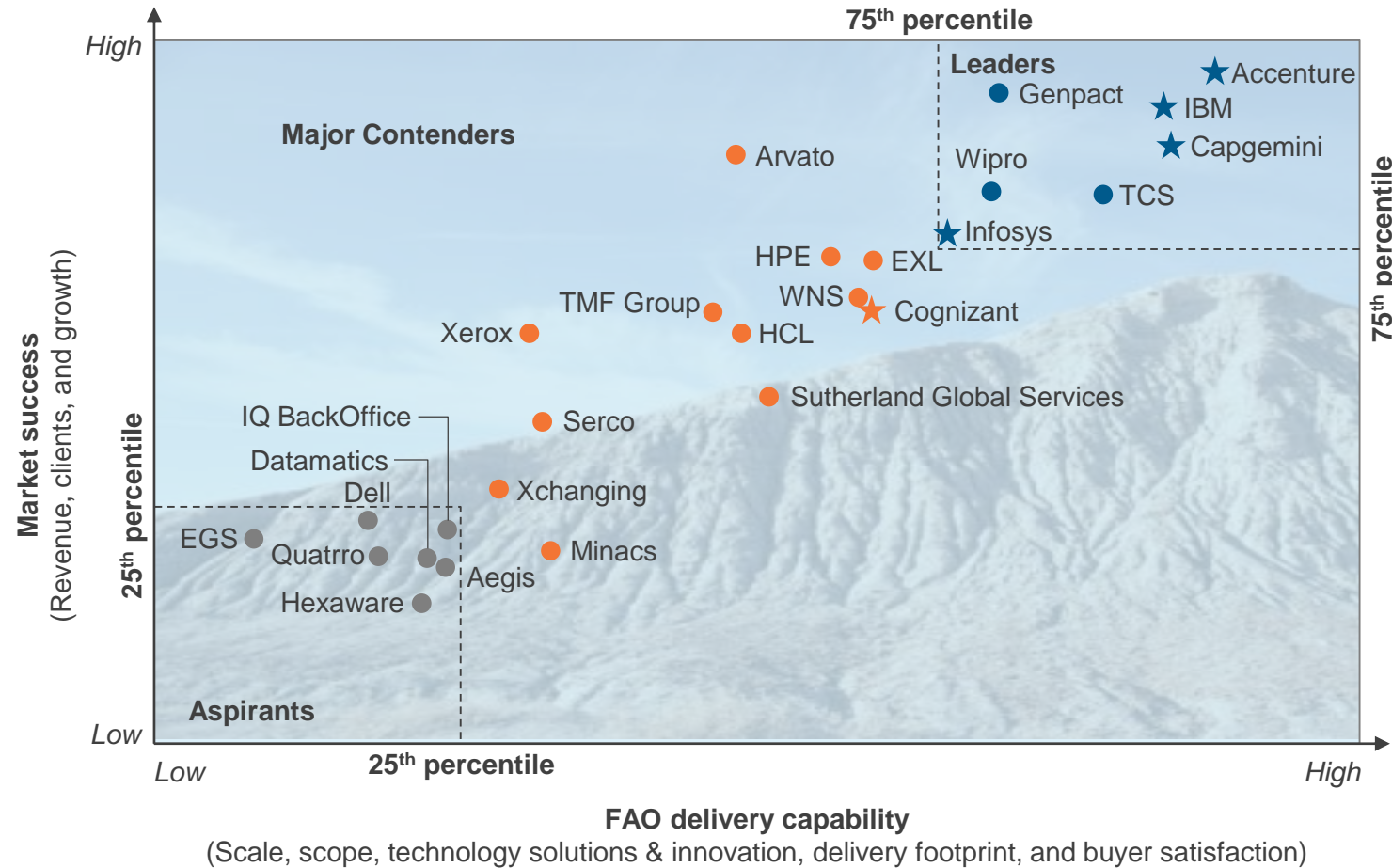
- Everest Group's analyses include multi-process FAO contracts with a minimum of two F&A processes, over US\$1 million in Annualized Contract Value (ACV), and a minimum contract term of three years
- Everest Group's analyses includes 1000+ active multi-process FAO contracts signed as of December 2015

Source: Everest Group (2016)

# Everest Group PEAK Matrix – 2016 FAO market standing

Performance | Experience | Ability | Knowledge

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for FAO



- Leaders
- Major Contenders
- Aspirants
- ☆ Star Performers

Source: Everest Group (2016)

# Accenture is an FAO Star Performer based on strong forward and upward movement over time on the Everest Group PEA Matrix

## Market success in 2015

- Accenture recorded the highest number of new deal signings (20+ multi-process contracts) that added over US\$400 million in TCV
  - Additionally, renewed/expanded contracts with 15+ existing clients
- It witnessed accelerated growth in its FAO portfolio of clients and has the highest absolute revenue growth in the industry
  - Registered an impressive growth rate of more than 10% in ACV terms, despite its large portfolio size
- Accenture has registered positive revenue growth across all the major geographies of North America, Europe (including United Kingdom), Asia Pacific, and Latin America
  - Among the industries, high tech & telecom, manufacturing, and financial services were the key contributors to the revenue growth

## Capability enhancements in 2015

- Accenture increased its leverage of automation and analytics in a high proportion of the FAO contracts, resulting in productivity gains and enhanced business outcomes
  - While automation is being driven by end-to-end digitization of F&A processes, Accenture Operations Navigator is leveraged to provide real-time analytics with visualizations to measure performance
- It also acquired PureApps, an end-to-end enterprise performance management and business intelligence solution, and Hytracc, a specialist integrator of energy components software to better serve accounting needs of oil & gas clients

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## FAO service capabilities

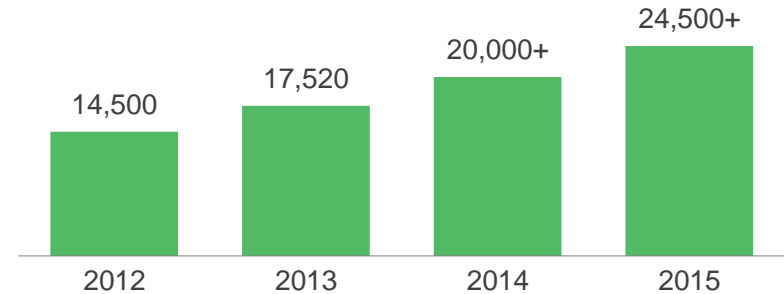
### Key FAO leaders

- Arshad Sayyad, Managing Director, Accenture Operations Delivery
- Simon Sammons, Global BPO Offerings Director

Category	Recent developments/investments
Service scope expansion	<ul style="list-style-type: none"> <li>• 2014: Acquired PureApps, an end-to-end Enterprise Performance Management (EPM) and business intelligence solution using Oracle Hyperion product</li> <li>• 2014: Acquired Hytracc, a specialist integrator of energy components software for oil &amp; gas companies</li> <li>• 2013: Acquired Procurian, which further enhances Accenture's capabilities in the P2P process, across a range of industries as well as P2P resources, analytics capabilities, and technology assets</li> </ul>
Technology expansion	<ul style="list-style-type: none"> <li>• 2015: Increased leverage of automation (~80% of F&amp;A contracts) by end-to-end digitization of P2P, O2C, and R2R processes using Unified Desktop, Optical Character Recognition (OCR), and Artificial Intelligence (AI)</li> <li>• 2015: Embedded predictive and prescriptive analytics and analytical modeling in all offerings and existing contracts through Accenture Operations Navigator</li> <li>• 2014: Partnered with SAP Ariba to offer cloud-based electronic invoicing capabilities</li> <li>• 2014: Launched finance transformation solution platform to help banks and insurance companies transform their finance operations</li> </ul>
Delivery capability expansion	<ul style="list-style-type: none"> <li>• 2013: Opened delivery centers in Singapore and Sri Lanka; expanded headcount in centers at Latin America and United States</li> </ul>

### Scale of operations

Number of FAO FTEs over time



### FAO service suite

Accenture offers a complete suite of F&A services including: Procure-to-Pay (P2P), Order-to-Cash (O2C), Record-to-Report (R2R), and Financial Planning & Analysis (FP&A). Accenture can deliver F&A BPO in an as-a-service mode:

- Plug-in, scalable, secure, and consumption-based
- Supported by analytics, cloud, and automation
- Delivered according to specified business outcomes

Accenture's F&A BPO offering also includes Accenture Hospitality Services, a scalable shared services model specifically designed by and for the hospitality industry (based on a model pioneered with Marriott, which Accenture acquired in 2013)



Source: Everest Group (2016)

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## FAO client portfolio

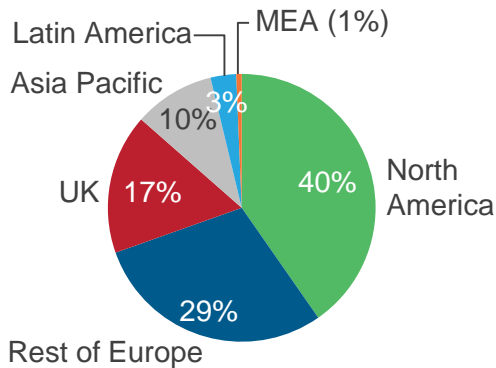
### Major FAO clients

BP	EMC	Microsoft	Logistics Provider Company	Large Retail Company	Leading Device Company	High Tech Company	Airline Company
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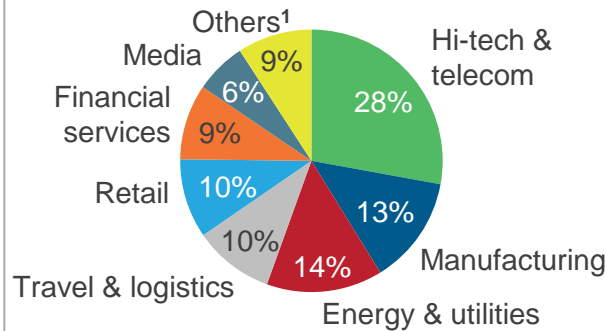
### Recently announced FAO engagements (non-exhaustive)

Time of signing	Client	Contract details
December 2015	Cushman & Wakefield	Replatform capabilities to deliver greater industrialization and lower costs, including plans to outsource HR and finance capabilities
October 2015	Archroma	Providing Archroma, with a range of F&A and procurement business process services across the enterprise

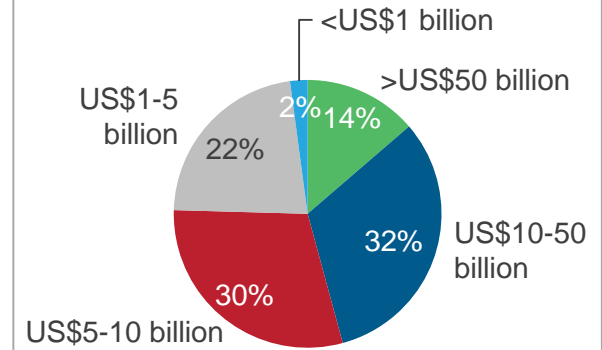
**FAO revenue by signing region 2015**



**FAO revenue by buyer industry 2015**



**FAO revenue by buyer size 2015**



<sup>1</sup> Others include healthcare, hospitality, and public sector

Source: Everest Group (2016)

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## FAO delivery locations



Source: Everest Group (2016)



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## FAO technology solutions

**FAO technology approach:** Accenture augments its FAO offering with an F&A solution that offers enabling technologies and works with a client's existing enterprise resource platform and tools to deliver best practices, control, and efficiency

	O2C solution	R2R solution	P2P solution
Solution description	<ul style="list-style-type: none"> <li>Configured for each industry and subprocess within O2C</li> <li>Creates visibility and accountability across retained and outsourced functions</li> <li>Provides robust data trending and analytics</li> </ul>	<ul style="list-style-type: none"> <li>Helps integrate accounting activities with ERP and other business processes</li> <li>Agnostic approach across platforms and industries with focus on pervasive visibility, insights, controls, and growth</li> </ul>	<ul style="list-style-type: none"> <li>Multi-tier bolt-on invoice automation solution to address client and industry requirements</li> <li>Continuous analytical capability to feed sourcing and process benefits realization</li> <li>Vendor portal to support self-services</li> </ul>
Process scope	<ul style="list-style-type: none"> <li>Order management, credit management, collection, dispute &amp; deduction management, cash application, and analytical reporting</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory compliance, budgeting/forecasting, fixed assets, general accounting, internal audit, financial analytics &amp; reporting, tax management, and industry-specific revenue accounting</li> </ul>	<ul style="list-style-type: none"> <li>Procurement support, invoice and payment processing, working capital management, period-end closing, analytics, control, and compliance</li> </ul>
Technology leveraged	<ul style="list-style-type: none"> <li>Accenture-developed:               <ul style="list-style-type: none"> <li>Accenture delivery workflow and quality collections tool</li> <li>Receivables management solution</li> </ul> </li> <li>Experience with SAP's FSCM &amp; dispute management modules, Oracle's advanced collections, i-Receivables, GetPaid, and iMany</li> </ul>	<ul style="list-style-type: none"> <li>Accenture-developed planning and control calendar solution, process toolkits, reconciliation workflow and analytics</li> <li>Experience with multiple ERP platforms including SAP, PeopleSoft, Oracle, JD Edwards, Microsoft, and Lawson</li> <li>SAP HANA-based finance transformation solution</li> </ul>	<ul style="list-style-type: none"> <li>Accenture-developed control &amp; workflow solutions, document management, scanning, and ingestion; e-invoicing (Ariba), duplicate payment prevention, and supplier self-service portal</li> <li>Analytics through proprietary Procurian Insights &amp; Savings Link solution</li> <li>Partnership with SAP Ariba for E2E procurement services</li> </ul>
Delivery model & pricing	<ul style="list-style-type: none"> <li>Private cloud, hosted, single-client, and multi-client</li> <li>As-a-service</li> <li>Upfront implementation fees, pay-per-transaction, bundled-in FTE pricing, and performance-based pricing</li> </ul>	<ul style="list-style-type: none"> <li>Private cloud, hosted, single-client, and multi-client</li> <li>As-a-service model</li> <li>Upfront implementation fees, license fees, bundled-in FTE pricing, and performance-based pricing</li> </ul>	<ul style="list-style-type: none"> <li>Private cloud, hosted, single-client, and multi-client</li> <li>As-a-service model</li> <li>Upfront implementation fees, pay-per-transaction, license fees, bundled-in FTE pricing, and performance-based pricing</li> </ul>

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## FAO technology solutions

**FAO technology approach:** Accenture augments its FAO offering with an F&A solution that offers enabling technologies and works with a client's existing enterprise resource platform and tools to deliver best practices, control, and efficiency

### FP&A Administration and Governance

### Process-independent solution

#### Solution description

- Focuses on budgeting, forecasting, monthly reporting, variance analysis, commentaries, and decision support
- Aligning talent to aggregate, analyze, and synthesize operational data

- Focuses on the key activities of budgeting, forecasting, monthly reporting, variance analysis, commentaries, and decision support. Aligning talent to aggregate, analyze, and synthesize operational data is a critical component

#### Process scope

- FP&A Administration and Governance is executed with a strong BPO governance model and supporting technologies to drive value-based transformation
- Descriptive FP&A is very similar to R2R reporting – supports fact-based historically-oriented reporting operations with a high degree of BPO engagement
- Prescriptive & predictive analytics – generates hybrid compilations and comparative explanation reports addressing business requests/requirements including trending analysis, variance reports, and ad hoc reporting

- Accenture FAO dashboard provides a portfolio including month close, reconciliations, invoice processing, workflow, query management, collections data, and service management

#### Technology leveraged

- Analytics capabilities via proprietary insights – using fifth-generation BPO technology platform
  - Accenture Insights Platform (AIP) tool with advanced analytics for budgeting & forecasting
  - Accenture Planning & Control tool
- Experience with multiple ERP platforms including SAP, Oracle, JD Edwards, PS and business intelligence tools such as Hyperion, Cognos, Discoverer, BusinessObjects, Microsoft Dynamics, SPSS, SAS, Visual Science, and Qlikview

- Accenture-developed platform designed for cloud and on-premise deployment
- Connected to transactional platforms through an integration hub
- Automation through Blue Prism/Fusion
- Automated work-scheduling tool

#### Delivery model & pricing

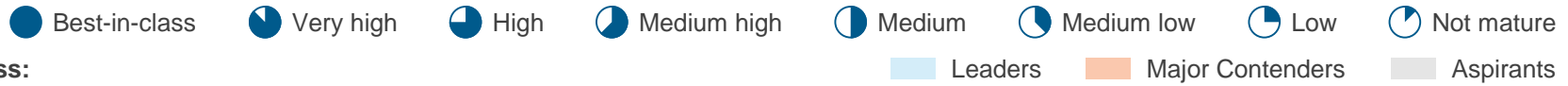
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## Everest Group assessment

Measure of capability / market success:



Delivery capability <sup>1</sup>						Market success <sup>1</sup>
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	

### Strengths

- Market leader in the mature and hyper-competitive FAO segment, with strong capabilities across the entire F&A value chain
- Accenture is able to rapidly reorient its offerings to cater to emerging FAO market demands such as those for FP&A, analytics, and automation solutions
- A wide portfolio of clientele spread across a diverse range of industries, buyer segments, and geographic presence including emerging markets of Latin America (LATAM) and Asia Pacific (APAC)
- Significant expertise in executing large multi-tower deals with adjacent Supply Chain Management (SCM) and Procurement Outsourcing (PO) scope
- Strong suite of analytics capabilities, especially around budgeting & forecasting (Accenture Insights Platform), various point-specific technology solutions, and workflow tools
- A balanced global delivery model with optimal mix across offshore, nearshore, and onshore locations and presence across all major geographies
- Clients praise Accenture for its ability to act as a true partner with non-bureaucratic work culture, flexibility to cater to diverse requirements, and a good talent pool

### Areas of improvement

- Clients have cited the following areas of improvement for Accenture:
  - Although attrition is relatively lower than the industry standard, there is an opportunity for Accenture to minimize such disruption by enhancing internal knowledge management processes
  - Should be more proactive in sharing industry best practices and suggesting continuous improvement measures
- While Accenture works well with clients looking for transformative solutions, it might not be a good fit for clients who are looking to outsource minimal tasks

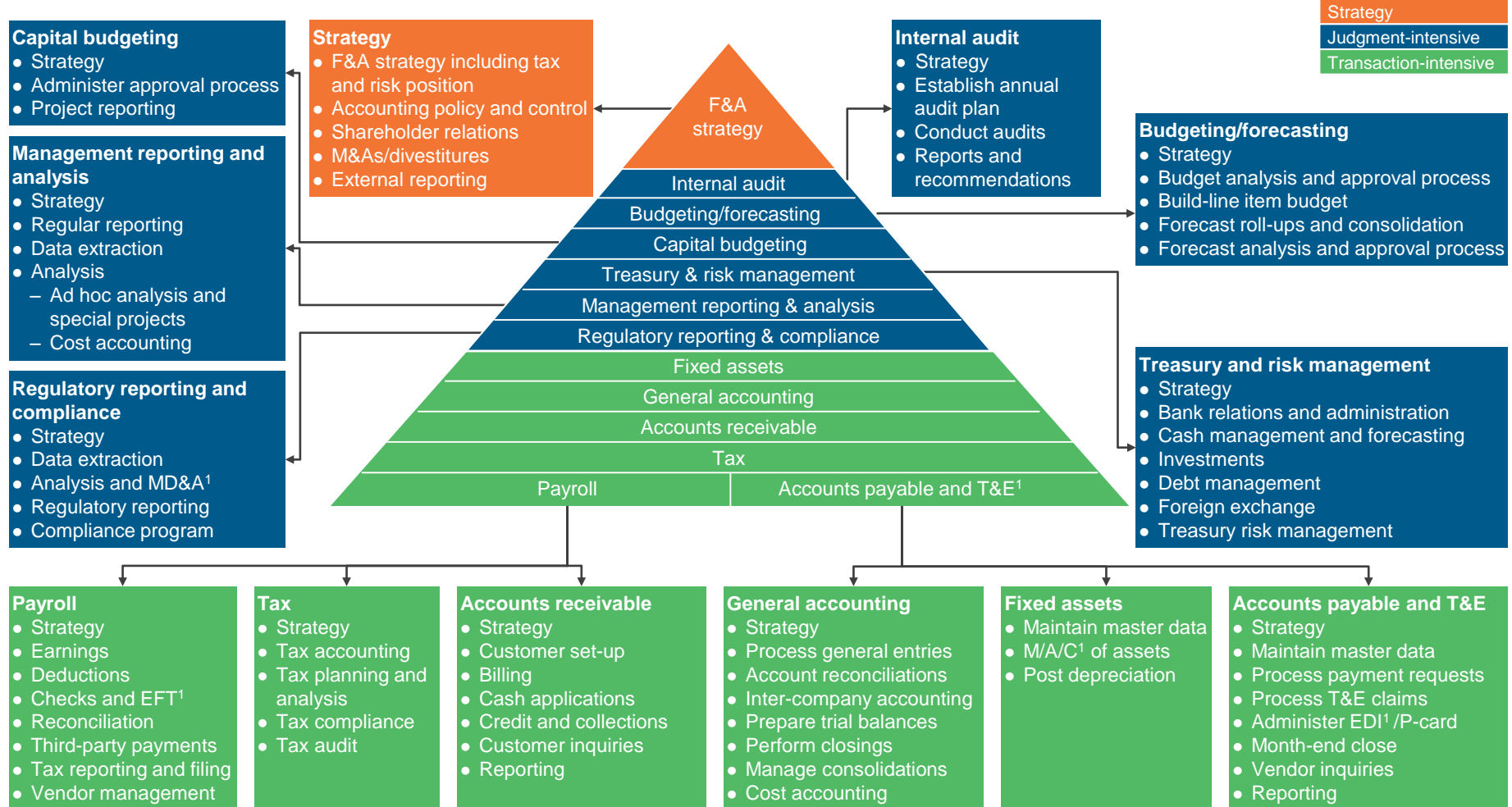
<sup>1</sup> Based on contractual and operational information as of 2015

Source: Everest Group (2016)

# Appendix

# The scope of FAO services includes both transaction-intensive and judgment-intensive processes

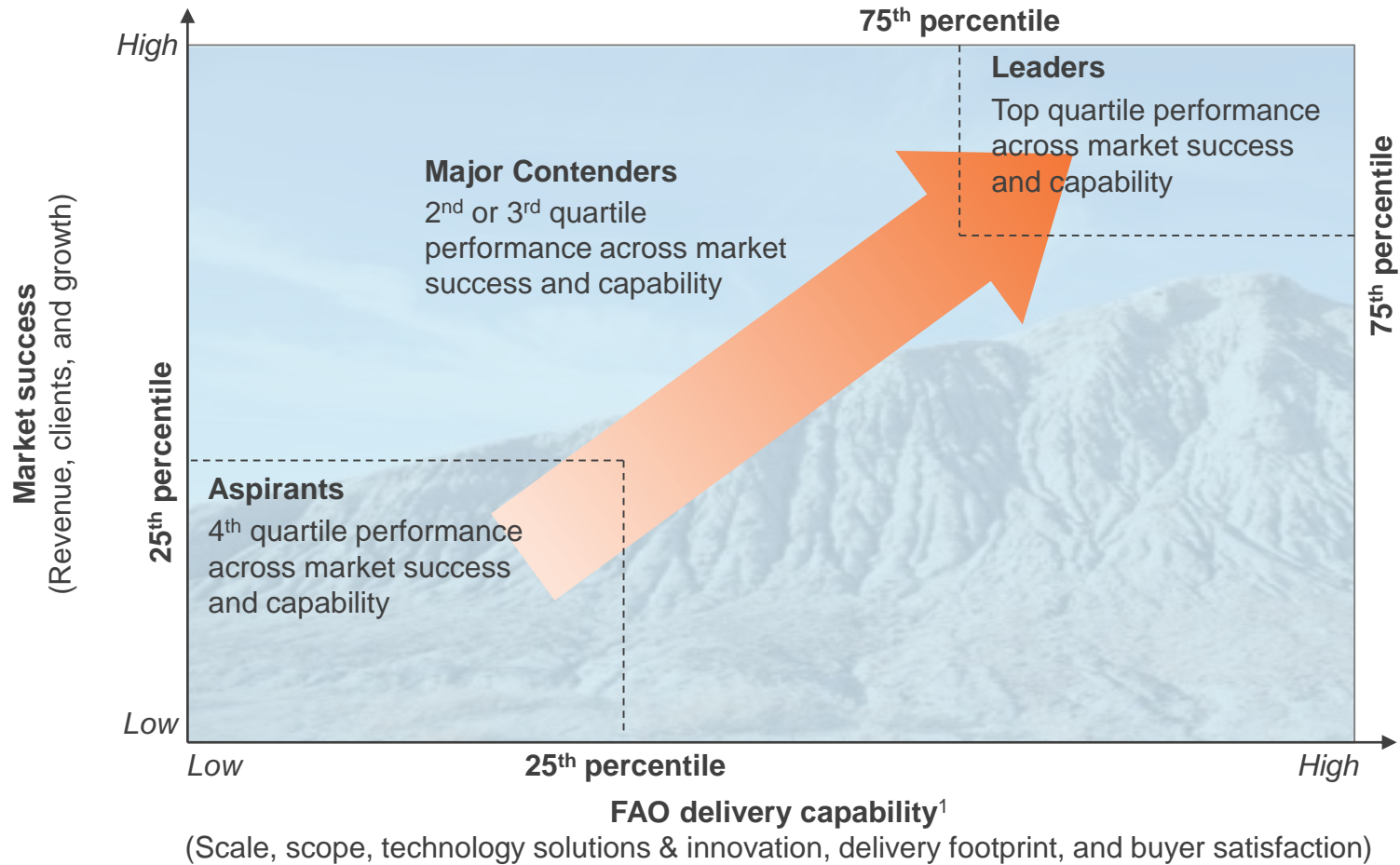
## Functional definition of FAO



<sup>1</sup> Defined in Appendix

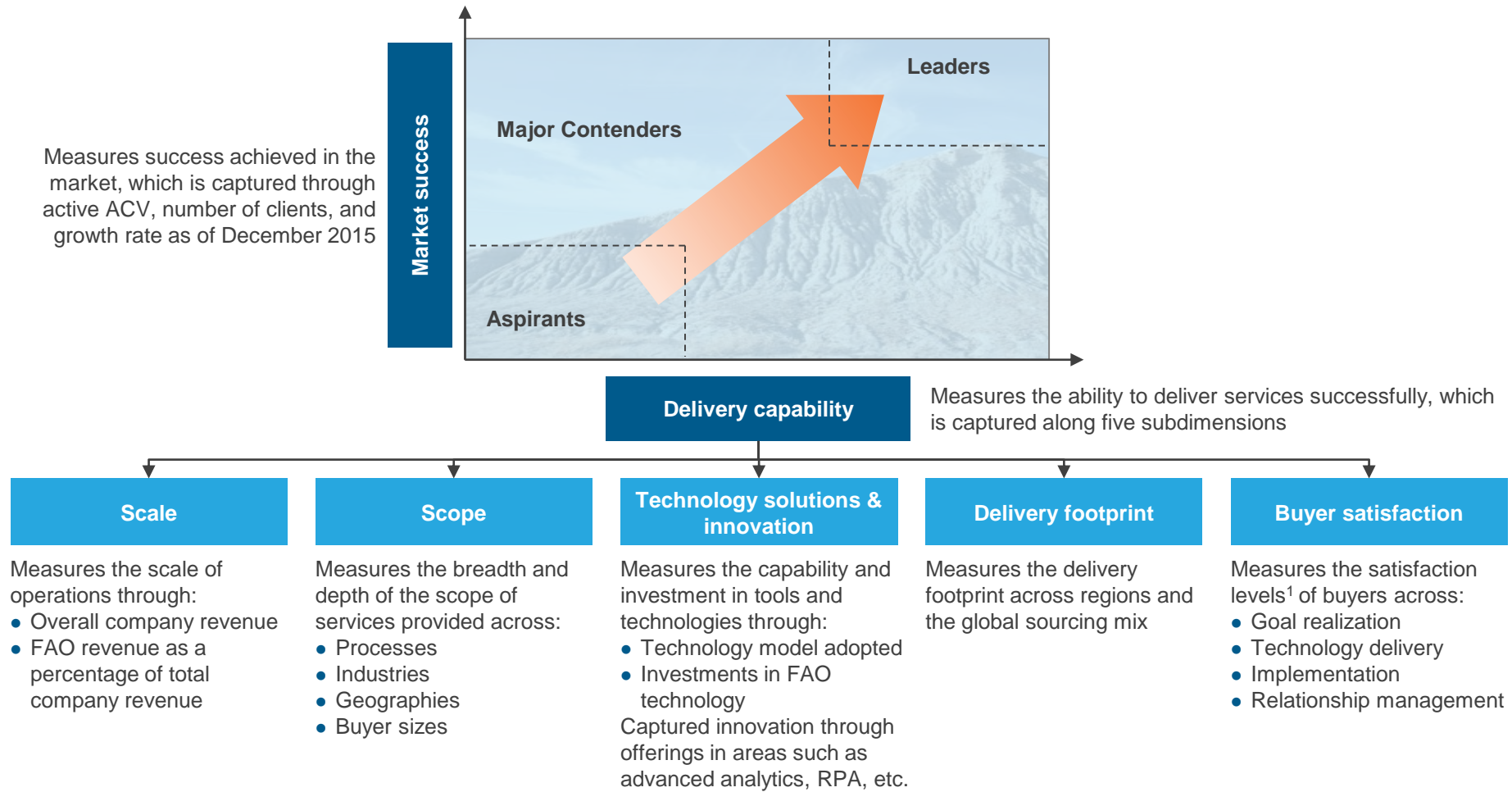
# Everest Group classifies the FAO service provider landscape into Leaders, Major Contenders, and Aspirants on the Everest Group PEAK Matrix

Everest Group Performance | Experience | Ability | Knowledge (PEAK<sup>TM</sup>) Matrix



<sup>1</sup> Service providers scored using Everest Group's proprietary scoring methodology described on the following page  
 Source: Everest Group (2016)

# Service providers are positioned on the PEAK Matrix based on evaluation across two key dimensions

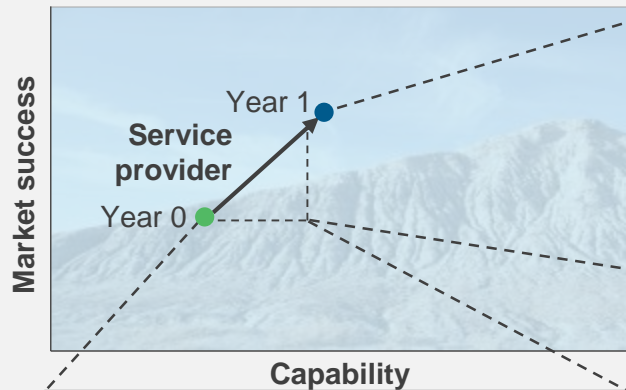


<sup>1</sup> Measured through responses from two/three referenced buyers for each service provider  
 Source: Everest Group (2016)

# Additionally, Everest Group confers the “Star Performers” title on providers that demonstrate the strongest forward movement over time on the PEAK Matrix

## Methodology

Everest Group selects FAO Star Performers based on the relative YOY movement of each service provider on the PEAK Matrix



In order to assess advancements on market success, we evaluate the performance of each service provider on the PEAK Matrix across a number of parameters including:

- Yearly ACV growth
- Number of new contract signings
- Expansion in overall contractual portfolio

In order to assess advancements on capability, we evaluate the performance of each service provider on the PEAK Matrix across a number of parameters including:

- FAO-specific technology investments
- Incremental penetration of technology in contracts
- Innovation

The top quartile performers on each of the specified parameters are identified and the “Star Performer” rating is awarded to the service providers with:

- The maximum number of top quartile performances across all of the above parameters and
- At least one area of top quartile performance in both market success and capability advancement

**2016 FAO Star Performers**

*The “Star Performers” title relates to YOY performance for a given service provider and does not reflect the overall market leadership position. Those identified as “Star Performers” may include “Leaders”, “Major Contenders”, or “Aspirants”*



## **Does the PEAK Matrix assessment incorporate any subjective criteria?**

- Everest Group's PEAK Matrix assessment adopts an objective and fact-based approach (leveraging service provider RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider briefings

## **Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?**

- No. PEAK Matrix highlights and positions only the best-in-class service providers in a particular functional/vertical services area. 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 PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?**

- PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric level assessment and associated commentary is helpful for buyers in selecting particular providers for their specific requirements. It also helps providers showcase their strengths in specific areas

## **What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?**

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

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### What is the process for a service provider to leverage their PEAK Matrix positioning status ?

- Providers can use their PEAK positioning rating in multiple ways including:
  - Issue a press release declaring their positioning/rating
  - Customized PEAK profile for circulation (with clients, prospects, etc.)
  - Quotes from Everest Group analysts could be disseminated to the media
  - Leverage PEAK 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 the designated POC at Everest Group**



From **insight** to **action**.



## About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empowers clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com) and [research.everestgrp.com](http://research.everestgrp.com).

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