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

Focus on Wipro
October 2022

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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 | Wipro positioned as Leader

Everest Group Finance and Accounting Outsourcing (FAO) PEAK Matrix® Assessment 2022[1,2]
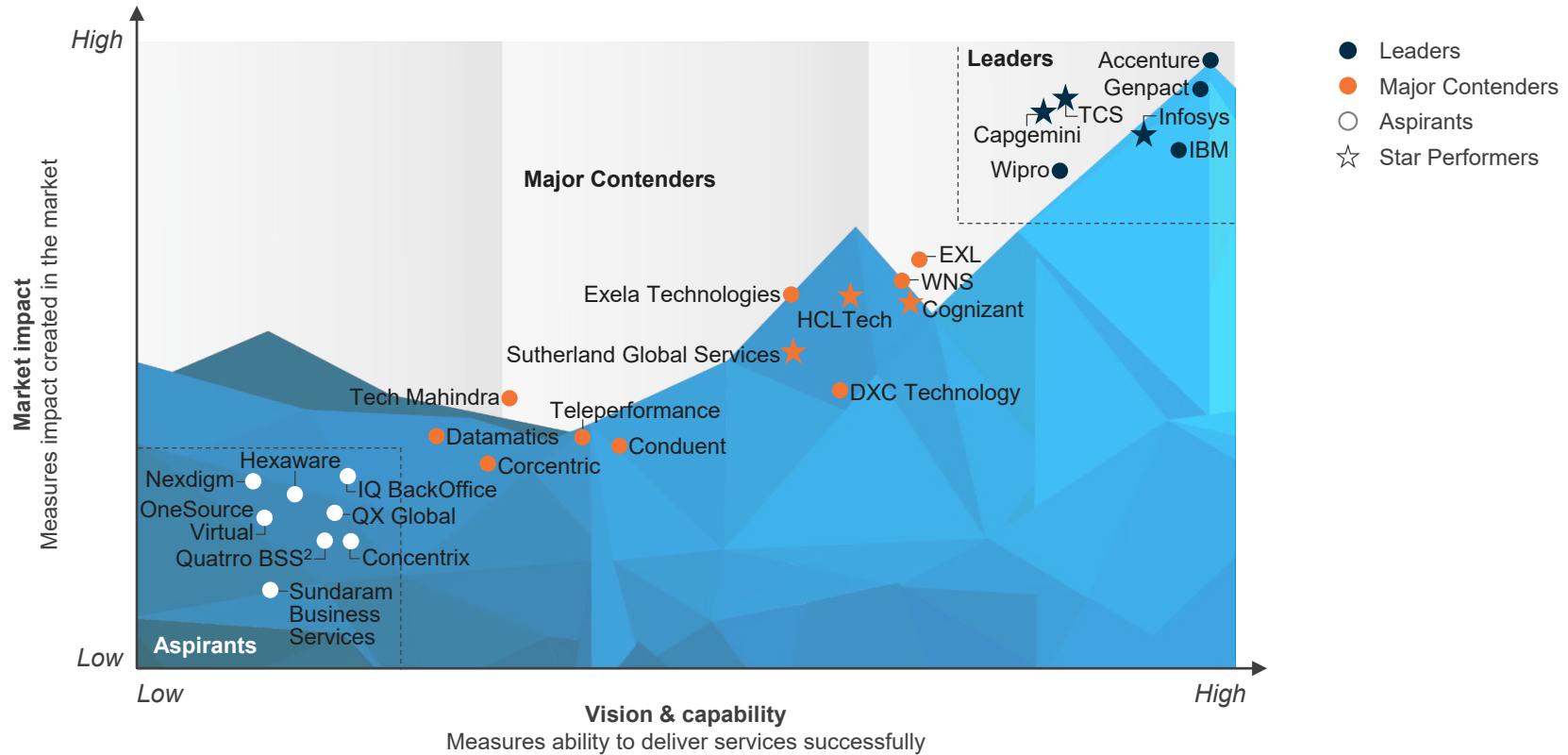
1. Assessment for Concentrix, DXC Technology, Hexaware, Sundaram Business Services, Teleperformance, and WNS excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with FAO clients
2. Quatrro BSS: Quatrro Business Support Services

Source: Everest Group (2022)

Wipro | FAO profile (page 1 of 7)
Overview

Key leaders
- **Jagmohan Babra,** Head, Corporate Business Services
- **Ravinder Bhatia,** Head CBS – FAO Delivery and Transition
- **Ashish Singla,** Head CBS – Finance Practice

Recent developments/investments

Technology expansion
- **2021:** launched the Global Celonis Center to drive operations transformation for clients. Customers can identify and remove efficiency, effectiveness and experience barriers and reap the benefits of intelligent, data-driven execution 2021: launched Celonis – a supply chain command center that combines capabilities such as process KPI benchmarking to process optimization. Enterprises can leverage ready-to-use models for process maturity level assessment, custom code analysis, and automation opportunities
- **2021:** invested in LILT AI-powered language translation tool, which helps invoice processing, query resolution, vendor and customer helpdesk teams to reduce dependency on language resources, and reach their multi-lingual customers
- **2021:** acquired Leanswift, a cloud-based ERP service provider. This enhances Wipro's cloud-based AP automation capabilities
- **2020:** acquired CAPCO, a global technology and management consultancy. CAPCO's integrated FAO solutions will help Wipro expand into the banking and financial services sector
- **2020:** partnered with Celonis to enable AI-powered process mining to identify and fix process inefficiencies
- **2020:** partnered with Fin Analytics, to build tools and resources providing a comprehensive, cloud-based view into customer service operations
- **2020:** invested through Wipro ventures in Incorta, to provide a new-age analytics platform replacing the legacy approach of data reporting using data warehouses
- **2020:** invested in AI platform – Wipro HOLMES™, that develops audit automation models, revenue prediction models, and anomaly & fraud detection models
- **2020:** invested in blockchain for intercompany accounting, contract & order management, invoice processing, treasury operations, memo and accounting, etc.
- **2019:** integrated Wipro's proprietary suite of tools, BaseNXT with RPA and Holmes®, Treasury DNA, Harmony, DeltaVerge™ platform, and Way2Go (a digital cloud-based T&E platform)

Scale of operations

Number of FAO FTEs over time

| 2018	2019	2020	2021
19,000+	20,000+	22,200+	24,554+

FAO services suite

Wipro's holistic portfolio of capabilities and the ability to navigate vertically and horizontally across ecosystems helps clients achieve differentiation and competitive advantage. Wipro's focus is to maximize business outcomes by converging themes across industry domains, products, services, and partners. Its focus is on developing tailored business solutions, impacting performance drivers such as profitability, margins, and growth. These services are delivered through 24,550+ finance specialists in over 35 languages, leveraging 38+ nearshore and offshore locations. Wipro provides functional solutions in FPnA, treasury, tax, RTR PTP and O2C. Below are some of the key focus areas:
- Impacting business performance, planning and budgeting through Wipro's Enterprise Performance Management practice & Wipro CapitiX for working capital optimization
- Full tax & statutory accounting ownership through strategic partnership with OneSource, which ensures local compliance
- ESG capabilities to holistically address new corporate reporting requirements across industries
- **Industry specific and digital services –** Wipro's Promax®, Wipro HPS, Analytics by Incorta, and blockchain
- **Geography-specific solutions:** Mexico – CFDI and integrated payment receipts, Italy – SDI, Hungary – NAV online reporting regulatory changes

Distribution of FTEs across processes

	>1,500 FTEs	500-1,500 FTEs	<500 FTEs

P2P	O2C	R2R	Others
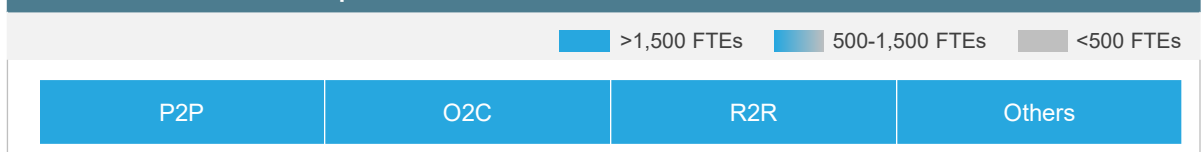
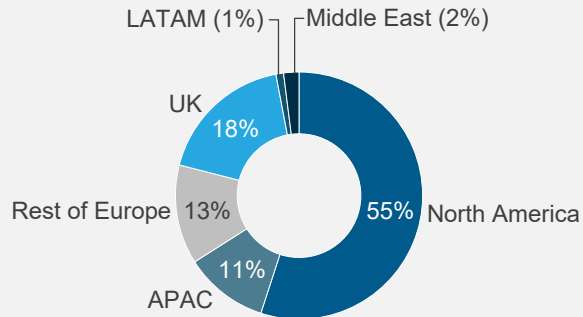# Wipro | FAO profile (page 2 of 7)
Client portfolio

Major FAO clients:

an American multinational corporation with subsidiaries involved in manufacturing, refining, and distribution of chemical, petroleum, and energy; a manufacturer of medical devices, pharmaceuticals, and consumer packaged goods based in America; a leading American clothing company; a US-based leading integrated retailer; an Australian multinational construction company; a property, investment, and infrastructure company; a US-based provider of human capital and management consulting; a Denmark-based leading supplier of professional cleaning equipment; a Nordic-based organization providing healthcare, assistance, safety, and emergency services; Germany's largest market research institute; an American technology company; a UK-based supplier of temporary power generation and temperature control equipment; a leading provider of brand distribution solutions in Oman
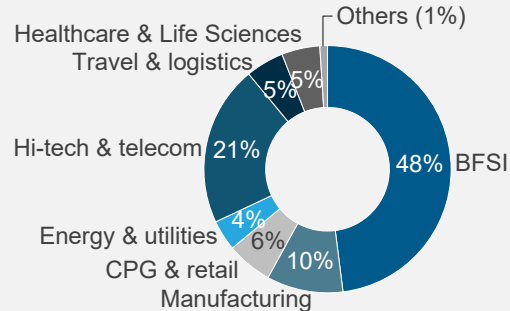
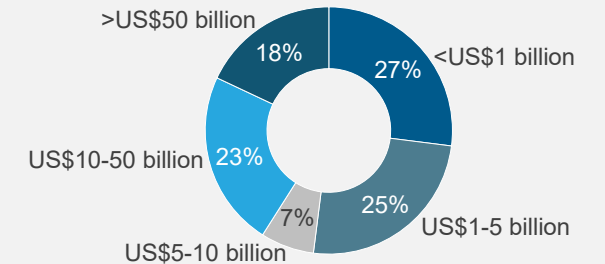| Recently announced FAO engagements (non-exhaustive)		
Time of signing	**Client**	**Contract details**
2021	A supplier of temporary power generation equipment and of temperature control equipment.	End-to-end F&A services such as AP, AR, R2R, and procurement
2021	A provider of acquisition and property management services	End-to-end F&A services such as AP, AR, and R2R
2021	An American clothing company	Accounts payable
2021	A commercial bank in Northern Europe	End-to-end F&A services such as AP, AR, and R2R
2021	A private research university in New York City	Accounts payable and FP&A
2021	An on-demand grocery delivery service for the Latin American market	Accounts receivable

FAO revenue mix by buyer geography (2021)

- LATAM (1%)
- Middle East (2%)
- UK 18%
- Rest of Europe 13%
- APAC 11%
- North America 55%

FAO revenue mix by buyer industry (2021)

- Others (1%)
- Healthcare & Life Sciences 5%
- Travel & logistics 5%
- Hi-tech & telecom 21%
- Energy & utilities 4%
- CPG & retail 6%
- Manufacturing 10%
- BFSI 48%

Number of clients by buyer size (2021)

- >US$50 billion 18%
- <US$1 billion 27%
- US$1-5 billion 25%
- US$5-10 billion 7%
- US$10-50 billion 23%

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Wipro | FAO profile (page 3 of 7)
Location landscape

FAO delivery locations

Wipro | FAO profile (page 4 of 7)
Technology solutions

Solutions	Third-party software and service partners

Solution description	• Platform-led BPaaS solutions
	  – **P2P digitization:** business commerce enablement BPaaS solution with Tradeshift – Ariba, Coupa
	  – **Expense management:** Concur Technologies and M-execute
	  – **O2C:** integrated receivables with HighRadius , Emagia, Experian, and OnGuard for transforming the credit-to-cash cycle
	  – **RTR:** Blackline, Trintech, and Chesapeake system solutions – reconciliations and period close
	  – **FP&A:** Anaplan for planning and budgeting solutions
	  – **Tax – Onesource:** intuitive software that manages sales and use tax, GST, and VAT compliance in one central environment
	  – Workflow orchestration, case management, and reporting using ServiceNow and Camunda
	• Automation and business intelligence
	  – **RPA:** Automation Anywhere, OpenSpan, Blue Prism, WorkFusion, and UiPath
	  – **Cognitive chatbot platforms:** Pypestream Kore.ai and Avaamo
	  – **Process mining and variance analysis platform:** Celonis, and Signavio
	  – **Reporting analytics:** SAP Hana, Business Objects, Qlikview, Teradata, and TIBCO
	  – **Procurement, spend analytics, and automation:** Opera
	  – **AI-based contract management solution:** SpotDraft
	  – **Omnichannel suite:** Freshdesk and Zendesk
	  – **Cognitive Analytics:** Incorta, and Thoughtspot
	• Process solutions including decision support
	  – Select big four consulting firms, TMF Group, and Amesto Group offering advisory services, tax consultancy, and statutory reporting
	  – **Mailroom operations:** PaperSoft, IronMountain, Novitex Source HOV, Crown, and Renovision
	  – **Process benchmarking solutions:** Hackett and American Productivity & Quality Center (APQC)
	  – **ERP software:** SAP (global solution partner), Oracle (certified advantage partner), PeopleSoft (technology partner), and Infor (implementation partner)
	  – **LILT:** language neutralization tool

Technology leveraged	• Cognitive process automation, AI, NLP, RPA, and blockchain • Web, and mobile-enabled; secure with role-based access controls
Delivery model and pricing	• Flexible deployment options including hosted, and on-premise and cloud based implementation • Flexible pricing options including upfront implementation fees, bundled-in FTE pricing, and subscription-based pricing along with gainshare models

Wipro | FAO profile (page 5 of 7)
Technology solutions

Solutions	Wipro in-house technology solutions

Solution description	• **Wipro enterprise operations transformation (EOT) suite:** comprehensive transformation framework based on the core pillars of simplification, automation, intelligence, and immersive experience
	• BPM tools including
	  – **BaseNXT suite:** revamped base suite & added new functionalities including greater compliance, advanced work allocation, process library integration, API integration, more flexible configuration, improved UI
	  – **Wipro Harmony:** integrated transition, project management, business process design, and benchmarking
	  – iSMRT stands for intelligent scheduling, monitoring, and repeating tasks, and it is an easy to deploy, low-code workflow and case management platform
	  – **Wipro CnNXT:** Procure to Pay suite helps run, improve and take business decisions regarding end to end P2P operations. IT enables compliance, self-service and touchless processing
	• **Process library – Wipro Harmony:** knowledge management repository, automation opportunities, process variance analysis & benchmarking. Also includes integrated transition & project management functionalities.
	• **A well established Blockchain practice:** a five-step consulting methodology that includes: Blockchain consulting, POC, MVP, production, and support; some of the relevant use cases include:
	  – **Contract Management:** digitize contractual terms and conditions, sign agreements on shared ledger
	  – **Invoicing and Payments:** touchless auto invoicing through smart contracts, record and share transaction details necessary to execute payments, permissioned network for automating trade finance
	  – **Dispute Resolutions:** process steps, billing data, mismatches shared with each party in real time; any change made requires approval from concerned parties
	  – **Records & Reporting:** data collation in real time Intra and interparty, intercompany treasury management
	  – **Memo and Accounting:** memo entries for settlement can be automatically updated from invoice data and approval status, Accounting entries automated
	• **CapitX:** working capital optimization methodology to improve cash & accelerate revenue from opportunity identification to benefit realization (gainshare model)
	• **Holmes®:** an AI-based platform, with audit automation, anomaly detection, and fraud/surveillance offerings
	  – **ngGenie:** next-generation intelligent virtual agent platform
	  – Holmes® eKYC for cognitive assistance to analysts for the KYC process
	  – Holmes® Cognitive image digitization
	  – Holmes® Smart contracts
	  – Holmes® JE Workbench
	  – Holmes® AR dispute solutions
	  – Holmes® Revenue prediction and assurance
	  – Holmes® AI chatbot

Wipro | FAO profile (page 6 of 7)
Technology solutions

Solutions	Wipro in-house technology solutions
Solution description	- Industry-specific solutions: – Automation for Retail and CPG inventory management – Wipro's Promax® suite of solutions for trade promotion management, optimization, and execution – Anomaly detection for telco networks with Wipro Holmes™ – Multi entity accounting for Life Sciences – Analytics based wealth management programs for Banking and Insurance customer – HPS- technology-based solutions that strengthens the ability of payors and Pharmacy benefit managers to navigate industry changes and keep them cost-efficient and agile - ESG solutions including open source tool for sustainability, turnkey physical automation solutions as well as sustainable digital factory initiatives with impact on R2R services.
Technology leveraged	- Cognitive process automation, AI, NLP, RPA, and Blockchain - Cloud hosted, on premise web, and mobile-enabled; secure with role-based access controls
Delivery model and pricing	- Flexible deployment options including hosted and on-premise implementation - Flexible pricing options including upfront implementation fees, bundled-in FTE pricing, and subscription-based pricing along with outcome-based & gainshare models

Wipro | FAO profile (page 7 of 7)
Everest Group assessment – Leader

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

- Wipro follows a digital-first strategy (with focus on customer experience, process harmonization, and hyper automation) by leveraging its strong IT legacy, process/domain expertise, and Enterprise Operations Transformation (EOT) framework to drive digital transformation for clients
- It leverages a robust suite of digital solutions to serve its clients' holistic F&A requirements through proprietary technologies (in both BPS & IT) and frameworks along with third-party partnerships
  - It has strengthened its partnership with Celonis and launched Global Celonis Center to further enhance its operations transformation capabilities
  - With its acquisition of CAPCO, a global management and technology consultancy, it has strengthened its consulting offering in the BFSI space
- It continues to enhance its onshore presence by expanding delivery locations across US, Germany, and the Netherlands
  - It has invested in LILT, a translation and localization startup, to enhance its language capabilities
- It leverages a "One-Wipro" approach for all its BPS and IT engagements, prioritizing client accounts as opposed to a siloed/vertical/function-specific approach
  - Clients frequently highlight Wipro's relationship management ability, leadership capability, and flexibility as their key strengths
- Wipro has been investing in the ESG space and has built solutions such as Open Footprint Platform to process data and build emission calculation reports, Smart-i-Connect IOT Solutions to drive energy efficiencies across smart cities/buildings, and Virtuadesk™ a desktop delivery platform to reduce CO_2 emissions
- It has made significant strides in its shared services transformation advisory functions, and also has strong expertise serving organizations in the BFSI, manufacturing, and hi-tech & telecom verticals across end-to-end F&A processes

Limitations

- Its focus and experience in addressing complex and large-scale deals in travel & logistics, healthcare, and energy & utilities is less compared to other sectors
- While Wipro is increasing its depth and breadth of offerings in the high-end FP&A space, its capabilities in industry-specific F&A processes are low
- Clients expect better talent retention, communication skills, and infrastructure to enable hybrid working

Appendix

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

Everest Group PEAK Matrix®
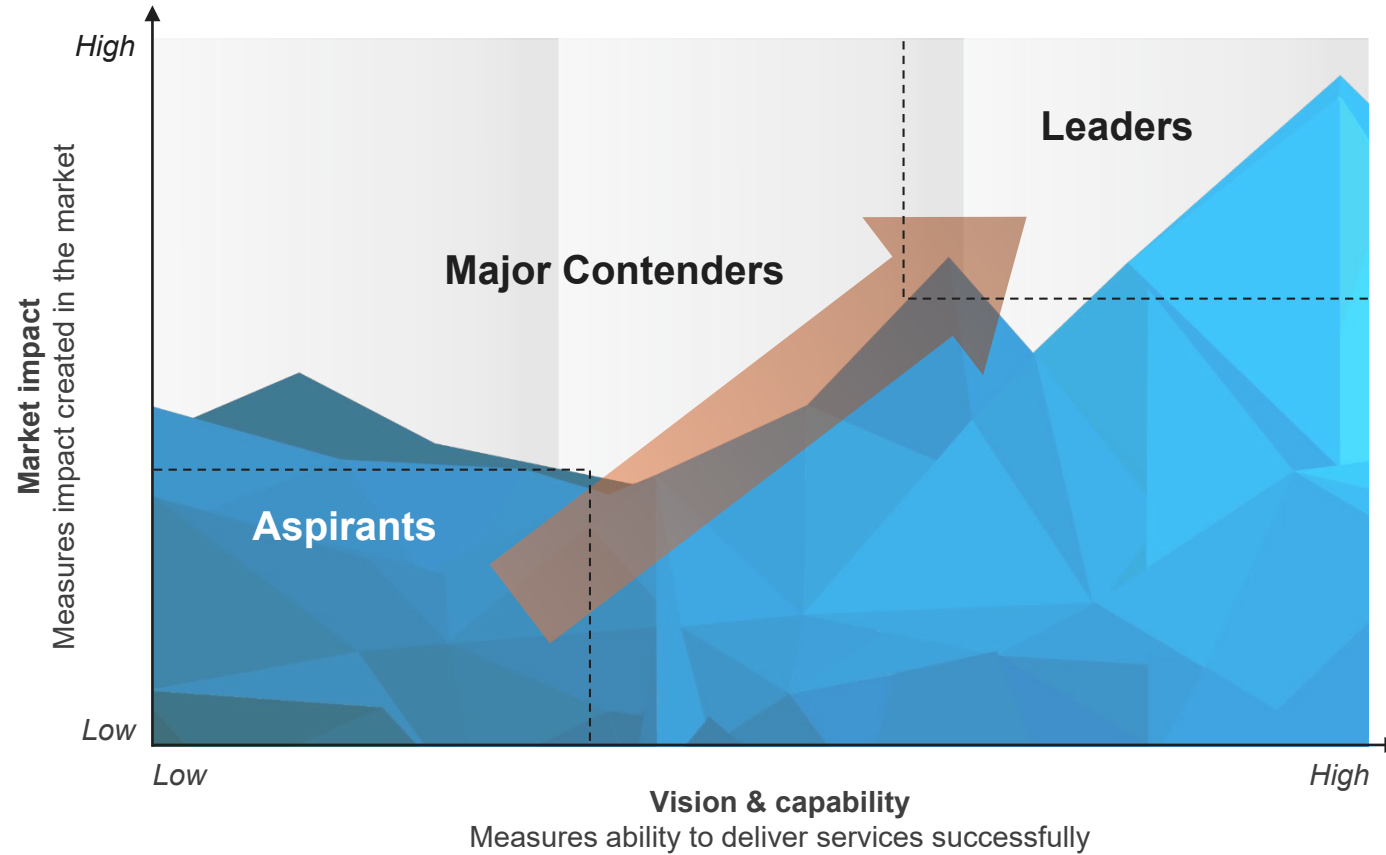
Services PEAK Matrix® evaluation dimensions

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

Leaders

Major Contenders

Aspirants

Vision & capability
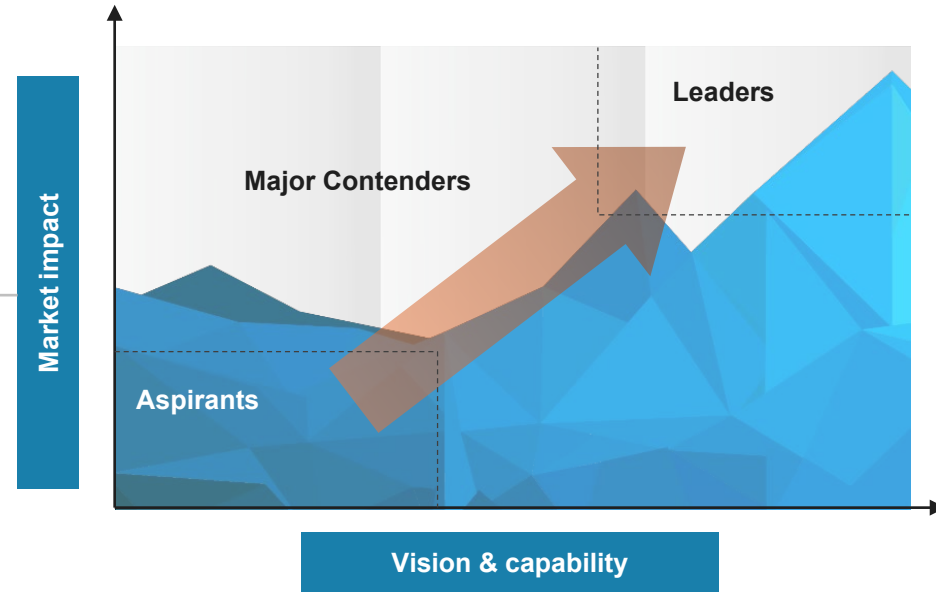
Measures ability to deliver services successfully. This is captured through four subdimensions

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®

Market impact (y-axis)

Year 1

Year 0

Vision & capability (x-axis)

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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