



Everest Group Finance and Accounting Outsourcing (FAO) PEAK Matrix® Assessment 2023

Focus on Tech Mahindra
October 2023



Background and scope of the research

Background of the research

The global multi-process Finance and Accounting Outsourcing (FAO) market continued to grow at a steady rate of 11-13% in 2022 and is expected to continue this growth trajectory for the next three years. 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 strategic focus of service providers is becoming more elevated as they emphasize upstream F&A operations alongside routine tasks. This change underlines how corporations are realizing the strategic value of F&A. At the same time, there is a growing focus on non-traditional F&A areas including risk management, compliance, sustainability, and data & analytics. Notably, cognitive technologies have moved from pilot stages to widespread usage, denoting a considerable change in the approach to and execution of F&A activities. Advisory services are becoming prominent, with service providers supporting enterprises to successfully navigate through complex financial environments. These trends are driving incremental changes in the commercial construct of FAO deals, indicating an evolving and value-driven industry landscape.

In this research we assess 28 FAO service providers based on their vision & capabilities and impact on the FAO market and position them on two Everest Group PEAK Matrix® assessments for FAO and Order-to-Cash (O2C) services.

In the full research, 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 2023 including service provider capability assessment and Star Performer analysis
- O2C PEAK Matrix 2023 including service provider capability assessment
- Service provider landscape
- Remarks on key strengths and areas of improvement for each FAO and O2C service provider

Scope of this report



Geography
Global



Providers
28 FAO Service
Providers



Services
Finance and Accounting
Outsourcing (FAO)

Finance and Accounting Outsourcing (FAO) Services PEAK Matrix® characteristics

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

Auxis, 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

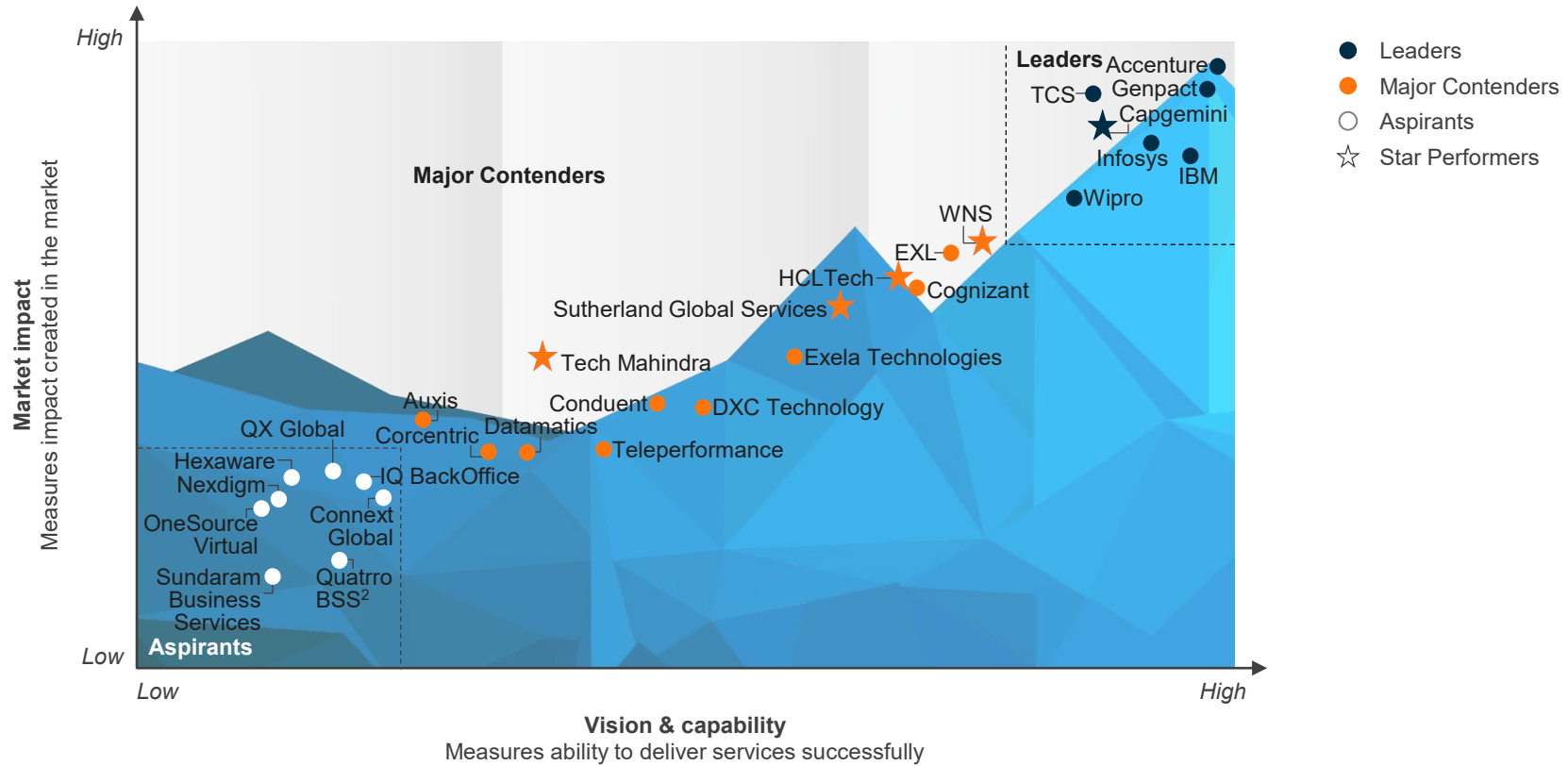
Connex Global, Hexaware, IQ BackOffice, Nexdigm, OneSource Virtual, Quattro Business Support Services, QX Global, and Sundaram Business Services

- 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) PEAK Matrix® Assessment 2023 | Tech Mahindra is positioned as a Major Contender and a Star Performer

Everest Group Finance and Accounting Outsourcing (FAO) PEAK Matrix® Assessment 2023^{1,2}



1 Assessment for DXC Technology, Hexaware, OneSource Virtual, Sundaram Business Services, and Teleperformance 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 Quattro BSS: Quattro Business Support Services

Source: Everest Group (2023)

Tech Mahindra profile (page 1 of 6)

Overview

Key leaders

- Anand PVRK, F&A Practice Head
- Anupam Chatterjee, Enterprise Consultant

Recent developments/investments

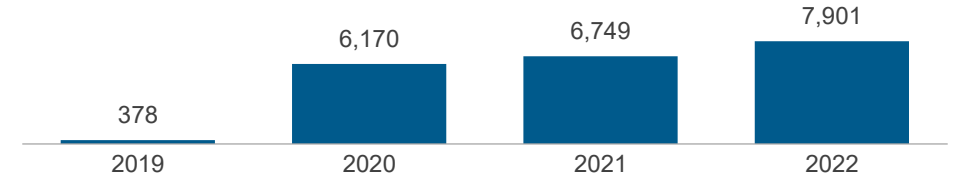
- Service scope expansion**
- **2022, Q1 2023:** cost optimization on eliminating transactional and rule-based areas by leveraging touchless and straight through processing – reduced billing to customers
 - **2021:** adopted the People, Process, and Performance (3P) model for hyper automation (RPA/AI/ML)
 - **2020:** leveraged blockchain technology for F&A processes
 - **2019:** leveraged AI/ML and digital process mining in F&A
 - **2018:** invested in F&A analytics and reporting

- Technology expansion**
- **2022, Q1 2023:** AceFin – CFO dashboard for end-to-end customers, to address their need for tactical and strategic insights of finance while they are making key decisions
 - **2021:** gold membership partnership with AP and AR process mining tool
 - **2020:** launched the GAiA Framework for in-house AI solutions in F&A
 - **2019:** leveraged Born Group for digital transformation in the O2C space
 - **2019:** launched Tactix, an AI platform with in-built capabilities such as NLP, ML, advanced data analytics, and visualization, to provide actionable intelligence and insights from operations data
 - **2019:** acquired Objectwise Consulting, to improve capabilities in implementation and support of Pega workflow software
 - **2019:** deployed UNO RPA for F&A and back-office process automation
 - **2019:** deployed Entellio, a robust and flexible end-to-end enterprise-grade chatbot platform
 - **2019:** deployed C4 Chat, a framework and toolkit for organizational change management and culture alignment/adoption
 - **2019:** leveraged One Paper Lane, a no-code cloud-based process automation and collaboration platform to improve productivity through the front, middle, and back office

- Delivery capability expansion**
- **2022, Q1 2023:** established its first Global Delivery Center (GDC) in Egypt; other supporting delivery centers added in Norway, Sweden, and Denmark
 - **2021:** opened delivery centers in Timisoara in Romania
 - **2019:** opened delivery centers in Germany (Dresden and Leipzig)
 - **2018:** opened delivery centers in Aguascalientes (Mexico), Moncton (Canada), and Plano (US)

Scale of operations

Number of FAO FTEs over time

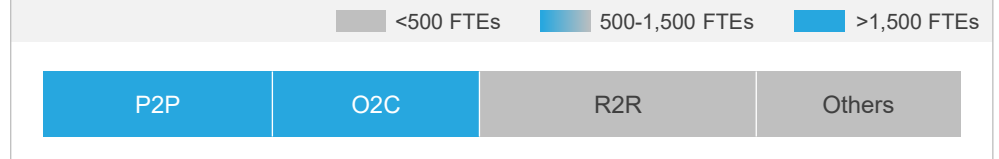


FAO services suite

Tech Mahindra offers a suite of F&A services including:

- P2P
- O2C
- R2R
- FP&A
- Professional services
- Intelligent automation
- Digital process mining
- F&A consulting
- Transformation
- Reengineering

Distribution of FTEs across processes



Tech Mahindra profile (page 2 of 6)

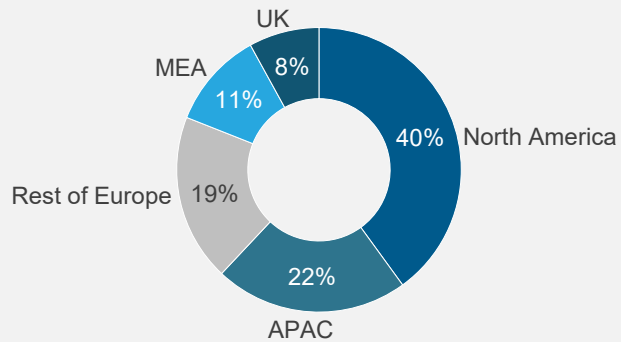
Client portfolio

Major FAO clients: a leading manufacturing company, a leading energy company, and a leading publishing company

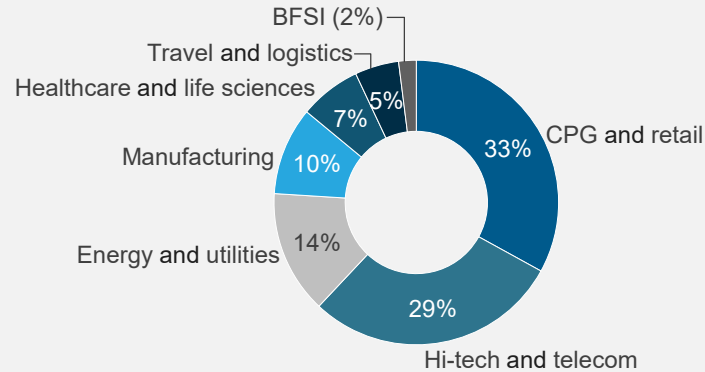
Recently announced FAO engagements (non-exhaustive)

Time of signing	Client	Contract details
2023	A leading technology and manufacturing company	Managed services
2023	A leading energy and utilities company	Transformation through hyper-automation
2023	A global leader in engineering and manufacturing automotive systems	Process digitization and transformation
2023	A leading specialty chemical supplier and water treatment company	Process reimaging and consulting service
2023	A leading provider of consulting, engineering services, and technologies	Transformation through hyper-automation

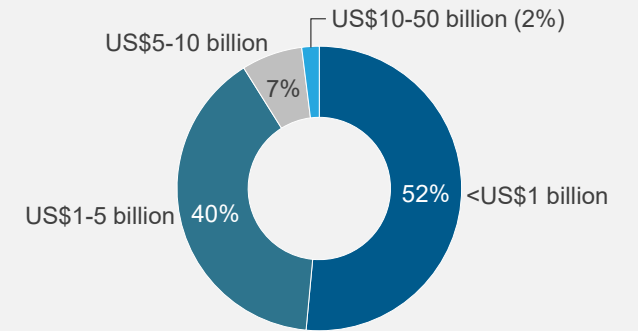
FAO revenue by contract signing region (2022)



FAO revenue by buyer industry (2022)



Number of clients by buyer size (2022)



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Location landscape

FAO delivery locations



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Technology solutions


















Solutions	O2C	R2R	P2P
Solution description	Leverages the combined power of data management, advanced analytics, and smart automation to maximize the efficiency and digitalization of order-to-cash finance operations	Leverages platforms and technologies to deliver R2R processes with improved business metrics, faster turnaround times, reduced cost, and real-time reporting using advanced analytics	Leverages intelligent automation using technologies such as OCR/ICR/RPA/AI, to deliver efficient P2P processes, improved business KPIs, and real-time reporting using advanced analytics
Process scope	Order management, credit management, customer master data, customer contract management, cash applications, customer billing, dispute management, and collections	Maintains the Certificate of Authorization (CoA), cost centers, FX rates, journal entries, balance sheet reconciliations, month-end close, FX and hedge postings, cash management and forecasting, debt management and reporting, group management and statutory reporting, fixed assets accounting, intercompany accounting, bank reconciliations, financial planning and analysis, risk and compliance, and tax reporting	Contract management, catalog management, PR to PO, goods receipting, returns management, expediting, P2P reporting invoice processing, vendor master data, payments, P2P helpdesk, and travel and expense
Technology leveraged	<ul style="list-style-type: none"> • AceFin • Newgen • Emagia • RPA – Uno, UiPath, Automation Anywhere, and Blue Prism • AI – Gaia • Analytics – SeeR and iDecisions • Digital process mining – Celonis • Workflow tool – One Paper Lane • Power BI – reporting and analytics • Tableau – reporting and analytics 	<ul style="list-style-type: none"> • AceFin • Thomson Reuters – tax filing and accounting • Avalara – tax compliance solutions • Blackline – reconciliation and general ledger closure, journal posting, task management solution • Trintech – digital cockpit for month-end close • RPA – Uno, UiPath, Automation Anywhere, and Blue Prism • Workflow tool – One Paper Lane 	<ul style="list-style-type: none"> • AceFin • Newgen • Ariba, GEP • One Paper Lane • Tactix • Entellio • RPA – Uno, UiPath, and Automation Anywhere • Digital process mining – Celonis
Delivery model and pricing	<ul style="list-style-type: none"> • Onshore + Nearshore + Offshore delivery model • Gainshare model • BPaaS – integrated process + technology • Transaction-based pricing • FTE-based pricing • Outcome-based pricing 	<ul style="list-style-type: none"> • Onshore + Nearshore + Offshore delivery model • BPaaS – integrated process + technology • Activity-based pricing • FTE-based pricing 	<ul style="list-style-type: none"> • Onshore + Nearshore + Offshore delivery model • Gainshare model • BPaaS – integrated process + technology • Transaction-based pricing • FTE-based pricing • Outcome-based pricing

Tech Mahindra profile (page 5 of 6)

Everest Group FAO assessment – Major Contender and Star Performer

Everest Group O2C assessment – Major Contender

Measure of capability:  Low  High

	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
FAO									
O2C									

Strengths



















- Tech Mahindra’s strong IT legacy and ability to offer IT and F&A services as an integrated offering continue to be among its core strengths
 - It offers a wide range of services to its clients across the end-to-end F&A value chain (with strong scale in P2P and O2C) by leveraging its broader IT, BPS, and consulting capabilities. Recently it has partnered with Thompson Reuters and Avalara to strengthen its offerings in tax, accounting, audit, assurance, and trade and compliance
 - It provides advisory services in financial analysis and reporting, F&A shared service center setup, target operating model, and F&A strategy and transformation
- It leverages a suite of pre-built customized solutions such as Qualco 360 (platform to automate workflows) and Analytics Decision Engine (projection, anomaly detection, and prescriptive action) to deliver on client requirements across the end-to-end O2C value chain predominantly in the retail & CPG and hi-tech & telecom industries
- Tech Mahindra has a robust digital ecosystem leveraging its in-house technologies and partnerships that are frequently highlighted by its clients as its key strengths
 - It has recently developed AceFin™, a cognitive AI-based CFO dashboard and Yantr.ai™, a cognitive platform enabled by ML and process design to provide actionable insights for enhanced field services
 - It has a partnership with GEP (for its P2P tools), OmPrompt (for touchless O2C solutions), and other technology vendors such as Trintech, Ariba, Emagia, UiPath, and Automation Anywhere
- Tech Mahindra has established credibility in the hi-tech & telecom, energy & utilities, and retail & CPG sectors with a strong clientele across North America and APAC
- Tech Mahindra offers a high degree of flexibility in its commercial and engagement models

Tech Mahindra profile (page 6 of 6)

Everest Group FAO assessment – Major Contender and Star Performer

Everest Group O2C assessment – Major Contender

Measure of capability:  Low  High

	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
FAO									
O2C									

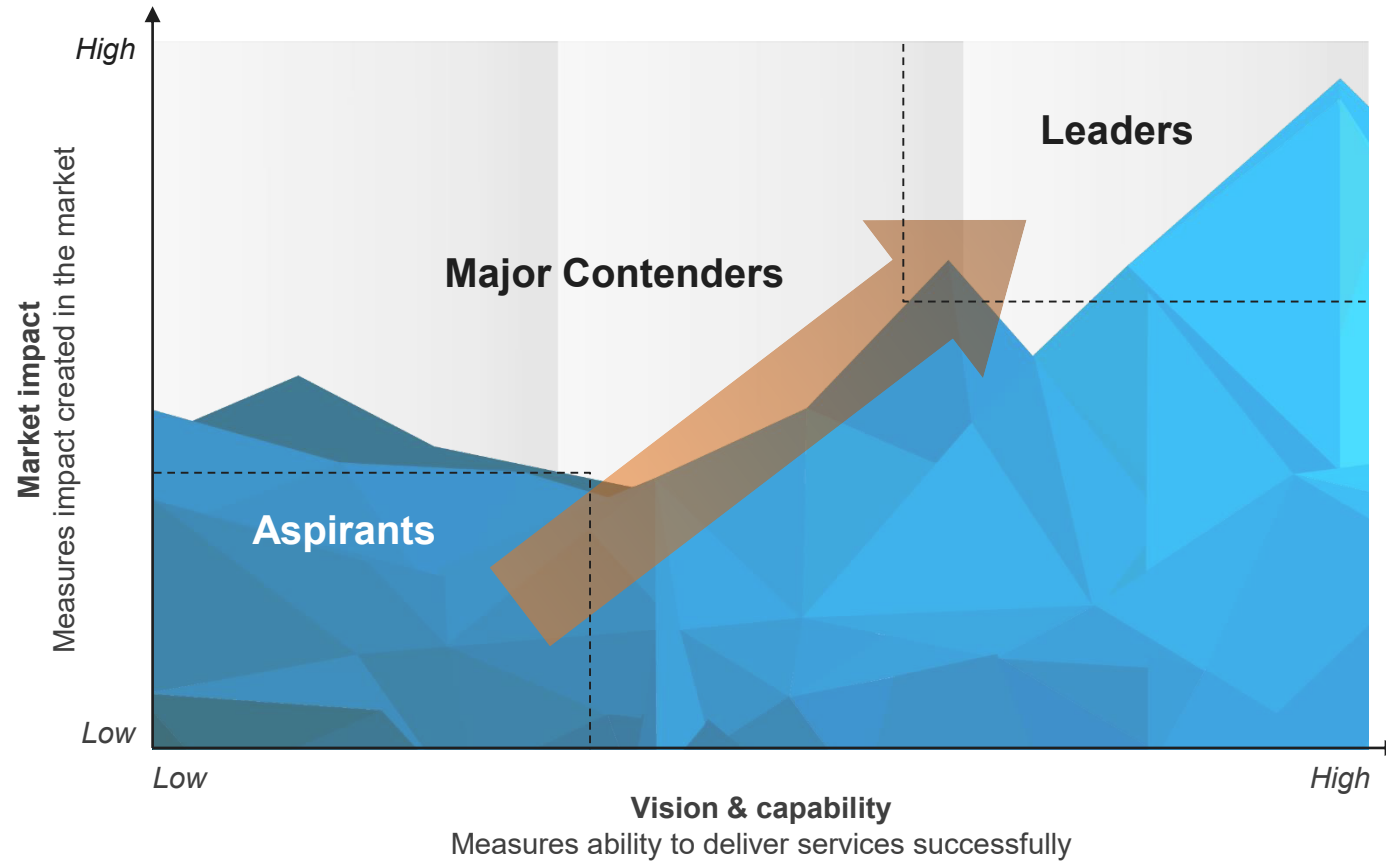
Limitations

- Due to its offshore-centric delivery model, Tech Mahindra may not be the right fit for organizations looking to outsource large-scale operations requiring onshore/nearshore presence
- Tech Mahindra’s F&A offerings are built off its core IT and technology expertise. Its ability to add significant value in complex F&A and/or industry-specific processes (beyond technology implementation or optimization) is still untested
- Though Tech Mahindra is investing in its automation and analytics capabilities supported with AI/ML technologies, its current adoption of cognitive and interactive solutions among its client base is low
- Its current experience in serving clients in Europe, LATAM, and MEA is somewhat limited
- Few clients expect Tech Mahindra to improve communication across delivery teams to enhance overall value

Appendix

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

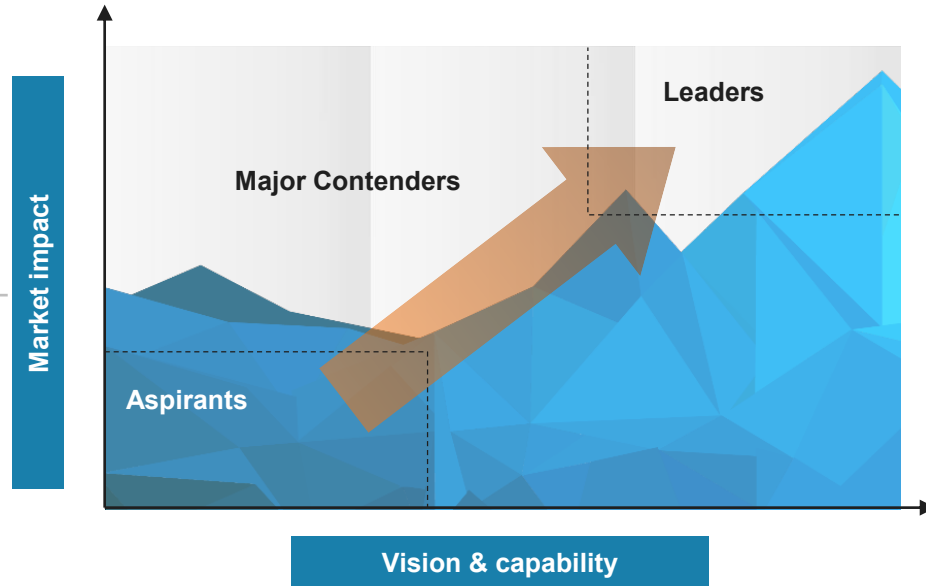
Everest Group PEAK Matrix



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



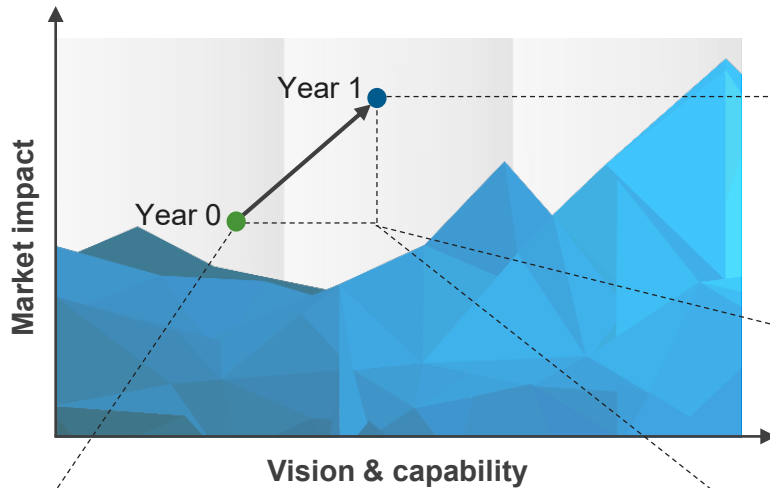
Measures ability to deliver services successfully. This is captured through four subdimensions

- Vision and strategy**
Vision for the client and itself; future roadmap and strategy
- Scope of services offered**
Depth and breadth of services portfolio across service subsegments/processes
- Innovation and investments**
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.
- Delivery footprint**
Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix



In order to assess advances on **market impact**, we evaluate each 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 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 providers whose improvement ranks in the top quartile and award the Star Performer rating to those 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 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 is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at www.everestgrp.com.

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