

HFS Horizons Report

F&A Service Providers, 2023

Evaluation of key finance and accounting
(F&A) service providers

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Excerpt for Capgemini

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No longer just the enforcer of cost, control, and compliance, finance is now expected to work hand-in-glove with the business to strategically help it navigate market uncertainties and opportunities. F&A service providers must look at Horizon 2 and 3 expectations for CFOs and revisit their portfolios. The keys to the kingdom lie in the data; the service providers that can design smarter, data-driven finance operations and help finance deliver on strategic growth initiatives will win.

Reetika Fleming, Executive Research Leader

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Horizon 3 providers differentiate themselves by their F&A competencies and investment in an ecosystem-wide ability to anticipate, focus, and ultimately convince discerning F&A leaders to buy from them.

Ian Maher, OneOffice Council Leader and Sourcing Advisor

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Introduction and the HFS F&A value chain

Introduction

Amidst continuing economic headwinds and digital innovation, the finance and accounting (F&A) landscape is rapidly evolving from a mere back-office office function to a strategic one. The overall finance function is emerging as one of the key value drivers in achieving strategic goals. This **HFS Horizons: F&A Service Providers, 2023** report is a snapshot of the leading F&A service providers acting as key catalysts for CFOs to drive enterprise-wide transformation.

The **HFS Horizons: F&A Service Providers, 2023** report assesses the innovation and value potential of service providers' capabilities across three distinct Horizons:

- **Horizon 1:** The ability to **drive functional transformation** by driving cost reduction, speed, and efficiency, plus the ability to measure business outcomes at the functional level.
- **Horizon 2:** Horizon 1 plus the ability to **drive a OneOffice Mindset** with real enterprise-level business outcomes and measure business outcomes at the enterprise level.
- **Horizon 3:** Horizon 2 plus the ability to **drive a OneEcosystem Approach**, finding completely new sources of value and measuring business outcomes at the ecosystem level.

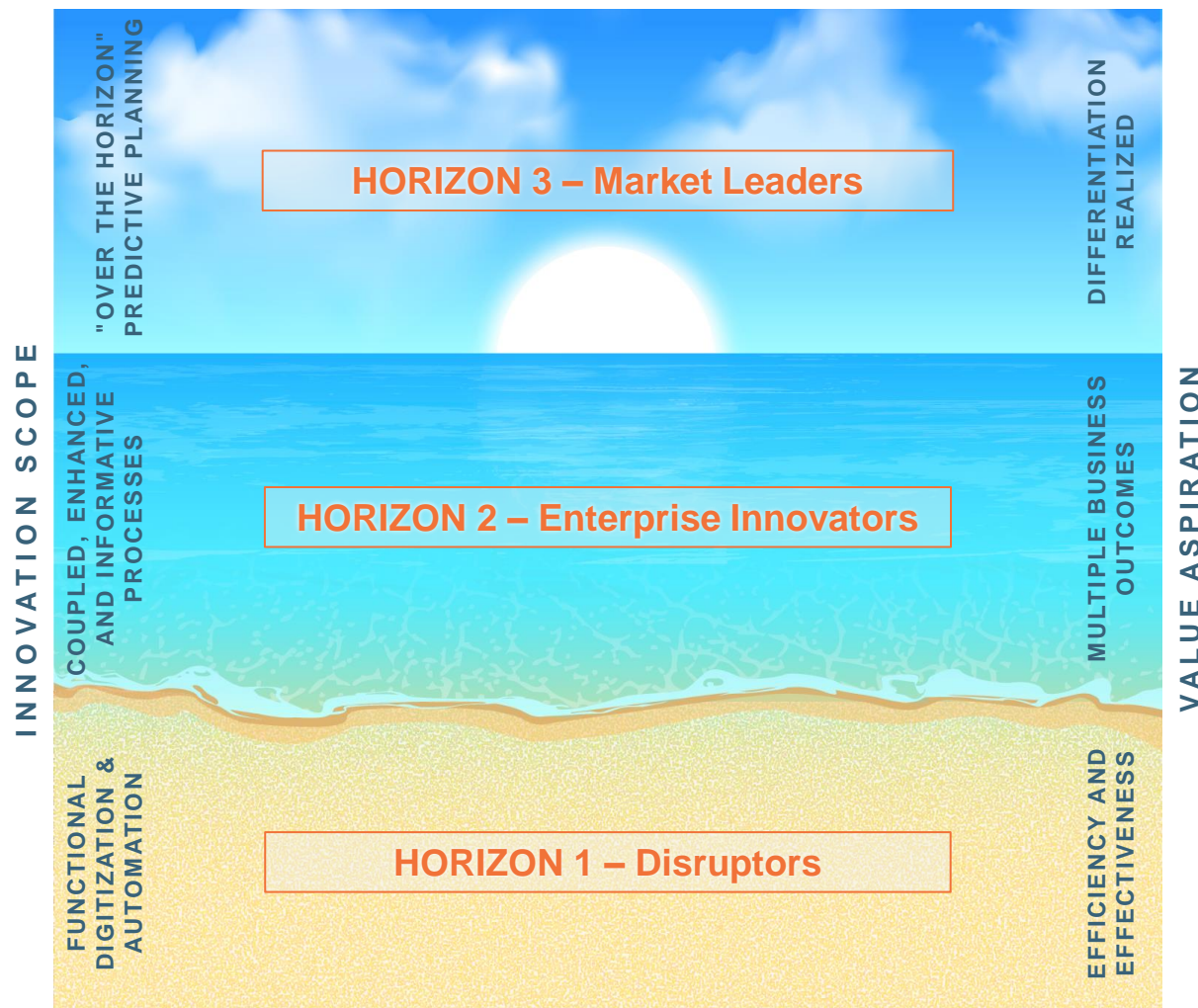
This research effort assesses how well service providers help their clients deliver F&A services to drive process transformation. The study evaluates the capabilities of service providers across the HFS F&A services value chain based on a range of dimensions to understand the Why, What, How, and So What of their services offerings.

We invited diversified providers of F&A services with established business lines focused on supporting the needs of CFOs through an existing portfolio of services that span our F&A services value chain to participate in this study.

This study evaluates 15 providers' capabilities across a defined series of value propositions, execution and innovation, go-to-market strategy, the voice of the customer, and alignment with the HFS F&A value chain and HFS Horizons criteria.

This report also includes detailed profiles of each service provider, outlining their provider facts, strengths, and development opportunities.

HFS Horizons—aligning enterprise objectives with service provider value



DIFFERENTIATION REALIZED is Horizon 3

Horizon 3 service providers demonstrate

- Horizon 2 + the ability to drive a **OneEcosystem approach**, finding completely new sources of value and measuring business outcomes at the ecosystem level
- Capability to deliver ecosystem transformation and controllership across all the four key pillars of F&A (order to cash, record to report, procure to pay, and financial planning and analysis) along with moving to a more strategic finance space
- Well-rounded capabilities across all value creation levers: talent, domain, technology, and change
- Positive impact on clients' technical and adaptive process areas
- Driving co-creation with clients and ecosystem partners
- Referenceable and satisfied clients driving new business models based on the partnership

MULTIPLE BUSINESS OUTCOMES is Horizon 2

Horizon 2 service providers demonstrate:

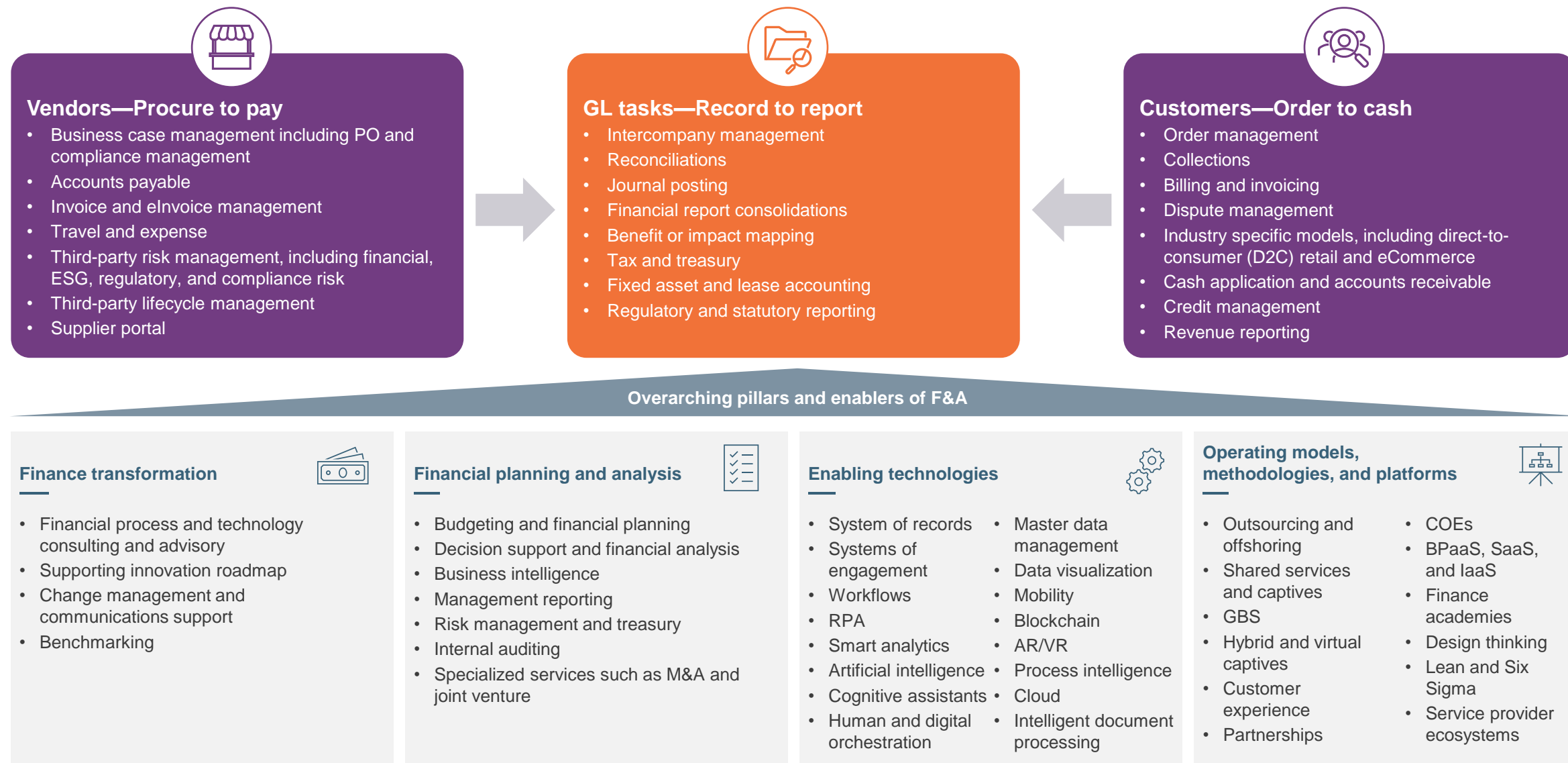
- Horizon 1 + the ability to drive a **OneOffice mindset** with real enterprise-level business outcomes and measure business outcomes at the enterprise level
- Capability to deliver enterprise transformation as an ongoing multi-year managed service and controllership across all the four key pillars of F&A
- Ability to support clients in driving customer and employee experience
- Global F&A capabilities with strong consulting skills
- Proven and leading-edge proprietary tools, assets, and frameworks
- Referenceable and satisfied clients for the ability to innovate

EFFICIENCY AND EFFECTIVENESS RESULTS is Horizon 1

Horizon 1 service providers demonstrate:

- Ability to drive **functional** transformation by driving cost reduction, speed, and efficiency and measure business outcomes at the functional level
- Demonstrate solid fundamentals of the transformational value of F&A on at least one of the four core pillars of F&A
- Global delivery capabilities and client footprint
- Referenceable and satisfied clients for ability to execute

The HFS F&A services value chain, 2023



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Research methodology

Service providers covered in this report

 **accenture**

 Capgemini

 cognizant

CONDUENT 

DATAMATICS

EXL

 genpact

HCLTech

IBM®

Infosys®
Navigate your next

 **SUTHERLAND**®

tcs **TATA**
CONSULTANCY
SERVICES

TECH
mahindra

 **wipro**

WNS

Note: All service providers are listed alphabetically

Sources of data

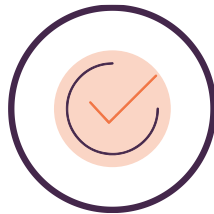
This Horizons research report relies on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on service capabilities of the participating organizations covered in our study. Sources are as follows:



Briefings and information gathering

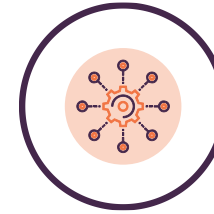
HFS conducted detailed **briefings** with F&A leadership from each vendor.

Each participant submitted a specific set of **supporting information** aligned to the assessment methodology.



Reference checks

We conducted reference checks with **38 active clients and 45 active partners** of the study participants via survey-based and telephonic interviews.



Other data sources

Public information such as press releases and websites.

Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.

Horizons assessment methodology (1/2)

The **HFS Horizons: F&A services, 2023** research evaluates the capabilities of providers across a range of dimensions to understand the **Why, What, How, and So What** of their F&A services offering. Our assessment will be based on inputs from clients, partners, and employees and augmented with analyst perspectives. The following illustrates how we will assess your vision, execution, and capabilities.

Distinguishing F&A service providers characteristics				
Assessment dimension	Assessment sub-dimension	Horizon 1 service providers	Horizon 2 service providers	Horizon 3 service providers
Value proposition: The Why (25%)	Strategy for the F&A market and vision for the future of the industry	<ul style="list-style-type: none"> Ability to drive functional optimization outcomes through cost reduction, speed, and efficiency 	<ul style="list-style-type: none"> Horizon 1 + Enablement of the OneOffice model of end-to-end organizational alignment across the front, middle, and back offices to drive unmatched stakeholder experience (EX, PX, CX) and business outcome achievement 	<ul style="list-style-type: none"> Horizon 2 + Ability to drive OneEcosystem synergy via strategic business partnering Demonstrated ideation from within and judgement of differentiating partners. F&A leadership—recognized leaders and “voice of the market”
	F&A services offerings aligned to top problem statements for the office of the CFO			
	Differentiators—Why CFOs will work with you			
Execution and innovation capabilities: The What (25%)	Breadth and depth of services across the F&A value chain and associated delivery capabilities	<ul style="list-style-type: none"> Functional domain expertise for segments of the retail banking value chain Industry-specific talent focused on key process domains or tech Focused partnerships and strong PX Limited industry-specific IP 	<ul style="list-style-type: none"> Comprehensive coverage across the F&A value chain and controllership across all the four key pillars of F&A Strong function-specific talent pool across IT and operations domains Range of function-specific partnerships and strong PX Strong function-specific IP Process transformation and analytics 	<ul style="list-style-type: none"> Comprehensive coverage across all the four key pillars of F&A (order to cash, record to report, procure to pay, financial planning and analysis) along with moving to a more strategic finance space Strong function-specific talent pool across consulting, IT, and operations domains Comprehensive function-specific partnerships with strong PX Strong function-specific IP + JVs Real-time predictive planning Ability to integrate seamlessly internal and external IP
	Strength of function-specific talent—hiring, training, and ongoing development			
	Approach to and strength of ecosystem partners			
	Industry-specific solutions			
	Function-specific technology innovation			

Horizons assessment methodology (2/2)

The **HFS Horizons: F&A services, 2023** research evaluates the capabilities of providers across a range of dimensions to understand the **Why, What, How, and So What** of their F&A services offering. Our assessment will be based on inputs from clients, partners, and employees and augmented with analyst perspectives. The following illustrates how we will assess your vision, execution, and capabilities.

Distinguishing F&A service providers characteristics				
Assessment dimension	Assessment sub-dimension	Horizon 1 service providers	Horizon 2 service providers	Horizon 3 service providers
Go-to-market strategy: The How (25%)	What are you actually selling to CFOs?	<ul style="list-style-type: none"> Investments aligned to functional optimization outcomes Optimization and point solutions Target-focused personas and LOBs, majority tier 2 and 3 firms, geo-specific 	<ul style="list-style-type: none"> Horizon 1 + investments aligned to enterprise experience Optimization and top-down transformation Target range of personas and LOBs, Tiers 1, 2, broad geo coverage 	<ul style="list-style-type: none"> Investments aligned to Horizons 1, 2 and ecosystem enablement Horizon 1, 2 + co-creation with customers and partners Horizon 1, 2 + new value creation C-suite coverage across LOBs and geos for Tier 1 and 2 Demonstrated record of organic business growth in F&A as well as competitive capture
	Nature of investments in your F&A business (M&A, non-M&A, R&D)			
	Co-innovation and collaboration approaches with customers and partners including creative commercial models			
	Customer targeting approach			
	Voice of the partner			
Market impact: The So What (25%)	Scale of F&A services—revenue, clients, and headcount	<ul style="list-style-type: none"> Proven scale and growth driven by functional optimization focus Top marks as an optimization partner across key retail banking functions (CX) 	<ul style="list-style-type: none"> Proven scale and growth driven by Horizon 1 + stakeholder experience Top marks as an enterprise transformation partner emphasizing stakeholder experience (CX) 	<ul style="list-style-type: none"> Proven scale and growth driven by Horizon 2 + ecosystem synergy Top marks as a global growth partner driving new business models (CX) Horizon 2 + Ability to drive OneEcosystem synergy via strategic business partnering Horizon 2 + mutually agreed achievement of realized business differentiation in client F&A practice Impact on client's adaptive work as well as technical work within F&A
	Growth of F&A services—revenue, clients, and headcount			
	Proven outcomes showcasing nature of value delivered to CFOs			
	Voice of the customer			

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Executive summary and market dynamics

Executive summary

- 1 Data leading as key value-add**

Data is the thread linking F&A with other functions within organizations. It is the most important weapon enabling enterprises and CFOs to make informed decisions to become data-driven and future-ready. However, most firms don't have the internal capabilities to manage such vast amounts of data, and this is where we see the expectations for service providers growing. The aim is to use data to quickly access real-time insights, aiding strategic decision-making and transformation initiatives. Service providers like Accenture, EXL, and Infosys are showing the way.
- 2 Partnership ecosystem and collaboration**

CFOs are quickly realizing the fastest way to growth and profitability is no longer via self-reliance; rather, they must focus on plugging gaps with meaningful partnerships to drive higher customer experience (CX), employee experience (EX), and partner experience (PX). F&A service providers are welcoming new partnerships to amplify existing capabilities along these lines. Some, like IBM and TCS, have mature partner strategies. Others, including Datamatics, Conduent, and Cognizant, have begun making good partnership contracts but still have some ground to cover.
- 3 Outcomes delivered**

Cost improvements, efficiency gains, and access to industry expertise and capabilities are among the topmost F&A priorities for clients. Most service providers are covering more Horizon 1 outcomes, and a few are beginning to build in Horizon 2 outcomes. However, Horizon 3 outcomes are still limited to a few specific areas of F&A. The industry is still on a journey to move beyond cost savings in delivering key engagement outcomes.
- 4 The promise of generative AI**

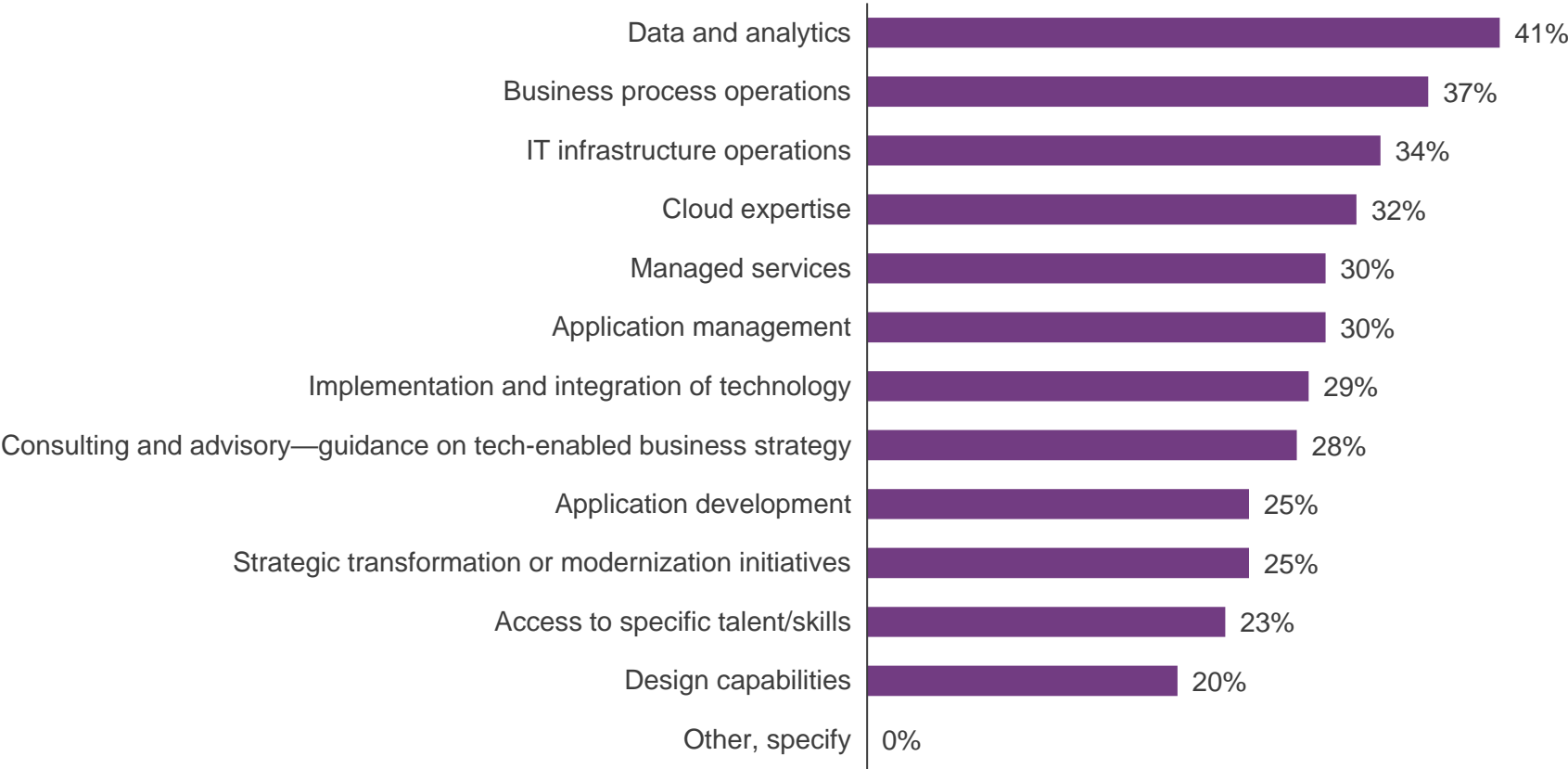
The F&A function can benefit from using GenAI to deliver quicker data analysis and insights and to attend to more strategic functions like risk management, fraud detection, forecasting, and overall planning. We've seen major service providers jump on the GenAI bus, but few have realized benefits at scale. The next few months will show us how F&A will begin benefitting from using GenAI in strategizing and financial planning, transcending Horizon 1 transactional tasks like helpdesk support.
- 5 ESG is an emerging priority**

ESG is one of enterprises' top three goals due to a growing urgency around climate change and transition. However, ESG organizations face challenges with unclear ownership and lack of clarity on actionable measures. Accountability for ESG external disclosures is moving into the CFO's domain, but the potential is far higher as finance can strategically guide the business on profitable, sustainable business initiatives. Most enterprises are still formulating their ESG strategies, creating an opportunity for F&A service providers to partner, though only a few have developed capabilities in this space.

Data and analytics is a key area where F&A clients seek help from partners

What services does your vendor provide?

Percentage of respondents



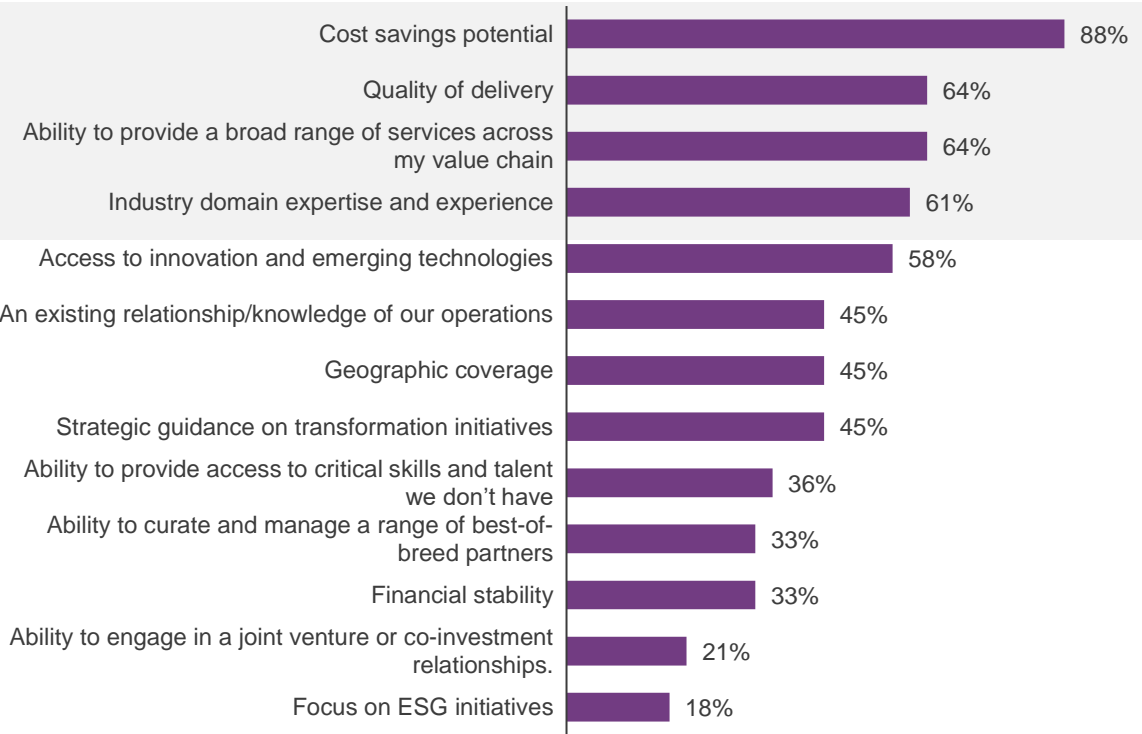
We expect data and analytics to continue to remain a top priority for the enterprise-wide finance function. The right insights and intelligence from data will set the narrative for achieving the business goals and attribute to business efficiency.

Sample: N= 128 finance and accounting respondents,
Source: HFS Research, 2023

Improving costs, gaining efficiency, and having access to industry expertise are the topmost selection criteria and benefits delivered

How did you pick this service provider?

Percentage of respondents



Rate the vendor across the following parameters based on your experience on a scale of 1–5, where 1 is below expectations and 5 is exceeded expectations.

Weighted average of ratings



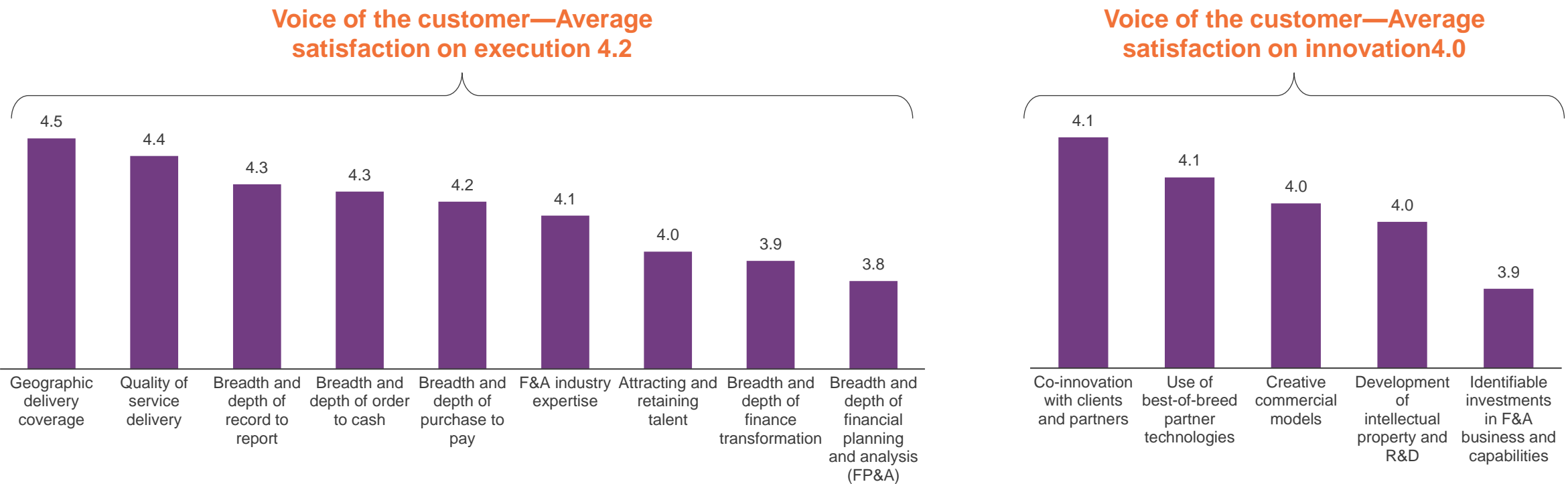
While cost is still the deciding factor, the gap is closing on how buyers define value from providers, with an increasing focus on the quality of service, domain expertise, and customer and employee experience.

Sample: N= 38 client reference survey
Source: HFS Research, 2023

Service providers excel on overall service delivery for transactional F&A, and finance transformation and strategic finance have the most room for improvement

Based on your experience, please rate the vendor across the following parameters using a 1–5 scale, where 1 is below expectations and 5 is exceeded expectations.

Weighted average of ratings



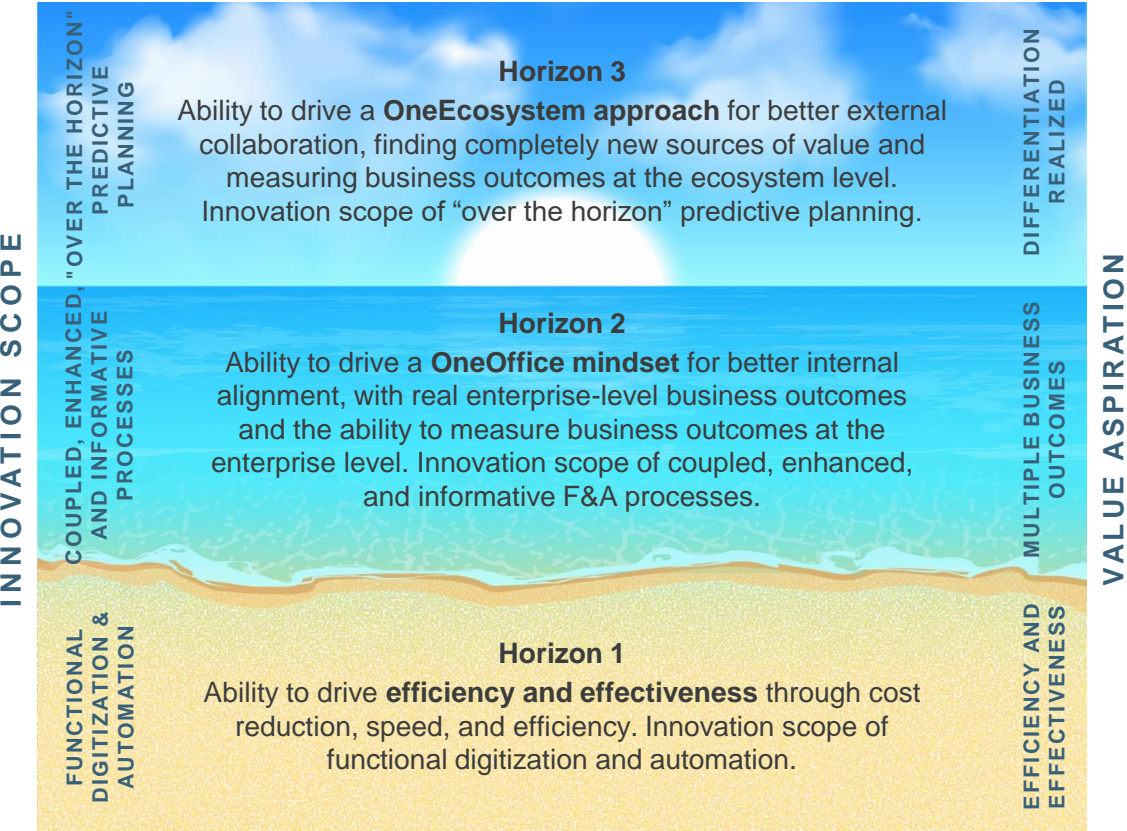
Innovation scores, as in previous years, fall below execution scores in the eyes of the average F&A client. Clients most of all want to see their service partners make identifiable investments into their F&A businesses to keep up with market and technology changes.

Sample: N= 38 client reference survey
Source: HFS Research, 2023

Enterprises expect the primary value of their F&A services engagements to evolve in the next two years

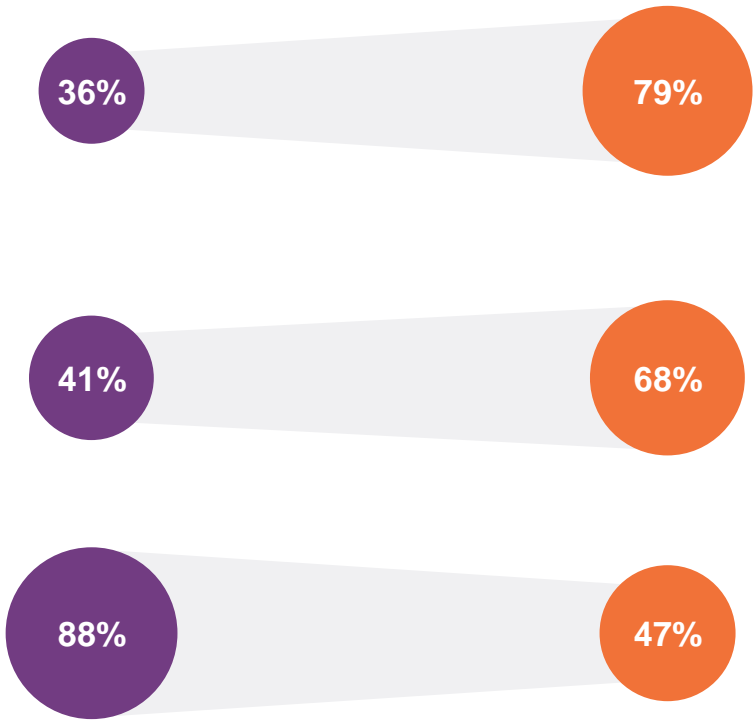
Which of the following statements best represents the primary value delivered by your service provider today? And in the next two years?

Percentage of respondents



F&A service provider value now

F&A service provider value in two years

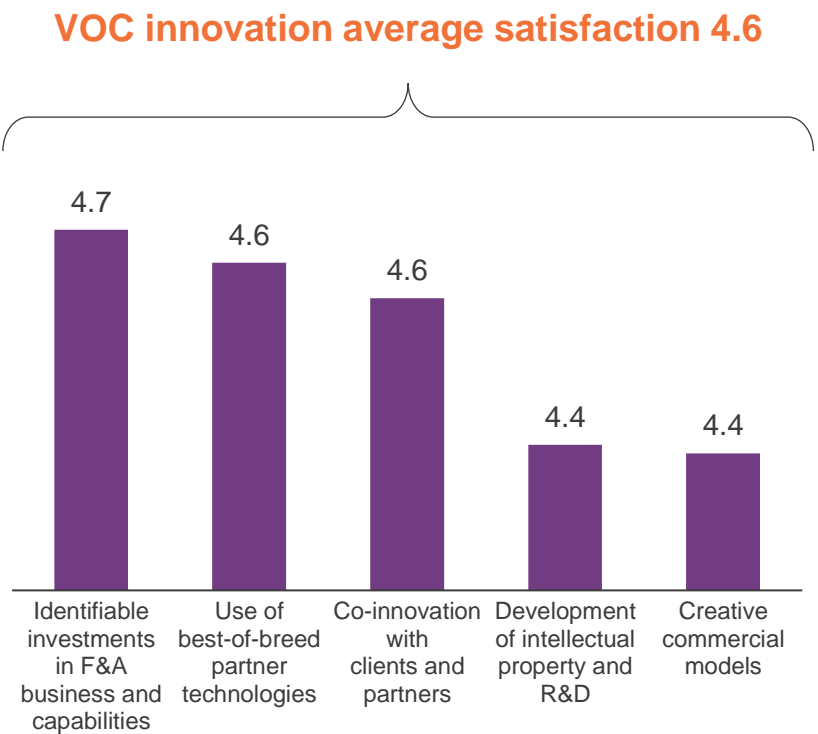
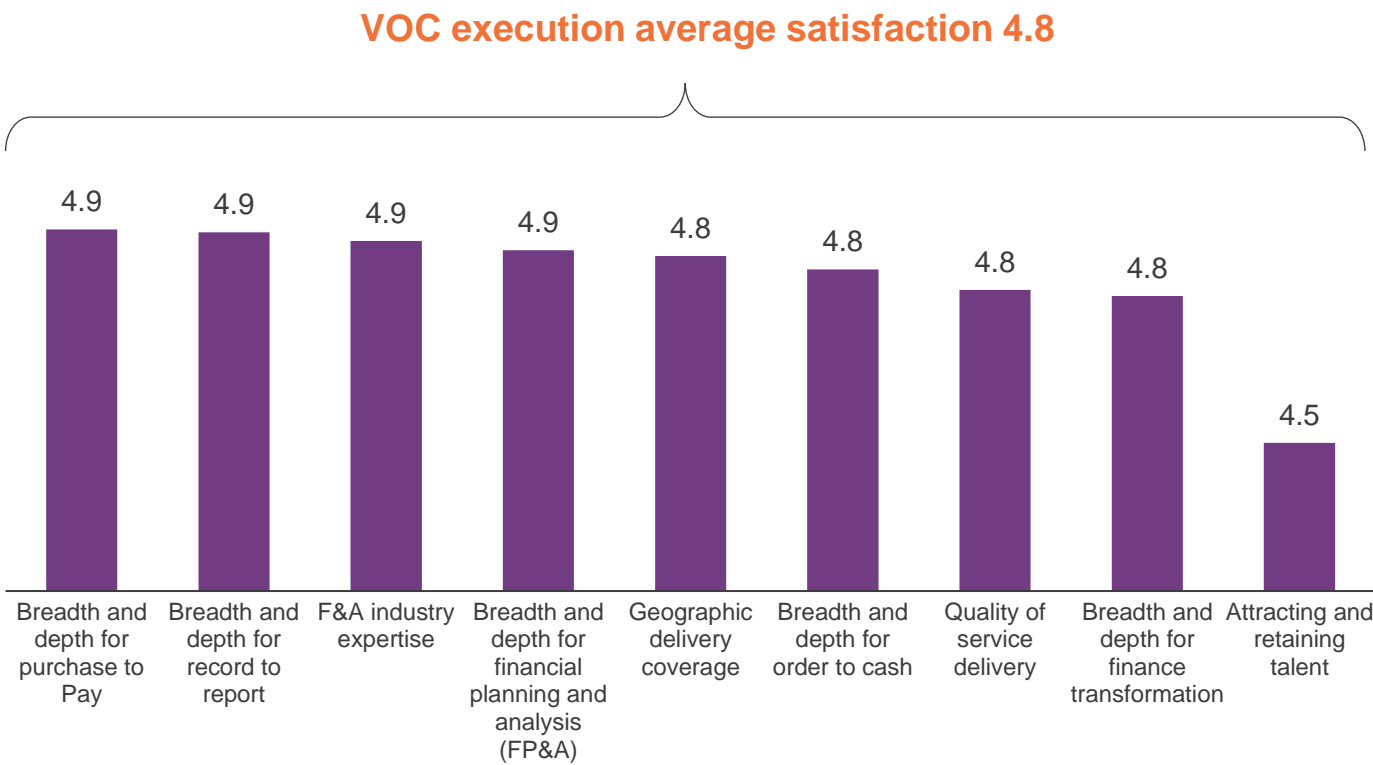


Sample: N= 34 client reference survey
Source: HFS Research, 2023

Partners are highly satisfied with service providers' capabilities, with industry knowhow and breadth of services being the key drivers

Based on your experience with this service provider partner, please rate it across the following parameters. Please use a scale of 1 to 5 where 1 is poor and 5 is excellent.

Weighted average of ratings



Sample: N= 45 partner reference survey
Source: HFS Research, 2023

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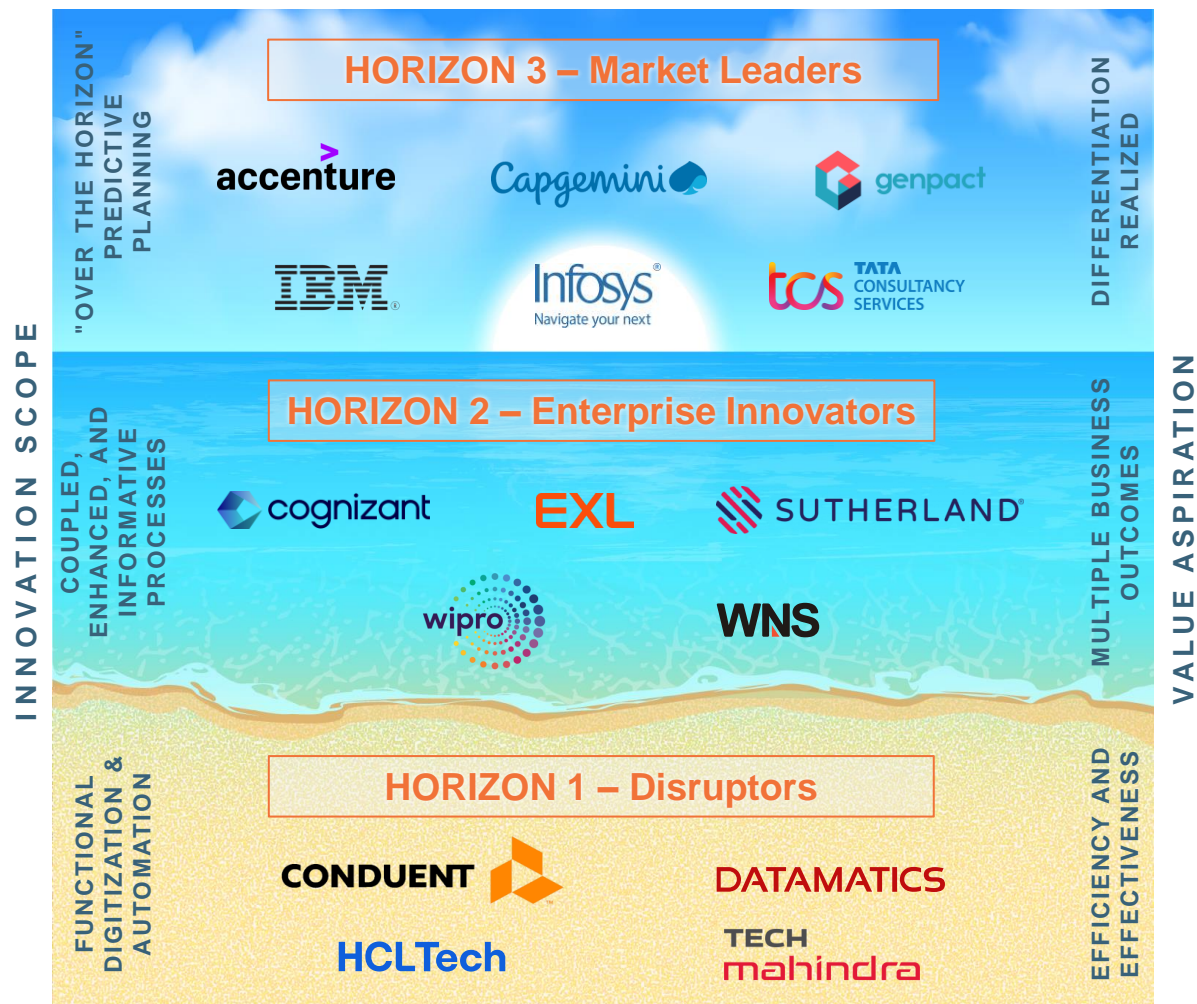
Horizons results: F&A Service Providers, 2023

HFS Horizons: F&A service providers—summary of participants

Service providers (alphabetical order)	HFS point of view
Accenture	Integrated approach with an intense focus on data, tech, and AI-led innovation
Capgemini	Prioritizing client value with connected enterprise approach and outcome-driven methodologies
Cognizant	Foraying into consulting, aided by specific industry expertise and partner tech
Conduent	Expanding from P2P sweet spot and catering to mid-market clients
Datamatics	Internal IP enabling Horizon 1 digitization for F&A
EXL	Data-driven finance approach and analytics expertise continues to differentiate
Genpact	Delivering client impact with domain expertise, CFO-focused GTM, and strong IP development
HCLTech	Growing F&A on the back of multi-tower tech and operations engagements

Service providers (alphabetical order)	HFS point of view
IBM	Consulting approach in conjunction with emerging tech to drive client value
Infosys	Moving up the value chain with FP&A investments and serving broader CFO needs
Sutherland	Strengthening F&A portfolio through proprietary digital IP and partner ecosystem
TCS	Augmenting the F&A portfolio with Cognix and platform prowess
Tech Mahindra	Nimble F&A delivery and entry into data-driven finance
Wipro	Making progress on OneWipro with focus on specialized tax CoE and advanced data science
WNS	Growing F&A capability through industry-aligned offerings

HFS Horizons: F&A service providers, 2023



Note: All service providers within a Horizon are listed alphabetically

DIFFERENTIATION REALIZED is Horizon 3

Horizon 3 service providers demonstrate

- Horizon 2 + the ability to drive a **OneEcosystem approach**, finding completely new sources of value and measuring business outcomes at the ecosystem level
- Capability to deliver ecosystem transformation and controllership across all the four key pillars of F&A (order to cash, record to report, procure to pay, and financial planning and analysis) along with moving to a more strategic finance space
- Well-rounded capabilities across all value creation levers: talent, domain, technology, and change
- Positive impact on clients' technical and adaptive process areas
- Driving co-creation with clients and ecosystem partners
- Referenceable and satisfied clients driving new business models based on the partnership

MULTIPLE BUSINESS OUTCOMES is Horizon 2

Horizon 2 service providers demonstrate:

- Horizon 1 + the ability to drive a **OneOffice mindset** with real enterprise-level business outcomes and measure business outcomes at the enterprise level
- Capability to deliver enterprise transformation as an ongoing multi-year managed service and controllership across all the four key pillars of F&A
- Ability to support clients in driving customer and employee experience
- Global F&A capabilities with strong consulting skills
- Proven and leading-edge proprietary tools, assets, and frameworks
- Referenceable and satisfied clients for the ability to innovate

EFFICIENCY AND EFFECTIVENESS RESULTS is Horizon 1

Horizon 1 service providers demonstrate:

- Ability to drive functional transformation by driving cost reduction, speed, and efficiency and measure business outcomes at the functional level
- Demonstrate solid fundamentals of the transformational value of F&A on at least one of the four core pillars of F&A
- Global delivery capabilities and client footprint
- Referenceable and satisfied clients for ability to execute

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Horizons profiles: F&A service providers, 2023

Capgemini: Prioritizing client value with connected enterprise approach and outcome-driven methodologies



Strengths	Development opportunities
<ul style="list-style-type: none"> • Value proposition: Capgemini's connected enterprise proposition resonates with the OneOffice. It is starting down the path of ecosystem transformation and investing in efforts to flip conventional BPS benefits into broader business gains. • Growth proof points: It developed a value framework focusing on six strategic dimensions: revenue, cost improvement, working capital, risk and compliance, sustainability, and workforce. Its outcome COE is committed to client outcomes. • Key differentiators: Differentiators include a commitment to absorb risk and investment, a well-aligned carbon management service to support the CFO role in ESG, and a transformation innovation office (TIO) and TIO mothership to drive innovation and governance to realize client outcomes. • Outcomes: It achieved an approximately 65% auto-cash ratio improvement and a 20% (O2C) reduction in manual work for another client through the S/4HANA transformation. • Customer kudos: The company is appreciated for its customer-centricity, service delivery quality, domain expertise, collaboration ability, and focus on talent. • Partner kudos: Partners mention agility, skilled resources, committed outcomes, and F&A know-how. 	<ul style="list-style-type: none"> • What we'd like to see more of: Continue to work with clients to help them realize broader business benefits and gain more proof points, especially on emerging topics such as ESG. • Room for growth: We'd like to see less absence of commercial creativity; a few clients mentioned Capgemini should bring forward more creative commercial models. • Customer critiques: Customers want Capgemini to share industry best practices and ideas related to required improvements, efficiencies, and optimization. • Partner critiques: Partners want better collaboration in Capgemini across geographies.

Key offerings	Relevant M&A	Methodologies
<ul style="list-style-type: none"> • Connected Enterprise is a concept of ecosystem orchestration that brings together stakeholders, partners, and technologies, creating a collaborative and integrated approach to business and outcomes. • Connected Finance offers AI-augmented receivables, payables, controllership, and FP&A. • Carbon Management as a Service and S/4 Hana Transformation 	Acquisitions (2019–2023) <ul style="list-style-type: none"> • 2022: Braincourt, to enhance in-demand data and analytics capabilities • 2022: Quantmetry, in Europe to strengthen data transformation at scale • 2022: Aodigy, to strengthen end-to-end digital transformation delivery • 2022: Chappuis, Halder & Cie for FS and ESG capability extension • 2021: Acclimation and Multibook, for strengthening SAP capabilities 	<ul style="list-style-type: none"> • Digital Global Enterprise Model (DGEM) • Digital twin for operations • Value office and business outcomes • Transformation and innovation office • Value-centric design • Ai.GRC, finance intelligence

Partnerships	Key clients	Global operations and resources	Flagship internal IP
<ul style="list-style-type: none"> • Technology: BlackLine, Trintech, HighRadius, inStream, iValua, Coupa, Workiva, Emitwise, Celonis, UiPath, SAP, Oracle, all key cloud providers • Training: Harvard, Coursera, CoopAcademy, Pluralsight, Udemy, Capgemini University LesFontaine • Advisory: Invent, Frog, Cambridge Consultants, Sogeti 	Total number of clients: 200+ Key clients <ul style="list-style-type: none"> • US logistics client • Global CPG company • US media and entertainment client 	Headcount: ~20,800 experts in business services Delivery and innovation centers <ul style="list-style-type: none"> • 21 delivery centers worldwide • 22 applied innovation exchange centers • 10+ AI CoEs • 10+ AI innovation centers • 15 Accelerated Solutions Environment (ASE) locations 	<ul style="list-style-type: none"> • Digital Global Enterprise Model: AI-based digital transformation platform • Business Outcomes framework: Value-based playbook for business outcomes aligning to CEO/CFO agendas • Digital Twin for Operations: Simulates any potential changes as a virtual version of client business • Digital Acceleration Navigator: Digital platform enabling clients to become renewable enterprises using S/4HANA

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HFS Research authors (page 1 of 2)



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Reetika Fleming leads coverage for smart analytics, insurance, and finance and accounting at HFS Research. She studies the broad use of data and analytics within enterprises, with a research focus on emerging strategies to institutionalize machine learning and other AI techniques. Her research extends into the impact of digital business models, IoT, smart analytics, and AI on business process services for insurance specifically and finance and accounting broadly.



Ian Maher

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Ian is the Sourcing Advisor at HFS, overseeing the HFS OneCouncil and providing clients with practical “hands on” advice and guidance to realize the benefits of sourcing as a business imperative.

He brings a unique insight into sourcing, having led functions on the sell side and, for the past 15 years, the buy side. His principle of “achieving relevancy” with key external organizations has contributed to highly recognized Sourcing organizations in financial services in both the US and UK.

HFS Research authors (page 2 of 2)



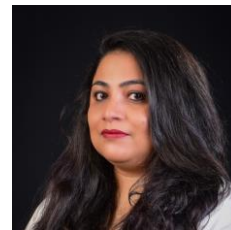
Hridika Biswas

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Hridika joined the HFS team in 2021. She focuses on the F&A and general and business process outsourcing domains. She also analyzes how emerging tech, mainly process intelligence, intelligent document processing (IDP), and artificial intelligence (AI), can enable enterprises to reach their transformation goals.

Hridika's background includes seven years of experience in quantitative research and analysis with Kantar. She also serviced British American Tobacco, catering to the company's primary and secondary research needs worldwide.



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Anushka is a Senior Analyst at HFS Research covering the business services, F&A, sourcing, and procurement domains.

She has nine years of experience in research, corporate strategy, and project management, focusing on the manufacturing, automotive, education, and food and facility management sectors. She has led and executed multiple research and consulting projects around key industry topics, including Industry 4.0.



About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand-side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand-side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, Digital OneOffice™ and OneEcosystem™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation and Process Intelligence, Blockchain, the Metaverse and Web3. HFS has deep business practices across all key industries, IT and business services, sustainability and engineering.

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