



# Targeting Multi-Process F&A Outsourcing

Market Analysis  
Report Abstract

April 2013

by Mike Friend  
Research Director, F&A Outsourcing Program  
NelsonHall

85 pages





## Who Is This Report For?

'Targeting Multi-Process F&A Outsourcing (MP FAO) Services' is a comprehensive market analysis report designed for:

- Sourcing managers investigating sourcing developments within the MP FAO market
- Vendor marketing, sales and business managers developing strategies to target service opportunities within the MP FAO market
- Financial analysts and investors specializing in the MP FAO sector.

## Scope of the Report

The report analyzes the global market for MP FAO services and addresses the following questions:

- What is the current and future market for MP FAO services?
- What is the size and growth of the MP FAO market by market segment?
- Within MP FAO services, which industries are emerging strongly?
- What are the market segments for MP FAO services and their characteristics? What are the drivers, benefits, and inhibitors for each segment? What are vendor capabilities by segment?
- What technologies and platforms are being utilized and what are the implications by market segment?
- What are vendor challenges and critical success factors by market segment?
- How are vendors positioned within each MP FAO market segment?
- Additional topics include: contract lengths; pricing models; partnerships; acquisitions; delivery center locations and the use of offshoring; and vendor targeting by client size, geography, and industry.

## Key Findings & Highlights

This report provides current sizing and growth forecasts for the global MP FAO market, in which organizations have transferred operational responsibility for two or more process towers (P2P, O2C or R2R) to a third-party provider. As well as providing descriptions of four key customer segments, the report also includes vendor revenues and market shares for each of the key regions. One-page profiles of 15 MP FAO service providers are also included.

Buyers of MP FAO services can be grouped into four segments. The first, 'Platform Consolidation', describes clients seeking an outsourcing-led finance transformation program underpinned by a company-wide finance ERP or similar platform implementation or upgrade. This platform approach typically results in a 'big bang' MP FAO contract under which substantially all F&A processes are outsourced to a single provider. The segment is led by global IT services vendors with finance transformation consulting capability.

The second segment is 'Process Optimization.' Clients in this segment adopt a process-specific approach, evolving their standalone F&A outsourcing engagements into MP FAO contracts over time. The segment accounts for ~40% of the total MP FAO market and is serviced by vendors with medium- to long-term investment horizons, leveraging service innovation and dedicated customer management teams to building long-term client relationships.

The 'Captive Transformation' segment describes organizations that have taken significant steps towards the standardization and consolidation of their F&A function, establishing regional finance shared services operations. However, the sale and lease-back of SSC assets enabled through a MP FAO contract allows organizations to monetize their SSC investments, adopt a variable cost structure, and invest cost savings in other core business activities.

The 'Second Generation' segment accounts for those clients that are seeking further cost savings and efficiencies leveraging global process standardization, innovation, and process automation. Increasing numbers of MP FAO contracts are now being renewed and entering their 2nd or 3rd generation. This segment is served by vendors that have demonstrated low-cost delivery capability, with service and pricing innovation linking contract performance to business outcomes.

Whilst the MP FAO market is dominated by the large enterprise segment (organizations with >\$5bn in revenues and >10k employees), vendor capability to serve the mid-market has evolved significantly with the rollout of new BPaaS solutions and greater industrialization of process delivery.

The number of finance FTEs typically transitioned to service providers as part of MP FAO contracts averaged 80 FTEs in 2012.

## Contents

1. Introduction

---

2. Changing Shape of the MP FAO Market

---

3. Customer Requirements

---

4. Market Size and Growth

---

5. Vendor Market Shares

---

6. Vendor Offerings and Targeting

---

7. Vendor Delivery

---

8. Critical Success Factors

---

9. Appendix – Vendors Researched

---

## Vendors Researched

Vendors interviewed and profiled in this report include: Accenture; Capgemini; Cognizant; Dell Services; Genpact; HCL Technologies; HP; IBM; Infosys; Serco; Steria; Sutherland Global Services; TCS; Wipro; WNS; and Xerox.

## Report Length

85 pages, consisting of 9 chapters and 16 data charts

## Report Author

Mike Friend

[mike.friend@nelson-hall.com](mailto:mike.friend@nelson-hall.com)