

Everest Group PEAK Matrix™ for Finance and Accounting Outsourcing (FAO) Service Providers 2019

Focus on Wipro
April 2019



Introduction and scope

Everest Group recently released its report titled “[Finance and Accounting Outsourcing \(FAO\) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019](#).” 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 24 service providers on the Everest Group PEAK Matrix™ for Finance and Accounting Outsourcing (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 6 service providers as the “2019 FAO Market Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

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

- Wipro’s position on the FAO PEAK Matrix
- Detailed FAO profile of Wipro

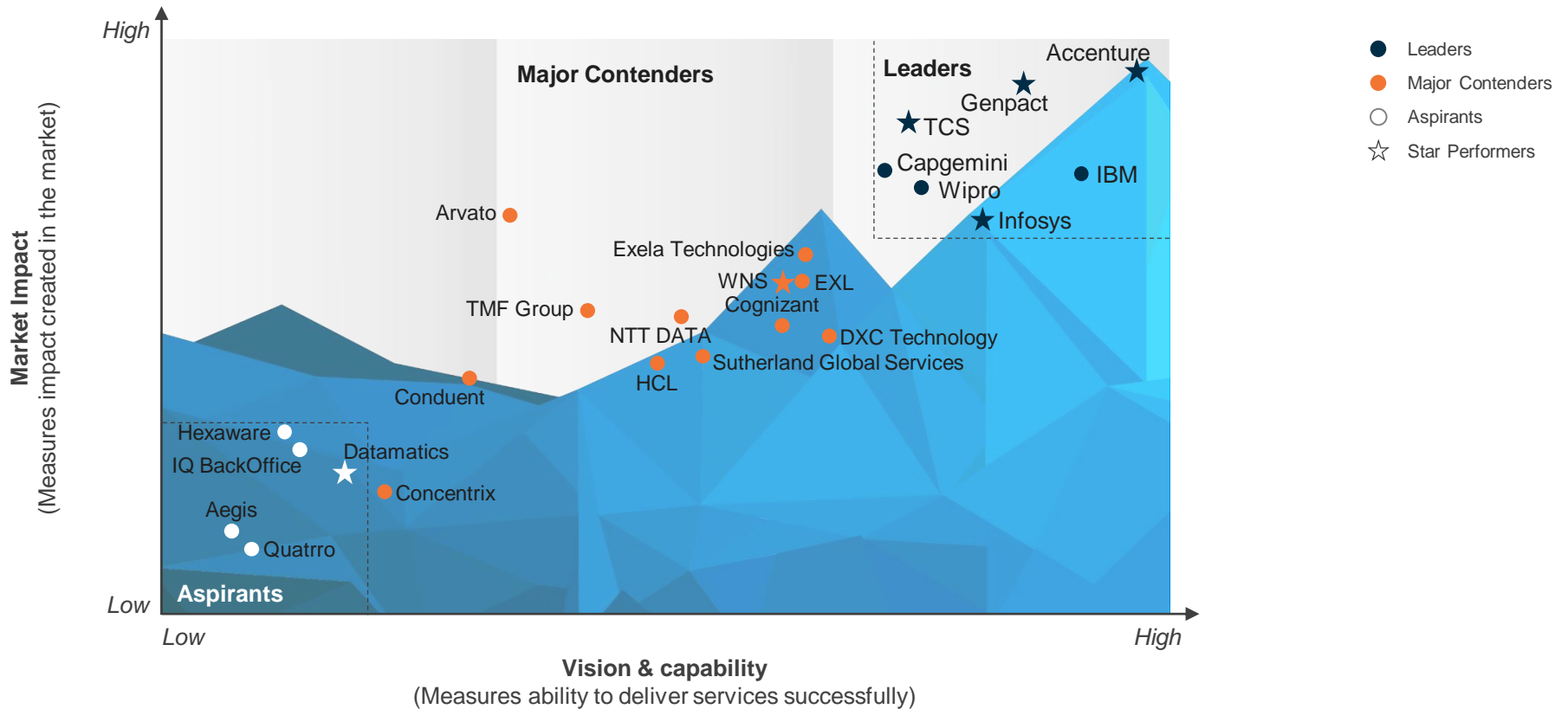
Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly 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 PEAK Matrix™

FAO Services PEAK Matrix™ Assessment 2019 |

Wipro positioned as Leader

Everest Group Finance and Accounting Outsourcing (FAO) Services PEAK Matrix™ Assessment 2019¹



¹ Assessment for Aegis, Arvato, Concentrix, and Quattro 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 buyers

Overview

Key FAO leaders

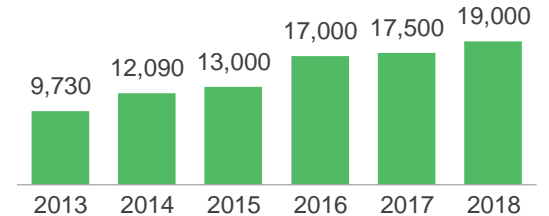
- Krishna Nacha – Head, Corporate Business Services
- Prasun Banerjee – Head CBS-FAO Pre-sales and Finance Practice
- Vivek Malhotra – Head CBS-FAO Delivery, Service Delivery Assurance and Transition
- Gurpreet Bajwa – Head BPaaS, Platform and Strategy – Shared Services
- Ashish Singla – Head CBS-FAO Americas and LATAM
- Divyghan Jindal – Head CBS-FAO EMEA
- Varghese Jose – Head CBS-FAO APAC

Category	Recent developments/investments
----------	---------------------------------

- | | |
|-----------------|--|
| Digital Finance | <ul style="list-style-type: none"> • Started using a design-led digital-first user-centric approach toward redesigning processes through domain-centric innovation, which is enabled by technology with: <ul style="list-style-type: none"> – Outside-In approach (running experience-led and high velocity transformations) and – Inside-Out approach (rapidly evolving business agility/fitness) • Building capabilities leveraging cognitive / Artificial Intelligence (AI) and Robotic Process Automation (RPA) <ul style="list-style-type: none"> – Integrating Wipro’s proprietary suite of tools, Base)))™ with RPA and Holmes®, Treasury DNA, Harmony, DeltaVerge™ platform, and Way2Go (a digital cloud-based T&E platform) • Alliances/partnerships expansion to drive next-generation digital finance solutions – focusing on BPaaS <ul style="list-style-type: none"> – Tradeshift (Wipro Ventures portfolio), Ariba, and Coupa for S2P BPaaS – HighRadius, an end-to-end platform solution provider for Credit-to-Cash BPaaS – Netsuite for SMB market (end-to-end F&A) – Spotdraft, an AI-based invoice sharing solution for contract management and AP processes – Anaplan for planning and budgeting BPaaS solution – BlackLine, Trintech, and Chesapeake System Solutions supporting reconciliations, close management, treasury, and cash management – Visual Lease for lease management offerings and NetSuite Inc. for F&A BPaaS services • Acquired Cooper, a design and business strategy consultancy firm, to strengthen design and innovation capabilities • Acquired InfoSERVER, a Brazilian IT services firm, to deliver a full suite of integrated IT services across digital, consulting, and BP services in Brazil • Invested significantly to drive non-linearity through investments in IP in the form of platforms acquired through acquisition of Gallagher Financial Systems Inc., Opus Capital Markets Consultants, LLC, HPS, and ProMAX Systems, Inc. |
|-----------------|--|

Scale of operations

Number of FAO FTEs over time

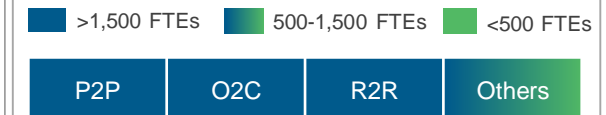


FAO service suite

Wipro offers End-to-End (E2E) services and solutions across P2P, O2C, and R2R, and a catalog of high-end FP&A and decision support services, along with a range of niche industry-specific solutions for BFSI, retail, manufacturing, and healthcare industries.

Wipro’s Digital CFO – “Cognitive Finance Organization”:

It is a low touch, simplified, hyper-automated, intelligent, and insightful finance organization that enables ease of business operation and overall organization growth through optimized business operations, intelligent business enablement, and strengthened control & compliance



Client Portfolio

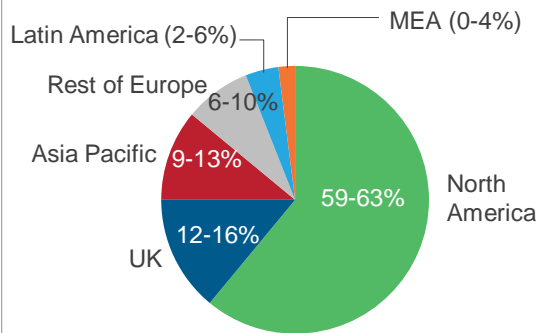
Major FAO clients: A U.S.-based manufacturer of medical devices, pharmaceuticals, and consumer packaged goods; an international retailer of consumer electronics and entertainment software, a global manufacturer and distributor of beverages headquartered in Australia, a global manufacturer and retailer of leather goods, an American global apparel & footwear company, a manufacturer of medical devices, a multinational facilities management and construction services company headquartered in the United Kingdom, an integrated U.S. retailer, a global semiconductor manufacturing enterprise, a Luxembourg-based leading steel manufacturing client, a search engine provider, and a U.S.-based managed health care company

Recently-announced FAO engagements (non-exhaustive)

Time of signing	Client	Contract details
Q2 2018	A multinational construction, property, and infrastructure company	End-to-end finance & accounting services including AP, AR, GL, FA, taxation, payroll, reporting, master data management, and FP&A
Q2 2018	A Nordic-based organization providing healthcare, assistance, safety, and emergency services	End-to-end finance & accounting services including AP, AR, and R2R
Q3 2017	A U.S.-based technology firm developing PCs, printers & related supplies, and 3D printing solutions	End-to-end order-to-cash support including AR and collection
Q3 2017	A U.S.-based chemical company	End-to-end R2R services including GL, book closing, plant accounting, fixed asset, taxation, master data management, and FP&A from India, China, Bucharest, and Mexico
Q2 2017	A leading supplier of professional cleaning equipment	End-to-End finance & accounting services delivered in India and China

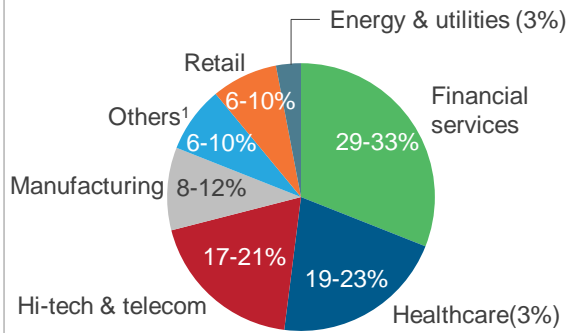
FAO revenue by signing region

2018



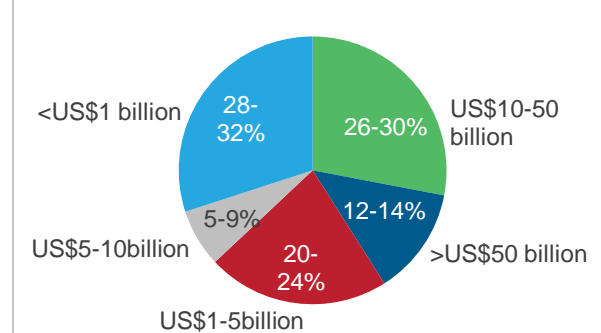
FAO revenue by buyer industry

2018



Number of clients by buyer size

2018



¹ Others include hospitality, government, professional services, and other industries

Location landscape

FAO delivery locations



FAO technology approach: Capability building to enable “Digital Finance” for clients by creating solutions internally, acquiring capability from the market, investing in partnerships, and leveraging analytics to enable predictive modeling for business insights, ensuring business outcomes

Wipro in-house technology solutions

Third-party software and service partners

Solution description

- **Wipro Enterprise Operations Transformation suite:** Comprehensive transformation framework based on core pillars of simplification, automation, intelligence, and immersive experience
- **DeltaVerge™ platform** – a blockchain-based shared ledger implementation for optimized distribution, chain transactions, and operations
- **Holmes®** – an artificial intelligence platform
 - **Holmes®** anomaly detection platform, fraud/surveillance offerings
 - **ngGenie** – next-generation intelligent virtual agent platform
 - **Holmes®** eKYC for cognitive assistance to analysts for KYC process
 - **Holmes®** Cognitive image digitization
 - **Holmes®** Smart contracts
- **Treasury DNA** – SaaS-based platform with a comprehensive suite of treasury services delivered in a subscription-based model
- **Base)))™ Prism** – an analytics-driven, performance diagnostic, and improvement tool
- **Base)))™ Harmony** – integrated transition, project management, business process design, and benchmarking
- **Base)))™ Core** – controls-enabled process execution platform
- **Base)))™ Govern** – reporting and governance
- **Digital Recon** – reconciliation-as-a-service
- **ServiceLinkSM** – premium accounting BPaaS platform
- **OpusFirst™** and **OpusPanorama™** – proprietary tools to identify loan fraud, credit, and regulatory compliance risks
- **Tradeshift** (Wipro Ventures Portfolio Company) – P2P solution

- **Platform-led BPaaS solutions**
 - Business commerce enablement BPaaS (P2P digitization) with Tradeshift
 - Integrated receivables with HighRadius for transforming credit to cash cycle
 - BizCloudBpaas – F&A for SMB market with Netsuite
- **Other platform-based offerings**
 - Anaplan for planning and budgeting solution
 - BlackLine, Trintech, and Chesapeake System Solutions – reconciliations & period close
 - Visual Lease and IBM TRIRIGA, for real estate and lease management offerings
- **Automation and business intelligence**
 - RPA: Automation Anywhere, OpenSpan, Blue Prism, Work Fusion, and UiPath
 - Cognitive automation: Avaamo
 - Reporting & analytics: SAP Hana, Business Objects, Qlikview, Teradata, and TIBCO
 - Opera for procurement, spend analytics, and automation
 - Spodraft – AI-based contract management solution
 - Pipefy – SAAS-based workflow management tool
 - Arya.AI – AI based recruitment tool
 - Invoicesharing – AI based AP process
- **Process solutions including decision support**
 - Select big four consulting firms, TMF Group, and Amesto Group offering advisory services, tax, and statutory reporting specialist partners
 - Mailroom operations: PaperSoft, Novitex Source HOV, Crown, and Renovision
 - Experian, Emagia, and OnGuard – end-to-end credit and collections
 - MetricStream for risk and governance solutions
 - Hackett and APQC offering process benchmarking solutions
 - Concur Technologies and M-execute – expense management
 - ERP software: SAP (global solution partner), Oracle (certified advantage partner), and PeopleSoft (technology partner)

Technology leveraged

- Cognitive process automation, artificial intelligence, natural language processing, robotic process automation, and blockchain
- Hosted, web and mobile-enabled, secure with role-based access controls, robotic process automation, and cognitive process automation










Delivery model & 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 gainshare models

Wipro | FAO profile (page 5 of 5)

Everest Group assessment – Leader

Measure of capability:  High  Low

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

Strengths
















- Wipro has strong capabilities by combining its IT legacy and F&A domain expertise and offers services across the entire F&A value chain with significant presence in the North American market
- Automated multiple processes across the F&A value chain through hyper automation, which leverages Wipro's AI platform (HOLMES), automation, and analytics capabilities
- Wipro leverages designit's capabilities to enhance the user experience of its digital solutions
- Leverages Base)))™ Harmony – Wipro's proprietary process harmonization tool with a vast set of in-built golden processes for standardization and process improvement
- Has a structured talent management program to reskill and upskill its employees in multiple aspects such as domain and digital tools
- Enhanced its BPaaS offerings through significant investments in cloud-based technologies such as Tradeshift and Anaplan
- Wipro's customer-centric approach, flexibility, strategic thinking, and process expertise are highlighted as key strengths by buyers

Areas of improvement

- Opportunity exists for Wipro to further fuel its growth by focusing more on the Asia Pacific, United Kingdom, and Continental Europe markets
- Scope exists to increase adoption rate of its next-generation solutions by:
 - Developing more F&A domain-specific cognitive solutions in a modular manner
 - Increasing focus on the large-market segment, which has mature clients that are open to adopting new solutions
- While Wipro has strong traction in financial services and healthcare industries, opportunity exists to diversify its portfolio by focusing more on high growth industries such as energy & utilities and travel & logistics
- Wipro should further invest in its next-generation digital tools to develop F&A domain-specific use cases to increase the adoption of its digital tools
- High attrition rate and timely and effective communication of issues are highlighted as key concerns by some buyers

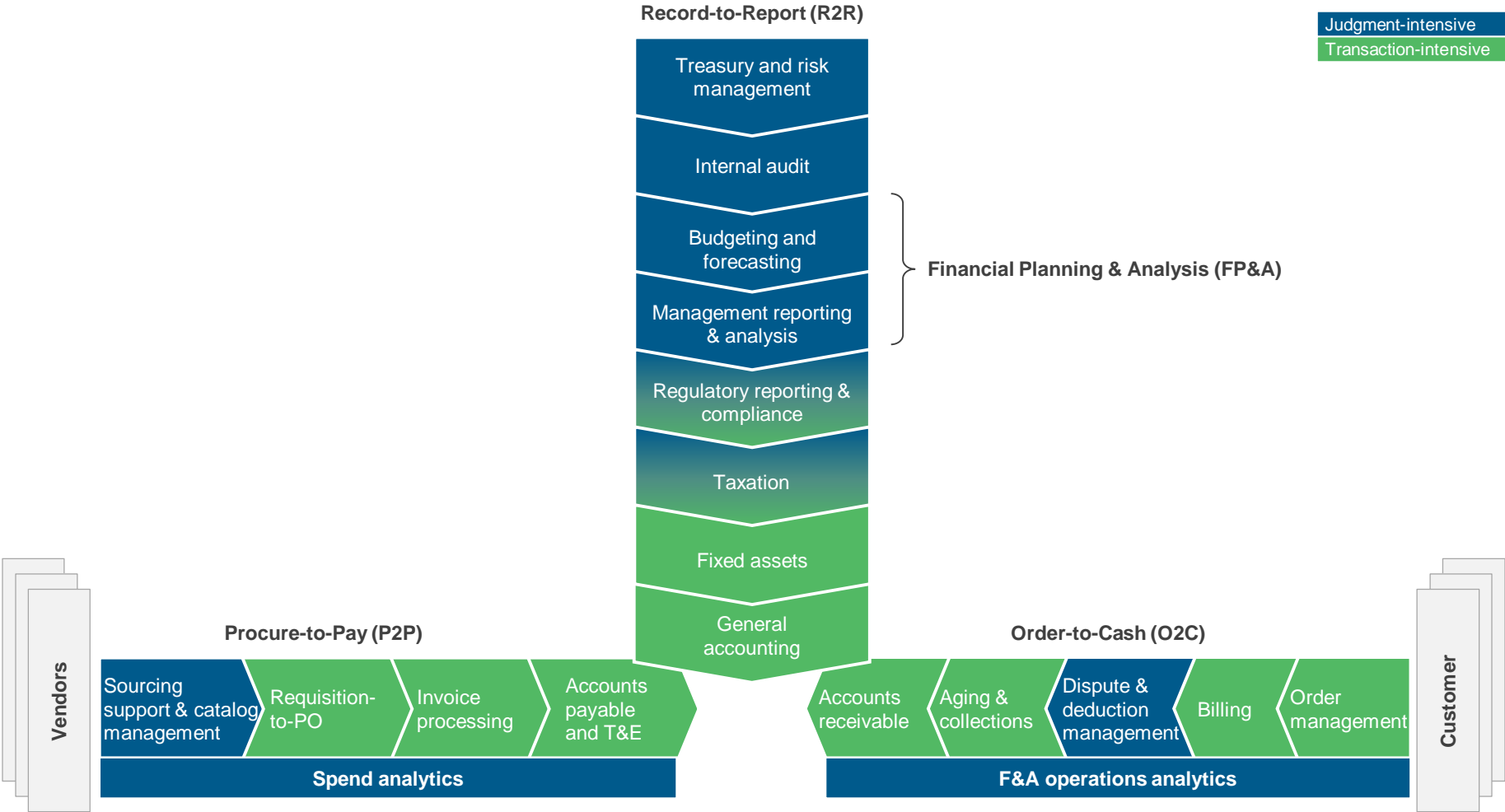
Appendix

Traditionally, FAO has been limited to transaction-intensive processes with labor arbitrage being the key driver behind outsourcing

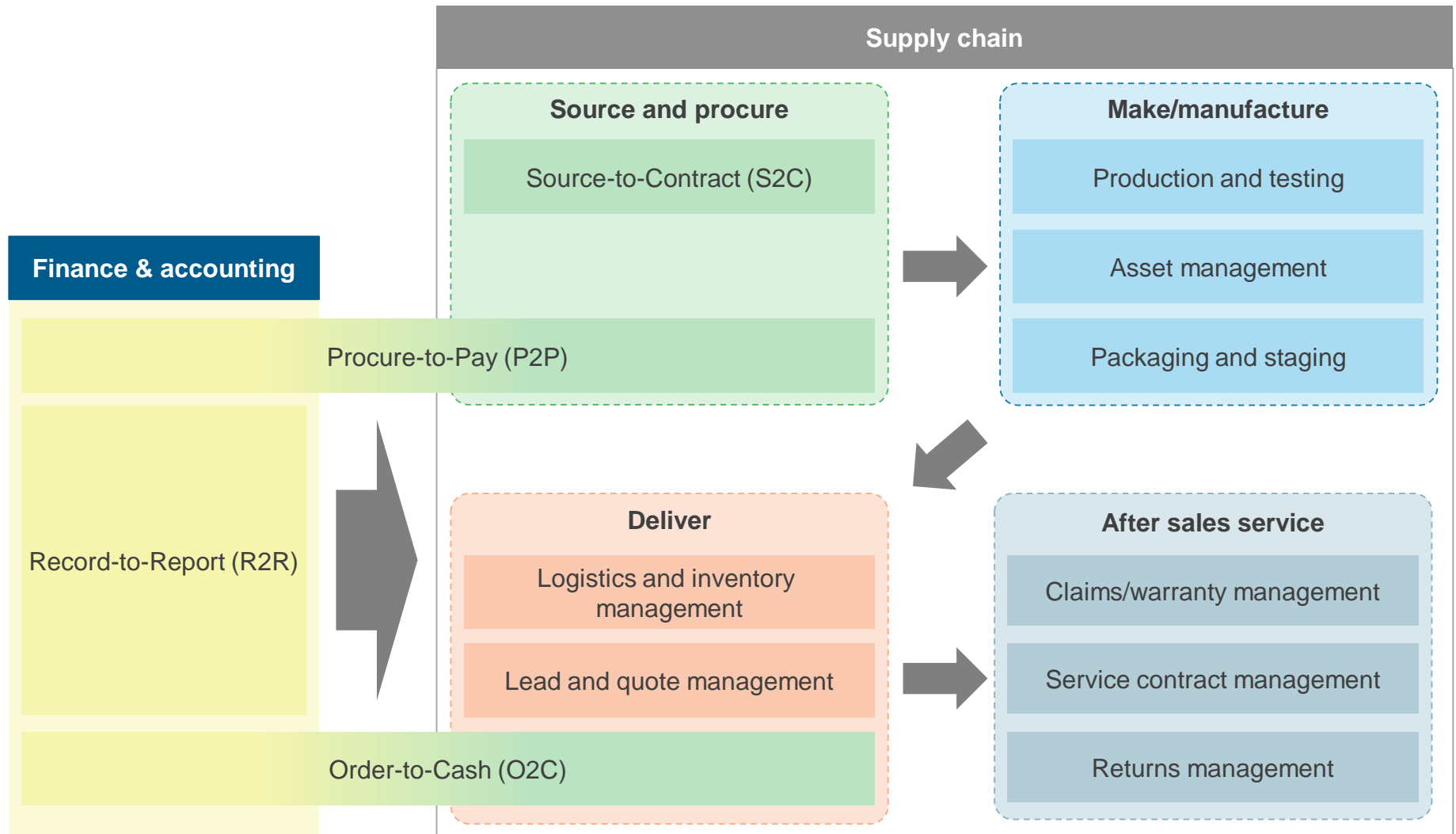
 <p>Strategy</p>	<div style="background-color: #f4a460; padding: 5px; border: 1px dashed black;">  F&A strategy <ul style="list-style-type: none"> F&A strategy including tax and risk position Accounting policy and control Shareholder relations M&As/divestitures External reporting </div>					
 <p>Judgment intensive</p>	<div style="background-color: #0070c0; color: white; padding: 5px; border: 1px dashed black;">  Internal audit </div> <ul style="list-style-type: none"> Strategy Establish annual audit plan Conduct audits Reports and recommendations 	<div style="background-color: #0070c0; color: white; padding: 5px; border: 1px dashed black;">  Budgeting/forecasting </div> <ul style="list-style-type: none"> Strategy Budget analysis and approval process Build-line item budget Forecast roll-ups and consolidation Forecast analysis and approval process 	<div style="background-color: #0070c0; color: white; padding: 5px; border: 1px dashed black;">  Capital budgeting </div> <ul style="list-style-type: none"> Strategy Administer approval process Project reporting 	<div style="background-color: #0070c0; color: white; padding: 5px; border: 1px dashed black;">  Treasury & risk management </div> <ul style="list-style-type: none"> Strategy Bank relations and administration Cash management and forecasting Investments Debt management Foreign exchange Treasury risk management 	<div style="background-color: #0070c0; color: white; padding: 5px; border: 1px dashed black;">  Management reporting & analysis </div> <ul style="list-style-type: none"> Strategy Regular reporting Data extraction Analysis Ad hoc analysis and special projects Cost accounting 	<div style="background-color: #0070c0; color: white; padding: 5px; border: 1px dashed black;">  Regulatory reporting & compliance </div> <ul style="list-style-type: none"> Strategy Data extraction Management Discussion & Analysis (MD&A) Regulatory reporting Compliance program
 <p>Transaction intensive</p>	<div style="background-color: #00b050; color: white; padding: 5px; border: 1px dashed black;">  Fixed assets </div> <ul style="list-style-type: none"> Maintain master data Merger, acquisition and consolidation of assets Post depreciation 	<div style="background-color: #00b050; color: white; padding: 5px; border: 1px dashed black;">  General accounting </div> <ul style="list-style-type: none"> Strategy Process general entries Account reconciliations Inter-company accounting Prepare trial balances Perform closings Manage consolidations Cost accounting 	<div style="background-color: #00b050; color: white; padding: 5px; border: 1px dashed black;">  Accounts receivable </div> <ul style="list-style-type: none"> Strategy Customer set up Billing Cash applications Credit and collections Customer inquiries Reporting 	<div style="background-color: #00b050; color: white; padding: 5px; border: 1px dashed black;">  Tax </div> <ul style="list-style-type: none"> Strategy Tax accounting Tax planning and analysis Tax compliance Tax audit 	<div style="background-color: #00b050; color: white; padding: 5px; border: 1px dashed black;">  Accounts payable and T&E </div> <ul style="list-style-type: none"> Strategy Maintain master data Process payment requests Process T&E claims Administer EDI /P-card Month-end close Vendor inquiries Reporting 	

However, an end-to-end process-driven approach is emerging, which focuses on consistency, delivery, and enterprise-wide integration

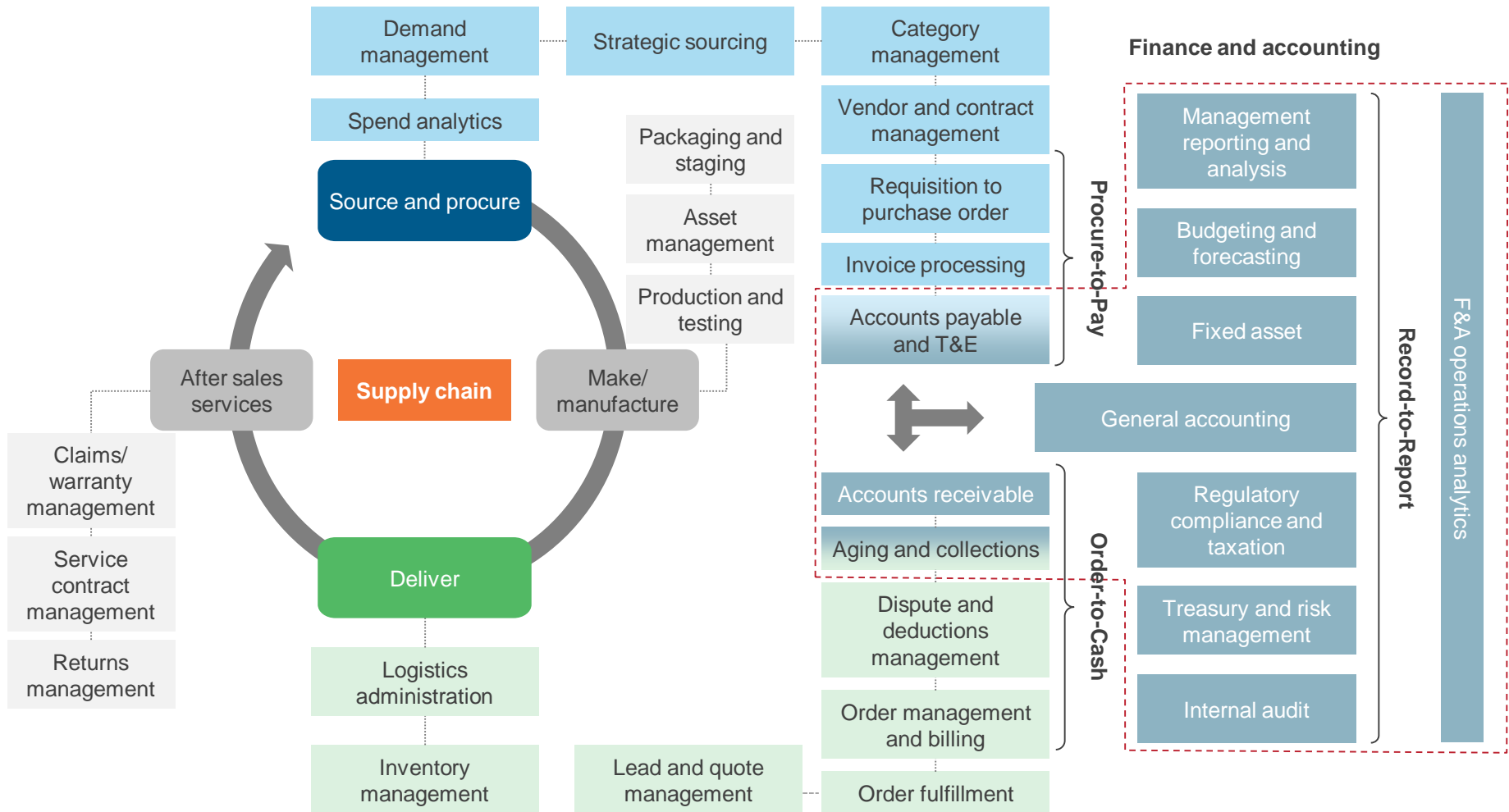
End-to-end process-driven definition of F&A



This end-to-end process-driven approach is expanding the F&A scope into the adjacent areas of procurement and supply chain



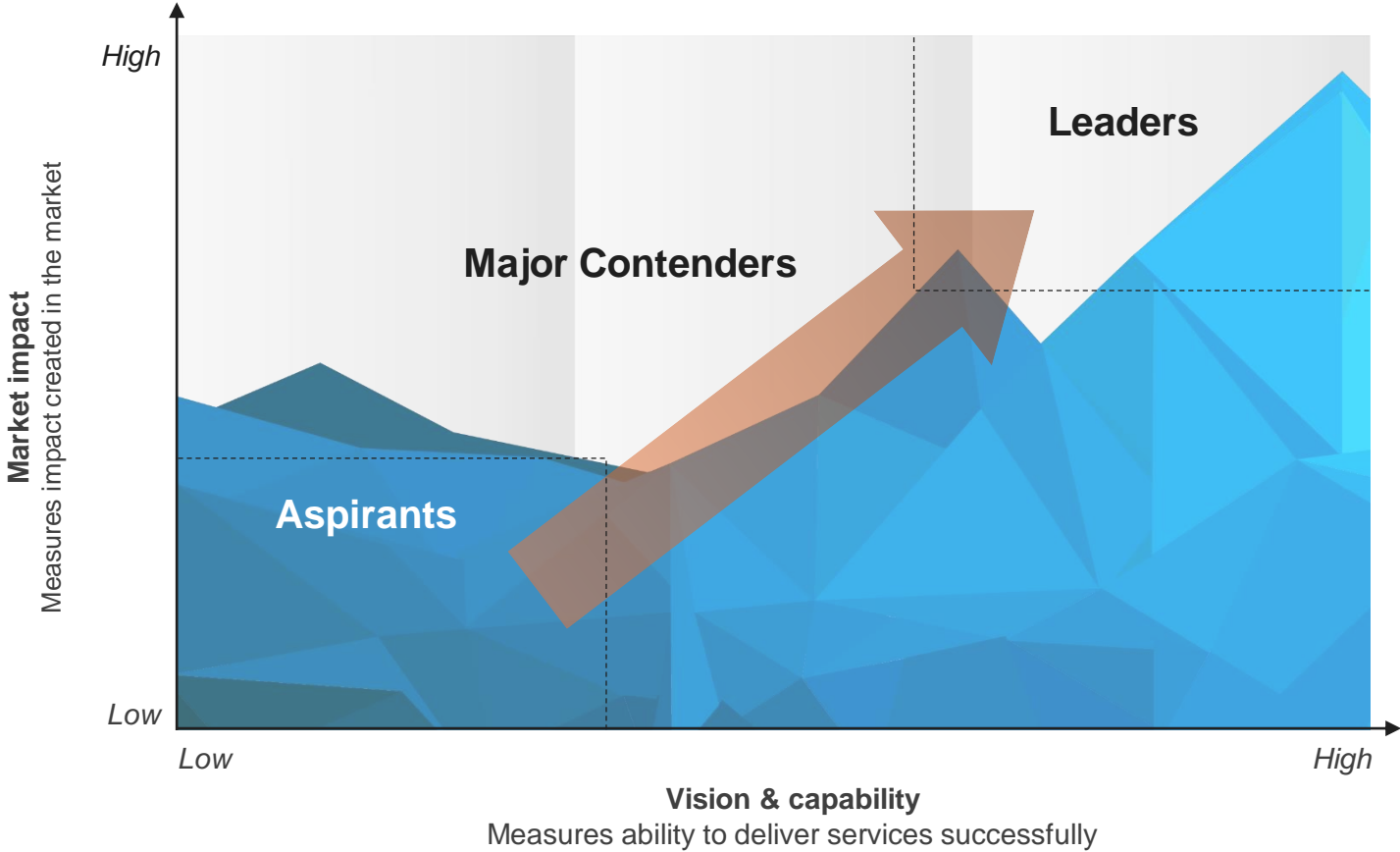
Everest Group's research is guided by a framework that clearly distinguishes F&A from supply chain and procurement processes



Note: Everest Group's analyses include multi-process FAO contracts with a minimum of two F&A processes, over US\$1 million in ACV, and a minimum contract term of three years

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

Everest Group PEAK Matrix



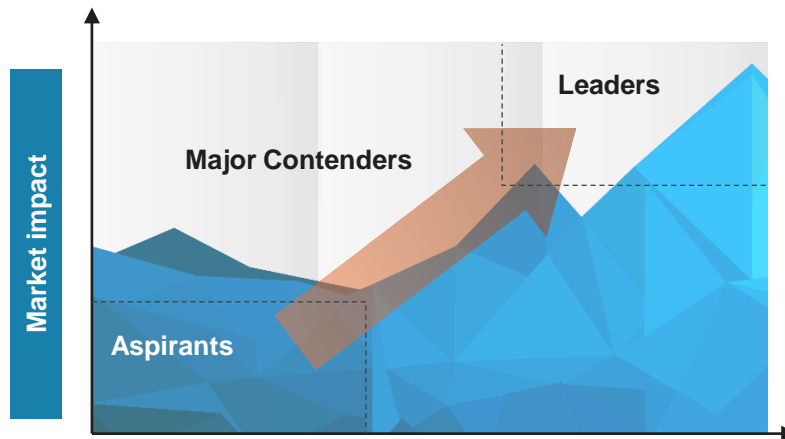
Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

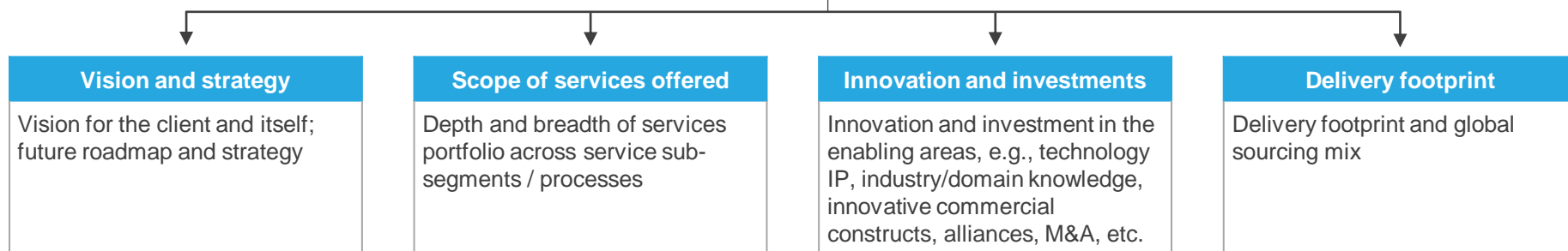
Portfolio mix
Diversity of client/revenue base across geos and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact



Vision & capability

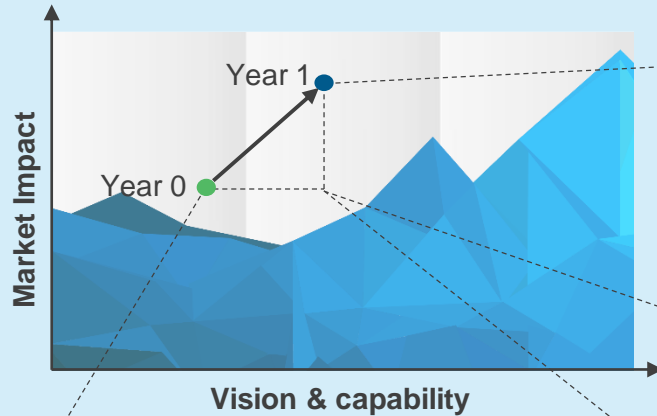
Measures ability to deliver services successfully. This is captured through four subdimensions



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 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

Star Performers are identified by top quartile performance improvement on the X and Y axes for each segment

The Star Performers title relates to YOY performance for a given service provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

Does the PEAK Matrix™ assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor 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/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 service 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 PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

A 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/vendors for their specific requirements. It also helps providers/vendors 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/vendors 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

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status ?

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
 - Issue a press release declaring their positioning. See [citation policies](#)
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from Everest Group analysts could be disseminated to the media
 - Leverage PEAK Matrix 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.

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. 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 as well as serve the future expectations of enterprises



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 empower 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.

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