



Everest Group PEAK Matrix™ for FAO Service Providers

Focus on Wipro
July 2016



Everest Group recently released its report titled “[Finance and Accounting Outsourcing \(FAO\) – Service Provider Landscape with PEAK Matrix™ Assessment 2016](#)”. This report analyzes the changing dynamics of the FAO landscape and assesses service providers across several key dimensions.

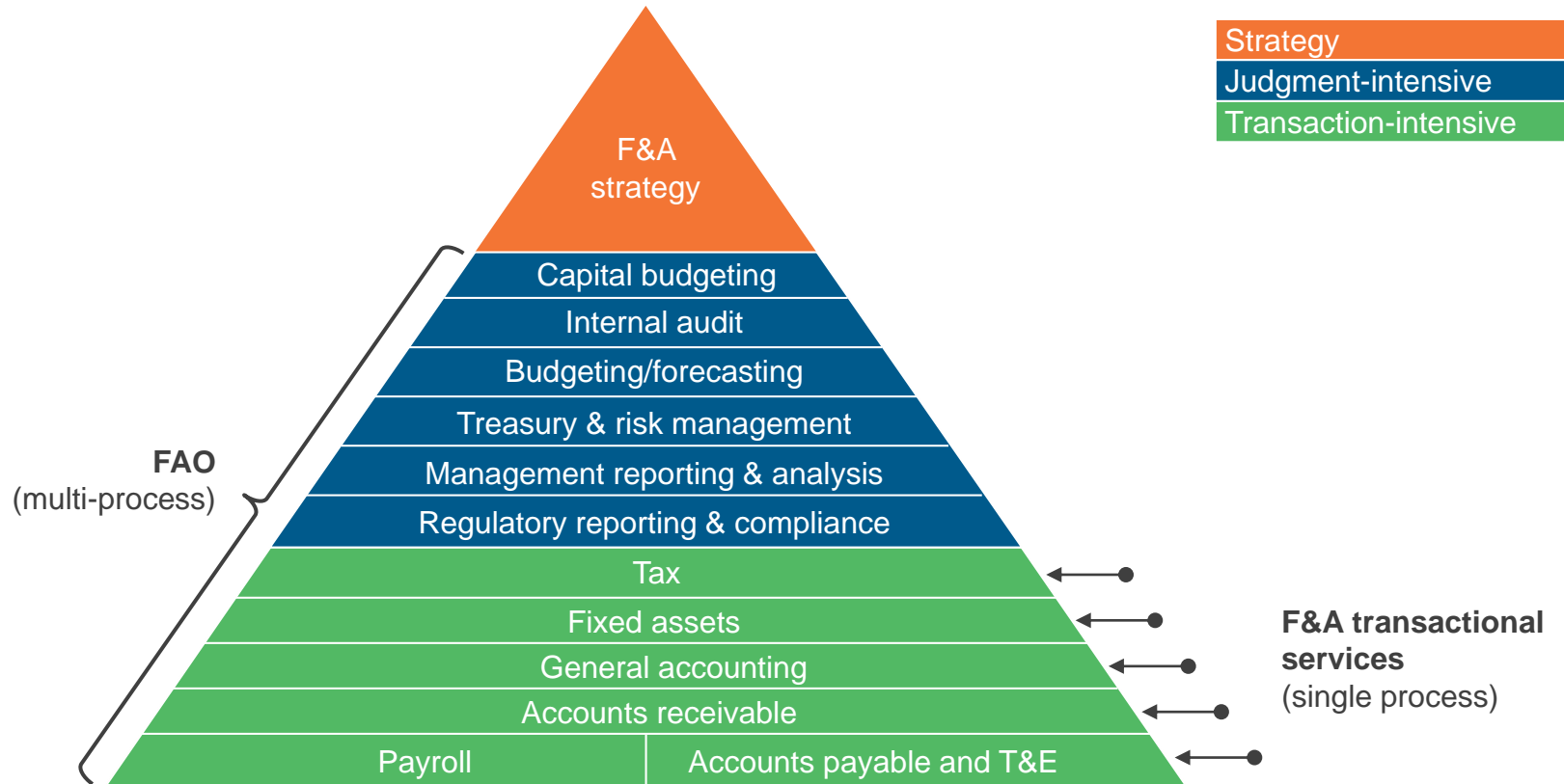
As a part of this report, Everest Group updated its classification of 26 service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for FAO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of FAO service providers based on their absolute market success and delivery capability. Everest Group also identified five service providers as the “2016 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's research is guided by a framework that distinguishes multi-process FAO from single process Finance and Accounting (F&A) transactional services



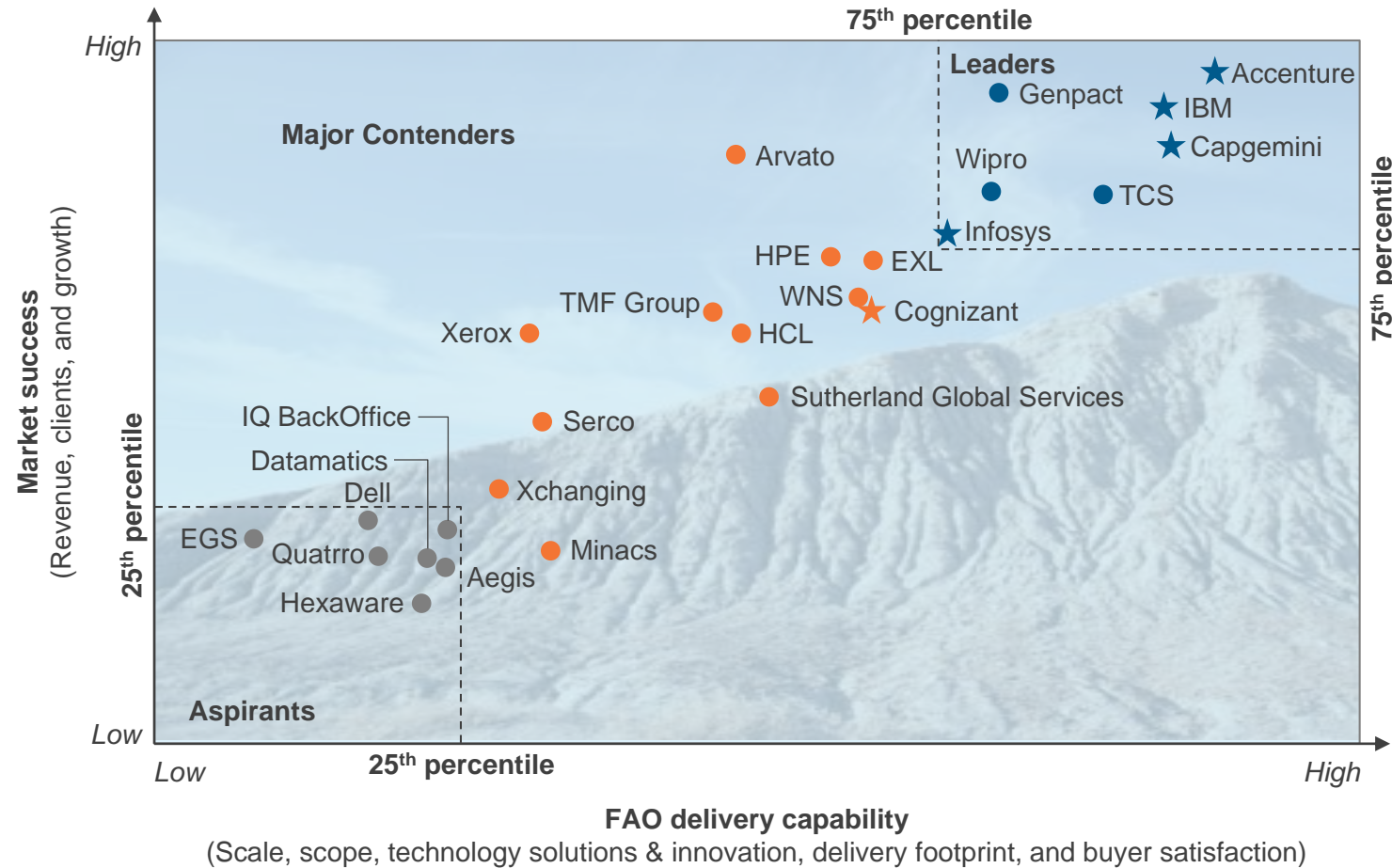
- Everest Group's analyses include multi-process FAO contracts with a minimum of two F&A processes, over US\$1 million in Annualized Contract Value (ACV), and a minimum contract term of three years
- Everest Group's analyses includes 1000+ active multi-process FAO contracts signed as of December 2015

Source: Everest Group (2016)

Everest Group PEAK Matrix – 2016 FAO market standing

Performance | Experience | Ability | Knowledge

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for FAO



Source: Everest Group (2016)

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FAO service capabilities

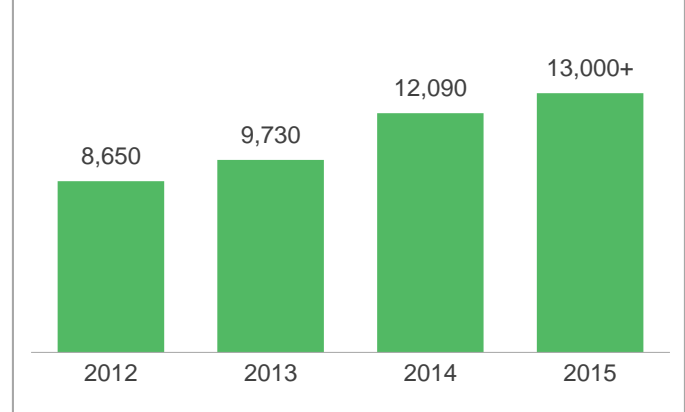
Key FAO leaders

- Nagendra P Bandaru, SVP and Global Head, Wipro Business Process Services
- Venkataraman Mahadevan, Head, Corporate Business Services (CBS)
- Amit Sharma, Head – CBS Presales, Program Management & Transitions
- Athmaram MN, F&A Practice Leader, Americas

Areas	Recent developments/investments
Technology expansion	<ul style="list-style-type: none"> • Invested in building an intelligent value chain through Cognitive/Artificial Intelligence (AI) and Robotics Process Automation (RPA) solutions across engagements: <ul style="list-style-type: none"> – HOLMES® - Artificial intelligence platform – Fraud/Surveillance offerings based on proprietary tool ApolloTM – Acquisition of global strategic design firm enhancing digital transformation capabilities – Treasury DNA – SaaS-based platform with a comprehensive suite of treasury services – Offerings across transition, business operations, and reporting & analytics through the Base)))TM platform • Strengthened analytics capabilities leading the “Digital Transformation”: <ul style="list-style-type: none"> – Offer “Reporting-as-a-Service” leveraging Base)))TM and strategic partnerships – Investments in Opera Solutions and Axeda Corporation strengthening big data analytics offerings – Predictive analytics offerings around working capital optimization, duplicates, T&E reporting, chargebacks, receivables management, intercompany adjustment improvement rate analysis, etc. – Sector-specific analytics offerings around utilities, meter-to-cash, specialty invoice processing, warranty management, order management, and demand planning & forecasting • Building everything “as-a-service”: <ul style="list-style-type: none"> – F&A BPaaS enabled by NetSuite – Transition-As-a-Service enabled by Base)))TM Harmony – Launched “Project accounting on cloud” in partnership with Oracle – Partnership with SAP – for creation and hosting of Simple Finance – “Procurement-as-a-Service” being offered in partnership with Ariba and Tradeshift – SOX/SSAE 16 compliance-as-a-service
Delivery footprint Expansion	<ul style="list-style-type: none"> • Opened new FAO Center of Excellence (CoE) in Kochi and Vizag, India • Takeover of two F&A captive operations in Pune and Delhi enhancing high-end FP&A and decision support service capabilities

Scale of operations

Number of FAO FTEs over time



FAO service suite

Wipro offers E2E services and solutions across P2P, O2C, and R2R (including FP&A) processes



Source: Everest Group (2016)

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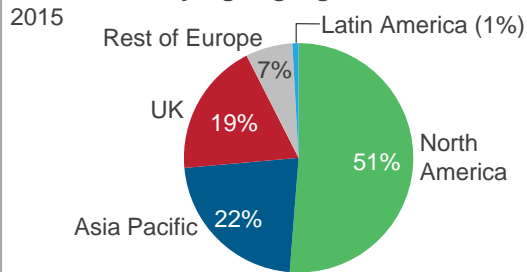
FAO client portfolio

Major FAO clients: An international retailer of consumer electronics and entertainment software, an American technology company specializing in data and storage networking products, major manufacturer and distributor of non-alcoholic beverages in Australia, a leading American manufacturer and retailer of leather goods, a leading supplier of fuel, lubricants, and solid fuel, a leading American clothing company, and a British multinational facilities management and construction services company

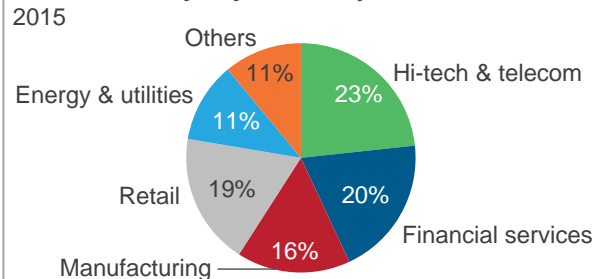
Recently announced FAO engagements (non-exhaustive)

Time of signing	Client	Contract details
Q3 2015	A multinational corporation operating mainly in the power, automation, and robotics technology areas	"Transition-as-a-Service" – for consolidation of client operations across 60 locations leveraging proprietary Base))) TM Harmony. Competitive bid and advisor-led win
Q2 2015	A leading international contractor	End-to-end F&A scope of work. Transaction-based pricing across all queues
Q2 2015	An American technology conglomerate	Acquisition of captive SSC supporting global markets
Q2 2015	One of the largest e-commerce companies in India	India-based delivery. Competitive bid and advisor-led bid
Q2 2015	Leading producer of communication equipment	India- and China-based – managed services contract
Q4 2015	Global provider for communication platforms, applications, and software	Strategic partnership with a global consultant to provide local tax filing, submission, and regulations advisory services
Q4 2015	One of the largest engineering conglomerates in India	Take over of the entire SSC operations – including direct and indirect taxes, banking, GL & management accounting, and export accounting
Q4 2015	A large copper and gold mine	End-to-end finance and accounting scope of work including mining accounting. Competitive Bid and non-advisor-led

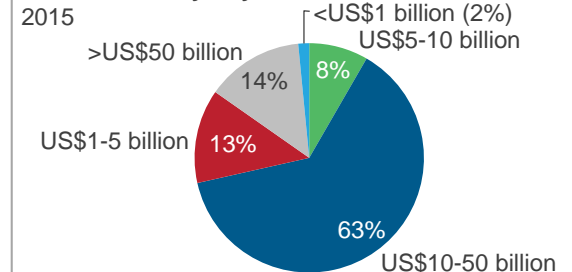
FAO revenue by signing region



FAO revenue by buyer industry



FAO revenue by buyer size



Source: Everest Group (2016)

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FAO delivery locations



Source: Everest Group (2016)

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FAO technology solutions

FAO technology approach: Multiple product launches and enhancements to proprietary Base)))TM suite of tools enabling “Digital Shared Services” for clients. Strategic alliances and partnerships to build a comprehensive set of solutions and service offerings globally.

Offerings description

Wipro In house and Base)))TM suite of products

- **HOLMES®** : Artificial Intelligence (AI) Platform
- **ApolloTM** for fraud/surveillance offerings
- **Treasury DNA: SaaS based platform** with a comprehensive suite of treasury services delivered in a subscription-based model
- **Base)))TM Prism:** An analytics-driven, performance diagnostic, and improvement tool
- **Base)))TM Harmony:** Integrated transition project management, business process design, and benchmarking
- **Base)))TM Core:** Controls-enabled process execution platform
- **Base)))TM Govern:** Reporting and governance
- **Supplier Connect:** Vendor portal
- **Base)))TM Reconciliations:** Reconciliations integrated with DMS
- **WCCP:** Wipro’s credit and collections platform
- **Marvel:** AI based self-service helpdesk solution

External software and service partners

- F&A BPaaS-enabled by NetSuite
- SAP Hana, Business Objects, Opera, Qlikview for Business Intelligence, analytics, and performance management
- Mailroom services: Novitex (erstwhile Pitney Bowes), Papersoft, Ricoh, Converg, and Source HoV
- Archiving: Iron Mountain; OCR: Kofax, Readsoft, CloudScan, and Autorek
- Tradeshift, Ariba, and Coupa for S2P BPaaS
- Taulia for dynamic discounting solutions
- Tax and statutory reporting specialist partners: Big four accounting firms, TMF Group, and Amesto Group LLP
- T&E: Concur and M-eXecute – mobile employee suite
- Accounts receivable: Oracle, Business Objects, Experian, Emagia, and OnGuard
- Reconciliations: BlackLine, Chesapeake solutions
- Risk and governance: MetricStream
- Language translations: Language line, Translations.com
- **RPA:** Automation Anywhere, Blue Prism

Technology leveraged

- Contextual analytics
- KPI benchmarking and real-time reporting
- Standardized knowledge capture
- In-built controls and governance

- Hosted
- Web and mobile-enabled
- Secure with role-based access controls
- Robotic process automation

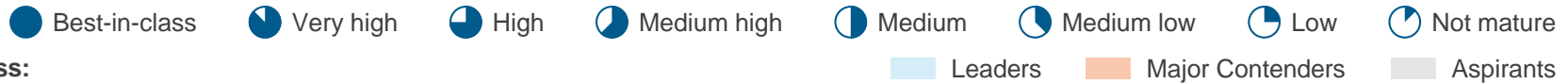
Delivery model & pricing

- Flexible deployment options including hosted and on-premise implementation
- Flexible pricing options including upfront implementation fees, bundled-in FTE pricing, and subscription-based pricing

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Everest Group assessment

Measure of capability / market success:



Delivery capability ¹						Market success ¹
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	

Strengths

- Wipro has strong F&A capabilities across the entire value chain, along with significant experience in servicing transformational requirements of clients
- Experience in serving clients across a wide range of industries with strong expertise in manufacturing, retail, and telecom sectors
- Strong technology and analytics capabilities on the back of its proprietary Base)))TM suite of products. Wipro is also making in-house investments in Artificial Intelligence platform (Holmes®)
- Has a wide delivery footprint spread across all major geographies, with significant offshore presence in India
- Wipro has been appreciated by clients for its responsiveness in handling issues, expertise in processes, and having a client-orientated approach to service delivery

Areas of improvement

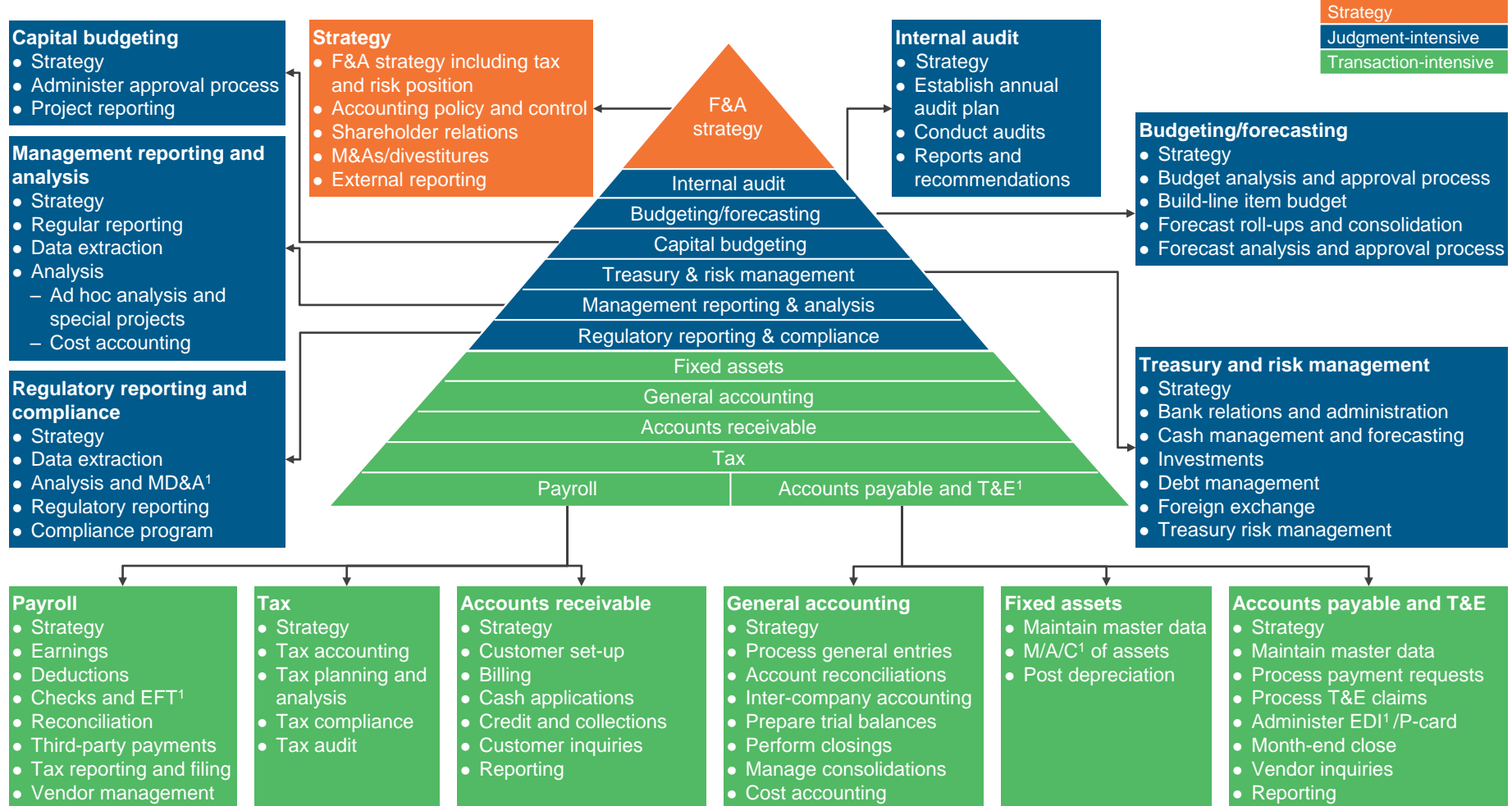
- Clients have raised concerns related to turnover and suggested that knowledge management processes can be improved
- Wipro can make further investments to strengthen its onshore presence
- Opportunity exists for Wipro to improve its transition / change management processes
- Wipro could increase investments in people, thereby stabilizing teams with increased ratio of experienced vs. fresh members

¹ Based on contractual and operational information as of 2015
 Source: Everest Group (2016)

Appendix

The scope of FAO services includes both transaction-intensive and judgment-intensive processes

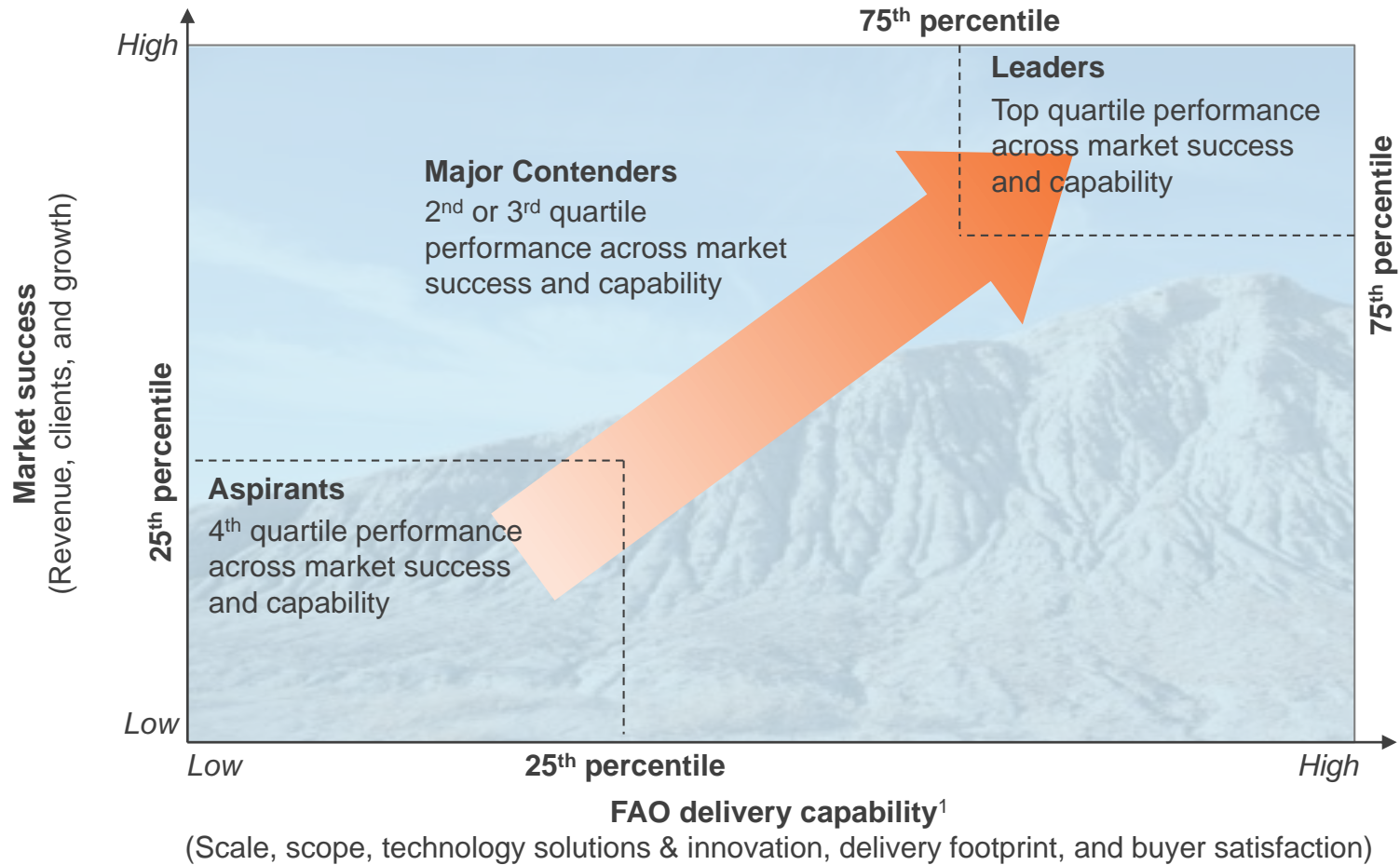
Functional definition of FAO



¹ Defined in Appendix

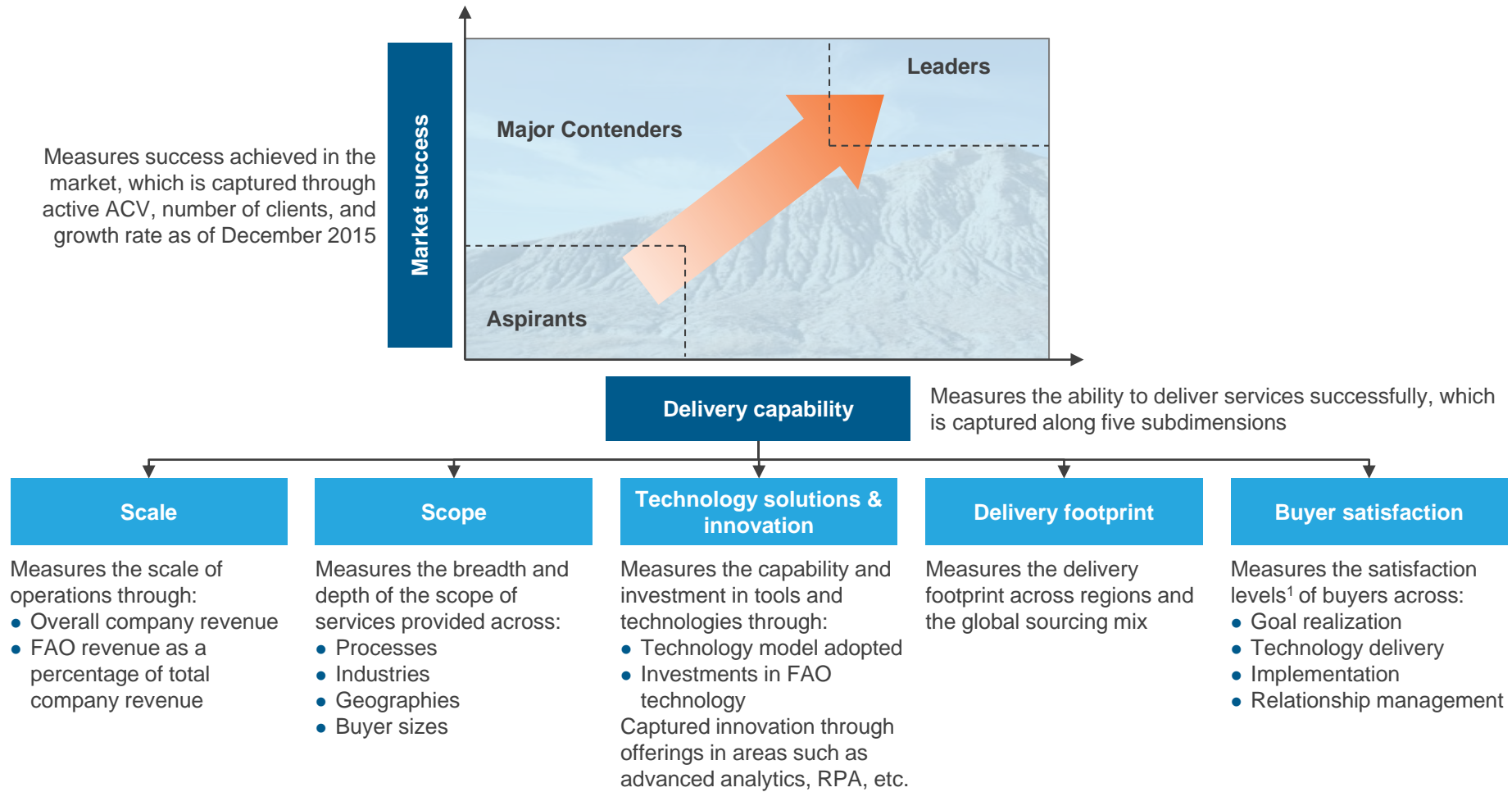
Everest Group classifies the FAO service provider landscape into Leaders, Major Contenders, and Aspirants on the Everest Group PEAK Matrix

Everest Group Performance | Experience | Ability | Knowledge (PEAKTM) Matrix



¹ Service providers scored using Everest Group's proprietary scoring methodology described on the following page
 Source: Everest Group (2016)

Service providers are positioned on the PEAK Matrix based on evaluation across two key dimensions

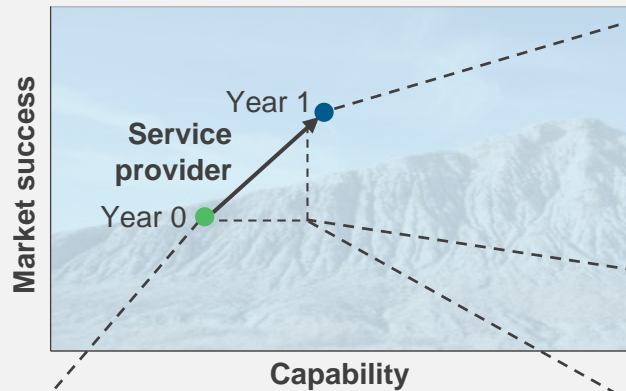


¹ Measured through responses from two/three referenced buyers for each service provider
 Source: Everest Group (2016)

Additionally, Everest Group confers the “Star Performers” title on providers that demonstrate the strongest forward movement over time on the PEAK Matrix

Methodology

Everest Group selects FAO Star Performers based on the relative YOY movement of each service provider on the PEAK Matrix



In order to assess advancements on market success, we evaluate the performance of each service provider on the PEAK Matrix across a number of parameters including:

- Yearly ACV growth
- Number of new contract signings
- Expansion in overall contractual portfolio

In order to assess advancements on capability, we evaluate the performance of each service provider on the PEAK Matrix across a number of parameters including:

- FAO-specific technology investments
- Incremental penetration of technology in contracts
- Innovation

The top quartile performers on each of the specified parameters are identified and the “Star Performer” rating is awarded to the service providers with:

- The maximum number of top quartile performances across all of the above parameters and
- At least one area of top quartile performance in both market success and capability advancement

2016 FAO Star Performers

The “Star Performers” title relates to YOY performance for a given service provider and does not reflect the overall market leadership position. Those identified as “Star Performers” may include “Leaders”, “Major Contenders”, or “Aspirants”

Does the PEAK Matrix assessment incorporate any subjective criteria?

- Everest Group's PEAK Matrix assessment adopts an objective and fact-based approach (leveraging service provider 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 briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?

- No. PEAK Matrix highlights and positions only the best-in-class service providers in a particular functional/vertical services area. 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”?

- 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 for their specific requirements. It also helps providers 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 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 to leverage their PEAK Matrix positioning status ?

- Providers can use their PEAK positioning rating in multiple ways including:
 - Issue a press release declaring their positioning/rating
 - Customized PEAK profile for circulation (with clients, prospects, etc.)
 - Quotes from Everest Group analysts could be disseminated to the media
 - Leverage PEAK 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**



From **insight** to **action**.



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 empowers 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 and research.everestgrp.com.

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