Everest Group®

# Everest Group PEAK Matrix® for Finance and Accounting Outsourcing (FAO) Service Provider 2022

## Focus on Corcentric

November 2022

Everest Group PEAK MATRIX®

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EGR-2022-23-E-5653

# Background and scope of the research

**Background of the research**

The global multi-process FAO market has continued to grow at a steady rate of 9-10% in 2022. Surging inflation, a recessionary environment, and geopolitical instability, coupled with the volatility that the pandemic left the enterprises in, have increased enterprises' openness to leverage third-party service provider support for their finance functions. The drive for digital transformation, the increasing number of first-time outsourcers, and the increasing demand for next-generation technology and high-end F&A work from mature outsourcers are expected to continue driving market growth in 2022.

Some of the key means by which providers are differentiating themselves are by offering end-to-end transformative solutions, combined with domain and industry expertise and innovative ESG solutions, flexible pricing models, a design thinking approach, transformation frameworks, and next-generation innovative offerings by leveraging automation and analytics.
The purpose of this research is to understand and assess FAO service providers based on their vision & capabilities and impact on the FAO market, and to position them on the Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with PEAK Matrix® Assessment 2022.

**In the full report, 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 2022 including service provider capability assessment and Star Performer analysis
- Service provider landscape
- Remarks on key strengths and areas of improvement for each FAO service provider

**Scope of this report**

**Geography**
Global

**Service providers**
27 FAO service providers

**Services**
Finance and Accounting Outsourcing (FAO)


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# Key characteristics of Leaders, Major Contenders, and Aspirants

**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 also continue to expand through organic and/or inorganic means, by entering new geographies & industries, and by 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:**

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:**

Concentrix, Hexaware, IQ BackOffice, Nexdigm, OneSource Virtual, Quatrro 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 their digital capabilities, their current set of capabilities and limited scale may not be best suited to handle end-to-end requirements for large organizations


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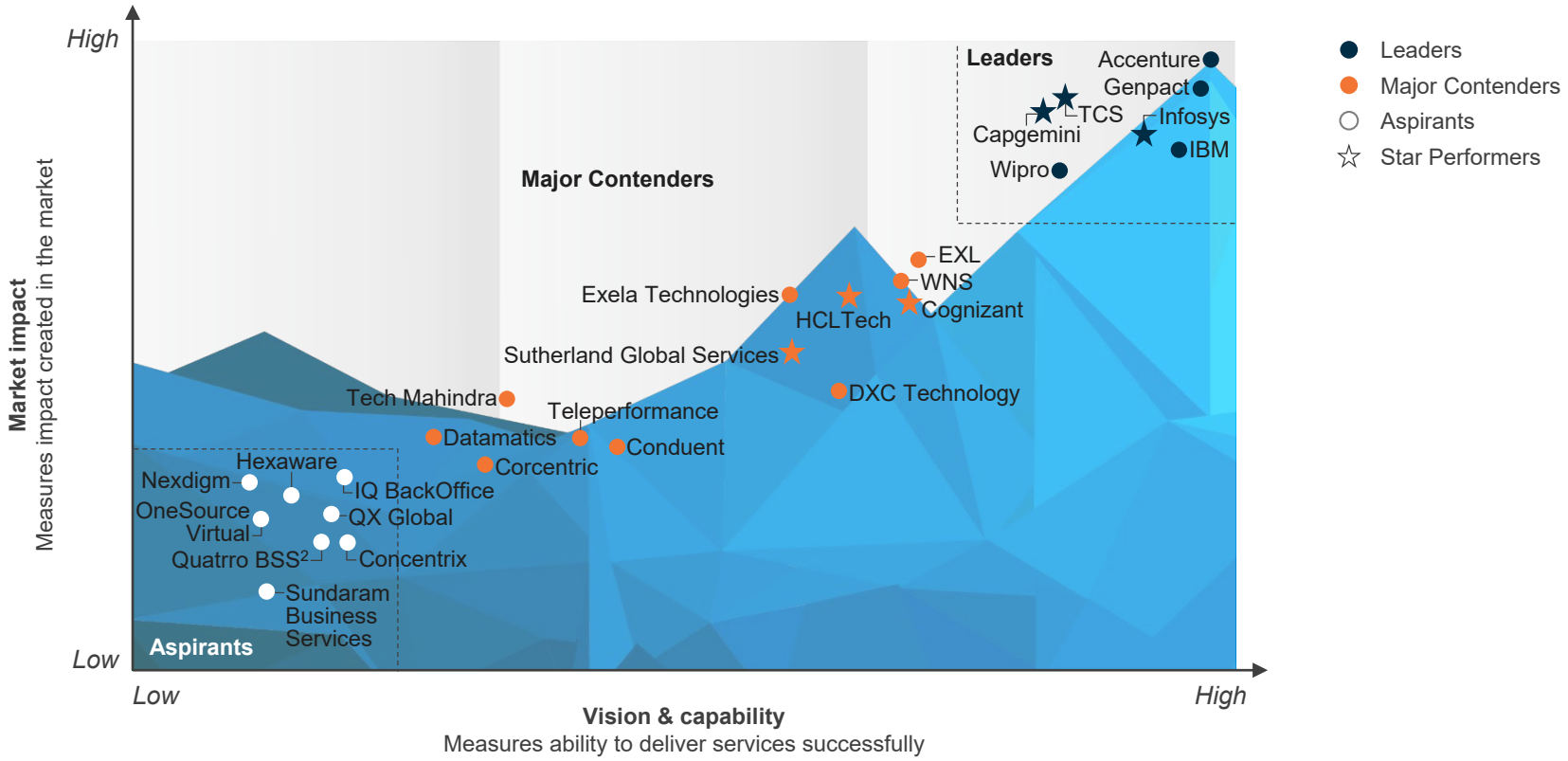
# Everest Group PEAK Matrix®

## Finance and Accounting Outsourcing (FAO) Services PEAK Matrix® Assessment 2022 | Corcentric positioned as Major Contender

**Everest Group Finance and Accounting Outsourcing (FAO) PEAK Matrix® Assessment 2022[1,2]**




1 Assessment for Concentrix, DXC Technology, Hexaware, Sundaram Business Services, Teleperformance, and WNS 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 Quatrro BSS: Quatrro Business Support Services

Source: Everest Group (2022)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# Corcentric | FAO profile (page 1 of 5)

## Overview

**Key leaders**

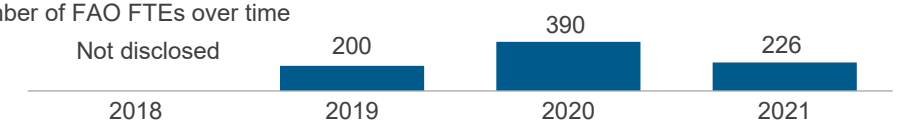
- **Manish Jaiswal,** Chief Product Officer
- **Ed Benack,** Chief Customer Officer
- **Frederick "Fritz" Smith,** Chief Revenue Officer
- **Joe Payne,** Senior Vice President, S2P North America
- **Lee Allen,** Senior Vice President, EMEA North
- **Pat Gaskins,** Senior Vice President, Fleet Solutions

**Recent developments/investments**

| | |
|---|---|
| **Service scope expansion** | • **2020:** expansion into supplier payment enrolment services<br>• **2020:** expansion of procurement outsourcing global capabilities<br>• **2020:** expansion of major global commerce support of managed AR in 20+ countries<br>• **2020:** global repositioning of managed O2C solutions<br>• **2019:** expansion into the UK and Western Europe for S2P and O2C |
| **Technology expansion** | • **2021:** automatic invoice matching from supplier portal, factor X invoice format integration, invoice information visibility improvements, contract certification automation, event calendar, online help site, task duration update, survey process improvements, supplier profile improvements, export of multiple attachments from multiple objects, and document management system annotations<br>• **2020:** unification of brands/logos for all Corcentric brands that were acquired<br>• **2020:** acquisition of B2B payments provider Vendorin that enhances integration into payments with technology and managed services and expansion of payment network to 250,000 suppliers<br>• **2019:** acquisition of Determine, recognized for industry-leading Source-to-Pay SaaS solutions, which maximized visibility and financial return from spend analytics, supplier management, contract management, and procure-to-pay with access across 300,000 suppliers |
| **Delivery Capability expansion** | • **2021:** announced the expansion of its Global Alliance Partner Program, through which it provides its clients industry-leading solutions in procurement, AP automation, fleet procurement, indirect and fleet Group Purchasing Organization (GPO), and managed accounts receivable<br>• **2020:** acquisition of payments execution platform that integrates into solution ecosystem. Corcentric now has in-house capability to execute on multi-modal payments (vCard, ACH, ACH+, check, etc.)<br>• **2020:** integrated with CorConnect (O2C) & Corcentric Platform (P2P) to offer payments and supply chain financing options |

### Scale of operations

Number of FAO FTEs over time




### FAO services suite

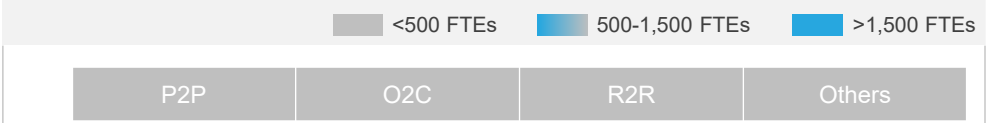
**Procure-to-Pay (P2P)**

- Managed Procurement Services: buy desk bidding, catalog negotiation & management, off-catalog purchase requisition management; purchase order transmission; invoice receipt/entry; supplier integration & payment; technical support (configuration, system integration, etc.); procurement helpdesk (consulting & sourcing on-demand services)
- Procurement Technology: SaaS S2P platform including spend analysis, sourcing, supplier management, contract lifecycle management, procure-to-pay, invoice automation, financial/budget management, and payment management
- Fleet Management: fleet procurement / GPO, spend consolidation, fleet financing/capital optimization, supplier management, and remarketing & analytics
- Integrated Payments / Financing: payment processing, payment network, P-card/V-card administration, supplier onboarding, fraud management and supply chain financing

**Order-to-Cash (O2C)**

- EIPP: Electronic Invoice Presentment and Payment plus e-invoice conversion
- ManagedAR: an all-encompassing O2C solution that eliminates all technological and administrative burdens associated with customer onboarding, billing/invoicing, and payment collection, together with guaranteed non-recourse payment and immediate DSO reduction

### Distribution of FTEs across processes





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# Corcentric | FAO profile (page 2 of 5)

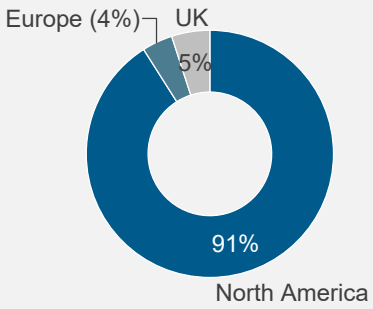
## Client portfolio

**Major FAO clients:** a multinational automobile parts manufacturing company in the US; a franchise-based global automotive repair chain; a multinational restaurant chain in the US; an energy provider in the UK; an American fashion company; a seller of data analytics products and various databases in the UK; a global chemical and ingredients distributor and provider of value-added services in the UK; an international transportation services company in the US

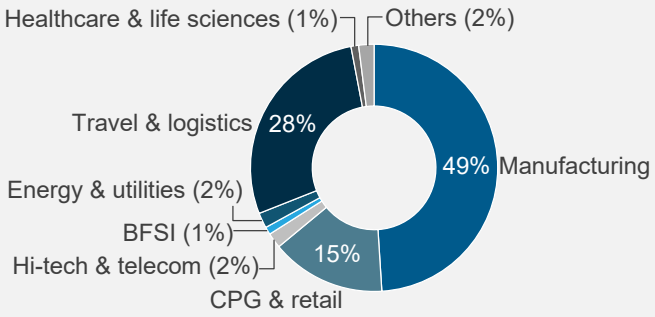
**Recently announced FAO engagements** (non-exhaustive)

| Time of signing | Client | Contract details |
|---|---|---|
| 2021 | A global manufacturer of commercial heating technologies | AR Document Management – physical and electronic distribution of accounts receivable documents including invoices, statements, and credit notes to customers in over 70 countries |
| 2021 | A Ecommercial-stage biopharmaceutical firm | Managed Procurement Services – scalable, outsourced sourcing professionals for enterprise-wide “buy desk” in support of a company-wide effort to centralize procurement, support growth through comprehensive procurement sourcing services, and identify cost savings |
| 2021 | An expense management software provider | Electronic Payments Enablement – managed onboarding of suppliers to electronic payments platform including onboarding to virtual card and ACH payment modalities; continuous onboarding of new vendors and managed disbursement of all outbound payables |
| 2021 | A leading North American food/grocery distributor | Fleet Procurement Management – managed delivery of purchases made through Fleet GPO (managed e-Commerce solution) delivered through the invoicing portal;  includes management of procurement, accounts payable, and rebates management for fleet procurement with real-time visibility into invoice status |

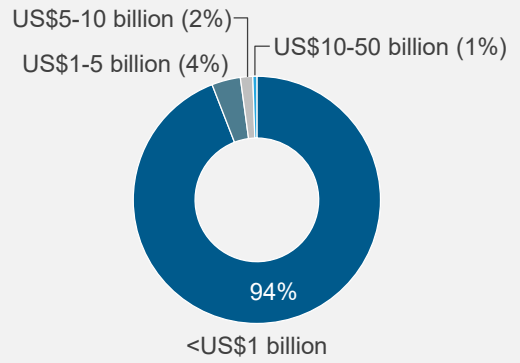
**FAO revenue by contract signing region (2020)**




**FAO revenue mix by buyer industry (2020)**




**Number of clients by buyer size (2020)**




1 Large buyers (revenue > US$5 billion), mid-market buyers (revenue US$1-5 billion), and SMB buyers (revenue < US$1 billion)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# Corcentric | FAO profile (page 3 of 5)

## Location landscape

**FAO delivery locations**

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# Corcentric | FAO profile (page 4 of 5)
## Technology solutions

**FAO technology approach:** managed PO & O2C solutions - Corcentric leverages a combination of solutions with its services for delivering financial and accounting outsourcing

| Solutions | O2C solution | P2P solution |
|---|---|---|
| **Solution description** | • ManagedAR: an all-encompassing O2C solution that eliminates all technological and administrative burdens associated with customer credit, billing/invoicing, and payment collection together with guaranteed non-recourse payment and immediate DSO reduction<br>• EIPP: electronic invoice presentment and payment plus e-invoice conversion | Solutions that include P2P process of constituent components that, when automated and optimized, let companies manage catalogs, control spend, achieve purchasing compliance, and better manage the complete buying/PO/invoicing/payments across P2P in addition to supplier onboarding |
| **Process scope** | • ManagedAR: onboarding, credit analysis, credit line issuance, billing/invoicing, cash application, collections, guaranteed payments to seller, and customer management<br>• EIPP: multi-modal invoice distribution including post, fax, e-mail, EDI/XML, and web portal; managed paper-to-electronic customer conversion, and online payments portal | • Buy Desk Management: off-catalog triage, P-card management, and helpdesk for buyers and suppliers for managing indirect spend focused on tail-spend supplier integration and payment<br>• P2P Technology: automation for catalog, purchase order management, invoice management, and payment execution<br>• Fleet Management: for spend consolidation that includes fleet planning, acquisition, and maintenance centered around cloud-based centralized invoicing, e-payments, and group purchasing |
| **Technology leveraged** | • Corcentric ManagedAR e-commerce / billing platform[1]<br>• Corcentric EIPP[2] | • Corcentric Platform for P2P[3]<br>• Corcentric Payments (formerly Vendorin) |
| **Delivery model and pricing** | • Both ManagedAR and EIPP adopt a hybrid approach of cloud-based SaaS and managed services delivery<br>• Fully managed configuration and implementation for customers and their buyers with Corcentric Journey Team<br>• ManagedAR: single fee pegged to transactional value<br>• EIPP: flat, per-transaction fee based on method of invoice distribution | • Delivery model for all solutions in the cloud<br>• Implementation, and configuration provided by Corcentric consultants<br>• Subscription fees for SaaS for solutions; management fees for managed/professional services<br>• User-based/usage-based subscription fees; bundled FTE pricing for support and implementation<br>• Contingency modeling / gainshare revenue approaches<br>• Helpdesk / professional retainer flex modeling for procurement advisory and sourcing services |

1 **ManagedAR:** Microsoft .NET, Java, and HTML code; SQL server - integrates with any financial ERP solutions by client (SAP, Oracle, Microsoft Dynamics, Intacct, etc.)
2 **EIPP:** Vue.js for front-end customer-facing platform; Slim PHP / 7+ for back-end functionality; AWS / Amazon Aurora relational database engine; Apache HTTP Server
3 **Corcentric Platform:** S2P cloud platform multi-tiers and multi-tenant stack based on AWS; uses Linux application servers with MySQL databases, and developed using PHP, JavaScript, and Python)


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# Corcentric | FAO profile (page 5 of 5)

## Everest Group 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 | Innovation & investments | Delivery Footprint | Overall |
| | | | | | | | | |

### Strengths

- Corcentric is a specialist provider that leverages its advisory and consulting services, technology solutions, and managed services capabilities to offer integrated offerings across S2P and O2C, focusing on transactional processes within these functions
  - It offers process-specific transformation solutions such as supply chain finance, integrated payments, cash applications, managed AR services, and analytics services across S2P and O2C
  - It also offers finance transformation solutions for organizations looking for process maturity assessment, KPI benchmarking, and change management support as stand-alone advisory projects with some managed services as part of the scope
- It has built its suite of offerings through a series of strategic acquisitions of niche firms such as Determine (S2P software provider), Netsend (e-billing provider), Source One (sourcing services provider), and Vendorin (integrated payments execution platform provider)
- Its proprietary digital assets across O2C and P2P include CorConnect (B2B accounts receivable software), Cor360 Approval Workflow, Corcentric Managed AR, and Corcentric Electronic Invoice Presentment and Payment (EIPP)
  - It has continued to invest in these platforms to add capabilities such as automatic invoice matching from the supplier portal and enhanced invoice information visibility
  - Clients often appreciate its tools/digital solutions and domain expertise
- It has expanded its Global Alliance Partner Program aimed at building a network of software and service providers such as advisory firms, private equity firms, and technology integration platforms. It enables clients to leverage technology and domain expertise from this network of firms with diverse capabilities
- One of its unique differentiators is its guaranteed DSO reduction along with outcome-based pricing, pegged to KPIs such as DSO improvement, dispute/discrepancy reduction, short pay rate, and program growth
- Corcentric has significant experience in serving small and mid-market clients across major industries such as manufacturing, travel & logistics, and CPG & retail, especially in North America

### Limitations

- Corcentric presently lacks the FTE scale as well as the breadth and depth of F&A offerings, which are required for clients looking for end-to-end or large-scale finance operations in a managed services construct
- It has limited delivery capabilities and experience in serving clients beyond North America, especially in the European and Asia Pacific regions
- Even though its P2P and O2C offerings are gaining maturity, F&A is still only considered an adjacent function to its primary offering of S2P and procurement
- Buyers from industry segments outside of manufacturing, travel & logistics, and CPG & retail, should further evaluate Corcentric's expertise given its limited experience in other sectors
- Clients, primarily from small and mid-market segments, expect Corcentric to improve on its pricing


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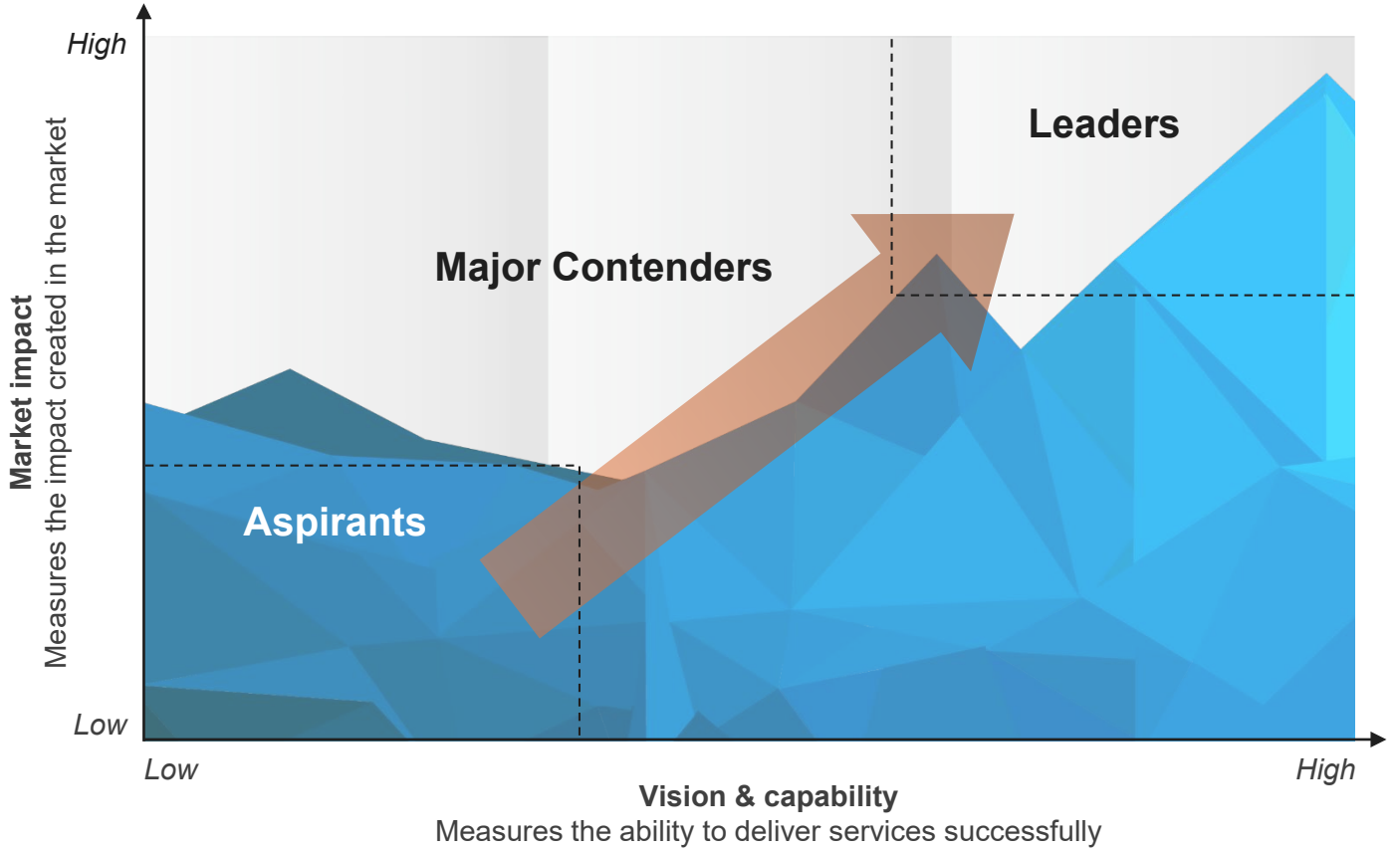
# Appendix

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

**Everest Group PEAK Matrix®**





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# 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

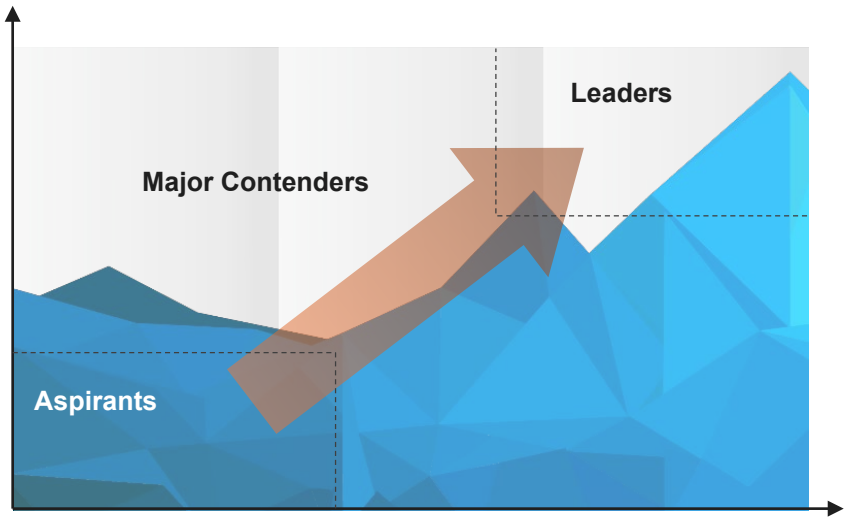
**Portfolio mix**

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

Market impact




**Vision & capability**

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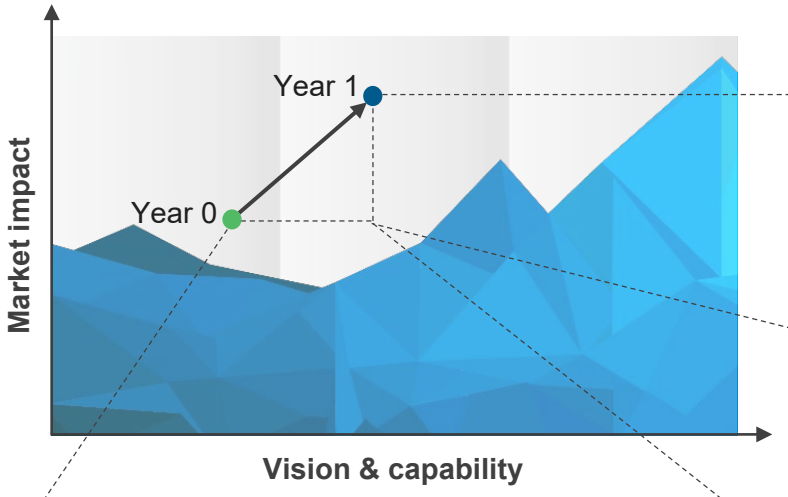
# Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

## 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 vendor's performance across a number of parameters including:

- Yearly YoY revenue growth
- # of new licenses and extensions
- Value of license signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each vendor's performance across a number of parameters including:

- Innovation
- Increase in product scope and functionality
- Expansion of product associated consulting, training, support, and maintenance capabilities
- Technology/domain specific investments

We identify the vendors whose improvement ranks in the top quartile and award the Star Performer rating to those vendors 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.*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# 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 in 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.


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