



RESEARCH INSTITUTE

# Everest: Most FAO Buyers Opt for Less Disruptive 'Add-on' Technology Solutions Over Emerging Proprietary Platforms

## Suppliers Promoting Tech Capabilities as Competitive Differentiators

### Press release

**DALLAS, October 7, 2009** – While some companies outsourcing finance and accounting services are capturing added value from service providers' proprietary, platform-based technology solutions, most buyers continue to opt for less-disruptive augmentation approaches, according to Everest, a global [consulting](#) and [research](#) firm.

Seeking to more strongly integrate best practices and differentiate themselves from competitors, some Finance and Accounting Outsourcing (FAO) suppliers such as [TCS](#) and [Infosys BPO](#) are successfully pioneering platform-based offerings that could potentially offer significant value, according to Everest's study, [Technology Flavors in FAO – From Tools to Platforms](#). Nevertheless, most buyers are reluctant to replace existing platforms and their inherent investments in them, instead opting for non-disruptive 'add-on' solutions that solve problems and enable end-to-end processes.

"FAO buyers recognize technology as a key enabler, but most are unwilling to take on disruptive changes to their technology landscapes," said [Katrina Menzigan](#), Vice President, Research. "While some suppliers are pioneering platform-based solutions that work well for some situations, most buyers continue to opt for augmentation approaches that wrap around their current systems and enhance their current investments. In response, we've seen suppliers make significant investments to expand capabilities as evidenced by recent M&A activity and an increase in partnerships, particularly with independent software vendors. The right technology approach is not driven by market trends but by buyer needs and requirements."

The Everest study focuses on the different types of technology in FAO, add-on tools and solutions that enable technology augmentation and the current landscape of platform-based FAO offerings.

#### Other insights of the study include:

- Most technology-led FAO offerings are horizontal in nature and targeted to mid-sized and large buyers
- Suppliers use transactional pricing or bundle technology costs with FTE pricing
- Most F&A organizations have ERP-based processing system and prefer license ownership, thus most are not seeking new implementations or replacements
- Suppliers recognize increased technology usage may reduce FTE component for existing work but believe it can facilitate scope expansion and penetration into new segments
- Players taking a platform approach differ in their scopes and industry focuses; consequently, some platforms are horizontal in nature or more industry specific

"While supplier focus on innovation is important, there is no need to re-invent the wheel," said [Saurabh Gupta](#), Research Director and co-author of the report. "FAO clients primarily want suppliers to plug functionality gaps, help solve business problems, and lower technology investment costs. Successful supplier technology strategies will be built on a mix of partnerships with software vendors with a layer of proprietary tools and processes."

The study analyzes the technology capabilities and offerings of established FAO suppliers including [Accenture](#), [Capgemini](#), [HP](#), [Genpact](#), [IBM](#), [Infosys BPO](#), [TCS](#), [Wipro](#), [WNS](#) and [Xchanging](#).

### Media contacts

#### The Point Group – America & Europe

##### Scott Tims

Office: +1-214-378-7970 x278

Mobile: +1-214-957-6785

[stims@thepointgroup.com](mailto:stims@thepointgroup.com)

##### Martha Cook

Office: +1-214-378-7970 x240

[mcook@thepointgroup.com](mailto:mcook@thepointgroup.com)

#### R&PM: Edelman – Asia

##### Priyangshu Dutta

Office: +91-124-4131-400 (Ext-14)

Mobile: +91-971753-7878

[priyangshu.dutta@edelman.com](mailto:priyangshu.dutta@edelman.com)

##### BodhiSatya Basu Thakur

Office: +91-124-4131-400 (Ext-15)

Mobile: +91-971774-3671

[bodhisatya.thakur@edelman.com](mailto:bodhisatya.thakur@edelman.com)

---

To read more about the findings of [\*Technology Flavors in FAO – From Tools to Platforms\*](#), an extract of the report is available at [www.everestresearchinstitute.com](http://www.everestresearchinstitute.com). To purchase the report or receive more information about other research services, please email [info@everestresearchinstitute.com](mailto:info@everestresearchinstitute.com) or call +1-214-451-3110.

**Other Institute studies providing additional insights into this topic:**

- [Technology-led Solutions in FAO – Supplier Profile Compendium](#)
- [Global FAO Supplier Landscape – Differentiate to Get Noticed](#)
- [FAO Annual Report 2008](#)
- [Industry-Specific FAO Solutions – Moving Beyond the Bottom-Line](#)
- [Technology Innovation in FAO](#)

---

## About Everest

Everest Group is a global consulting and research firm that comprehensively serves the outsourcing and offshoring market. An industry leader since creating the sourcing consultancy practice in 1991, Everest has earned a worldwide reputation for ongoing innovation by helping clients capture optimum value through sourcing strategies and implementation. Everest provides information, insight, and advice to help buyers, suppliers, and enablers of services effectively navigate all stages of the sourcing lifecycle. Committed to thought leadership, Everest is noted for its fact-based analyses and insights on the outsourcing and offshoring marketplace. For more information, please visit [www.everestgrp.com](http://www.everestgrp.com) and [www.everestresearchinstitute.com](http://www.everestresearchinstitute.com).