Magic Quadrant for Finance and Accounting Business Process Outsourcing

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Outsourcing has become a crucial element in CFOs' playbook for cost reduction and efficiency amid global disruption. This research helps CFOs assess F&A BPO providers' capabilities to deploy process automation and intelligent workflows that lead to reduced processing costs and enhanced efficiency.

Market Definition/Description

This document was revised on 6 May 2025. The document you are viewing is the corrected version. For more information, see the ***Corrections*** *page on gartner.com.*

Gartner defines finance and accounting (F&A) business process outsourcing (BPO) as the use of third-party outsourcing service providers to handle transactional finance processes such as purchase-to-pay, order-to-cash and record-to-report. BPO service providers remotely connect to clients' systems to carry out these operations. BPO service providers can also offer proprietary or partnered process automation solutions to enhance transactional processing efficiency. F&A BPO services are typically delivered from global delivery centers.

F&A BPO providers offer processing services and process automation solutions for purchase to pay (P2P), order to cash (O2C) and record to report (R2R). Providers offer processing and automation services to improve P2P, O2C and R2R processes, which offer buyers the ability to purchase process transformation expertise and process automation technologies to help their finance operations mature.

At minimum, an F&A BPO provider processes finance activities via a remote connection to its customers' existing systems. Providers offer the required staff, located in global delivery services, to deliver these services. Cost savings and efficiency gains are passed on to the buyer in the form of labor arbitrage.

Enhanced F&A BPO offerings that meet finance's need for more automated transactional processing focus on providing process transformation expertise, often combined with proprietary or partnered process automation technologies, including the use of AI and machine learning. Buyers benefit from these types of agreements by maturing their processes, adopting technologies that require minimum human intervention, and driving more competitive processing costs.

Mandatory Features

Mandatory features include:

- Connectivity solutions for providers to access clients' existing systems.
- Any two of the following third-party processing services:
  - For P2P, which involve supplier or vendor master data, purchase orders, invoices, payments and accounts payable query support.
  - For O2C, which involve customer order management, customer master data management, billing invoice processing, credit and collection management, dispute resolution, cash allocation and accounts receivable query support.
  - For R2R, which involve financial journal entry management, close management, statement processing, controls, and compliance and transaction analysis.

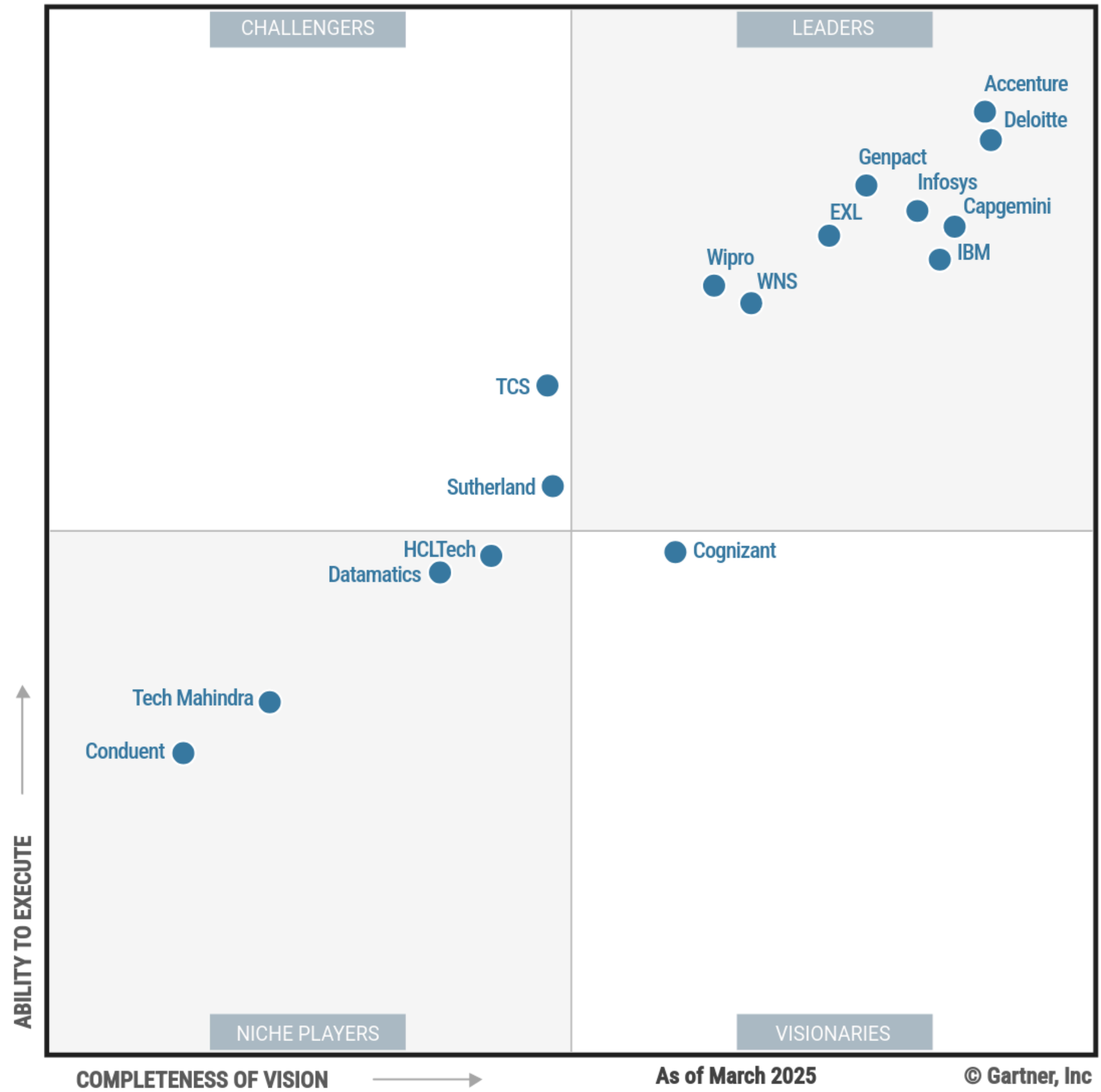
Common Features

The common features for this market include:

- Finance process automation technology solutions, either proprietary or partnered, for P2P, O2C and R2R, which include workflows that embed the use of AI and machine learning (ML) capabilities.
- Finance process automation services, which involve the provider offering transformation expertise to manage transformation programs across P2P, O2C and R2R.

Magic Quadrant

Figure 1: Magic Quadrant for Finance and Accounting Business Process Outsourcing



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Vendor Strengths and Cautions

Accenture

Accenture is a Leader in this Magic Quadrant. Of its 358 clients, 81% contract for P2P services, 69% for O2C services, and 70% for R2R services. A recent innovation in its O2C offering is GenAI-based voice call assist, which summarizes outbound collector calls and logs outcomes, enhancing promises to pay.

In 2024, Accenture focused on increasing adoption rates of its GenAI-enabled finance workflow solutions in medium- to large-scale deals. This change aims to improve the inquiry resolutions that occur across finance activities with more automated, self-serviceable support.

Accenture plans to launch agentic and GenAI technology in partnership with Microsoft for the finance domain as a key use case. The combination of machine-first and human-supported scenarios drives autonomous transactional processing based on enterprise knowledge and best practices that support innovative ways of working and deliver efficiencies.

Strengths

- **Process innovation:** Accenture integrates process diagnostics and benchmarking frameworks in SynOps, its proprietary platform. This allows clients to collaborate with ecosystem process software providers and GenAI-enabled proprietary assets, like an R2R journal reconciliation technology, to reduce time spent sourcing process solutions.

- **Process transformation:** Accenture uses its 360° Value Framework for automated process maturity assessments, which supports clients with future process transformation plans to improve the maturity of existing outsourced activities.

- **Talent strategy:** Accenture is implementing a technology-first talent model to achieve a 70% technology and 30% human ratio. It prioritizes upskilling with programs like its GenAI academy to develop techno-functional roles and strategic skills, helping clients by providing them with a future-ready workforce capable of driving innovation and efficiency.

Cautions

- **Pricing model:** Accenture has 10% of its F&A clients engaged in outcome-based or hybrid contracts that include outcome-based metrics, one of the lowest percentages compared to other providers. While Accenture offers various pricing structures, clients looking to advance processes maturity should discuss how process innovation can lead to reduced service fees over the course of the contract.

- **Delivery centers:** Accenture's percentage distribution of employees supporting the F&A process is 1.3% in North America. While it has seven delivery centers in this region, this is among the lowest compared to other providers. Clients choosing North America locations should further evaluate if their resource requirements can be met.

- **Service flexibility:** Accenture has received client feedback that indicates challenges with its ability to adapt to changes in the original process scope, regardless of whether services are delivered on-site, "nearshore" or offshore. Clients should evaluate this provider's change request and scope change terms during the proposal review process.

Capgemini

Capgemini is a Leader in this Magic Quadrant. Of its 301 clients, 86% contract for P2P services, 80% for O2C services, and 70% for R2R services. A recent innovation is its P2P offering, an augmented analytics suite, which uses advanced analytics, AI and GenAI to improve accounts payable activities in areas such as fraud detection and spend analytics.

In 2024, Capgemini enhanced its Intelligent Process Automation (IPA) capabilities, which integrate AI and machine learning (ML) across F&A processes. This service delivers comprehensive, enterprise-level transformations by automating routine tasks, improving process efficiency and enabling data-driven decision making.

Capgemini plans to enhance its implementation and automation for finance process services by introducing AI-driven validation features. This will reduce manual processing time and facilitate seamless integration with existing ERP systems.

Strengths

- **Integration strategy:** Capgemini provides real-time performance insights for P2P, O2C and R2R processes via service-enabled APIs. Clients gain instant visibility into metrics like invoice processing times and payment reconciliation accuracy, enabling process optimization through immediate decision making.

- **Process transformation:** Capgemini enhances clients' finance processes with NLP solutions such as cash apps and dispute resolution AI assistants. These tools automate the categorization of customer payment remittances and extract data for cash application and dispute management. The dispute assistant autonomously generates responses, significantly improving efficiency and reducing errors in the O2C process.

- **Process innovation:** Capgemini enhanced its finance services by investing in the Digital Global Enterprise Model (D-GEM). This model optimizes finance processes and identifies process automation opportunities. For CFOs, these investments mean enhanced efficiency, cost reduction and improved decision making.

Cautions

- **Client segmentation:** In Capgemini's F&A strategy, larger enterprises are prioritized, resulting in a less diversified client base compared to most providers. This focus indicates a potential gap in addressing the needs of midsize and smaller businesses, which often require scalable solutions and customized support.
- **Customer experience:** Capgemini has struggled to maintain consistent service quality, as indicated by customer feedback highlighting variability in operational execution. Clients should seek a clear governance framework to ensure process stability and continuity in service delivery, even amid internal fluctuations.
- **Contract flexibility:** Capgemini's notice period length for termination can limit clients' ability to swiftly adapt their outsourcing strategies. Clients should evaluate this term further to allow for better response to evolving business conditions, manage unforeseen financial challenges or transition to other service providers when needed.

Cognizant

Cognizant is a Visionary in this Magic Quadrant. Of its 201 clients, 70% contract for P2P services, 45% for O2C services, and 28% for R2R services. Cognizant Catalyst, one of its P2P offerings, features recent innovations like advanced workflows that improve clients' AP operations with the use of a provider portal for suppliers to self-serve and GenAI-enabled invoice extraction to reduce manual invoice inputs and coding.

In 2024, Cognizant broadened its collaborations with SAP Ariba, Basware, Coupa, Vic.ai and Docusign on partner-managed cloud solutions. These services help clients automate and optimize their procurement and document management workflows, leading to greater productivity and cost savings.

Cognizant is expanding its use of ServiceNow beyond enterprise workflows to automate broader procure-to-pay and process areas. This will lead to enhanced tool application and more unified pricing, providing clients streamlined processes and cost-efficiency.

Strengths

- **Process innovation:** Cognizant's GenAI platform, Neuro AI, accelerates AI adoption in finance by customizing and integrating AI into core processes. Using client and benchmark data, it speeds up new process development using agentic and AI technology. The platform also employs scenario analysis to predict transactional outcomes before implementation.

- **Process transformation:** Cognizant incorporates process mining and task capture within its transformation methodology, speeding up process knowledge capture. Clients benefit from data-led workshops that facilitate better process transformation decisions using as-close-to real-time data of clients' finance operations.

- **Strategic partnership:** Cognizant partners with Sirion and Esker to enhance P2P and O2C processes. Sirion's technology automates contract review, master data updates and risk assessments, while Esker offers intelligent workflows to streamline operations. This collaboration boosts efficiency and reduces costs in transactional finance processes.

Cautions

- **Knowledge transfer:** Clients' feedback shows varying satisfaction with Cognizant's process-knowledge-capture tools in terms of practical use and effectiveness. Clients should evaluate its task-capturing tools and remote transition methodology, as this could lead to inefficiencies and delays in process execution.

- **Pricing model:** Cognizant continues to offer traditional pricing structures for 76% of its clients without implementation of added-value KPIs. This approach may impede innovation and adoption of new processes. Clients should ensure technology and process innovation are included in their original contract agreements.

- **Customer adoption:** Cognizant's adoption of managed services in R2R, especially in intercompany accounting, fixed assets and cost accounting, is limited. Prospective clients should request references using its R2R services, clarify which solutions they use and assess how they align with their own business needs and objectives.

Conduent

Conduent is a Niche Player in this Magic Quadrant. Of its 144 clients, 94% contract for P2P services, 10% for O2C services, and 8% for R2R services. A recent innovation is its P2P offering, which uses GenAI to extract contractual documents and tabulate data for invoice matching, upgrading to a four-way match to prevent leakage.

In 2024, Conduent continued to focus on its intelligent help desk and query automation, which provides a scalable email automation solution. This feature allows Conduent to manage and automate inbound inquiries on behalf of its outsourcing clients, utilizing the existing email setup.

Conduent plans to enhance its solution for anomaly detection and compliance, enabling real-time identification and correction of discrepancies in accounts payable and receivable processes, thus reducing reconciliation errors and ensuring compliance.

Strengths

- **P2P offering:** Conduent has expanded its FastCap and Payment Integrity solutions to enhance the recovery of hidden working capital through identification of erroneous payments and early-payment discounts.
- **Multilingual service:** Conduent, in collaboration with United Language Group, offers F&A BPO services in over 250 languages. This extensive language support facilitates communication across diverse regions, reducing misunderstandings and delays. By ensuring accurate communication, clients with global footprints can enhance operational efficiency.
- **Delivery centers:** Conduent's global delivery network, featuring regional centers with specialized industry capabilities, helps clients access tailored services that address local market challenges and optimize performance, supporting strategic alignment and enhancing clients' operational effectiveness.

Cautions

- **AI development:** Conduent is exploring the establishment of an AI center of expertise, but uncertainty remains about its impact on the company's F&A service offerings. Clients should evaluate how Conduent plans to integrate AI into existing process workflow offerings and ensure the development timelines align with their own strategic requirements and innovation goals.
- **Technology offering:** Conduent currently lacks formal certifications with ERP providers, which may slow down the integration of its technology offering with client systems. Clients should assess Conduent's experience in relation to ERP integration and customization, particularly in complex environments, to ensure alignment with their needs.
- **Build-operate-transfer model:** Conduent has not engaged any clients in its build-operate-transfer (BOT) delivery model in the past 36 months. Clients should assess this provider's readiness and capability to deliver BOT services and ensure alignment with their strategic goals.

Datamatics

Datamatics is a Niche Player in this Magic Quadrant. Of its 86 clients, 76% contract for P2P services, 23% for O2C services, and 13% for R2R services. A recent innovation is its P2P offering that automates invoice processing with GenAI-powered TruCap+ IDP and RPA to extract and validate invoice data.

In 2024, Datamatics emphasized AI-powered solutions, developing GenAI and ML-based products through its FINATO platform. The company offers comprehensive finance transformation for cash and credit management, auto-GL coding, vendor rating, reconciliation and procurement management, streamlining operations and enhancing efficiency.

Datamatics plans to launch Creditometer, an AI-powered proprietary O2C solution. It provides precise customer credit scoring and limit assignments based on real-time payment and purchasing behavior.

Strengths

- **Automated platform:** Datamatics emphasizes standardization and optimization via proprietary technology platforms like FINATO, with a focus on compliance and analytics. Leveraging its TruCAP+ for smart data capture, TruBot for automation, and TruAI for data-driven analysis, this approach supports outcome-driven engagements that deliver measurable improvements and accelerate digital adoption.

- **Customized automation:** Datamatics engages clients with customized automation solutions, addressing individual needs through its GenAI and ML-powered digital platform, FINATO. These tailored solutions streamline complex processes, driving efficiency and reducing costs.

- **Manufacturing tailored solution:** Datamatics provides AI-driven tools such as TruCap+ and TruBI to automate finance processes in manufacturing. These solutions help clients in this vertical by supporting compliance, accelerating deployment times and providing real-time analytics for process audit readiness.

Cautions

- **Delivery model:** Datamatics has limited presence in Europe, the Middle East and Africa, and none in Latin America. Its regional concentration hinders its ability to address local market nuances, regulatory environments and cultural differences, especially during large-scale transformations.

- **Industry strategy:** Datamatics focuses on manufacturing, with nearly 50% of its clients in this sector. Clients in other industries should assess if its solutions fit their needs, as substantial customization might be required, potentially causing integration challenges or inefficiencies.

- **Customer adoption:** Datamatics' clients have limited adoption of managed services in R2R and O2C, especially in credit management, collections, intercompany accounting and accrual management. Potential clients should verify references' experience, clarify the solutions used, and assess alignment with their business needs and objectives.

Deloitte

Deloitte is a Leader in this Magic Quadrant. Of its 707 clients, 38% contract for P2P services, 35% for O2C services, and 75% for R2R services. A recent innovation in its R2R offering, AIOPS.D, enhances data accuracy and reduces reconciliation errors, leading to a shorter close cycle and earlier financial insights.

In 2024, Deloitte launched Zora AI, an agentic AI solution built on domain-trained LLMs with expertise across finance domains. Through its architecture, it can perceive, reason and act in areas like expense management and working capital management.

Deloitte intends to integrate accounting services between its R2R delivery center and in-country teams. This expansion incorporates more complex R2R activities, including fixed-asset and statutory accounting.

Strengths

- **Automated platform:** Deloitte's new global delivery platform, Ascend, acts as an intelligent user interface, standardizing processes while also delivering AI-driven insights and automation. It provides clients with process innovations, such as risk monitoring capabilities or autoticket generations for disputes in the O2C domain, and outlines a transformation roadmap to deliver the value.

- **Process transformation:** Deloitte's Lights Out Finance concept aims for fully automated transactional finance activities. By applying process and technology transformation, Deloitte enhances process maturity. Advanced technology can increase efficiency in billing and collection by 20% and seamlessly extract vendor invoice data and transfer it to ERP systems, eliminating manual intervention in the P2P process.

- **Talent strategy:** Deloitte is adopting a high-tech talent model by training finance analysts and technical accountants through Deloitte University and Academies. This strategy attracts skilled professionals, enhancing employee satisfaction and reducing attrition, ensuring a stable, knowledgeable workforce for clients.

Cautions

- **Technology adoption:** Deloitte's clients' adoption of advanced technologies, such as chatbots and conversational AI, lag other Leaders in this research. Considering the growing significance of these technologies, clients interested in them should request that Deloitte align the offering with their specific needs and match their finance technology maturity.

- **Service marketing:** Deloitte's Finance Operate for F&A BPO lacks detailed service explanations; as a result, prospective clients may struggle to understand service depth. Limited website messaging about its core and strategic F&A outsourcing services may further hinder clients' grasp of offerings.

- **Service governance:** Deloitte leverages process bionics at the start of service to baseline processes and then formally benchmarks process maturity once a year. This approach may not align with clients' ambitions to rapidly improve their process maturity for cost reduction or quality improvement. Clients requiring more frequent updates should explore the provider self-service performance tools.

EXL

EXL is a Leader in this Magic Quadrant. Of its 186 clients, 39% contract for P2P services, 42% for O2C services, and 44% for R2R services. A recent innovation is the infusion of AI and ML technology in its P2P offering, which significantly increases the efficiency to convert unstructured invoice content into structured data, elevating image capture success rates.

In 2024, EXL advanced its Digital Finance Suite by embedding AI through the Finance Control Tower, an advanced analytics engine with predictive modeling, workflow automation and GenAI for analysis and commentary. It also expands its agentic AI pilots to enhance the management of autonomous payables and receivables through intelligent transaction execution.

EXL plans to accelerate its FACTS.AI solution for the R2R process. This solution automates the manual reconciliation process during the close and provides automated flux variance reports.

Strengths

- **Digital offering:** EXL's conversational BI solution, Insights GPT, is a descriptive analytics toolset embedded within Finance Control Tower. It is designed to streamline user interaction with financial data. Clients can use it to craft narratives for R2R reporting and customer statements in O2C.

- **Product portfolio:** EXL offers a broad portfolio of proprietary and partnered technologies, developing solutions tailored to specific processes and industries. This diversity enables EXL to create domain-specific language models to deliver accuracy, efficiency and compliance for industry-specific tasks like supporting critical claims and underwriting tasks for the insurance sector.

- **Advanced analytics:** EXL's clients can leverage Finance Control Tower, part of the Digital Finance Suite, as a comprehensive platform tailored for finance leaders. This platform utilizes advanced technologies such as GenAI, ML and conversational AI to offer real-time insights through advanced analytics, predictive modeling and action orchestration.

Cautions

- **Delivery centers:** Although EXL has expanded its delivery footprint in Mexico, Ireland and Colombia over the past few years, a large portion of its workforce remains in the Asia/Pacific region. Clients seeking considerable nearshore presence are advised to assess how EXL's work-from-home and nearshore hubbing models address local market nuances and regulatory environments.

- **Pricing model:** EXL uses full-time-equivalent-based pricing for more than 50% of its client contracts, which is the highest percentage in this research. While EXL can offer various pricing structures, clients aiming to enhance the maturity of their processes should discuss how process innovation and cost reduction will be achieved throughout the contract.

- **Technology adoption:** Despite EXL's digital offerings and proactive development of advanced solutions, client adoption of these technologies remains limited. Clients prioritizing technological advancement should ensure their contracts include innovation funds for risk-free proof of concept and co-creation initiatives, thereby driving innovation.

Genpact

Genpact is a Leader in this Magic Quadrant. Of its 345 clients, 70% contract for P2P services, 68% for O2C services, and 74% for R2R services. A recent innovation is its R2R offering, a reconciliation solution, which integrates domain knowledge with Microsoft Copilot for Finance to automate transaction matching and reconciliation.

In 2024, Genpact announced its GenpactNext strategy, with a focus on AI-led solutions automating back-office processes in F&A, including invoice processing, expense management and financial reconciliation. Using AI and ML, Genpact enhances workflow automation and provides predictive insights, boosting efficiency and decision making.

Genpact aims to strengthen ties with large enterprises by expanding its service offerings. The introduction of agentic AI solutions automate F&A processes such as financial reconciliation. These enhancements target increased efficiency with real-time data insights and ensure accountability through automated compliance checks and audit trails.

Strengths

- **Process innovation:** Genpact drives innovation through strategic investments in AI-powered solutions, including its Cora AI platform and digital process automation tools. These innovations enable clients to reimagine their operations by introducing smarter workflows and adaptive processes, fostering greater agility and responsiveness in their financial operations.

- **Process automation:** Genpact offers a suite of proprietary and partnered solutions, including CFO Actions Hub, which allows queries in natural language on P2P, O2C and R2R process data to generate narrative-improving insights and accelerate decision making.

- **Technology partnerships:** Genpact strengthens its service offerings by collaborating with leading technology providers to create solutions in its F&A BPO services. These partnerships enhance Genpact's ability to deliver innovative tools and platforms, ensuring clients benefit from the latest advancements in AI, automation and data analytics.

Cautions

- **Technology adoption:** Adoption of advanced technologies, such as intelligent document processing, chatbots and conversational AI, within Genpact's client base is not as high as some other Leaders in this research. Considering the growing significance of these technologies, clients should evaluate how Genpact's offerings align with their specific needs and match their finance technology maturity.

- **Service delivery:** Genpact faces some challenges in consistent transition processes, as suggested by client feedback, particularly in areas such as onboarding and service migration, occasionally impacting timelines and service quality. Clients should assess Genpact's transition strategies and support to ensure alignment with their specific operational needs and timelines.
- **Talent retention:** While Genpact invests in training and development, high attrition rates in certain regions impact service continuity and quality. Clients should inquire about staff retention strategies and the availability of skilled resources.

HCLTech

HCLTech is a Niche Player in this Magic Quadrant. Of its 79 clients, 52% contract for P2P services, 66% for O2C services, and 42% for R2R services. A recent innovation in its O2C, P2P and R2R offering is EXACTO, which leverages AI-driven IDP to streamline workflows and improve decision making by processing unstructured data in documents.

In 2024, HCLTech continued to focus on its Operations Command Center, which provides persona-based lead indicators for managing SLAs, KPIs and business outcomes. This feature helps clients gain real-time insights tailored to specific roles, facilitating proactive decision making and optimizing operational efficiency.

HCLTech plans to enhance its solutions for financial process automation and analytics by integrating AI-driven analytics into accounts payable and receivable processes. These upgrades aim to improve clients' ability to streamline operations, enhance data accuracy and optimize decision-making processes, leading to faster transaction times and reduced manual errors.

Strengths

- **Process automation:** HCLTech's digitalCOLLEAGUE and Toscana business process suite streamline invoice processing and journal entry automation. This results in reduced processing times, fewer errors and improved financial visibility, leading to better decision making and cost savings for clients.

- **Process governance:** HCLTech's three-lever approach to F&A BPO simplifies processes, automates tasks and manages risks across P2P, O2C and R2R. This supports clients' operational efficiency and finance workflow transitions in finance workflows, ensuring more streamlined and effective financial operations.

- **Talent strategy:** HCLTech emphasizes aligning its workforce with advanced technologies through a structured talent strategy. This includes rigorous training in AI, analytics and process optimization via its F&A Academy. By investing in skills development and process standardization, HCLTech enables its clients to benefit from a knowledgeable and capable team, leading to enhanced efficiency and innovation in financial operations.

Cautions

- **Pricing model:** Only 20% of HCLTech's F&A clients use outcome-based or hybrid contracts, among the lowest in the industry. Clients should discuss process innovation and cost reduction strategies for contract maturity.

- **Industry strategy:** HCLTech has a limited client base across the various industries. Clients in sectors such as healthcare or retail should assess whether HCLTech's solutions can be effectively tailored to meet their unique operational requirements.

- **Client segmentation:** With 67% of its F&A BPO deals from large enterprises and only 8% from SMBs, HCLTech's client base is less diversified than most providers. This concentration suggests a potential gap in addressing the needs of midsize and smaller businesses, which often require flexible pricing, scalable solutions and tailored support.

IBM

IBM is a Leader in this Magic Quadrant. Of its 338 clients, 47% contract for P2P services, 27% for O2C services, and 27% for R2R services. A recent innovation in its R2R offering is an AI reporting framework with preconfigured prompts that enables balance sheet variance, risk analysis, and efficient executive reporting and storytelling.

In 2024, IBM adopted an AI-focused approach as part of its F&A BPO strategy. It provided GenAI query assistants for collections and reconciliation orchestrators that prioritize and summarize customer collection calls as part of the O2C and R2R offering.

IBM enhances intelligent workflow management capabilities within its IBM Consulting Advantage platform. This feature can automate the exception handling of complex transactions, such as mismatched data or missing approvals.

Strengths

- **Process transformation:** IBM emphasizes end-to-end technology solutions over task-specific innovations, aiming to replace transactional human activities with technology alternatives. Clients benefit from IBM's AI-transforming end-to-end F&A processes, which offer insights into future design and added value.

- **Service delivery:** IBM invests in proprietary AI and strategically balances digital and human talent across all processes. It offers training for its current staff while also creating new roles, such as prompt engineers, to develop the next-generation technology solution for its clients. This approach aims to reduce human dependency while enhancing efficiency and quality.

- **R2R offering:** IBM's comprehensive technology ecosystem is used in various use cases, illustrating the roles of advanced technology. Its proprietary reconciliation solution for R2R processes uses AI algorithms for probabilistic matches to reduce the preparation, review and rework time of reconciliation activities by more than 50%.

Cautions

- **Process automation:** Only 30% of IBM's clients have process automation initiatives included in their original contract value without additional fees. Clients should discuss their transformation strategy and clearly define which process initiatives they wish to include in their transformation roadmap.

- **Pricing model:** IBM continues offering traditional pricing structures without the implementation of added-value KPIs. This approach may impede innovation and the adoption of new processes. Clients should ensure technology and process innovation are included in their original contract agreements.

- **Customer experience:** IBM is increasingly shifting toward automated and conversational AI solutions for governance, moving away from traditional human-based structures used by other providers. It risks the subtleties of delivery concerns being overlooked or misinterpreted during process transformations. Clients need to ensure a robust governance structure is in place to discuss delivery concerns and process innovation.

Infosys

Infosys is a Leader in this Magic Quadrant. Of its 192 clients, 49% contract for P2P services, 44% for O2C services, and 26% for R2R services. Its Accounts Payable on Cloud (APOC) platform is a recent innovation in its P2P offering, featuring zero-touch invoice processing and a language neutralization module that helps real-time translation of text to text, voice to text and text to voice.

In 2024, Infosys focused on embracing AI, especially creating GenAI use cases, with an emphasis on enhancing data and intelligence for smarter information dissemination, implementing agentic AI pilots for orchestrated automation, and utilizing Protect AI to ensure zero-defect processes. Clients benefit from this strategy by gaining access to streamlined automation as well as error-free processes through advanced AI technologies.

Infosys plans to accelerate its drive for autonomous operations via AI technology. It expects to offer clients a stand-alone solution for external applications and integrate them with in-house platforms, which could help clients enhance operational efficiency and foster innovation, ultimately driving better business outcomes.

Strengths

- **Market adaptability:** Infosys' Finance Live accelerates AI investments to enhance decision-making agility, digital adoption and stakeholder experiences. It leverages autonomous operations and AI, such as agentic AI pilots for orchestrated automation, to strategically improve finance processes.

- **Process innovation:** Infosys promotes experimentation with emerging technologies through its Living Labs framework and collaboration with the Infosys Center for Emerging Technology Solutions. Tools like the PACE portal provide utility companies a preconfigured interface between advanced customer billing and legacy systems.

- **Performance reporting:** Infosys uses its Digital Command Console and role-based analytics to provide real-time business metrics and insights. Its self-service reporting standardizes and automates reporting across various core finance processes for personalized views.

Cautions

- **Talent strategy:** Infosys employs workforce analytics to manage talent gaps and improve service continuity. However, its higher attrition rate than other Leaders may affect project timelines and service quality. Clients relying on consistent team engagement should address potential disruptions from frequent staff changes.

- **Customer experience:** Client interactions and comments suggest areas for improvement, such as enhancing training effectiveness, resource availability and better process documentation. Clients should perform reference checks to evaluate the effectiveness of its governance model.

- **Process transformation:** Infosys' Transformation Navigator supports planning and execution of transformation programs but lacks a comprehensive end-to-end transformation framework like other Leaders in this research. Clients should evaluate its methodology details, as customer reviews indicate lower satisfaction.

Sutherland

Sutherland is a Challenger in this Magic Quadrant. Of its 115 clients, 41% contract for P2P services, 66% for O2C services, and 59% for R2R services. A recent innovation in its O2C offering is Collect.AI, its proprietary platform that uses AI and NLP to predict delinquency and optimize collection strategies.

In 2024, Sutherland enhanced its focus on digital transformation with solutions like platform QA and assurance with CloudTestr. This approach accelerates insight generation as a core value driver by integrating finance and analytics into reporting-as-a-service offerings, with a focus on AI-led process automation and cost reduction, especially for midmarket clients.

Sutherland plans to develop tailored solutions through its AI center of excellence to support further adoption of its intelligent workflows to address client needs. It expects to focus on use cases such as automated invoice processing, financial report generation and sales forecasting to enhance operational efficiency and support strategic decision making.

Strengths

- **Market adaptability:** Sutherland emphasizes automation using its Prodigy and Collect.AI platforms, hybrid talent with AI expertise and outcome-based contracts, demonstrating its commitment to market adaptability in delivering high-impact solutions. This approach helps clients achieve better operational efficiency and higher levels of process maturity within contract terms.

- **O2C offering:** Sutherland strengthened its O2C with solutions like Collect.AI and SmartRev, a single-stream AR management solution for health providers with a complex rule engine and embedded AI. This helps clients maximize collection rates and reduce payment cycle times.

- **Pricing model:** Sutherland incorporates outcome-based pricing components in more than 60% of its contracts. This approach emphasizes transparency, trust and alignment with client transformation goals, differentiating it from traditional models.

Cautions

- **Process transformation:** Sutherland's design labs, located in key areas, develop innovative solutions that leverage working prototypes to test ideas in real-world environments. However, this capability is not universally available to all clients due to capacity constraints. Clients are encouraged to discuss with the provider how process and technology innovations are structured to enhance process maturity.

- **Customer adoption:** Less than 25% of Sutherland's clients use P2P services like requisition and PO processing, PO approval management and supplier statement reconciliation. Potential clients should consult references that use its P2P services and assess how they align with their own needs and objectives.

- **Service marketing:** Sutherland's F&A BPO offering lacks detailed customer testimonials and a comprehensive service explanation; as a result, prospective clients may struggle to understand the depth of the service provided. To gain a full understanding of the provider's outsourcing capabilities, clients should request references from current customers.

TCS

TCS is a Challenger in this Magic Quadrant. Of its 210 clients, 93% contract for P2P services, 68% for O2C services, and 60% for R2R services. A recent innovation in its financial transactional processes is the use of TCS Cognix, which is enhanced with AI and GenAI capabilities to support tasks such as customer credit review analysis in the O2C process.

TCS continues to develop its TCS Cognix platform as a collaborative finance transformation suite. It offers predefined data models for advanced insights, configurable dashboards for R2R insights and prebuilt process mining tools to improve efficiency across transactional processes.

Tata Consultancy Services (TCS) did not respond to requests for supplemental information. Gartner's analysis is, therefore, based on other credible sources.

Strengths

- **Process innovation:** TCS hosts an ideation program with a fund for clients interested in testing proofs of concept and emerging technologies. Clients can participate in an interactive platform that monitors idea crowdsourcing, fostering ongoing enhancement.

- **Process transformation:** This provider is enhancing its AI-integrated Cognix platform, designed to facilitate ongoing process transformation. Cognix delivers a comprehensive perspective of the additional business value derived from process initiatives, such as accelerated collection of customer invoices and industry initiatives, improving cash controls within the retail industry.

- **Integrated offering:** TCS focuses on a digital strategy that unifies various technologies, platform solutions, process benchmarking and service-transformation methodologies. Clients can use its process-maturity assessment tool to establish a target operating model during the design and planning phases of finance process transformation.

Cautions

- **Customer adoption:** Compared to Leaders in this Magic Quadrant, TCS continues to experience lower client adoption rates for several subprocesses in P2P, O2C and R2R. Clients should assess how well their projects align with this provider's proprietary and partnered technology solutions for end-to-end processes.

- **Marketing visibility:** TCS's online presence offers sparse details about its F&A capabilities, potentially hindering clients' understanding of its essential and strategic offerings. Conversely, other Leaders in this Magic Quadrant regularly update their platforms with client testimonials and insights into innovative finance technologies.

- **Customer experience:** Users of Gartner's client inquiry services have reported concerns regarding delivery team attrition and service-level performance. Clients should engage with TCS's three-tier governance model to establish terms and indicators that safeguard service levels during team transitions.

Tech Mahindra

Tech Mahindra is a Niche Player in this Magic Quadrant. Of its 97 clients, 44% contract for P2P services, 41% for O2C services, and 20% for R2R services. A recent innovation in its O2C is using AI and ML to streamline order processing workflows and ensure optimal inventory levels by predicting and suggesting order quantities.

In 2024, Tech Mahindra enhanced its transactional process solutions by integrating AI and NLP technologies, providing several benefits to clients. Collection strategies are automatically updated by analyzing data to assess customer creditworthiness, enhancing risk management. Additionally, commentary from financial monthly close data delivers actionable insights. Vendor contracts are also analyzed to streamline vendor master data records, ensuring accuracy and efficiency.

Tech Mahindra plans to accelerate its focus on AI-driven solutions for predictive analytics and demand planning. It expects this approach will optimize procurement schedules and reduce inventory costs.

Strengths

- **Client segmentation:** With 49% of F&A BPO deals originating from midsize enterprises and 36% from SMBs, Tech Mahindra has one of the most balanced client portfolios in terms of company size. It offers low-entry, low-investment technology solutions for this diverse client base that can be rolled out in several weeks, making it an attractive proposition for smaller-size clients.

- **Process automation:** Tech Mahindra's operations command center uses automation and advanced analytics with AI-driven prediction algorithms and fully automated data integration. This setup minimizes manual intervention, enabling streamlined access to key data through user-friendly dashboards.

- **Market adaptability:** Tech Mahindra effectively incorporates AI, ML and GenAI into its operations, improving efficiency and customer service. This includes automating invoice processing and deploying chatbots for enhanced client interactions. The vendor's capability to tailor AI solutions for specific industries underscores its adaptability to changing market needs.

Cautions

- **Service flexibility:** Adoption of Tech Mahindra's solutions is low in the healthcare and financial services sector, where compliance and operational requirements are critical. Clients in these sectors should seek customization options to meet their specialized demands.

- **Geographic strategy:** Tech Mahindra's expansion plans are evident, yet its strategy heavily relies on resources in the APAC region. Clients in other regions may face challenges in accessing localized support and services, potentially impacting service delivery and client satisfaction.

- **Talent retention:** Tech Mahindra experiences relatively high attrition rates in regions like Latin America and North America, which could affect service stability and continuity. Clients relying on consistent team engagement may need to address potential disruptions caused by frequent staff changes, impacting project timelines and service quality.

Wipro

Wipro is a Leader in this Magic Quadrant. Of its 224 clients, 65% contract for P2P services, 53% for O2C services, and 41% for R2R services. A recent innovation in its O2C offering is its SafeWater SAP Rapid Deployment Solution, which unifies scattered customer data to improve billing and collection with 40% lower cost to serve.

In 2024, Wipro focused on its generative AI value accelerator, helping organizations maximize AI benefits. This tool offers insights into financial impacts like cash flow and cost accruals, enabling informed decision making and optimization of AI initiatives.

Wipro plans to enhance its AI and ML capabilities for credit risk evaluation and scoring. This feature reduces bad debt write-offs and improves cash flow management by prioritizing high-risk accounts for proactive engagement.

Strengths

- **Industry-specific offering:** Wipro provides industry-specific solutions within its F&A BPO services. For instance, in healthcare, the value-based care solution integrates data analytics to improve patient care quality while managing costs. This tailored approach helps clients address unique financial and operational challenges.

- **Technology partnerships:** Wipro's strategic partnerships empower it to deliver advanced client solutions. For instance, through collaboration with ServiceNow, it offers enhanced workflow automation and process orchestration. This partnership provides benefits from cutting-edge technologies and industry best practices, leading to improved operational efficiency.

- **Automated platform:** Wipro's digital and GenAI value accelerators enhance process transformation by providing platforms with real-time insights and detailed analysis. These tools help clients optimize financial operations and visualize the benefits of their investments, meeting the market's demand for advanced analytics and AI solutions to improve financial processes.

Cautions

- **Delivery model:** With 75% of F&A employees based in the Asia/Pacific region, Wipro faces challenges in providing localized expertise and support in regions like North America and Europe. Clients should assess whether Wipro can effectively deliver services that require regional knowledge and presence compared to providers with a more balanced global workforce.

- **Process automation:** Wipro's finance process technologies blend advanced tools like AI insights and process mining with standard offerings, lacking clear differentiation from competitors. Clients should ensure these solutions align with strategic goals and offer unique value.

- **Market responsiveness:** Wipro offers advanced technologies but must enhance its benchmarking speed and effectiveness to meet client expectations. With growing demand for innovation workshops and low-risk technology proofs of concept, Wipro should strengthen these capabilities. Clients should evaluate Wipro's ability to tailor services for innovative, value-driven solutions.

WNS

WNS is a Leader in this Magic Quadrant. Of its 158 clients, 71% contract for P2P services, 47% for O2C services, and 40% for R2R services. A recent innovation is its P2P AI-driven module for supplier reconciliation, leading to a significant increase in coverage, fault detection and matching accuracy.

In 2024, WNS launched TRAC ONE-F, a unified finance technology platform with embedded GenAI and advanced analytics for autonomous finance. The platform offers interoperability between P2P, O2C and R2R processes, such as using AI to adjust unmatched journals and automatically post them after reconciliation.

WNS intends to continue expanding TRAC One-F for adoption of digital technologies, including GenAI in industry-specific F&A solutions. Key areas of focus include the travel and hospitality sector, featuring online hotel payment solutions for travel agencies, and the insurance sector, offering actuarial accounting services.

Strengths

- **Process transformation:** WNS uses a client-centric approach to help clients adopt and migrate processes, employing a proprietary classification model to assess technology and process maturity. It then crafts a tailored transformation strategy to meet specific client needs.

- **Innovation funds:** WNS uses a client-centric approach that enables innovative technologies, such as TRAC ONE-F. Clients are invited to participate in co-creation workshops to develop future-ready solutions and elevate maturity levels. Additionally, many clients have access to innovation funds, allowing them to adopt new technology without financial risk.

- **Process automation:** WNS offers technology-driven automation across all finance transactional processes, leveraging AI capabilities to automate tasks such as rule engines in reconciliations, self-service reporting, journal preparation and variations (ad hoc journals). As a result, WNS is able to achieve near-total automation with zero errors and 100% compliance, significantly reducing preparation time and operating costs.

Cautions

- **Technology partnerships:** WNS has experienced limited growth in forming partnerships with advanced technology providers compared to other industry leaders. While clients can benefit from its proprietary solutions for core finance processes built on a low-code-no-code partner platform, clients should discuss WNS' future strategies to enhance operational flexibility and ensure adaptability to evolving industry trends.

- **Pricing model:** WNS uses a full-time equivalent pricing model for 40% of contracts, which may not incentivize innovation. While WNS can offer various pricing structures, clients should discuss how process innovation and cost reduction will be achieved during the contract.

- **Technology adoption:** WNS' adoption of advanced technologies, such as chatbots and low-code solutions, lag other Leaders in this research. Considering the growing significance of these technologies, clients should evaluate how WNS offerings align with their specific needs and their finance technology maturity.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

No vendors were added to this Magic Quadrant.

Dropped

CES and Exela Technologies don’t appear in this Magic Quadrant report because they did not meet the inclusion criteria for the Customer Interest Indicator, while CES did not meet the minimum revenue criteria.

Inclusion and Exclusion Criteria

To qualify for inclusion, the provider is required to meet one of the following (reported in constant currency):

- Have attained a minimum revenue of $200 million (or the equivalent in another currency) from F&A BPO services in the last 12 months ending 30 September 2024.
- A minimum annual revenue of $25 million from F&A BPO services and an average annual growth rate of 10% over the last two years ending 30 September 2024.

And the provider is required to meet all of the following:

- The product or service must meet the mandatory features set forth in the Market Definition section.
- Have F&A BPO delivery centers in at least three of the following four regions:
    - Asia/Pacific
    - EMEA
    - Latin America

    - North America
- Offer F&A BPO services that serve clients with a minimum of five clients in at least five of the following major industries:
    - Communications
    - Energy
    - Financial services
    - Government and education
    - Healthcare
    - Hi-tech
    - Manufacturing
    - Retail and wholesale trade
    - Services
    - Travel and transportation
- Offer contract pricing that included a minimum of two of the following pricing models: outcome-based, full-time-equivalent-based, transaction-based and fixed-fee-based.
- Rank among the Top 16 for the Customer Interest Indicator (CII), as defined by Gartner. CII was calculated using a weighted mix of internal and external inputs that reflect Gartner client interest, provider customer engagement and provider customer sentiment from the last 12 months.

Evaluation Criteria

Ability to Execute

Gartner evaluates providers' Ability to Execute by using criteria to assess their products, services, sales and marketing execution, and overall operations. Gartner analysts use these criteria to evaluate providers' abilities to compete and be effective in the market, retain and satisfy customers, present a positive image to finance clients outsourcing digital services and help finance clients respond to market changes. The criteria used are listed in Table 1.

In this Magic Quadrant, the product or service, sales execution/pricing, customer experience, and operations criteria are particularly important. This is because providers' ability to offer process automation solutions and transformation methodologies and to share a robust set of client testimonials and customer satisfaction data leads CFOs to trust that providers can execute core finance processes independently. They must be able to do so with a high degree of accuracy and stakeholder satisfaction with service levels.

A comprehensive portfolio of process automation solutions, transformation methodologies and operational capabilities enables expansion and enhancements of services within the finance domain, all with the same provider. Client testimonials and a robust engagement model provide confidence to the CFO that providers can independently execute transactional processes. Services must be priced transparently and with a high degree of accuracy, structured in a way that incentivizes continuous innovation.

The criteria for overall viability, marketing execution and market responsiveness/record assess whether providers have sufficient funding and growth to continue developing their products and the ability to respond to customers' changing needs in this market.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria	*Weighting*
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	High
Market Responsiveness/Record	Medium
Marketing Execution	Medium
Customer Experience	High

Evaluation Criteria	*Weighting*
Operations	High

Source: Gartner (April 2025)

Completeness of Vision

Gartner assesses providers' Completeness of Vision by evaluating their ability to articulate their perspectives on the market's current and future direction, anticipate customers' needs and technology trends, and address competitive forces. Gartner analysts also evaluate providers' understanding and articulation of how they exploit market forces to create new opportunities for themselves and their clients. The criteria used are listed in Table 2.

In this Magic Quadrant, the criteria for market understanding, offering (product) strategy and innovation are particularly important. A significant differentiator is the capability to clearly articulate a roadmap for transforming finance operations. By offering technology-driven managed services, clients can shift from human-dependent tasks to intelligent, highly automated process workflows. This approach, being central to their business model, demonstrates to clients an innovative method of continously leveraging advanced technology. The tangible outcome includes a reduction in the total cost of operations along with improvements in quality and compliance.

The business model, vertical/industry strategy, geographic strategy and marketing strategy criteria address a provider's ability to respond to clients' demands and deliver value to organizations of different complexities. The sales strategy criteria address the provider's network and ability to penetrate this market.

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria	*Weighting*
Market Understanding	High
Marketing Strategy	Medium

Evaluation Criteria	*Weighting*
Sales Strategy	Low
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Medium
Innovation	High
Geographic Strategy	Medium

Source: Gartner (April 2025)

Quadrant Descriptions

Leaders

Leaders are offering a technology-first approach to enhance clients process maturity and efficiency of handling core finance processes. By regularly employing process benchmarking, they illustrate how technology solutions and transformation methodologies can minimize human dependencies. Additionally, they actively prioritize the reduction of processing costs by advancing process maturity, frequently through the application of automation software.

Leaders have intensified their initiatives to enhance the skill sets of their workforce, enabling them to effectively collaborate with advanced technology solutions for a variety of industry processes. The integration of advanced technology as “digital colleagues” has significantly increased efficiency in service delivery, particularly for routine and labor-intensive tasks. Furthermore, Leaders are proactively engaging with clients to provide training on these technology solutions for improved engagement and customer experience.

Leaders continue to expand their technology ecosystems through proprietary and third-party software partnerships. They focus on integrating AI and generative AI (GenAI) solutions in process technology solutions, leading to more of the end-to-end process being moved to an outsourcing provider.

AI and GenAI use cases are rapidly launched in production, removing human intervention from finance workflows and improving business insights. Leaders build their clients' confidence to adopt newer, smarter finance processing capabilities by demonstrating pilot cases and funding innovation programs.

A Leader may not always be the best choice for every customer. A provider that is not a Leader can sometimes provide superior support and commitment if its focus suits the customer. Other providers may have specialized capabilities that are essential for some organizations. Although a provider that focuses on a specific finance domain, a particular industry or a limited geographic area might not be a Leader in the overall market, it might be a competitive option within those segments.

Challengers

Challengers exhibit a robust ability to execute by aligning their offerings with client demands, which may include addressing the need for enhanced nearshore service delivery of finance processes, particularly for complex judgment-based activities.

Generally, Challengers have large client bases, have been in operation for many years and are increasingly investing in advanced technologies, such as process mining, AI/ML, generative AI and intelligent process workflows. However, they may lack the ability to articulate a clear roadmap for transitioning finance operations from a reliance on human-performed tasks to intelligent, highly automated process workflows.

A Challenger may become a Leader if it demonstrates exceptional insight into the market's direction and continues to execute proficiently. Alternatively, a Challenger may become a Visionary or a Niche Player by sacrificing growth and instead focusing on developing innovative, differentiating and/or segment-specific features and capabilities.

Visionaries

Visionaries align with Gartner's view on the evolution of F&A outsourcing services to address the needs of finance leaders. They are actively working to substantiate their capabilities and fulfill this vision through increased customer adoption and satisfaction with automated finance process solutions and data-driven insights.

In a mature market such as F&A BPO, Visionaries may concentrate on developing new service models that challenge traditional practices by offering the flexibility to adapt business models in response to the evolving priorities of finance organizations. For example, they might leverage specialized technology for an innovative approach to advance process efficiency. Their vision for process automation emphasizes the importance of achieving business outcomes that deliver targeted enhancements to key performance indicators within an end-to-end process workstream.

A Visionary may become a Leader when it develops its go-to-market capabilities, generates strong growth and demonstrates whether it can develop partnerships that complement its strengths. Alternatively, a Visionary may become a Niche Player if it decides to limit its target market by focusing on its core competencies, technologies or existing customers.

Niche Players

Niche Players often excel in F&A process improvement and provide effective process technology solutions within specific finance subprocesses, industry sectors or geographic regions. However, they often lack broader attributes, such as an in-depth market understanding or a well-defined product strategy. Their capacity to innovate or surpass other service providers is generally constrained by the substantial investment needed to compete across the full spectrum of the F&A BPO market.

When Niche Players innovate, they often apply new technology to subprocesses, geographies and market segments they are familiar with. Their smaller client base enables them to pilot and showcase self-service finance workflows effectively. Their business models emphasize delivering valuable insights to clients through the extraction of transactional finance data and the provision of data-driven insights.

Although potential customers might assume that providers in the other quadrants are better choices for their strategic finance agenda, Niche Players can be a good choice for prospective clients in certain circumstances. This is because they might focus on specific transactional subprocesses, geographies or industry verticals that are relevant to them. Clients must understand Niche Players' capabilities to see how well they align with their finance process improvement roadmap.

Context

F&A BPO providers are increasingly enhancing their services by leveraging proprietary or third-party technology ecosystems. Their focus is on delivering greater processing efficiencies and reduced processing costs, and advancing process maturity for their clients. This is achieved through the deployment of advanced technologies, such as AI and GenAI, which reduces the dependencies of human labor. Consequently, both providers and clients concentrate on maintaining an up-to-date transformation roadmap and effectively managing the technology ecosystem.

The following recommendations will support identifying the F&A BPO provider best suited to meet the needs of your organization:

- **Establish hybrid contract structures to support an innovative engagement.** Providers typically offer various contract structures, initially emphasizing an FTE-based contract. However, clients who adhere to this structure for the entire contract duration may miss out on technology-driven innovation. Clients should agree to renegotiate the contract structure after a predetermined period and establish a baseline of KPIs related to the outsourced services. For each service, the most appropriate pricing structure should be determined, incorporating outcome-based KPIs that facilitate the integration of advanced technology and reduce human involvement in transactional activities.

- **Evaluate providers' ability to support process maturity innovations.** Clients should agree at the start of the engagement on the percentage of the service fees allocated to an innovation fund for risk-free proof-of-concept initiatives. Additionally, they need to determine the frequency of continuous benchmarking and how co-creation workshops will drive process maturity innovation. Throughout the contract term, providers in the F&A BPO market should actively refine process transformation roadmaps based on the latest insights in process technology.

- **Shift to nearshore models with advanced technology integration.** As technology development accelerates, impacting the processing of transactional activities in low-cost countries, providers are contemplating a shift from offshore delivery models to nearshore locations. This transition involves replacing basic transactional activities with advanced technology. Clients must agree on flexibility in the delivery model as technology sophistication progresses and ensure they are confident in how providers are reskilling their workforce to remain aligned with advanced process technology and reduce attrition.

Market Overview

The finance and accounting business process outsourcing (F&A BPO) market is rapidly adopting advanced technologies in transactional finance domains such as P2P, O2C and R2R. This adoption facilitates process ideation, innovation and execution, resulting in a significant reduction in reliance on human intervention. According to Gartner's Forecast Analysis: Business Process Services, Worldwide, spending on F&A BPO services will show a compound annual growth rate of 3.7% over the period of 2023 to 2028, to reach $16.2 billion in 2028.

Market Trends

Providers are shifting focus to nearshore delivery options for better client engagement. Rising inflation in traditional low-cost countries is reducing their attractiveness as outsourcing hubs, driving a shift toward greater automation. This automation replaces routine transactional tasks with technology solutions, while more complex and exception-handling tasks still require higher levels of client engagement. Despite the concentration of personnel in APAC countries, providers are strategically reallocating services to nearshore locations to improve stakeholder engagement.

Providers are responding to high client expectations by upskilling their workforce in advanced technologies. Providers are expanding their workforce by incorporating techno-functional roles, such as prompt engineers, who develop specific use cases with AI and generative AI (GenAI). These technologies enable nearly autonomous solutions that efficiently manage routine tasks with minimal human intervention. However, tasks that involve exception handling or require judgment still demand a skilled workforce to fully leverage the benefits of these solutions. Therefore, providers have significantly upskilled their teams to work effectively with these technologies, enhancing service delivery and maximizing client value.

Providers offer flexible cloud-based technology solutions. Providers deliver process technology solutions, either proprietary build or through partnerships, customized to integrate with clients' ERP systems. These cloud-based software solutions feature flexible API capabilities, allowing seamless integration with multiple ERP systems. As part of the service agreement, providers can enhance the process technology and optimize the task structure across the entire end-to-end process chain. To extend service flexibility beyond the contract period and reduce provider lock-in, proprietary process technology and overlay platforms are available for licensing.

Advanced technologies, including AI and GenAI, are driving end-to-end process efficiency and quality. Providers are increasingly partnering with technology companies to develop sophisticated use cases within the P2P, O2C and R2R processes. These are being implemented both at the task level and across end-to-end processes, significantly enhancing efficiency, communication and stakeholder engagement. Solutions such as the automation of vendor invoice reading and interpretation, complex billing processes, and autonomous reconciliation of journal entries is effectively reducing human dependence in traditionally labor-intensive activities.

Acronym Key and Glossary Terms

BPaaS	Business process as a service
BPO	Business process outsourcing
CFO	Chief financial officer
EMEA	Europe, the Middle East and Africa
ERP	Enterprise resource planning
F&A	Finance and accounting
FP&A	Financial planning and analysis
FTE	Full-time equivalent
GenAI	Generative AI
IDP	Intelligent document processing

LLM	Large language model
ML	Machine learning
O2C	Order-to-cash
P2P	Purchase-to-pay
PO	Purchase order
R2R	Record-to-report
SMB	Small and midsize business

⊕ Evaluation Criteria Definitions