

Finance and Accounting Outsourcing (FAO) Services

A research report comparing provider strengths, challenges and competitive differentiators in FAO



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FAO is transforming, expanding far beyond its traditional role as a cost-efficiency lever. Today, enterprises are rethinking how FAO can support broad business agility, smart decision-making and future-ready finance operations. This shift is driving the increased demand for outsourcing complex, high-value processes, from financial planning to tax compliance, which were previously considered too strategic to delegate or too complex to manage externally.

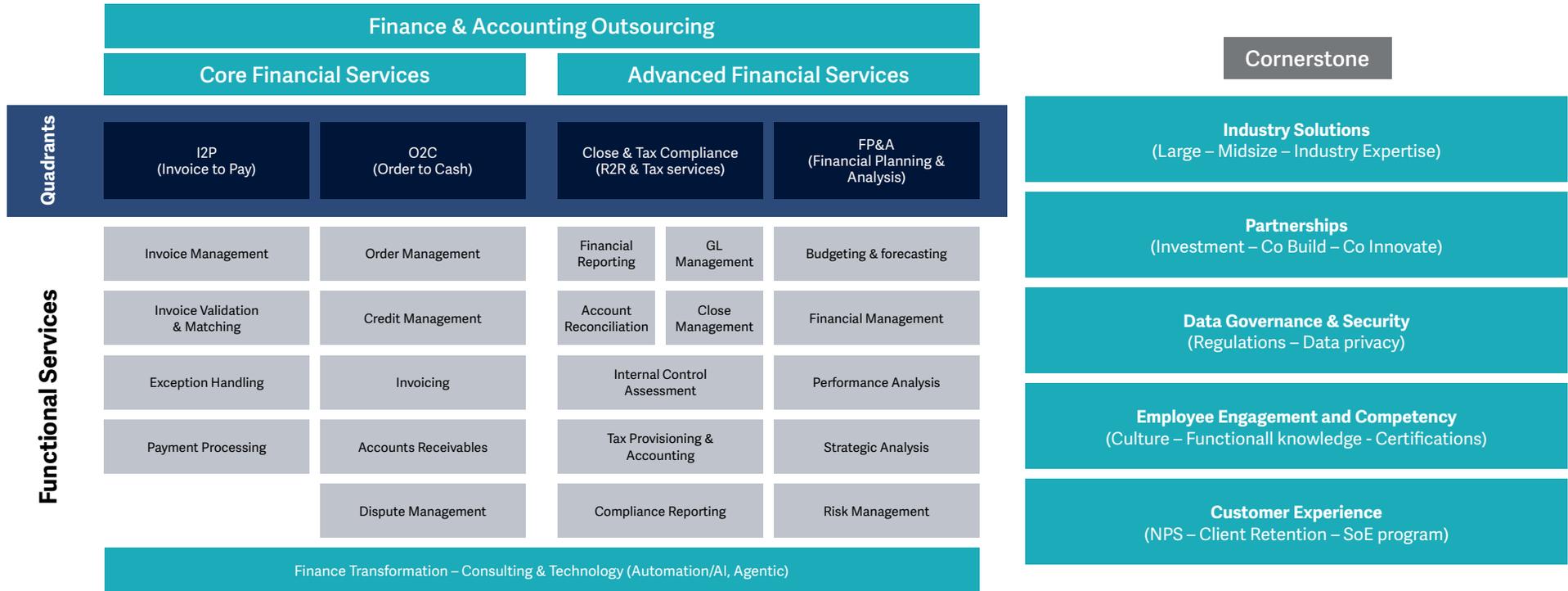
Simultaneously, the profile of a successful FAO provider is changing. Providers are no longer transactional executors; they are expected to serve as consultative partners that understand the business context, offer deep domain expertise and contribute to strategic objectives. Their role includes collaborating with ecosystem partners, offering proactive insights, driving continuous improvements and helping finance functions evolve into value-driven business enablers.

Technology remains central to this evolution. While automation, AI and ML have delivered efficiency gains for years, the next frontier lies in generative AI (GenAI) and agentic AI. These technologies bring adaptive intelligence to core finance processes, enabling autonomous workflows, intelligent exception handling, scenario simulation and predictive forecasting that drive quick and more informed decisions.

As expectations rise, FAO providers must continuously evolve, combining digital innovation, in-depth functional expertise and a cocreation mindset to deliver operational excellence and strategic impact.

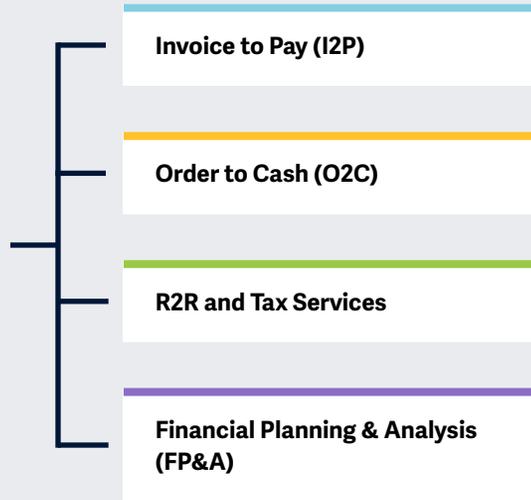


2025 – FAO Study Blueprint



As part of this year's study, we are introducing four key focus areas for **Finance and Accounting Outsourcing Services 2025**.

Simplified Illustration Source: ISG 2025



Definition

The ISG Provider Lens™ Finance and Accounting Outsourcing Services study offers the following to enterprise finance leaders:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness
- A view of the global services market

Our study serves as an important decision-making basis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current vendor relationships and potential engagements.



Invoice to Pay (I2P)

Definition

This quadrant assesses I2P service providers that manage the full accounts payable lifecycle, from invoice receipt to payment execution. Services include invoice capture and validation, exception handling, supplier query management, master data maintenance and timely payment processing. The goal is to reduce value leakages, improve compliance and enhance supplier satisfaction. Effective I2P delivery requires strong domain knowledge and the use of automation and analytics. Providers offer capabilities such as AI and ML for exception resolution and payment optimization and real-time analytics to improve visibility, compliance and decision-making. Providers may also support dynamic discounting, supplier portals and intelligent workflows to further enhance efficiency and working capital outcomes while driving touchless processing and end-to-end process visibility.

Eligibility Criteria

1. Have a **strong vision** to grow the finance and accounting (F&A) practice and offer **end-to-end I2P services**
2. Manage **multichannel invoice intake** (email, electronic data interchange, portal and paper) and support multicountry, multicurrency and tax complaint processing
3. Demonstrate **deep domain expertise in technology and its application**, including **automation, analytics, AI, ML and cloud**
4. Possess a **strong partner ecosystem** supporting I2P processes to drive **innovation, digital transformation and emerging technologies** such as GenAI and agentic AI
5. Provide **vertical-specific solutions** and offer guidance on process optimization to deliver tangible benefits
6. Have a strong **consulting portfolio** with design thinking and alternative methodologies to involve customers in designing products, services and transformation road maps
7. Demonstrate **industry and domain expertise** with vertically trained full-time employees (FTEs) to deal with core finance functions and lead the digital implementation of the road map design
8. Include a **global delivery** model with **offshore** and **nearshore** delivery centers
9. **Demonstrate improvement** in client deliverables/KPIs such as touchless processing, cycle time or days payable outsourcing



Order to Cash (O2C)

Definition

This quadrant assesses end-to-end O2C service providers to support the entire O2C lifecycle. Key services include order management, credit risk assessment, invoice generation, accounts receivable management and dispute resolution. Providers help streamline operations, reduce days sales outstanding (DSO), minimize bad debt and improve working capital performance. Many enterprises initiate their finance transformation by outsourcing transactional O2C activities, enabling greater pricing flexibility, optimizing resources and focusing on core business priorities. Leading providers encompass strong domain expertise and actively leverage automation, predictive analytics and big data to minimize manual processes, reduce errors and accelerate O2C cycles. These capabilities enable rapid order fulfillment, improved cash flow and enhanced CX while offering actionable insights to continuously refine and improve O2C performance.

Eligibility Criteria

1. Have a **strong vision** to grow the F&A practice and offer **end-to-end O2C services**
2. Demonstrate **deep domain expertise in technology and its application**, including **automation, analytics, AI, ML** and **cloud**
3. Possess a **strong partner ecosystem** supporting O2C processes to drive **innovation, digital transformation** and **emerging technologies** such as GenAI and agentic AI
4. Provide **vertical-specific solutions** and offer guidance on process optimization to deliver tangible benefits
5. Have a strong **consulting portfolio** with design thinking and alternative methodologies to involve customers in designing products, services and transformation road maps
6. Demonstrate **industry and domain expertise** with vertically trained FTEs to deal with core finance functions and lead the digital implementation of the road map design
7. Include a **global delivery** model with **offshore** and **nearshore** delivery centers
8. **Demonstrate improvement** in client deliverables/KPIs such as **DSO** reduction, **touchless** cash application or **bad debt** reduction



Definition

This quadrant assesses providers that deliver end-to-end record-to-report (R2R) and tax services, supporting enterprises during financial closing, reporting, reconciliation and indirect tax compliance. As organizations increasingly outsource complex finance functions, R2R and tax services providers offer general ledger management, account reconciliation, financial reporting, close process management, internal control assessment and support for indirect tax compliance (excluding tax filing). These services also include validating tax codes, recording tax liabilities and reconciling tax accounts. Providers leverage automation, AI, cloud platforms and analytics to streamline operations, enhance accuracy and reduce costs. These capabilities help finance leaders gain real-time insights, ensure compliance and drive more effective, agile finance operations.

Eligibility Criteria

1. Have a **strong vision** to grow the F&A practice and offer **end-to-end R2R and tax services**
2. Demonstrate **deep domain expertise in technology and its application**, including **automation, analytics, AI, ML and cloud**
3. Possess a **strong partner ecosystem** supporting R2R processes to drive **innovation, digital transformation and emerging technologies** such as GenAI and agentic AI
4. Provide **vertical-specific solutions** and offer guidance on process optimization to deliver tangible benefits
5. Have a strong **consulting portfolio** that includes design thinking and alternative methodologies to involve customers in designing products, services and transformation road maps
6. Demonstrate **industry and domain expertise** with vertically trained FTEs to deal with core finance functions and lead the digital implementation of the road map design
7. Demonstrate evidence of delivering improved **close cycle times, financial accuracy and compliance outcomes**
8. Include a **global delivery model** with **offshore** and **nearshore** delivery centers
9. Facilitate **regulatory compliance** (such as SOX, IFRS and GAAP) and deliver accurate, audit-ready financial reports
10. Offer support for **internal control testing** and risk and control matrices



Financial Planning & Analysis (FP&A)

Definition

This quadrant assesses providers offering FP&A services such as budgeting, forecasting, financial modeling, performance analysis, strategic planning and risk management. As enterprises increasingly outsource high-end finance functions, including FP&A, providers are considered strategic partners delivering real-time, data-driven insights to support agile and informed decision-making. Services include creating and managing budgets, forecasting future performance, developing financial models to assess business scenarios and analyzing trends to improve operational and financial outcomes. Providers also support divestiture analysis and M&A activities to enhance client capabilities. By leveraging advanced analytics and financial tools, these providers help CFOs improve financial visibility, identify risks and opportunities, and align financial planning with broader business strategies. Their support enables organizations to respond proactively to market changes and make timely, evidence-based decisions.

Eligibility Criteria

1. Have a **strong vision** to grow the F&A practice and offer **end-to-end FP&A services**
2. Demonstrate **deep domain expertise in technology and its application**, including **automation, analytics, AI, ML and cloud**
3. Possess a **strong partner ecosystem** supporting FP&A processes to drive **innovation, digital transformation and emerging technologies** such as **GenAI**
4. Provide **vertical-specific solutions** and offer guidance on process optimization to deliver tangible benefits
5. Have a strong **consulting portfolio** that includes design thinking and alternative methodologies to involve customers in designing products, services and transformation road maps
6. Include a **global delivery** model with **offshore** and **nearshore** delivery centers employing qualified finance professionals
7. Demonstrate **industry and domain expertise** with vertically trained FTEs to handle core finance functions and lead the digital implementation of the road map design
8. Demonstrate evidence of improving **forecast accuracy**, reducing **planning cycle times** or enhancing **decision-making agility** for clients
9. Provide **benchmarking and performance insights** through dashboards and reports



Quadrants by Region

As a part of this ISG Provider Lens™ quadrant study, we are introducing the following four quadrants in Finance and Accounting Outsourcing (FAO) Services 2025:

Quadrant	Global
Invoice to Pay (I2P)	✓
Order to Cash (O2C)	✓
R2R and Tax Services	✓
Financial Planning & Analysis (FP&A)	✓



The research phase falls in the period between April and May 2025, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in September 2025.

Milestones	Beginning	End
Survey Launch	April 21, 2025	
Survey Phase	April 21, 2025	May 23, 2025
Sneak Preview	August 1, 2025	
Press Release & Publication	September 2025	

Collecting client testimonials via the Star of Excellence Program requires early client referrals (no official reference needed) because CX scores have a direct influence on the provider's position in the IPL quadrant and the awards.

Please refer to the [link](#) to view/download the ISG Provider Lens™ 2025 research agenda.

Access to Online Portal

You can view/download the questionnaire from [here](#) using the credentials you have already created or refer to instructions provided in the invitation email to generate a new password. We look forward to your participation!

Buyers Guide

ISG Software Research, formerly “Ventana Research,” offers market insights by evaluating technology providers and products through its Buyers Guides. The findings are drawn from the research-based analysis of product and customer experience categories, ranking and rating software providers and products to help facilitate informed decision-making and selection processes for technology.

In the course of the Finance and Accounting Outsourcing (FAO) Services IPL launch, we want to take advantage of the opportunity to draw your attention to related research and insights that ISG Research will publish in 2025. For more information, refer to the [Buyers Guide research schedule](#).

Research Production Disclaimer:

ISG collects data for the purposes of conducting research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource™ process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.



ISG Star of Excellence™ – Call for nominations

The Star of Excellence is an independent recognition of excellent service delivery based on the Voice of the Customer concept. ISG has designed the Star of Excellence program to collect client feedback about service providers' success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts are continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in its practitioner-led consulting approach.

Providers are invited to [nominate](#) their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

Our vision for the Star of Excellence is to become acknowledged as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments. To ensure your selected clients complete the feedback for your nominated engagement, please use the "Nominate (for Providers)" section on the Star of Excellence [website](#).

We have set up an email where you can direct any questions or provide comments. This email will be checked daily. Please allow up to 24 hours for a reply.

Here is the email address:
ISG.star@isg-one.com



ISG Star of Excellence



The ISG Provider Lens 2025 – Finance and Accounting Outsourcing (FAO) Services research study analyzes the relevant service providers in the global market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

Study Sponsor:

Namratha Darshan

Lead Author:

Gaurang Pagdi

Editor:

Esha S Pal

Research Analyst:

Sneha Jayanth

Data Analyst:

Shilpashree N

Quality & Consistency Advisors:

Matt Shaheen and Robert Stapleton

Project Manager:

Akshaya Hegde

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The research and analysis presented in this study will include data from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with service providers and analysis of publicly available market information from multiple sources. ISG recognizes the time lapse and possible market developments between research and publishing, in terms of mergers and acquisitions, and acknowledges that those changes will not reflect in the reports for this study.

All revenue references are in U.S. dollars (\$US) unless noted.



Contacts For This Study

Study Sponsor



**Namratha
Darshan**
**Chief Business
Leader (Global)**



**Gaurang
Pagdi**
**Lead Analyst
(Global)**



**Sneha
Jayanth**
Research Analyst



**Shilpashree
N**
Data Analyst



**Akshaya
Hegde**
Project Manager



ISG Provider Lens™ Advisors Involvement Program

ISG Provider Lens offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context. In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three consultant advisors participate as part of each study's quality and consistency review process. The consultant advisors ensure each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the consultant advisors' group and contribute at different levels depending on their availability and expertise.

The consultant advisors:

- Help define and validate quadrants and questionnaires
- Advise on service provider inclusion, participate in briefing calls
- Give their perspectives on service provider ratings and review report drafts

ISG Advisors to this study



**Matt
Shaheen**

Director



**Robert
Stapleton**

Partner



Invited Companies

If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

* Rated in previous iteration

Accenture*
Aegis
Arvato
Auxis*
BCT
Capgemini*
CES*
Coforge
Cognizant*
Concentrix
Conduent*
Connex
Consero Global
Corcentric*
Datamark*

Datamatics*
Deloitte*
eClerx
Exela Technologies*
EXL*
EY
Firstsource
Genpact*
HCLTech*
IBM*
Infosys*
Innova Solutions
Invensis*
IQ BackOffice*
KPMG

Mynd Integrated
Nexdigim*
OneSource Virtual
Protiviti
Quattro
QX Global*
Riverty*
Solution
Sopra Steria*
Sutherland*
TCS*
Tech Mahindra*
Teleperformance*
TMF Group*
Wipro*

WNS*
Worxpertise*
Xceedance*



ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this [webpage](#).

ISG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research™ delivers guidance that helps businesses accelerate growth and create more value.

ISG offers research specifically about providers to state and local governments (including counties, cities) as well as higher education institutions. Visit: [Public Sector](#).

For more information about ISG Research™ subscriptions, please email contact@isg-one.com, call +1.203.454.3900, or visit research.isg-one.com.

ISG

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The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.

For more information, visit isg-one.com.





SEPTEMBER, 2025

BROCHURE: FINANCE AND ACCOUNTING OUTSOURCING (FAO) SERVICES