

Finance and Accounting Outsourcing (FAO) Services

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



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auxis
A Grant Thornton US company

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F&A outsourcing — From innovation to execution, driving unified and autonomous finance

The Finance and Accounting Outsourcing (FAO) market in 2025 is undergoing one of the most significant shifts it has seen in the past decade. In contrast to 2024, when discussions surrounding AI, generative AI (GenAI) and advanced analytics primarily focused on pilots and early-stage PoCs, the current landscape is defined by operationalized innovation. Providers have transitioned from experimentation to deployment, embedding these technologies into live delivery environments and demonstrating measurable business impact.

This evolution is not simply about technology adoption; it reflects a broader repositioning of FAO from a cost-saving lever to a strategic enabler of future-ready finance operations. The narrative has shifted from focusing on cost arbitrage toward delivering autonomous finance, an end-state where human effort

is minimized in routine processes. In this environment, intelligent systems orchestrate workflows, and finance talent is redeployed to high-value analysis and decision-making.

From cost arbitrage to strategic partnership

FAO providers are increasingly positioning themselves as strategic partners to CFOs, a role that extends beyond operational efficiency to include digital finance strategy, enterprise risk management, compliance oversight and value creation. This positioning reflects the market's evolution toward advisory-led models, where transformation is seen as the starting point rather than an add-on. Providers are engaging earlier in the finance transformation journey, shaping operating models, recommending technology stacks and designing governance frameworks before taking on managed services delivery.

A key dimension of this transformation is the integration of consulting with operations. Leading providers are building seamless engagement models that follow a sequence of design thinking, process consulting and managed services. For larger players, this

Providers shift from pilots to **scaled AI** delivery, driving **unified, outcome-focused** operations.



involves leveraging consulting insights to feed into outsourcing contracts. For smaller, more agile players, differentiation comes from flexible transformation frameworks that can be deployed without the complexities of large-scale global engagements.

GCC partnerships and co-sourcing models

Global Capability Centers (GCCs) remain integral to enterprise finance operations, but their role is evolving. Many large enterprises are rebalancing work between GCCs and third-party FAO providers, leading to ecosystem-based co-sourcing models. In these arrangements, GCCs retain certain core or strategic functions, while providers manage specialized processes, transformation initiatives and scalability requirements. This flexible distribution of work enables enterprises to optimize cost, ensure compliance and enhance agility, while tapping into the provider's domain expertise and technological capabilities.

FAO providers are also increasingly advising on GCC transformation, helping organizations redesign their operating models, optimize existing GCC performance

or transition select processes from GCCs to outsourced delivery. This advisory-led co-sourcing model is becoming a prominent engagement type in 2025, reflecting the market's shift toward integrated, ecosystem-based finance operations.

Digital-first and AI-led transformation

Digital-first strategies have moved from aspiration to standard practice in FAO. Providers are deploying orchestration platforms that integrate AI, automation, analytics and workflow management into unified, cloud-native environments. These platforms are often built in collaboration with ERP vendors, hyperscalers and specialist finance software providers. Where 2024 was characterized by isolated automation and experimentation, 2025 marks a significant maturity leap:

- AI and GenAI are now embedded in live delivery models for use cases such as anomaly detection, reconciliations, automated financial commentary, predictive cash flow forecasting and tax document interpretation.

- GenAI applications are no longer standalone pilots; they are linked to process orchestration layers, enabling AI insights to trigger downstream actions without manual intervention.
- Predictive analytics is being widely deployed for working capital optimization, demand forecasting and exception management.

Agentic AI, the newest entrant in the FAO technology mix, represents a significant advancement toward autonomous operations. These systems can execute multistep workflows autonomously by reasoning over data, making process-level decisions within predefined guardrails and initiating actions without human triggers. In the context of FAO, early production deployments include:

- End-to-end cash application, where the AI not only applies payments but also resolves exceptions and communicates status updates to clients.

- Tax compliance orchestration, where jurisdiction-specific rules are applied automatically, filings are validated and submissions are made without human intervention.
- Close and consolidation sequencing, where tasks are prioritized and executed autonomously, with anomalies escalated for human review only when necessary.

However, the commercial model for agentic AI remains a gray area. Providers are still determining how to monetize these capabilities, balance risk-reward sharing with clients and align pricing with tangible business outcomes. Currently, contracts either integrate agentic AI into existing delivery models or pilot separate pricing mechanisms, but a marketwide commercial standard has yet to be established.

Industry-specific platforms and preconfigured AI models

Industry specialization has long been a differentiator, but in 2025, it is defined by platform-led, preconfigured analytics and AI models that accelerate time to value. Providers are delivering vertical-specific solutions



Executive Summary

for industries such as BFSI, healthcare, manufacturing and chemical.

These prebuilt models incorporate industry regulations, compliance frameworks and performance benchmarks directly into delivery workflows, reducing the need for lengthy customization and increasing adoption speed.

Outcome-based engagement models

Commercial models are also evolving. Outcome-based contracts are now common in mature process areas such as invoice to pay (I2P), order to cash (O2C) and statutory reporting, tying provider compensation to metrics such as days sales outstanding (DSO) reduction, working capital improvement, forecast accuracy and tax return error rates.

Some providers are experimenting with contracts where 70 to 100 percent of fees are outcome-linked. This approach reinforces shared accountability for results and incentivizes continuous improvement rather than volume-based delivery.

FP&A, R2R and tax growth

Among the finance towers, strategic finance verticals are the fastest-growing segments,

driven by finance modernization, scenario planning and rolling forecasts. Analytics-led working capital optimization is a particularly high-demand area, with providers offering predictive models that link payment terms, supplier behavior and collections performance to cash flow forecasts.

R2R continues to expand, now incorporating tax, compliance, ESG reporting and narrative insights. This evolution reflects the expanded role of the CFO's office, where financial reporting is integrated with regulatory disclosures and sustainability metrics.

Tax services have shifted from being a niche outsourcing area to a mainstream FAO offering. Providers are now delivering end-to-end tax compliance, transfer pricing, indirect tax automation and tax advisory services aligned with corporate strategy. While ESG reporting remains predominantly regulation-driven, it is being built into close cycles, particularly in regions with mandatory sustainability reporting requirements.

Innovation versus execution

One of the most significant shifts from 2024 is that innovation is no longer the differentiator in FAO; execution has taken its place. Enterprises are less interested in hearing about pilots and more focused on proof of AI-driven productivity gains, measurable KPI impact and sustainable performance improvements. This change has redefined competitive advantage—success is now measured by the ability to demonstrate outcomes, scale them across client portfolios and integrate them into cross-tower delivery.

Integration across towers — Unified Finance Operations

The ability to integrate processes across finance towers within a single, unified delivery ecosystem is becoming a central value proposition for providers. They are investing in platforms and governance models that consolidate data, processes and analytics into a cohesive environment. For existing clients, this Unified Finance Operations approach unlocks efficiency, eliminates redundant workflows and enables cross-functional insights. This integration is particularly valuable when linking

upstream procurement data to downstream payment cycles or combining sales order data with cash collection analytics.

Talent model evolution

As technology takes over transactional execution, the talent profile in FAO is shifting. The new priority is finance professionals with high data literacy, analytics expertise and a strong technology quotient who can partner effectively with AI systems, interpret advanced models and orchestrate transformation initiatives. To meet this demand, providers are upskilling existing teams, hiring hybrid finance-technology profiles and embedding data scientists within delivery teams.

Summary

In 2025, the FAO market finds itself at a maturity crossroads:

- AI and GenAI have moved beyond pilots into scaled, operational use, delivering measurable business value
- Agentic AI is emerging with promising early deployments, although a defined commercial playbook remains elusive



Executive Summary

- Industry-specific AI models and vertical platforms are accelerating adoption and differentiation
- Outcome-based models are reshaping commercial structures to align with client business objectives
- GCC co-sourcing is creating flexible, ecosystem-based delivery models
- Execution excellence and cross-tower integration have replaced innovation theater as the true market differentiators

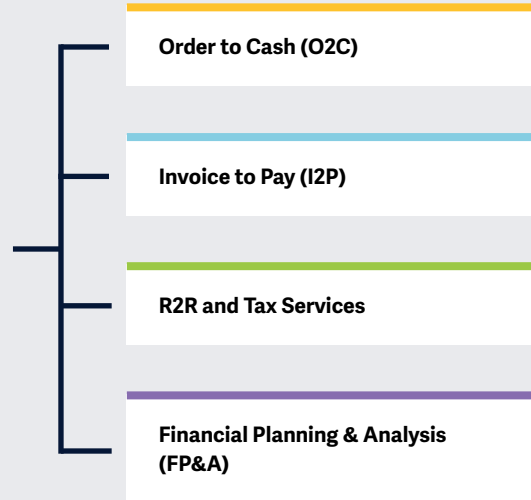
Providers that can combine execution strength with strategic advisory services, preconfigured industry AI and integrated delivery will define the next chapter of FAO. In this evolving landscape, autonomous, insight-driven finance operations will become the standard, solidifying the provider's role as a strategic partner to the CFO.

Technology-led transformation is reshaping the FAO market, with providers integrating AI, advanced analytics and automation into unified finance operations. Moving beyond traditional outsourcing, they now deliver industry-specific, outcome-driven solutions that align with client strategies, enhance efficiency and create measurable business value.



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.





Order to Cash (O2C)



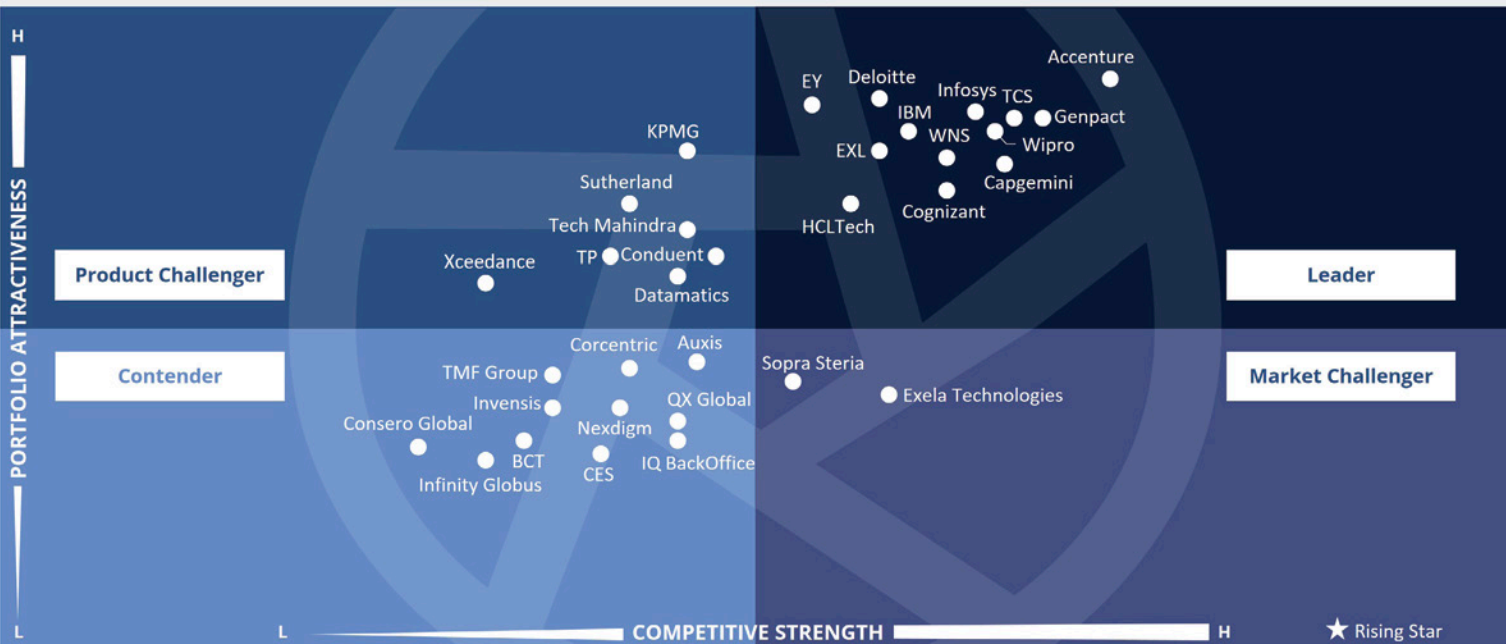
This quadrant evaluates providers delivering comprehensive O2C services, **leveraging AI**, automation and **advanced analytics**. The focus is on accelerating **cash flow**, **reducing DSO** and enhancing the end-customer experience.

Gaurang Pagdi





Invoice to Pay (I2P)



This quadrant assesses I2P providers based on their integration of **AI, automation** and **analytics** to streamline invoicing, supplier onboarding and **payments**, thereby enhancing **accuracy**, cycle time, **visibility** and cost **efficiency**.

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R2R and Tax Services

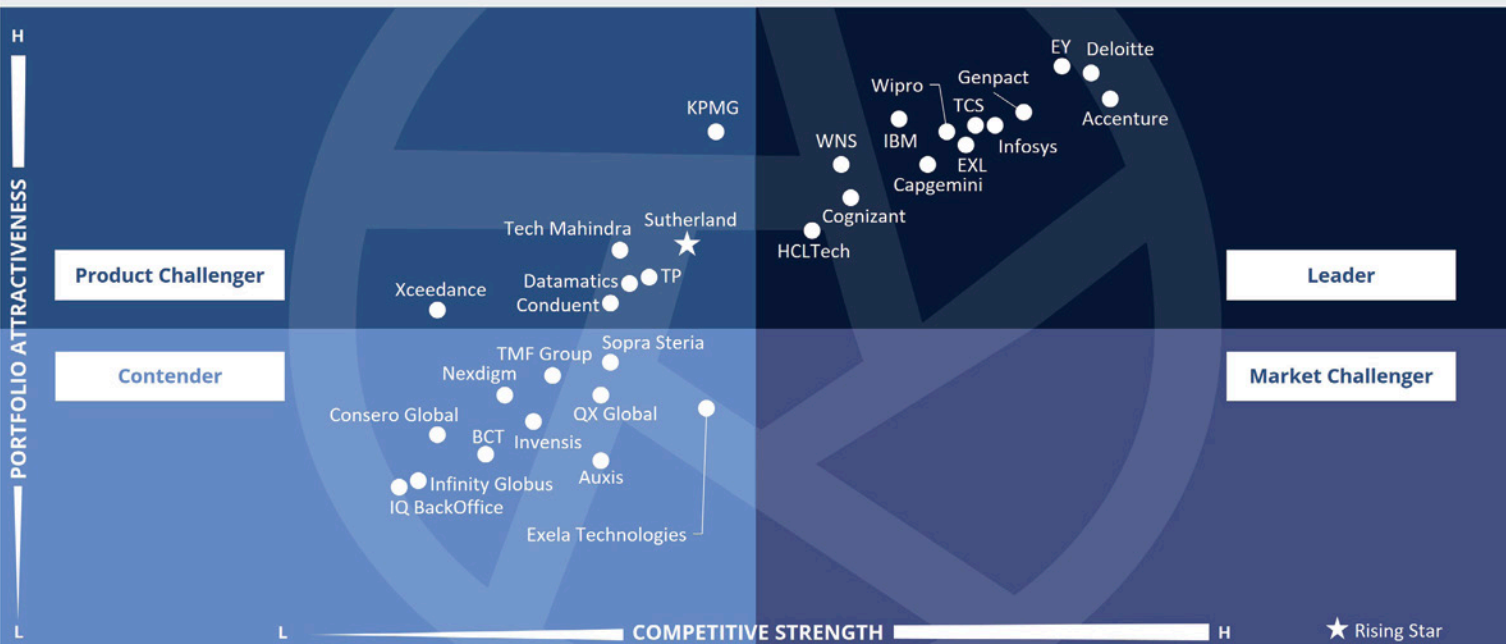


This quadrant evaluates providers delivering R2R and Tax services, integrating automation, **analytics** and **compliance** expertise to accelerate close cycles, enhance reporting accuracy, ensure **regulatory readiness** and provide actionable **business insights**.

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Financial Planning & Analysis (FP&A)



This quadrant evaluates providers delivering FP&A services, combining **AI-enabled forecasting**, scenario planning and **performance analytics** to help clients improve agility, decision-making and **long-term value creation**.

Gaurang Pagdi





Sweet Spot

Auxis

Overview

Founded in 1997, Auxis joined Grant Thornton U.S. on Sept 2, 2025. The company is headquartered in South Florida with multiple nearshore delivery centers. It delivers FAO, consulting and digital transformation services across the finance value chain. Leveraging RPA, AI and analytics, Auxis enhances operational efficiency and cost savings, while Grant Thornton provides global reach and complementary finance specialization.

Key Provider Capabilities

Auxis offers comprehensive FAO, digital transformation and operational consulting capabilities, delivering tech-enabled solutions to help businesses modernize and scale.

- **Nearshore Latin America leader:** With nearly 30 years of nearshore expertise, Auxis is a nearshore pioneer and one of the few providers fully centered on nearshore delivery, offering end-to-end outsourcing solutions. Its proximity and cultural alignment with North America enable real-time collaboration and management of complex, judgment-based processes.
- **Finance transformation and optimization:** Auxis modernizes finance functions by leveraging automation, AI and data analytics to improve efficiency, reduce costs and enable real-time insights. It helps organizations shift from manual to automated, insight-driven processes.
- **Shared services setup expertise:** Auxis has extensive experience establishing global business services (GBS) and shared services centers (SSCs) for multinational enterprises, including captive and outsourced models. Building on its founder's role in PepsiCo's first Latin America shared services, Auxis designs and optimizes GBS and SSCs that integrate seamlessly with client operations to deliver consistent, high-quality processes.
- **Industry-focused solutions:** Auxis tailors its offerings for industries including healthcare, financial services, real estate,

CPG, retail, manufacturing and hospitality. Its capabilities include revenue cycle management (RCM), reporting and analytics that drive industry-specific improvements.

- **Scalable digital finance:** Auxis scales its F&A services through leading platforms like UiPath, where it is a Platinum Partner, Partner of the Year and Agentic Automation Fast Track Partner. It employs AI agents, Intelligent Document Processing (IDP), Intelligent Xtraction and Processing (IXP), and RPA to automate end-to-end finance processes.

Benefits Delivered

- **Early adoption of agentic AI and automation across key F&A processes**
- **Achieved average 83 percent touchless AP processing through automation**
- **Reduced days sales outstanding (DSO) by up to 10 days, improving working capital**
- **Shortened the month-end close cycle by up to 70 percent**
- **Achieved more than 40 percent labor cost savings for clients**



Auxis

Sweet Spot

Auxis' strength lies in delivering end-to-end F&A transformation through nearshore expertise and advanced digital capabilities. The firm enables optimized, high-performance finance operations by combining operational know-how with AI automation and technology integration.

- **High-performing nearshore teams:** With delivery centers in Costa Rica and Colombia, and hubs in Mexico, Argentina and Guatemala, Auxis combines proximity with strong talent pools, enabling quick deployment and real-time collaboration. Its ability to attract and retain top finance talent in Latin America supports both first-time outsourcers and mature enterprises seeking a nearshore option.
- **Consultative approach to outsourcing:** Auxis adopts a collaborative approach to design customized FAO solutions that emphasize transformation through automation, analytics and digital tools. This methodology helps clients modernize finance operations, streamline workflows and achieve lasting scalability and efficiency.

- **Flexibility, speed and agility:** Auxis and Grant Thornton serve Fortune 1000 and upper midmarket clients with an agile, tailored model that allows enterprises to expand operations while maintaining high quality and customization.
- **Dedicated industry focus:** Auxis brings deep expertise across CPG, manufacturing, retail, financial services, real estate, hospitality and healthcare. Now, through Grant Thornton, it extends capabilities with greater industry specialization. Tailored solutions, such as revenue cycle management in healthcare, help clients address industry-specific challenges while boosting operational performance.
- **Commitment to innovation:** Auxis continually enhances its FAO offerings through process automation, agentic automation, real-time analytics and AI-driven insights. This innovation-first approach enables organizations to transition from manual, transactional finance to a data-driven, future-ready operating model.

Future roadmap

- **Enhanced value with Grant Thornton:** Combining nearshore FAO and transformation expertise with Grant Thornton's extensive scale, global reach and diverse service portfolio
- **New services:** Growing offerings in FP&A, analytics, fintech and digital finance while gaining access to Grant Thornton's audit, tax, risk and advisory, and tech modernization solutions
- **Delivery model expansion:** Operating a global delivery model across Latin America, targeting growth in top markets, along with Grant Thornton's shared services across Asia, Europe and the Middle East
- **Industry verticalization:** Enhancing expertise in healthcare, financial services, CPG, retail, manufacturing, real estate and hospitality





Appendix

Methodology & Team

The ISG Provider Lens® 2025 Finance and Accounting Outsourcing (FAO) Services study analyzes the relevant software vendors/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.

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The research and analysis presented in this report includes research 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. The data collected for this report represent information that ISG believes to be current as of September 2025 for providers that actively participated and for providers that did not. ISG recognizes that many mergers and acquisitions may have occurred since then, but this report does not reflect these changes.

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

The study was divided into the following steps:

1. Definition of the Finance and Accounting Outsourcing (FAO) Services market
2. Use of questionnaire-based surveys of service providers/vendors across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Leverage ISG's internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.

6. Use of the following main evaluation criteria:

- * Strategy and vision
- * Innovation
- * Brand awareness and presence in the market
- * Sales and partner landscape
- * Breadth and depth of the portfolio of services offered
- * Technology advancements



Author & Editor Biographies



Lead Analyst

Gaurang Pagdi
Lead Analyst

Gaurang has over 22 years of experience in the Finance & Accounting (F&A) domain with expertise in the Order to Cash vertical; he has worked as a delivery leader with industry leaders in Banking, Telecom & E-Commerce; and as a Digital Transformation Consultant with a prominent F&A SaaS provider, working with clients from across industries. Gaurang's core expertise lies in delivery and business transformation, where the focus is beyond digital transformation, like operations and talent transformation, giving him a holistic view of driving a healthy and future-ready business.

As a lead analyst at ISG, Gaurang is responsible for authoring the F&A studies, taking into consideration the latest market trends and perceived future of the industry in relation to the competitive strength and offerings of the service providers.



Research Analyst

Sneha Jayanth
Research Analyst

Sneha Jayanth is a senior research analyst at ISG and is responsible for supporting and co-authoring ISG Provider Lens® studies on Healthcare, Procurement service and platform, FAO and other custom research. She has six years of experience conducting ICT related research and writing thought leadership content within various industries. In her previous role, she handled market analysis, and market intelligence and authored reports focusing on the latest technologies like IoT, AI, cloud, and blockchain. She has also worked in a thought leadership division in the ICT industry managing blogs, reports, whitepapers, and case studies.

She is responsible for writing enterprise content and the global summary report, which includes market trends and insights relevant to the border customer landscape.



Author & Editor Biographies

Study Sponsor



Namratha Dharshan
Chief Business Leader

As a Chief Business Leader at ISG, Namratha Dharshan spearheads the BPO, AI and Analytics arm of the ISG Provider Lens® program, contributing to more than 20 reports. Under the aegis of this program, where she heads a team of analysts, Namratha manages the delivery of research findings on service provider intelligence. As a part of her role in the Senior Leadership Council, Namratha is the designated representative of the ISG India Research team, comprising more than 100 dynamic research professionals. In addition, Namratha is a speaker in ISG's flagship quarterly call, ISG Index™.

As a principal industry analyst and thought leader, Namratha is well recognized for her contributions to service provider intelligence and her understanding of the customer experience landscape, particularly the area of contact center services. She has also authored reports on other horizontal service lines such as finance and accounting and penned vertical focused reports for insurance.

IPL Product Owner



Jan Erik Aase
Partner and Global Head – ISG Provider Lens®/ISG Research

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry.

Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor. Now as a partner and global head of ISG Provider Lens®, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.



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. 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](#).

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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.

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