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FINANCE & ACCOUNTING OUTSOURCING TRENDS

How Tech-Enabled Nearshoring
is Changing the Game in 2025



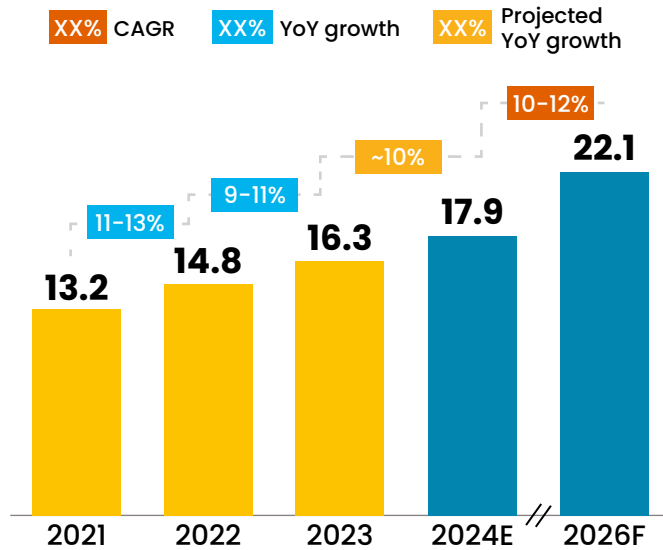
Embracing a Tech-Enabled Future with Outsourcing

Outsourcing has been part of many companies' operating models for 20+ years, but the latest finance and accounting outsourcing trends show even more interest in third-party providers and a greater investment appetite for transformation.

Consider these recent statistics:

- > Despite uncertain economic conditions, the Finance & Accounting Outsourcing (FAO) market has demonstrated remarkable resilience, with robust growth in 2024 (~10%) and a **double-digit growth forecast** (10-12%) through 2026, with projected sustained expansion in the coming years, according to research from Everest Group.¹
- > This growth goes beyond the mature North American market, according to an Everest Group article.² **Geographies such as Latin America (LATAM)** and industry segments such as retail and CPG, healthcare, and travel and logistics are witnessing a recent surge in FAO demand, indicating increasing openness to leveraging third-party support for finance and accounting (F&A) operations.
- > **Finance represents the top business function outsourced** – performed by more than 90% of shared services and outsourcing organizations globally. More than half of finance organizations outsource processes, according to the Deloitte 2023 Global Shared Services & Outsourcing Survey.³
- > FAO service demand is changing. Mature buyers are now open to leveraging **third-party support across more complex, judgment-intensive processes**; for example, 67% now perform decision support (financial planning & analysis or FP&A) via shared services centers – something that was not common as recently as 2017, according to the Deloitte report.
- > **Reducing operational costs remains a CFO priority** amid economic, political, and regulatory uncertainty, with 84% currently delaying at least one investment decision, according to a 2024 PwC pulse survey.⁴
- > While 92% of CFOs plan to increase investment in finance technology, only 30% of technology projects succeed, according to the Gartner 2024 Finance Technology Bullseye Report.⁵ **Outsourcing can bring the technology skills, expertise, and focus** lacking in most in-house finance teams.
- > 77% of CFOs say **lack of technical skills** within finance is the biggest reason their function has not yet adopted AI, according to the Gartner Top 5 Finance Trends & Priorities for CFOs in 2025.⁶

FAO Market Adoption Overview



Key outsourcing objectives

	2020-21	2022-23
Cost impact	84%	100%
Operational impact	92%	91%
Business impact	46%	74%

Based on feedback collected from enterprise buyers during the FAO PEAK assessments

Source: Everest Group

Outsourcing is a proven way to meet the growing needs of finance organizations in the current environment, offering practical solutions for automation and AI, addressing talent shortages, serving as strategic advisors, incorporating advanced data analytics, and more. As the nature of outsourcing changes, nearshoring to Latin America is proving to be a more viable trend to overcome some of the hurdles of traditional Asia-based outsourcing that include saturated labor markets, faraway time zones, infrastructure challenges, and cultural and language barriers.

In a 2024 FAO market overview, Everest Group expects **FAO demand in Latin America to surge by 17% through 2026** as talent shortages, accelerating digital transformation, and persistent macroeconomic uncertainty prompt finance leaders to look beyond the lowest cost to ensure the highest efficiency and performance.⁷ As a result, more companies are realizing greater value from nearshoring to Latin America.

Read on to uncover five key trends expected to shape the F&A outsourcing landscape in 2025. If your business is looking to fill gaps in your existing operations and create more efficiency, productivity, and value, this report is for you.



Eric Liebross

Auxis Senior Managing Director
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Shaping the Next Era of Finance Outsourcing

Based on market research and hundreds of strategic conversations over nearly three decades of finance transformation service delivery, we highlight five trends that will shape the future of finance outsourcing for 2025 and beyond.



1.

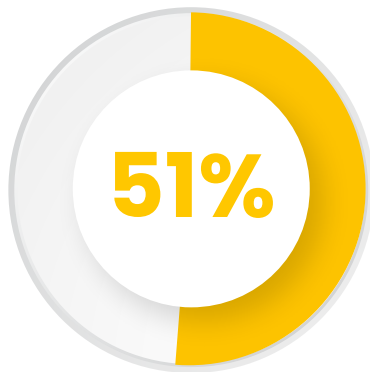
F&A labor shortages continue - demanding new talent pipelines

The accounting shortage is not only continuing, it’s worsening, according to the Robert Half 2025 Finance and Accounting Salary Guide. Professionals are overtasked, and many leave accounting for careers with a better work-life balance.⁸

Additionally, as seasoned professionals retire, there is a dearth of younger talent equipped with both digital proficiency and a deep understanding of financial practices. As a result, operational costs are surging as the dwindling number of accounting professionals demand increasingly higher salaries.

Consider the latest findings:

- > A severe shortage of skilled accountants is putting immense strain on CFOs and finance teams. The deficit, estimated to potentially reach 3.5 million by 2025 according to industry analysts, threatens to disrupt financial reporting and compliance processes across sectors, as stated by *The CFO* in a 2024 article.⁹
- > 51% of finance and accounting managers say hiring quickly enough to land top talent is one of their top recruiting challenges, according to Robert Half’s Salary Guide.



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rank meeting candidates’ salary expectations as a top challenge.

Source: Robert Half 2025 Finance and Accounting Salary Guide

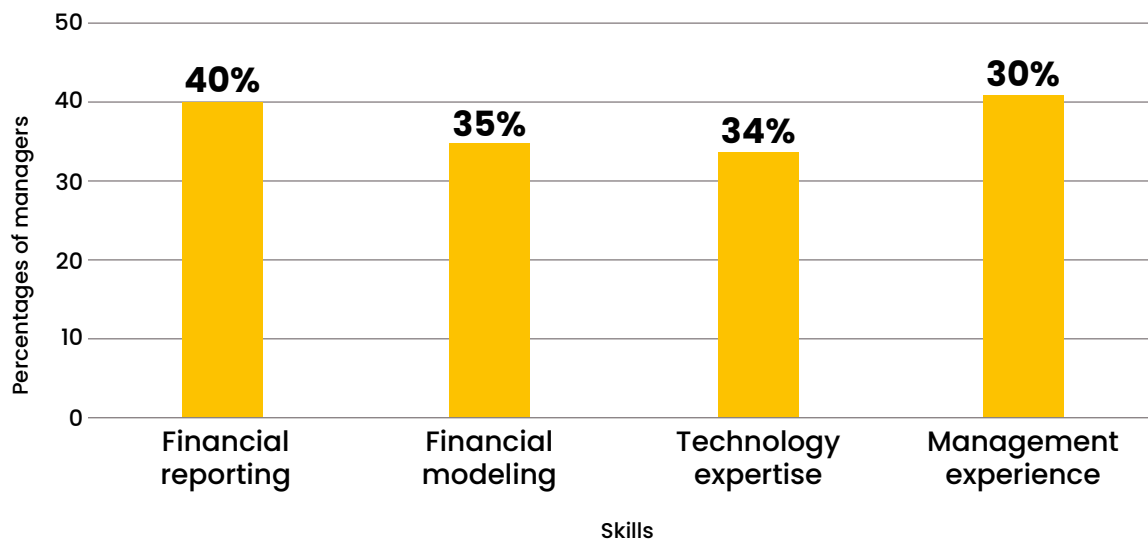
> Locating skilled professionals for jobs in the following F&A areas is particularly difficult, Robert Half found:

- Financial planning & analysis (FP&A) (46% of respondents)
- Accounts payable, accounts receivable, and bookkeeping (43%)
- Financial reporting (37%)¹⁰

> 50% of finance and accounting managers rank meeting candidates' salary expectations as a top challenge.

> Financial reporting and financial modeling are two skills in particular that command higher salaries, more than for technology or management expertise.

Finance and Accounting Skills Managers Increase Salaries for



Source: Robert Half 2025 Finance and Accounting Salary Guide



As a result, even businesses that never considered outsourcing before are now exploring opportunities to meet the challenges of a continued labor shortage by taking their spreadsheets on the road - while at the same time learning how to increase efficiency and savings with automation. Amid rising labor costs, more than 40% of CFOs surveyed by Grant Thornton further indicated **“outsource more work” as a key cost optimization strategy.**¹¹

What are you doing to mitigate the impact of rising labor costs on your bottom line? (all that apply)



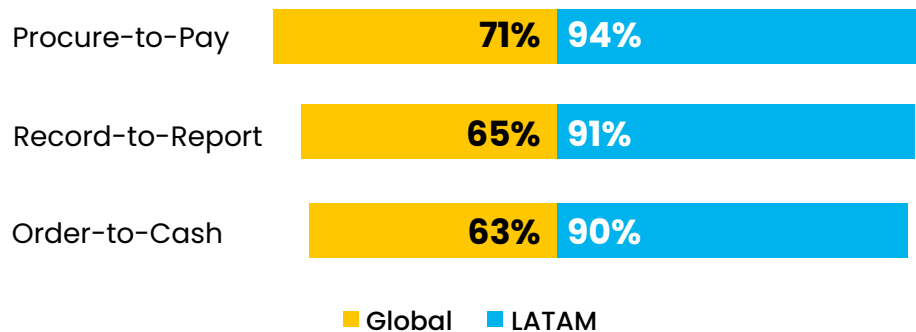
Source: Grant Thornton Tech CFO survey

Instead of the headache of finding and training people in the U.S. amid the shrinking labor supply, many finance leaders are looking to outsourcing partners in regions like Latin America, which have an ample supply of finance professionals trained to U.S. GAAP and IFRS accounting standards working in the same time zone, who are culturally aligned, have strong English proficiency, and significantly lower labor costs. Robust government-led educational programs further ensure steady finance and accounting talent pipelines.

Finance functions represent the top processes performed in LATAM, with more than 90% of regional shared services supporting order-to-cash (O2C), procure-to-pay (P2P), and record-to-report (R2R), according to the new 2024 State of the GBS & Outsourcing Industry in Latin America report by SSON Research & Analytics and Auxis.¹² Those numbers are significantly lower across global regions, the report found.



What processes are you performing from LATAM?

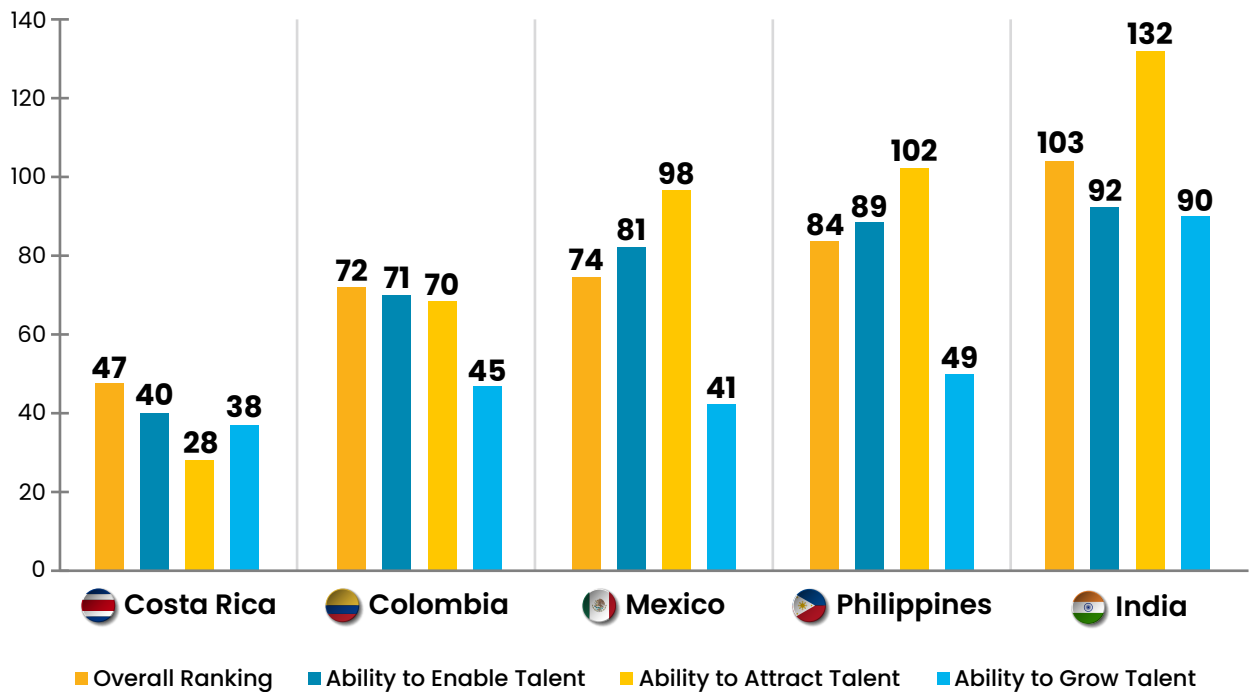


Source: 2024 State of the GBS & Outsourcing Industry in Latin America

The talent gap between Latin America and traditional Asia-based outsourcing solutions is also widening. India's talent competitiveness has decreased every year since 2020 on the World Economic Forum-endorsed Global Talent Competitiveness Index, as growing difficulty attracting talent creates an increased skills mismatch for employers, the 2023 report states.¹³

India ranks 103rd globally out of 134 countries on the 2023 report, while top nearshore markets like Costa Rica, Colombia, and Mexico score significantly higher – coming in at 47, 72, and 74, respectively. The Philippines ranks 84th. The chart below shows how talent competitiveness scores in top nearshore markets outpace India and the Philippines:

Global Talent Competitiveness Index Rankings for Top Outsourcing Destinations



Source: INSEAD 2023 Global Talent Competitiveness Index



2. Tech-enabled outsourcing is accelerating AI and automation

FAO providers are expected to increasingly leverage the potential of advanced technologies such as AI and Generative AI (GenAI), machine learning (ML), Intelligent Document Processing (IDP), and automation to deliver deeper, more impactful outcomes, according to the 2024 ISG Provider Lens™ for Finance and Accounting Outsourcing Services.¹⁴ These technologies streamline processes and enable predictive analysis and sophisticated decision-making capabilities essential for strategic planning, financial resilience, and gaining competitive advantages.

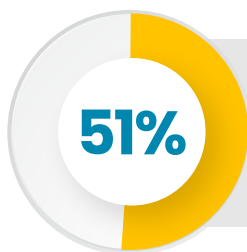
This is in direct response to a market need.

The Grant Thornton survey found that “AI, automation, and other efficiency measures” was the most-cited tactic (68%) CFOs are using to mitigate the impact of rising costs on

their bottom line. Nearly 60% of finance leaders say they plan to invest in AI and machine learning in 2025, more than any other category, the report found.

But while cutting costs through automation is a priority, **many finance functions are uncertain where or how to begin to incorporate emerging technology like AI.** As a result, many are turning to outsourcing for tech enablement in 2025.

AI usage nearly doubled within finance functions in 2024, with 58% at least piloting AI tools, compared to 37% the previous year, according to Gartner’s survey on CFO priorities. But while organizations want AI and automation, they feel hampered by a lack of available or skilled talent within their organization.



51% of CFOs plan to hire in critical areas like data analysis and forecasting this year, for example, but many are struggling to find finance talent with the necessary AI skills to help guide the enterprise through uncertainty (PwC “What’s Important to the CFO in 2024?”)¹⁵



Unfortunately, this skills shortage creates a gap between execution and awareness that leaves most finance organizations stuck in the early stages of integrating AI into their workflows.

When you combine the overall talent shortage in Finance & Accounting with the skills gaps in the newer technologies, CFOs are experiencing a talent “double whammy:” challenges just getting your basic work done plus the inability to improve productivity and performance through technology enablement!

Nearly half of enterprises also blame inadequate skill sets when automation initiatives fail to deliver the right value, according to Deloitte’s shared services and outsourcing survey. As a result, many are **prioritizing the real-time collaboration, highly skilled tech talent, and proven track record of success** available in top nearshore markets to drive their transformation journeys – with Intelligent Automation functions performed by 59% of LATAM shared services organizations (SSOs), compared to 28% of SSOs globally.

Finance teams in top nearshore markets like Colombia, Costa Rica, and Mexico are used to working with in-demand technology like automation and AI for clients across industries and don’t require additional training or skill sets. Quality outsourcers further offer a proven track record of sustainable finance transformation success, accelerating speed of implementation with a large pool of certified resources in areas like cybersecurity and intelligent automation to support FAO engagements that can be too expensive or difficult to hire at home.

Finance leaders are also looking to outsourcing partners to **implement emerging tech with a long-term strategy aligned to business goals**, relying on the outsourcer’s ability to identify opportunities that drive efficiency and savings in addition to labor arbitrage. Currently, CFOs struggle to quantify AI investments and expected ROI, with most AI cost estimates underrepresented by a staggering 500% to 1,000%, Gartner found.

Gartner expects 60% of F&A organizations won’t renew existing outsourcing contracts in 2025 because of outdated pricing models that fail to drive digitization and process improvement.¹⁶ Solutions built solely on labor arbitrage, which tend to dominate India and the Philippines, do not bring the same flexibility and customization needed to strategically accelerate digital capabilities and optimize operations as nearshore models.

In fact, the Auxis/SSON report found that **nearshore shared services organizations cite 9% higher levels of adoption across critical technologies compared to other regions**. Some of the technologies with the highest delta include process mining and Robotic Process Automation (RPA), with 24% and 18% higher adoption in LATAM, respectively.





3. Service delivery is expanding to more strategic and complex offerings

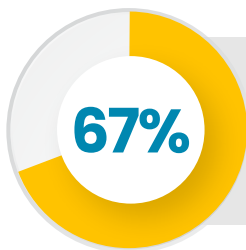
With remote work now firmly entrenched in most company operating models, outsourcing has become an accepted part of F&A – with more than half of finance organizations outsourcing at least some activities, Deloitte reports. By offloading transactional processes to a reputable partner, finance professionals now have more time to focus on high-value activities that require analytical thinking and strategic insight.

As we look to 2025, the comfort level with outsourcing is expanding further to include more complex processes – with the right outsourcing partner, that is. The shift toward a more consultative and partnership-oriented approach is becoming increasingly evident in the FAO industry, ISG reports.

While low-cost transactional outsourcing will always have a role, enterprises are

increasingly **looking for FAO providers that act not just as service executors but as advisors** and collaborators. These providers understand and align with enterprises’ long-term business objectives, offering the business structure and skills to design and execute digital strategies, drive process excellence, provide actionable insights, mitigate risk, and execute more complex process tiers like FP&A and healthcare revenue cycle management.

With technology changing faster than possible adoption timelines, enterprises are also realizing that the traditional approach of outsourcing a single, fragmented slice of a process often fails to create the right impact. Instead, CFOs are increasingly choosing partners with the sophistication to own, transform, and drive excellence across end-to-end processes.



of enterprise leaders are increasing budgets for next-gen, strategic outsourcing partnerships, while only a third plan to increase their budget for traditional, transactional solutions solely focused on cost reduction, Deloitte’s latest outsourcing survey found.¹⁷

A nearshore outsourcing model is best equipped to support these more complex solutions that require greater collaboration, communication, and judgment. The **cultural mismatches inherent to Asia-based outsourcing can be a hindrance** to this level of operation, as seemingly minor discrepancies in approaches to completing tasks, communication styles, attitudes toward conflict, and decision-making can create major pain points between USA- and Asia-based teams – sparking miscommunication and misunderstandings.

As service demand becomes more complex, Latin America offers top-tier business and technology talent, real-time collaboration, cultural alignment, strong English proficiency, deep familiarity with North American business practices, and lower turnover that can be difficult to achieve at the other end of the world – and is fundamental to delivering finance processes across the value chain.



4. FAO providers focus on enhanced data analytics to help move the F&A industry forward

Advancing data analytics tools hold the potential to transform the finance and accounting industry, enhancing decision-making and fostering more strategic roles.



CFOs and finance leaders rate metrics, analytics and reporting as their top focus area for 2025, Gartner reports, looking to improve business performance by digging deeper into financial datasets to identify patterns and insights that were previously unattainable.

Additionally, the Grant Thornton report found that Data Analytics and Business Intelligence was the second-most cited area of investment (44%) for 2025.

Predictive analytics, powered by AI and machine learning, offer an unprecedented ability to forecast trends and potential risks with greater accuracy. The industry is **shifting from reporting on what happened in the past to real-time analytics** that allow companies to not only react to what is happening right now but also look ahead to what's coming – leveraging advancing tech to enhance fraud detection, streamline operations, anticipate customer behaviors and market fluctuations, and drive profitability.

Quality FAO providers stand at the forefront of this trend, wielding a unique ability to turn the immense amount of enterprise data they handle into actionable insights for their clients.

Not surprisingly, **shared services leaders ranked analytics tools as their biggest tech priority** in 2024, according to SSON's State of the Shared Services & Outsourcing Industry Global Market Report. Only 6% of shared services organizations globally have not implemented a reporting & analytics solution, with finance most often the first function supported.¹⁸



Outsourcing can offer companies access to advanced analytics tools and expertise without the need for hefty investments in technology and human resources. By partnering with quality service providers, **companies can leverage cutting-edge analytics platforms and methodologies that might otherwise be cost-prohibitive.**

Exceptional outsourcers are also using analytics to help clients optimize operations – identifying process bottlenecks and driving continuous improvement.

Outsourcing further allows companies to focus on their core competencies while benefiting from external analytics expertise

and best practices. These partnerships can lead to faster implementation and scaling of analytics solutions, providing a competitive advantage in an increasingly data-centric business environment.

While nearly 95% of business leaders expect data and analytics functions to play a pivotal role in their organization’s success, finding the right talent is challenging, states Gartner’s 2024 Data and Analytics Priorities and Challenges report.¹⁹ The cost and time demands of building an in-house data analytics center can quickly add up, further supporting the case for outsourcing.



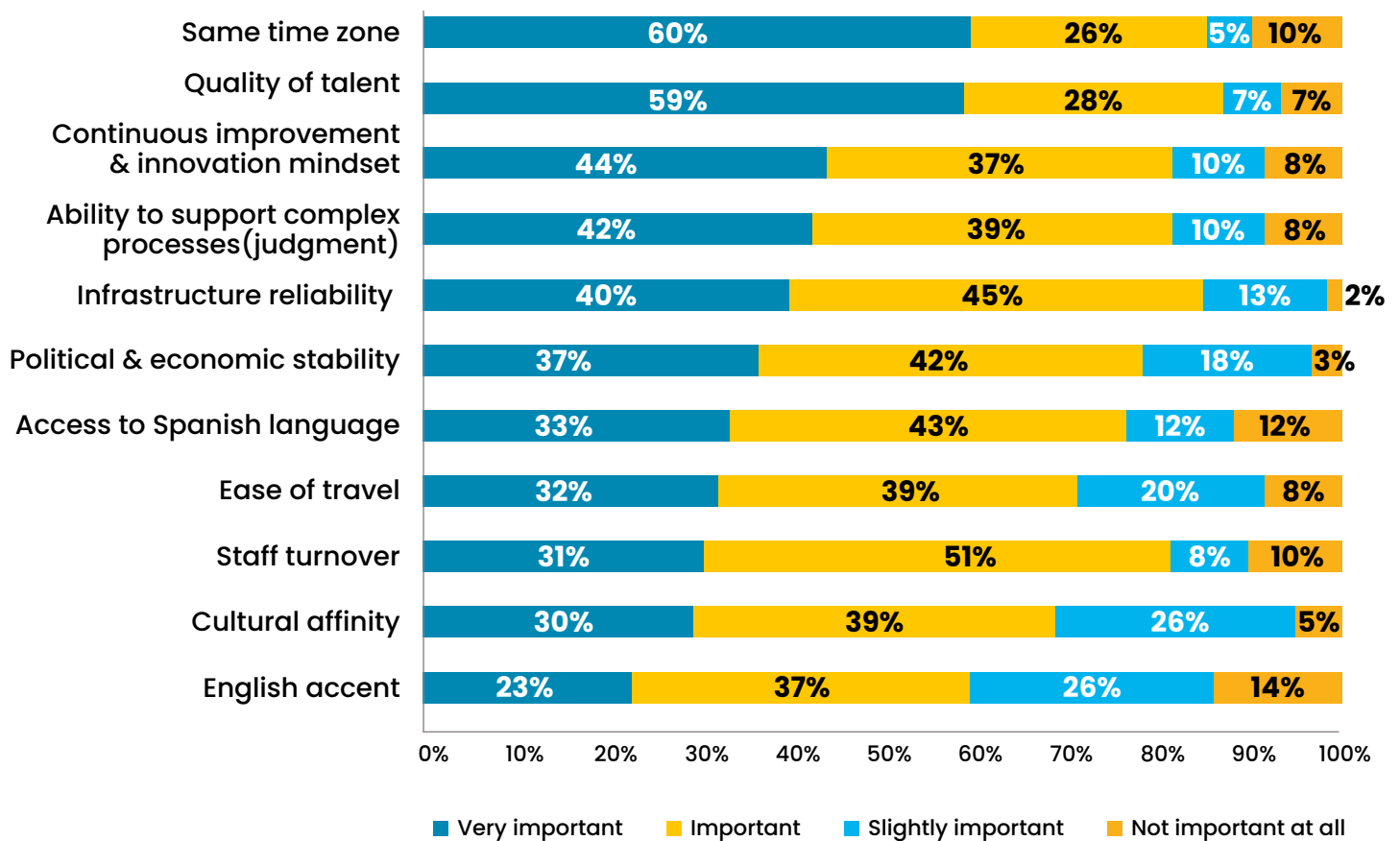
5.

Nearshoring emerges as a premier outsourcing solution

As organizations become acutely aware of the complexities of Asia-based outsourcing models, nearshoring to Latin America is emerging as a formidable alternative for CFOs. While salaries in Latin America are generally positioned between Asia and Europe, LATAM’s cost savings are still substantial – and the region’s ability to offer plenty of talent, handle judgment-intensive processes, and drive continuous improvement provides a compelling value proposition.

More than 60% of respondents to the Auxis/SSON survey ranked all the factors on the chart below as important or very important to LATAM’s value-add over Asia and Europe:

From your perspective, how do you perceive the added value of LATAM over Asia/Europe to support the Americas?



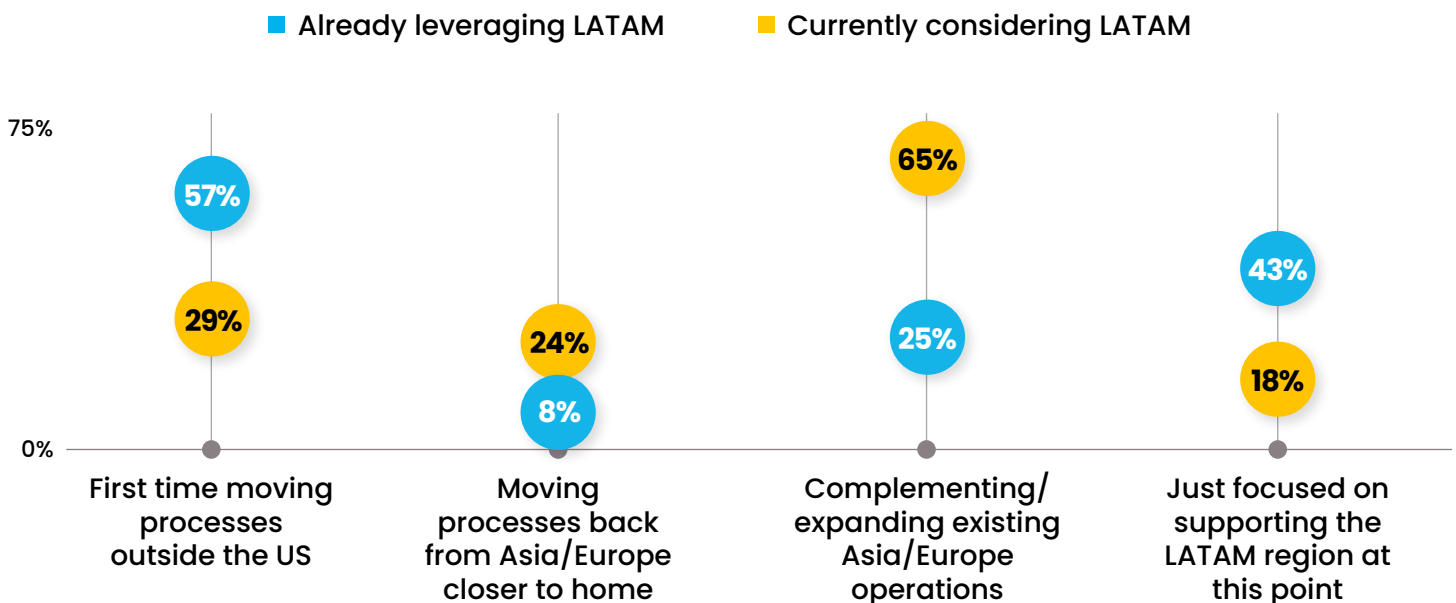
Source: State of the GBS & Outsourcing Industry in Latin America

At the same time, Asia’s saturated job markets – and the region’s notoriously high turnover – is chipping away at its cost savings and performance. India’s business process outsourcing (BPO) industry averaged 9.5% median salary increases in 2023 to combat alarmingly high attrition – and India’s salaries rose another 9.5% in 2024, according to WTW’s 2024 and 2025 Salary Budget Planning India reports.²⁰

Nearly 20% of organizations operating in LATAM report labor savings of at least 40% compared to the U.S., while 50% report savings in the range of 20-40%, according to the Auxis/SSON Latin America report.

At Auxis, we’ve seen many new clients seeking nearshore partners as they shift their focus from offshore markets to one that is closer to home to reduce operational challenges. We are also seeing an increasing number of organizations target LATAM to complement existing operations overseas – diversifying their outsourcing portfolios to mitigate risk and accessing talent capable of performing higher-value work that has proven difficult to support from Asia.

What best describes the scenario in which you are already leveraging or planning to leverage LATAM?



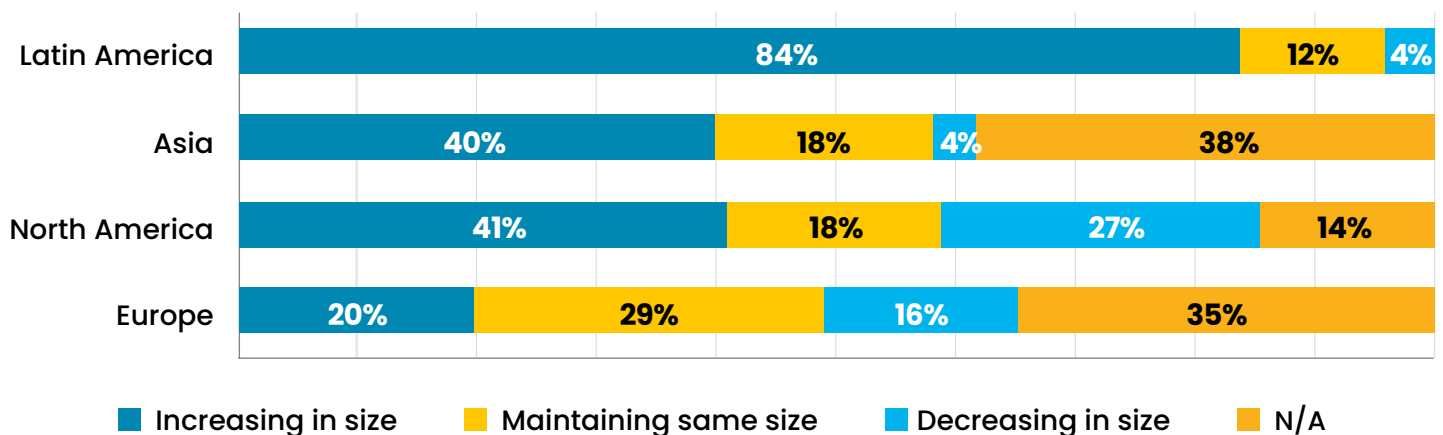
Source: State of the GBS & Outsourcing Industry in Latin America

When finance and accounting processes are more complex, the easier communication and collaboration of nearshore markets with highly educated populations makes the most sense. Top Latin American markets have emerged as a major destination for multinational organizations over the past 10+ years, but the past four saw this trend accelerate.

Consider:

- >The Auxis/SSON report found that **90% of GBS and enterprise respondents either operate in LATAM or plan to open in the region** within the next three years.
- >Shared services leaders assess the value provided by LATAM markets as very similar to India – and ahead of other Asian locations like the Philippines (SSON 2023 The Future Location Report).²¹
- >LATAM’s shared services and outsourcing industry is growing significantly faster than other regions, with the Auxis/SSON report finding that **84% of Latin American SSOs are planning to expand their level of service.**
- >Costa Rica and Mexico currently rank among the 10 most preferred shared services destinations globally (Deloitte’s 2023 Global Shared Services & Outsourcing Survey).
- >Mexico and Colombia edged the Philippines out of the top 10 markets on Kearney’s latest Global Services Location Index, with Colombia also ranking as the most financially attractive of the top nearshore markets.²²
- >Thirteen Latin American countries rank ahead of India on the 2023 EF English Proficiency Index.²³

How do you see your location growth strategy evolving in other regions (for your Shared Services/GBS/Outsourcing)?



Source: State of the GBS & Outsourcing Industry in Latin America

Tech-enabled nearshoring: The F&A trend to watch in 2025

Businesses are increasingly turning to outsourcing to address their operational challenges. With advancements in technology and the increasing need for efficiency, **outsourcing is a compelling strategic solution to optimize their operations and gain cost efficiencies**. But the whole outsourcing paradigm has shifted, and companies are looking for a partner that can not only provide the talent but also bring the expertise to optimize business operations and speed up digital transformation journeys.

Tech-enabled outsourcing allows finance organizations to tap into a global talent pool, providing access to specialized skills at a lower cost compared to maintaining in-house teams. By leveraging outsourcing providers equipped with advanced technology and infrastructure, companies can achieve scale quickly when they need to, gain access to expertise and fill skills gaps, focus on core competencies, and take advantage of the latest technological and analytical enhancements – all without compromising quality.

Providing this range of capabilities and offering a nearshore location to solve the complexities of the offshore operating model is the real finance and accounting outsourcing trend for 2025.

Ready to learn more about the benefits of finance and accounting outsourcing to Latin America for your organization? [Schedule a consultation with our nearshore experts today!](#)

About Auxis

Trusted by Fortune 1000 organizations across industries for nearly three decades, Auxis is a management consulting and outsourcing firm that helps organizations modernize and scale their back-office operations through innovative processes, technologies, and organizational structures. The company's core solutions include Finance, IT, and BOS Nearshore Outsourcing; Intelligent Automation; Cloud; and Business Intelligence. Auxis also offers specialized industry-specific solutions.

Auxis combines extensive finance transformation experience with a unique perspective as advisors, industry veterans, and shared services operators to ensure clients obtain real benefits and ROI from every engagement. Its solutions consistently deliver rapid paybacks, significant cost savings, access to top talent, improved controls, enhanced operational visibility, and greater organizational focus on higher value-creating activities.

A nearshore outsourcing pioneer, Auxis was named a **Major Contender** and Star Performer on Everest Group's Finance and Accounting (FAO) Peak Matrix® Assessment 2024, and as a **Top Global Finance Outsourcing Company** in the 2024 ISG Provider Lens for Finance and Accounting Services. It is also recognized annually on IAOP's elite Outsourcing Global 100 list. To learn more, visit www.auxis.com

External Source Footnotes:

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