



# **Capital Markets BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016**

Banking, Financial Services, and Insurance (BFSI) Outsourcing  
Market Report: August 2016 – Preview Deck

# Our research offerings for global services

## ▶ Market Vista™

Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

## ▶ BFSI<sup>1</sup> Information Technology

## ▶ PricePoint™

## ▶ BFSI<sup>1</sup> Business Process

## ▶ Finance & Accounting

## ▶ Healthcare & Life Sciences ITS

## ▶ Procurement

## ▶ Healthcare & Life Sciences BPS

## ▶ Human Resources

## ▶ Application & Digital

## ▶ Recruitment & Talent Acquisition

## ▶ Cloud & Infrastructure

## ▶ Contact Center

## ▶ Global Sourcing

## ▶ Service Optimization Technologies

## ▶ Locations Insider™

## ▶ Transaction Intelligence

## Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

## Subscription information

- The full report is included in the following subscription(s)
  - **BFSI BPO**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**



### Corporate Headquarters

Office: +1-214-451-3000

[info@everestgrp.com](mailto:info@everestgrp.com)



### European Headquarters

Office: +44-207-129-1318

[unitedkingdom@everestgrp.com](mailto:unitedkingdom@everestgrp.com)

<sup>1</sup> Banking, financial services, and insurance

# Table of contents

Topic	Page no.
<b>Background and methodology</b> .....	<b>5</b>
<b>Executive summary</b> .....	<b>10</b>
• Summary of key messages .....	11
<b>Section I: Everest Group PEAK Matrix for capital markets BPO</b> .....	<b>13</b>
• Summary .....	14
• Capital markets BPO PEAK Matrix .....	18
• Assessment of service providers .....	19
• Capital markets BPO Star Performers 2016 .....	21
<b>Section II: Analysis of service providers' market shares</b> .....	<b>22</b>
• Summary .....	23
• Market success (revenue, clients, and service line growth) .....	24
• Market share by lines of businesses .....	26
• Market share by geography .....	27
<b>Section III: Service provider comments</b> .....	<b>28</b>
• Everest Group's remarks on service providers .....	29
<b>Appendix</b> .....	<b>36</b>
• Glossary of key terms .....	37
• BFSI BPO research calendar .....	39
• References .....	40

# Background and methodology of the research

---

## Background of the research

Capital markets BPO continued to grow rapidly and achieved close to 15% revenue growth in 2015, led by investment banking. While the major growth regions are still the mature markets such as North America, United Kingdom, and Continental Europe, increased traction is being witnessed in Asia Pacific as more players look to develop a footprint in this fast-growing region.

The capital markets BPO landscape is undergoing a significant shift with technology trends such as Robotic Process Automation (RPA) disrupting the norm. Primary areas for RPA adoption are those activities that are rule-based and involve little role for judgment. As more and more of such activities get automated, service providers are looking for new avenues of growth such as more judgment-intensive offerings and utility-driven solutions.

The service providers' role has been broadened from a cost-reducing entity to an enabler of transformation through technology and innovation. Buyers are now looking to service providers to take a more consultative approach and move up the value chain by emphasizing on the value addition they can bring.

## Scope and methodology

In this research, we analyze the global capital markets BPO service provider landscape. We focus on:

- Relative positioning of 19 service providers on the Everest Group's PEAK Matrix for capital markets BPO
- Service provider capability assessment across key dimensions
- Service provider comments

# Overview and abbreviated summary of key messages

Capital markets BPO is the smallest segment of BFSI BPO, however, it continues to grow the fastest. As a result of rapid growth in evidence, providers are beginning to adopt new strategies to gain market share. This report uses Everest Group's proprietary PEAK Matrix to assess and rate service providers on various dimensions of their capabilities.

Some of the findings in this report, among others, are:

## Everest Group PEAK Matrix for capital markets BPO

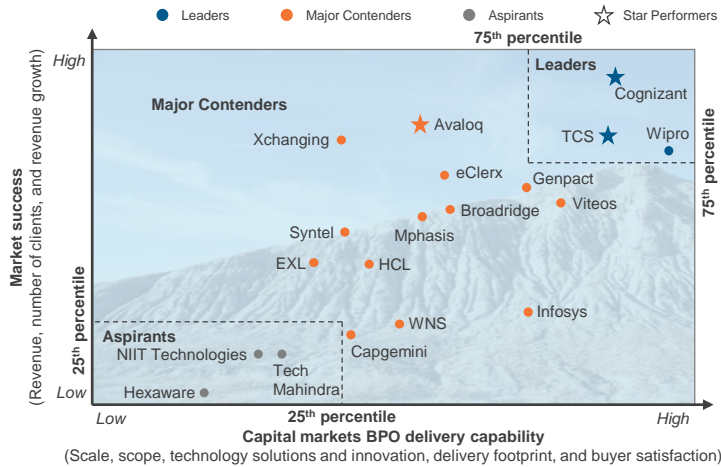
- Everest Group classifies 19 capital markets BPO service providers on Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into the three categories of Leaders, Major Contenders, and Emerging Players
- Cognizant, TCS, and Wipro are the Leaders. Avaloq, Broadridge, Capgemini, eClerx, EXL, Genpact, HCL, Infosys, Mphasis, Syntel, Viteos, WNS, and Xchanging emerge as Major Contenders, whereas Hexaware, NIIT Technologies, and Tech Mahindra are the Aspirants on the capital markets BPO Everest Group PEAK Matrix for 2016
- Avaloq, Cognizant, and TCS are the “Star Performers” based on their strong forward and upward movement on the PEAK Matrix

## Key insights on PEAK Matrix dimensions

- Avaloq is the largest capital markets BPO provider by revenue, while Xchanging has the highest number of clients
- Cognizant, TCS, and Wipro together accounted for close to 55% of the total revenue growth that took place in the last year (2014-2015) in capital markets BPO by revenue
- Cognizant and Wipro both witnessed a YOY revenue growth of over 20% in the capital markets BPO
- “Leaders” appear consistently across most LoBs as the top providers by market share
- The provider landscape is usually very different across the LoBs. This indicates that most service providers have found their niche and tend to focus on the same
- North America is the largest buyer geography for capital markets BPO by revenue.
- “Leaders” have a significant presence as well as a more balanced footprint across major geographies

# This study offers three distinct chapters providing a deep dive into key aspects of the capital markets BPO service provider landscape; below are four charts to illustrate the depth of the report

## Capital markets BPO PEAK Matrix 2016



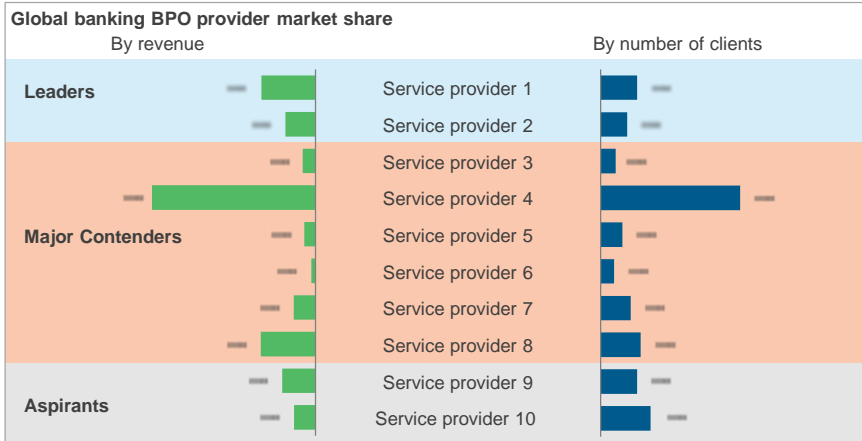
## Capability assessment

Leaders Major Contenders Aspirants

Best in Class Very High High Medium High Medium Medium Low Low Not Matured

Service provider	Delivery capability						Market success
	Scale	Scope	Technology solutions & innovation	Delivery footprint	Buyer satisfaction	Overall	
Service provider 1	High	High	High	High	High	High	High
Service provider 2	High	High	High	High	High	High	High
Service provider 3	High	High	High	High	High	High	High
Service provider 4	High	High	High	High	High	High	High
Service provider 5	High	High	High	High	High	High	High
Service provider 6	High	High	High	High	High	High	High
Service provider 7	High	High	High	High	High	High	High
Service provider 8	High	High	High	High	High	High	High
Service provider 9	High	High	High	High	High	High	High
Service provider 10	High	High	High	High	High	High	High

## Market success



## Everest Group's remarks on service providers

### Everest Group's remarks on service providers

Provider	Strengths	Areas of improvement
Company A Logo	<ul style="list-style-type: none"> <li>With appreciable service line growth on top of high service line revenue and good client base, XXX has a high market success and is a Major Contender on the banking BPO PEAK Matrix</li> <li>It is leading the technology-led BPO offerings with a holistic suite of technology capabilities including end-to-end integrated platform solutions, delivering a high STP rate and automation</li> <li>It has focused offerings in high-growth areas such as analytics, regulatory compliance services, risk management support, and BPSDA</li> <li>It has a high overall buyer satisfaction rating, with relationship management, innovation, and operational stability highlighted as key strength areas</li> </ul>	<ul style="list-style-type: none"> <li>Though it has started to witness some traction from the Asia Pacific market following the launch of its BPO center in YYY, it is primarily dependent on Continental Europe as its buyer geography, and has a long way to go in establishing a global presence</li> <li>It has an onshore-based delivery model and does not leverage low-cost nearshore or offshore delivery locations, resulting in a high cost structure</li> <li>Buyers expect XXX to proactively improve quality of solutions and constantly evaluate for cost savings</li> </ul>
Company B Logo	<ul style="list-style-type: none"> <li>With significant service line growth, on top of good revenue and client base, XXX has achieved appreciable market success. This, in conjunction with good delivery capabilities, has ensured its position among Major Contenders on the banking BPO PEAK Matrix</li> <li>It has significant technology capabilities and is investing consistently in developing innovative technology solutions to better serve the growing needs of buyers. This is aligned with its strategic focus towards developing non-linear assets for growth to diversify into global markets</li> <li>It has significant mortgage processing capabilities and significant presence in emerging areas such as automation, analytics, and risk management to assist client delivery</li> <li>It has an optimal delivery footprint with healthy balance of FTEs across a number of centers in offshore, nearshore, and onshore locations</li> </ul>	<ul style="list-style-type: none"> <li>XXX's capabilities continue to be primarily limited to the mortgage BPO space on the back of its acquisition of YYY, and there is significant headroom for developing capabilities in other banking BPO LoBs</li> <li>Though it has been witnessing continued traction from UK, it still has a very high dependence on the North American market as a buyer geography, and needs to diversify into global markets</li> <li>Technology capabilities are primarily limited to point solutions in the mortgage space and it should think about developing end-to-end technology solutions across LoBs as well as increasing the leverage of technology in the contracts</li> </ul>

Source: Everest Group (2016)

# BFSI BPO research calendar

■ Published
 ■ Current

Topic	Release date
Risk Management – Looking Beyond the Transactions, Credit Leading the Way .....	April 2016
Banking BPO Service Provider Landscape with PEAK™ Matrix Assessment .....	June 2016
P&C Insurance BPO Service Provider Landscape with PEAK™ Matrix Assessment .....	June 2016
Capital Markets BPO Service Provider Landscape with PEAK™ Matrix Assessment .....	August 2016
L&P Insurance BPO Service Provider Landscape with PEAK™ Matrix Assessment .....	Q3 2016
Wealth Management BPO .....	Q3 2016
Banking BPO Annual Report .....	Q3 2016
Capital Markets BPO Annual Report .....	Q3 2016
L&P Insurance BPO Annual Report .....	Q3 2016
P&C Insurance BPO Annual Report .....	Q3 2016
Retail Banking BPO Service Provider Landscape with PEAK™ Matrix Assessment .....	Q4 2016
Banking BPO Service Provider Profile Compendium .....	Q4 2016
Capital Markets BPO Service Provider Profile Compendium .....	Q4 2016
L&P Insurance BPO Service Provider Profile Compendium .....	Q4 2016
P&C Insurance BPO Service Provider Profile Compendium .....	Q4 2016

# Additional BFSI BPO research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Risk Management - Looking Beyond the Transactions, Credit Leading the Way** ([EGR-2016-11-R-1632](#)); 2016. This study helps analyze the structure of various risk categories for major banks and financial institutions around the world. Against this backdrop, this study also provides an overview of the sourcing landscape for risk management functions with a key focus on third-party BPO service providers and their maturity levels across various risk categories
2. **Capital markets BPO Annual Report 2015 – Technology and analytics helping banks manage risk and compliance** ([EGR-2015-11-R-1534](#)); 2015. This report assists key stakeholders (buyers, service providers, and technology providers) understand the changing dynamics of the capital markets BPO market and help them identify the trends and outlook for future. In this backdrop, this report provides comprehensive coverage of the global banking BPO market including detailed analysis of market size & growth, buyer adoption trends, solution characteristics, and service provider landscape
3. **Capital Markets BPO – Service Provider Profile Compendium** ([EGR-2015-11-R-1349](#)); 2015. The objective of this compendium is to provide key stakeholders a snapshot of the offerings and capabilities of 17 major capital markets BPO service providers. Specifically, the report allows service providers to compare their areas of strength and those of development with other service providers in the marketplace. It also helps existing and potential buyers of capital markets BPO services to assess the service providers on the capabilities that they desire

For more information on this and other research published by Everest Group, please contact us:

**Rajesh Ranjan**, Partner:  
**Anupam Jain**, Practice Director:  
**Manu Aggarwal**, Practice Director:  
**Robin Jain**, Senior Analyst:  
**FS BPO Team**:

[rajesh.ranjan@everestgrp.com](mailto:rajesh.ranjan@everestgrp.com)  
[anupam.jain@everestgrp.com](mailto:anupam.jain@everestgrp.com)  
[manu.aggarwal@everestgrp.com](mailto:manu.aggarwal@everestgrp.com)  
[robin.jain@everestgrp.com](mailto:robin.jain@everestgrp.com)  
[FSBPOresearch@everestgrp.com](mailto:FSBPOresearch@everestgrp.com)

Website: [www.everestgrp.com](http://www.everestgrp.com) | Phone: +1-214-451-3000 | Email: [info@everestgrp.com](mailto:info@everestgrp.com)





From **insight** to **action**.



## About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empowers clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com) and [research.everestgrp.com](http://research.everestgrp.com).

### Dallas (Headquarters)

info@everestgrp.com  
+1-214-451-3000

### New York

info@everestgrp.com  
+1-646-805-4000

### Toronto

canada@everestgrp.com  
+1-647-557-3475

### London

unitedkingdom@everestgrp.com  
+44-207-129-1318

### Delhi

india@everestgrp.com  
+91-124-284-1000

## Stay connected

### Websites

[www.everestgrp.com](http://www.everestgrp.com)  
[research.everestgrp.com](http://research.everestgrp.com)



### Twitter

@EverestGroup



### Blog

[www.sherpasinblueshirts.com](http://www.sherpasinblueshirts.com)

**SHERPAS**  
IN BLUE SHIRTS