



Topic: A PEAK into the Leaders, Major Contenders, and Emerging Players of the Banking BPO Market

Banking, Financial Services, and Insurance (BFSI) Outsourcing
Market Report: October 2012 – Preview Deck

Our research offerings for global services

Subscription information

- The full report is included in the following subscription(s)
 - Banking, financial services, insurance
- 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:
 - info@everestgrp.com
 - +1-214-451-3110

Market Vista

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

Banking, financial services, insurance

Healthcare

Finance & accounting

Procurement

Information technology

Cloud Vista

Human resources

Recruitment process

Global sourcing

PricePoint

Service provider Intelligence

Transaction Intelligence

Custom research capabilities

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

Table of contents (page 1 of 2)

Topic	Page no.
Section I: Introduction and methodology	5
Section II: Summary of key messages	12
Section III: Everest Group PEAK Matrix for banking BPO	16
• Summary	17
• PEAK Matrix for Banking BPO	20
• Market success in 2011	21
• Key insights on service provider delivery capability	22
Section IV: Service provider capability assessment	23
• Summary	24
• Scale	27
• Scope	29
• Technology	32
• Delivery footprint	33

Table of contents (page 2 of 2)

Topic	Page no.
Section V: Emerging service provider trends	35
• Summary	36
• Growth through acquisitions	38
• Analytics and social media	40
• Technology bundled BPO	42
• Balanced shoring	44
• Managing regulations and risk	46
Section VI: Implications for key stakeholders	48
• Implications for banks and financial institutions	49
• Implications for service providers	50
Section VII: Appendix	51
• Glossary of key terms	52
• BFSI Outsourcing Research Agenda	54
• References	56

Overview and abbreviated summary of key messages

(page 1 of 2)

Banking BPO is the largest and the most mature market within BFSI BPO. As banks look to further cut costs, grow beyond traditional markets, and find new channels to reach customers, they are also increasingly turning to BPO as a key tool to stay competitive. Banks are now rationalizing their BPO service provider portfolios and forging deeper relationships with a smaller number of service providers. Service providers, on their part, are trying to increase market share, develop new offerings, and improve their delivery capabilities, through both the organic and the inorganic route. With more comprehensive offerings to choose from, banks should assess service provider capabilities across various parameters, and keep in mind both current and future needs when selecting a service provider.

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

Everest Group PEAK Matrix for banking BPO

- Everest Group classifies 12 banking BPO service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into the three categories of Leaders, Major Contenders, and Emerging Players
- There are two service providers in the Leaders category (TCS and Genpact) and six service providers (Serco, Infosys, Cognizant, Wipro, iGate, and EXL Service) in the Major Contenders category, followed by four service providers (WNS, Syntel, HCL, and Mahindra Satyam), in the Emerging Players category

Overview and abbreviated summary of key messages

(page 2 of 2)

Key insights on service provider delivery capability

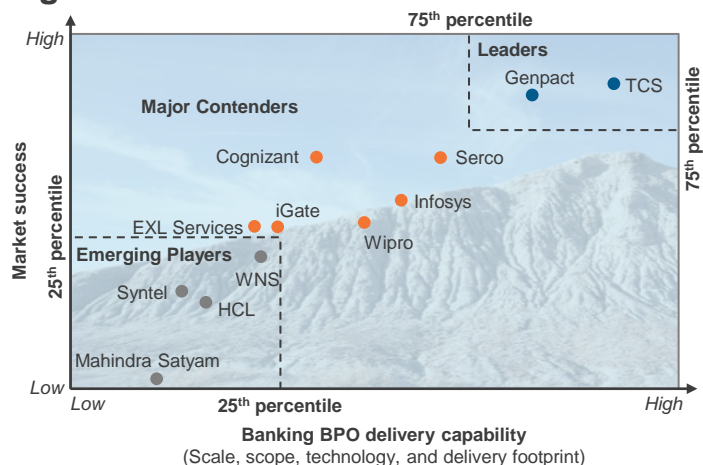
- Leaders hold a clear advantage over Major Contenders and Emerging Players, with a higher number of average FTEs for banking BPO as compared to Major Contenders and Emerging Players. The average revenue per FTE and average revenue per contract are also higher for Leaders as compared to Major Contenders and Emerging Players
- While Leaders have a more even mix of FTEs across all lines of business in banking BPO, Major Contenders and Emerging Players tend to focus more on particular lines of business. Leaders also focus more on large buyers than Major Contenders or Emerging Players
- While augmentation technology models are employed by service providers in all three groups, platform technology models see highest adoption by Leaders, followed by Major Contenders, and then Emerging Players
- Leaders have established a global delivery footprint with a balanced mix of onshore-nearshore-offshore locations. Major Contenders and Emerging Players continue to be predominantly offshore focused

Emerging service provider trends

- Growth through acquisition, analytics and social media-centric solutions, convergence of IT and BPO solutions, balanced shoring, and regulatory compliance and risk management emerge as key themes for service providers in the banking BPO market

This study offers four distinct chapters providing a deep dive into key aspects of the BFS BPO market; below are four charts to illustrate the depth of the report

Banking BPO PEAK Matrix 2012



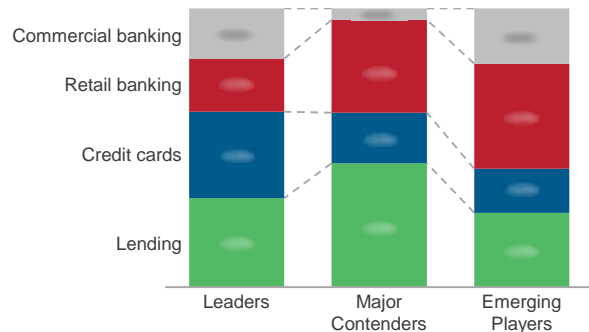
Delivery capability

Service provider	Delivery capability				
	Scale	Scope	Technology capability	Delivery footprint	Overall
Service provider 1	High	High	High	High	High
Service provider 2	High	High	High	High	High
Service provider 3	High	Medium-High	Medium-High	Medium-High	Medium-High
Service provider 4	High	High	High	High	High
Service provider 5	Medium-High	High	High	High	High
Service provider 6	High	Medium-High	Medium-High	High	Medium-High
Service provider 7	Medium-High	Medium-High	Medium-High	High	Medium-High
Service provider 8	Medium-High	Medium-High	Medium-High	High	Medium-High
Service provider 9	Medium-High	Medium-High	Medium-High	High	Medium-High
Service provider 10	Medium-High	Medium-High	High	High	Medium-High
Service provider 11	Medium-High	High	Medium-High	High	Medium-High
Service provider 12	Medium-High	Medium-High	Medium-High	High	Medium-High

Scope

Distribution of FTEs across banking BPO processes
Number of FTEs in '000s

100% =



Delivery footprint

Service provider	Onshore		Nearshore		Offshore	
	U.S.	UK & Western Europe	Central & Eastern Europe	Central & South America	India	China & South East Asia
Service provider 1	✓		✓	✓	✓	✓
Service provider 2	✓			✓	✓	✓
Service provider 3					✓	
Service provider 4					✓	
Service provider 5	✓			✓	✓	
Service provider 6	✓				✓	
Service provider 7					✓	
Service provider 8				✓	✓	
Service provider 9					✓	✓
Service provider 10	✓	✓			✓	
Service provider 11					✓	
Service provider 12					✓	

BFSI Outsourcing research agenda (page 1 of 2)

Published Current

Topic	Release date
Application Outsourcing (AO) in Capital Markets – Service Provider Profiles Compendium	January-2012
Capital Markets BPO Overview	January-2012
M&A in Banking BPO – Looking Back and Moving Forward	February-2012
The Vertical World – A Capital Markets IT Perspective	March-2012
Closed Books Insurance BPO – The Curious Divide across the Atlantic	March-2012
Trade Reconciliations Business Process Outsourcing (BPO)	May-2012
IT Application Outsourcing (AO) in Banking – Trends and Future Outlook	June-2012
BFS BPO Annual Report 2012 – Strong Growth Post the Downturn	July-2012
Application Outsourcing (AO) in Banking: PEAK Matrix Provider Landscape – Evolution at Play	August-2012
IT Application Outsourcing (AO) in Insurance – Navigating Business Challenges through Technology	September-2012
BFSI BPO Service Provider Landscape – Banking BPO	October-2012
BFSI BPO Service Provider Profile Compendium – Banking BPO	Q4-2012
BFSI BPO Service Provider Landscape – Capital Markets BPO	Q4-2012

BFSI Outsourcing research agenda (page 2 of 2)

 Published  Current

Topic	Release date
IT Applications Outsourcing in Banking – Service Provider Profiles Compendium – 2012	Q4-2012
BFSI BPO Service Provider Profile Compendium – Insurance BPO	Q4-2012
IT Application Outsourcing in Capital Markets – Trends and Future Outlook – 2012	Q3-2012
Service providers' landscape for IT application services in Insurance – PEAK report 2012	Q3-2012
IT Application Services in Insurance – Service Provider Profiles Compendium 2012	Q4-2012
BFSI BPO Service Provider Landscape – Insurance BPO	Q4-2012
BFSI BPO Service Provider Profile Compendium – Capital Markets BPO	Q4-2012
Service providers' landscape for IT application services in Capital Markets – PEAK report 2012	Q4-2012
IT Application Services in Capital Markets – Service Provider Profiles Compendium 2012	Q4-2012

Additional BFSI BPO research references

The following documents are recommended for additional insight on 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. **BFS BPO Annual Report 2012 – Strong Growth Post the Downturn** ([EGR-2012-11-R-0710a](#)); 2012. The global industry for Business Process Services (BPS) for Banking and Financial Services (BFS) is growing at a fast pace of over 16% annually. After a dip in 2008-09, due to the global financial crisis, BFS BPS is back on track, seeing rising contract numbers in both 2010 and 2011. Although BPO services account for only 10% of the overall market for BFS BPS, adoption of BPO is now expanding globally. This report brings together insights from Everest Group's research program in BFS BPO across Banking and Capital Markets. The report highlights key trends in both BPO markets, the drivers and challenges for greater BPO adoption, service provider profiles and strategies for growth and profits, and the unique issues that confront the BFS BPO industry today
2. **M&A in Banking BPO: Looking Back and Moving Forward** ([EGR-2012-11-V-0646](#)); 2012. The year gone by was one of the most interesting for the banking BPO market. The eye-catching aspect of 2011 was the significant M&A activity in the market. While bigger players continued to consolidate and expand, some niche players offering specific solutions and functionalities were acquired in a dynamic and growing market. These acquisitions raise some key questions – what is driving M&A activity in the banking BPO marketplace and what is the likely impact of this on the market and on stakeholders? This viewpoint addresses some of these questions
3. **Global Lending BPO Across Credit Cards, Consumer Loans, and Commercial Loans** ([ERI-2011-10-R-0494](#)); 2011. The current economic scenario where financial services companies are reconsidering their cost base and lending portfolio, lending BPO across credit cards, consumer lending, and commercial lending is generating a lot of interest. In this research, we analyze the global lending BPO market, focusing on market size and potential of the global lending BPO by business segment and function, adoption trends measured across buyer size and geography, prevalence of various sourcing models, maturity of lending BPO subfunctions across business segments, and the lending BPO service provider landscape across business segments

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

Saurabh Gupta, Vice President:
Rajesh Ranjan, Vice President:
Rishabh Gupta, Senior Analyst:
Vishnu Khandelwal, Senior Analyst:
FS BPO Team:

saurabh.gupta@everestgrp.com
rajesh.ranjan@everestgrp.com
rishabh.gupta@everestgrp.com
vishnu.khandelwal@everestgrp.com
FSBPOResearch@everestgrp.com

Everest Group
Two Galleria Tower
13455 Noel Road, Suite 2100
Dallas, TX 75240

Phone: +1-214-451-3110
Email: info@everestgrp.com

Everest Group

Leading clients from **insight** to **action**

Everest Group is an advisor to business leaders on the next generation of global services with a worldwide reputation for helping Global 1000 firms dramatically improve their performance by optimizing their back- and middle-office business services. With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of global services in their pursuits to balance short-term needs with long-term goals. Through its practical consulting, original research, and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies, and management approaches. Established in 1991, Everest Group serves users of global services, providers of services, country organizations, and private equity firms in six continents across all industry categories. For more information, please visit www.everestgrp.com and research.everestgrp.com.

Dallas (Corporate Headquarters)

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

Toronto

canada@everestgrp.com
+1-416-865-2033

India / Middle East

india@everestgrp.com
+91-124-496-1000

New York

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

London

unitedkingdom@everestgrp.com
+44-207-887-1483

Stay connected

Websites



www.everestgrp.com
research.everestgrp.com

Twitter



@EverestGroup
@Everest_Cloud

Blogs



www.sherpasinblueshirts.com
www.gainingaltitudeinthecloud.com