



Banking BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015

Banking, Financial Services, and Insurance (BFSI) Outsourcing
Market Report: August 2015 – Preview Deck

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¹ Banking, financial services, and insurance

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Background and methodology of the research

Background of the research

Banking BPO is the largest and the most mature market within BFSI BPO. As regulatory bodies increase their oversight on banks' activities, cost of compliance for banks will continue to rise, generating newer opportunities for BPO providers to help reduce the same. This, coupled with newer entrants in the space (for instance, small banks), is also causing a spike in the demand for banking BPO services. Buyers are now looking towards service providers to deliver more than just cost savings. Services and tools to ensure compliance and prevent banks from faltering in the future are increasingly gaining prominence. However, service providers still need to prove their capabilities to buyers before a widespread adoption can be witnessed. As buyers mature, they will look at leveraging process automation as the next means of cost reduction and optimizing operational efficiency. With a progressively changing landscape, service providers will be required to make the right set of investments to innovate and stay competitive. At the same time, buyers need to identify the providers who clearly understand their unique business challenges and can help mitigate the same.

Scope and methodology

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

- Relative positioning of 23 service providers on Everest Group's PEAK Matrix for banking BPO
- Analysis of service providers' market share
- Service provider comments

Overview and abbreviated summary of key messages

Banking BPO is the largest and the most mature market within BFSI BPO. This report uses Everest Group's proprietary PEAK Matrix to assess and rate service providers on various dimensions of their capabilities. It also includes market share analysis of service providers and Everest Group's remarks on service providers highlighting their key strengths and development areas

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

Everest Group PEAK Matrix for banking BPO

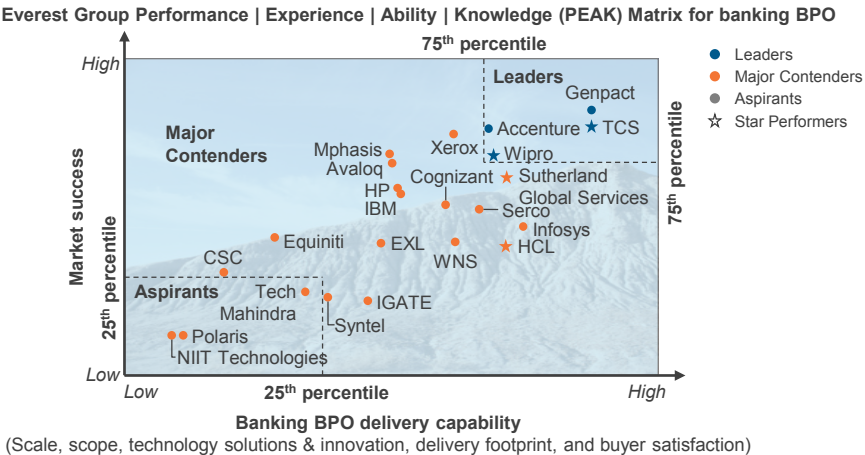
- Everest Group classifies 23 banking BPO service providers on Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into the three categories of Leaders, Major Contenders, and Aspirants
- Accenture, Genpact, TCS, and Wipro are the Leaders. Avaloq, Cognizant, CSC, Equiniti, EXL, HCL, HP, IBM, IGATE, Infosys, Mphasis, Serco, Sutherland Global Services, Syntel, WNS, and Xerox emerged as Major Contenders, whereas NIIT Technologies, Polaris, and Tech Mahindra are the Aspirants on Everest Group banking BPO PEAK Matrix for 2015
- HCL, Sutherland Global Services, TCS, and Wipro are the "Star Performers" based on their strong forward and upward movement on the PEAK Matrix

Analysis of banking BPO service providers' market shares

- TCS, Genpact, and Xerox are the top three largest banking BPO service providers by revenue, whereas Xerox, Genpact, and Wipro have the largest number of clients
- EXL, Sutherland Global Services, and Syntel witnessed year-on-year service line growth of over 25%, by revenue
- Genpact and TCS have a dominating presence across all banking BPO LoBs and invariably feature among the top two providers by market share
- Lending shows the highest level of competitive intensity among all the banking BPO LoBs due to its larger size and broader set of requirements
- Competitive intensity is the highest in developed geographies such as North America and UK, whereas the emerging geographies such Continental Europe and Asia Pacific are dominated by a handful of players

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

Banking BPO PEAK Matrix 2015



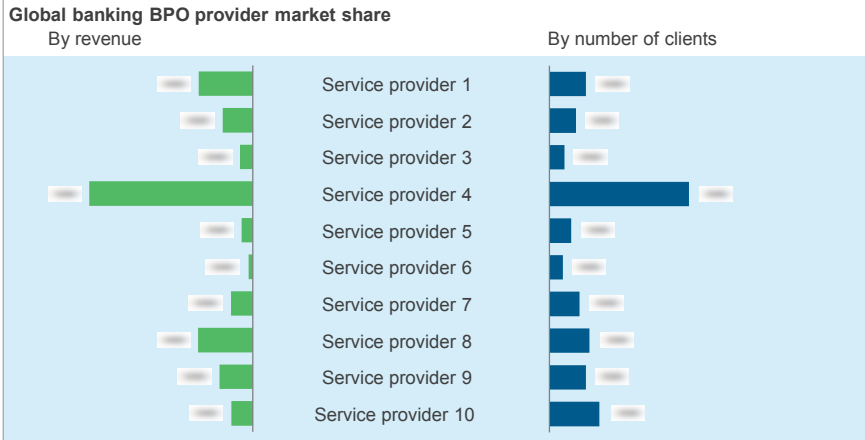
Capability assessment

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

Leaders Major Contenders Aspirants

Service provider	Delivery capability						Market success
	Scale	Scope	Technology solutions & innovation	Delivery footprint	Buyer satisfaction	Overall	
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	●	●	●	●	●	●	●

Market success



Everest Group's remarks on service providers

Provider	Strengths	Areas of improvement
Company A Logo	<ul style="list-style-type: none">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 MatrixIt 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 automationIt has focused offerings in high-growth areas such as analytics, regulatory compliance services, risk management support, and BPSDAIt has a high overall buyer satisfaction rating, with relationship management, innovation, and operational stability highlighted as key strength areas	<ul style="list-style-type: none">Though it has started to witness some traction from the Asia Pacific market following the launch of its BPO center in YYYY, it is primarily dependent on Continental Europe as its buyer geography, and has a long way to go in establishing a global presenceIt has an onshore-based delivery model and does not leverage low-cost nearshore or offshore delivery locations, resulting in a high cost structureBuyers expect XXX to proactively improve quality of solutions and constantly evaluate for cost savings
Company B Logo	<ul style="list-style-type: none">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 MatrixIt 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 marketsIt has significant mortgage processing capabilities and significant presence in emerging areas such as automation, analytics, and risk management to assist client deliveryIt has an optimal delivery footprint with healthy balance of FTEs across a number of centers in offshore, nearshore, and onshore locations	<ul style="list-style-type: none">XXX's capabilities continue to be primarily limited to the mortgage BPO space on the back of its acquisition of YYYY, and there is significant headroom for developing capabilities in other banking BPO LoBsThough 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 marketsTechnology 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

Source: Everest Group (2015)

BFSI BPO research calendar

Topic	Release date
Mortgage BPO State of Market Report 2015 – Curve of Time to Meet Mortgage Again?	May 2015
Commercial Insurance BPO - Rise of Specialty Lines	May 2015
Home Equity Loans - The Next Frontier in Mortgage BPO?	May 2015
Mortgage BPO – Service Provider Landscape with PEAK™ Matrix Assessment 2015	May 2015
Banking Business Process Outsourcing in Europe - Poised for Primetime	May 2015
Banking BPO Annual Report 2015 – Heavy on Technology, Low on People – Future of Banking BPO	June 2015
Technology in BPS – Service Provider Profile Compendium 2015	June 2015
Capital Markets BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015	July 2015
Technology in Business Process Services (BPS) – The Pecking Order	August 2015
Capital Markets BPO Annual Report 2015 – Technology and analytics helping banks manage risk and compliance	August 2015
Banking BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015	August 2015
Insurance BPO – Annual Report 2015	Q3 2015
L&P Insurance BPO – Service Provider Landscape with PEAK Matrix Assessment 2015	Q3 2015
P&C Insurance BPO – Service Provider Landscape with PEAK Matrix Assessment 2015	Q3 2015
Banking BPO – Service Provider Profile Compendium 2015	Q4 2015
Capital Markets BPO – Service Provider Profile Compendium 2015	Q4 2015
L&P Insurance BPO – Service Provider Profile Compendium 2015	Q4 2015
P&C Insurance BPO – Service Provider Profile Compendium 2015	Q4 2015

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. **Banking BPO Annual Report 2015 – Heavy on Technology, Low on People – Future of Banking BPO** ([EGR-2015-11-R-1466](#)); 2015. This report assists key stakeholders (buyers, service providers, and technology providers) understand the changing dynamics of the banking 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
2. **Mortgage BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2015** ([EGR-2015-11-R-1449](#)); 2015. This report uses Everest Group's proprietary PEAK Matrix to assess and rate service providers on various dimensions of their capabilities. It also provides concise and fact-based snapshots of 13 major mortgage BPO service providers
3. **Mortgage BPO State of Market Report 2015 – Curve of Time to Meet Mortgage Again?** ([EGR-2015-11-R-1442](#)); 2015. This report assists key stakeholders (buyers, service providers, and technology providers) understand the changing dynamics of the Mortgage BPO market and helps them identify the trends and outlook for future. In this backdrop, this report provides comprehensive coverage of the Mortgage BPO market including detailed analysis of market size & growth, drivers & challenges, mortgage BPO solution characteristics, and service provider landscape

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