



The March to Maturity: Retail and Commercial Banking Delivery from Global In-house Centers

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¹ Banking, financial services, and insurance

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Overview and abbreviated summary of key messages

This report traces the development of global in-house centers (GICs) delivering retail and commercial banking services. It gives an overview of the current landscape, and varying degrees of industry-specific process maturity achieved by offshore GICs. It also shares insights about the future outlook for retail and commercial banking delivery from GICs

Some of the findings of the report

GIC market overview

- The retail and commercial banking market from the perspective of GIC setups has grown at a rate of 2.5% (CAGR) from 2011 to 2015, reaching a level of 193 setups
- India is the largest delivery location for this market. Other prominent regions are Asia Pacific and nearshore Europe
- Historically, large banks (revenue >\$50 billion) have been the key adopters of the GIC model for retail and commercial banking delivery; however, recent GIC setups have been led by mid-sized and smaller banks

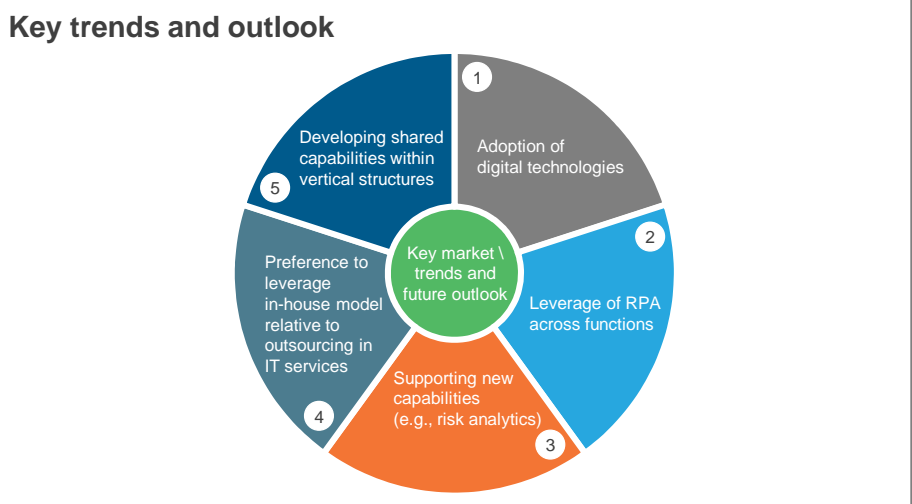
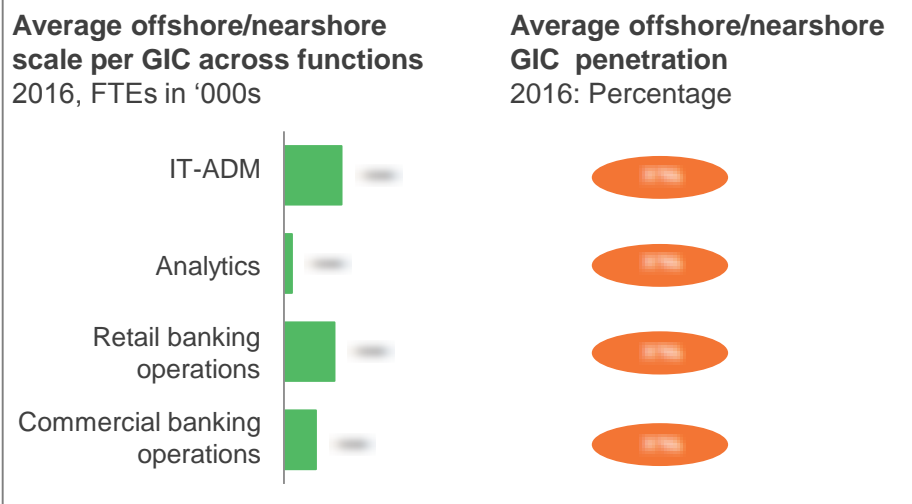
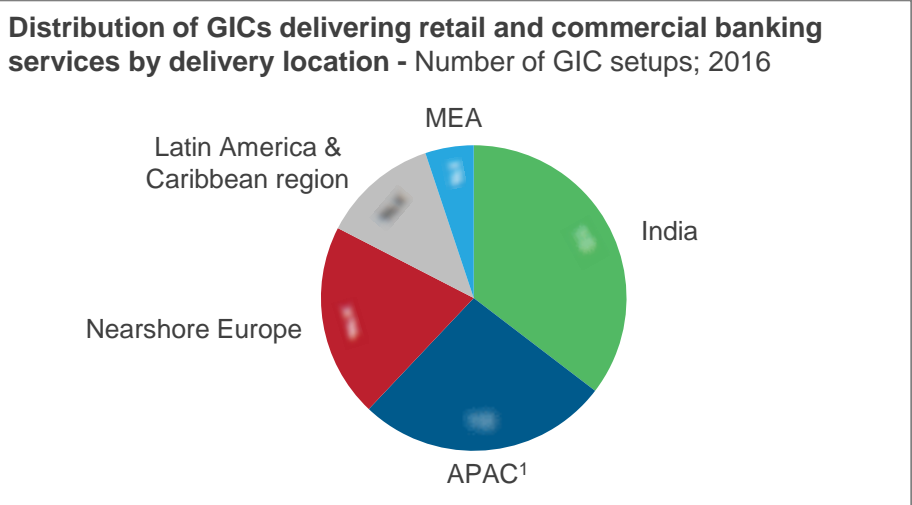
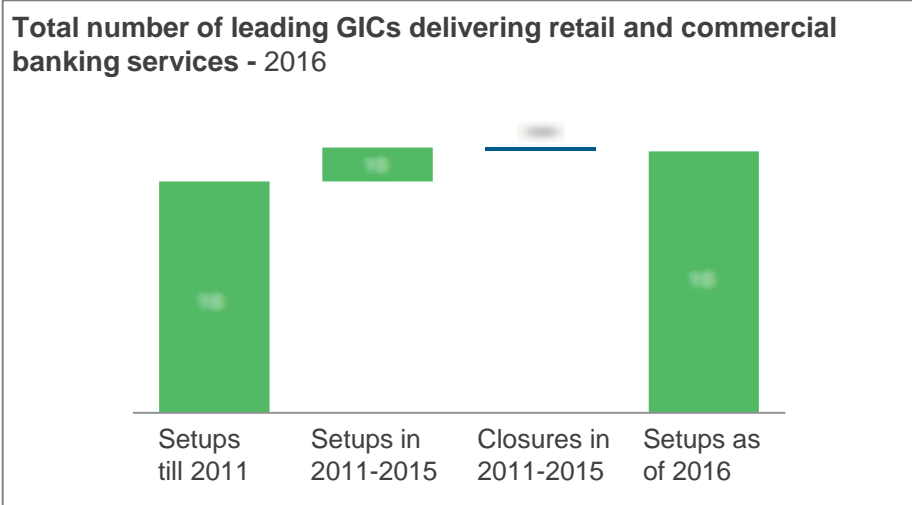
Evolution and maturity of banking-specific functions

- The maturity of retail and commercial banking processes has also risen with certain processes exhibiting higher delivery maturity across both large and small- / mid-sized banks
- There is significant adoption of the GIC model for technology services (i.e., IT-ADM) for retail banking and commercial banking, specifically. The extent of adoption for analytics, however, is lower but growing at a fast pace
- Banks have adopted a multi-location delivery portfolio with India GICs having the highest average scale/headcount across functions. Banks have also achieved scaled operations for certain functions in other Asian and nearshore European locations

Key trends and outlook for the future

- GICs delivering retail and commercial banking services are expected to grow both in terms of offshore scale and number of GICs. More industry-specific processes are also expected to be offshored
- Key market trends and outlook for the future include higher adoption of digital technologies and more push towards implementation of new capabilities such as Robotic Process Automation. Increasingly, offshore banking GICs are expected to deliver complex processes while shifting towards a more GIC-focused model for delivery of IT-ADM for retail and commercial banking. Additionally, banks are also exploring the possibility of delivering certain functions and processes as “shared” capabilities

This study offers three distinct chapters providing a deep dive into the various aspects of retail and commercial banking services from GICs; below are three charts to illustrate the depth of the report



Source: Everest Group (2016)

GS research calendar

■ Published ■ Current

Topic	Release date
GICs leading the way for digital transformation of the enterprise	January 2016
Viewpoint: Upshifting Value and Talent through Robotic Process Automation (RPA)	February 2016
Global In-house Center (GIC) Landscape Annual Report 2016	March 2016
Finance & Accounting Delivery from GICs: Trusted Partner to Move F&A Beyond Delivery to Value Creation	April 2016
Thematic Report: GIC talent landscape in India for IT services	April 2016
GIC landscape report: Delivery landscape for retail and commercial banking in GICs	June 2016
Thematic report: Future readiness of talent model in GICs	Q2 2016
Function focused report - Procurement services in GIC	Q3 2016
Location focused report - Philippines as delivery geography for GICs	Q3 2016
Viewpoint: Evolving role of Global sourcing CoE	Q4 2016
Thematic report - A practitioner's view on GICs supporting parent's digital agenda	Q4 2016
Global In-house Center (GIC) Landscape Annual Report 2017	Q1 2017

Additional research recommendations

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

- 1. Finance & Accounting Delivery from GICs: Trusted Partner to Move F&A Beyond Delivery to Value Creation (EGR-2016-2-R-1733); 2016.** This report traces the development of F&A delivery from the Global In-house Centers (GICs). In particular, it highlights the pivotal themes that led to the evolution of F&A delivery, the varying degrees of process maturity which GICs have achieved, and descriptions of key operating model elements. The report also briefly describes the outlook for future F&A delivery from GICs.
- 2. Global In-house Center (GIC) Landscape Annual Report 2016 (EGR-2016-2-R-1727); 2016.** This report provides an in-depth analysis of the GIC landscape and trends. It covers market size, growth, and distribution of GICs by buyer portfolio, scale, functions supported, and offshore delivery locations. The research also provides an overview of the trends witnessed in the overall GIC landscape in 2015. This has been compared with the GIC activity for the previous two years, to bring forth key areas of differences. It also analyses the GIC market across key offshore delivery locations, industry verticals and functions
- 3. GICs Leading the Way for Digital Transformation of the Enterprise (EGR-2016-2-R-1682); 2016.** This report assesses the current market size and state of digital adoption among GICs for six key digital segments – social & interactive, mobility, analytics, cloud, RPA and miscellaneous. It analyses digital maturity of GICs across five key dimensions and offers a deep-dive assessment of the functional maturity across the top three industry verticals with the highest digital adoption – BFSI, products and technology and MDR. The report also includes case studies about best practices adopted by GICs to drive digital adoption. Further, it also includes key implications and call-to-action for GIC and parent stakeholders
- 4. Global Location Insights: Western Europe “Banking” on Poland (EGR-2015-2-R-1399); 2015.** This report evaluates Poland as a location for delivery of complex BFSI processes. Additionally, the report offers perspectives on the drivers, challenges, and outlook for service delivery from Poland to support the Western European BFSI sector. It analyzes the growth in back- and middle-office business and IT services for the Banking, Financial Services, and Insurance (BFSI) sector in Poland as well as the factors leading to this growth

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