



Banking BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2017

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Market Report – June 2017– Preview Deck

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Background and methodology of the research

Background of the research

The banking BPO landscape is becoming increasingly competitive even as enterprises look to service providers as a source of business transformation rather than mere providers of labor arbitrage benefits. RPA continues to grow in importance, with service providers promising increasing degrees of manual effort reduction to their clients. While many service providers have partnerships with RPA providers, the most successful ones are able to differentiate themselves by carefully studying their clients' existing processes for inefficiencies, thereby increasing the impact of RPA when implemented.

While the banking BPO market is maturing, other promising avenues of growth remain. The North American region and large banks in all other regions have traditionally been the biggest contributors to the banking BPO market. In the next few years, however, growth is likely to be spearheaded by Europe and emerging geographies such as Asia Pacific, as well as by small and mid-sized banks. Service providers will need to adapt their offerings and value proposition to these newer segments. Meanwhile, enterprises will need to take a carefully considered approach to outsourcing by identifying the areas where they are likely to benefit and the service providers that are best placed to deliver both cost savings and process improvement.

Scope and methodology

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

- Relative positioning of 26 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

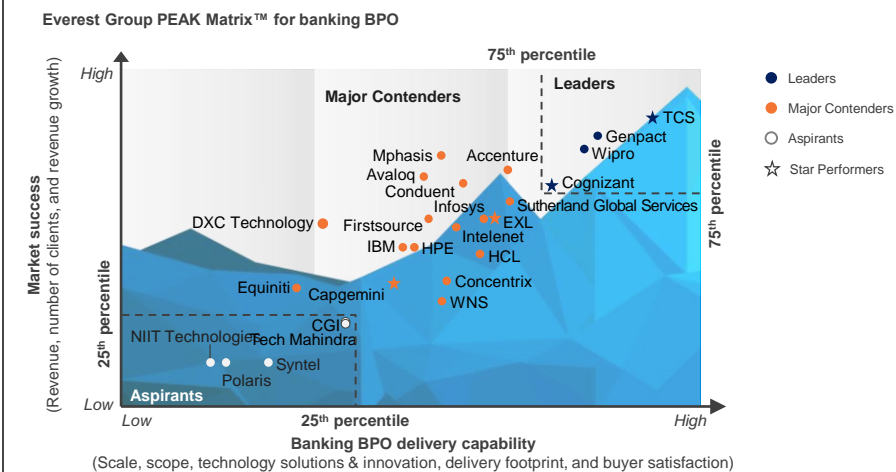
- Everest Group classifies 26 banking BPO service providers on Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into the three categories of Leaders, Major Contenders, and Aspirants
- Cognizant, Genpact, TCS, and Wipro are the Leaders. Accenture, Avaloq, Capgemini, Concentrix, Conduent, DXC Technology, Equiniti, EXL, Firstsource, HCL, HPE, IBM, Infosys, Intelenet, Mphasis, Sutherland Global Services, and WNS emerged as Major Contenders, whereas CGI, NIIT Technologies, Polaris, Syntel, and Tech Mahindra are the Aspirants on Everest Group banking BPO PEAK Matrix for 2017
- Cognizant, EXL, and TCS are the “Star Performers” based on their strong forward and upward movement on the PEAK Matrix

Key insights on banking BPO market shares

- Conduent, TCS, and Genpact are the three largest banking BPO service providers by revenue, whereas Conduent, Genpact, and Wipro have the largest number of clients
- DXC and EXL each witnessed a service line growth of over 20% by revenue
- Genpact and TCS have a dominating presence across most banking BPO lines of businesses (LoBs)
- Lending sees the highest competitive intensity among all the LoBs while commercial banking is dominated by two players – TCS and Genpact
- United Kingdom is the most competitive geography, while Continental Europe sees strong domination by Avaloq, with almost two-thirds market share

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 2017

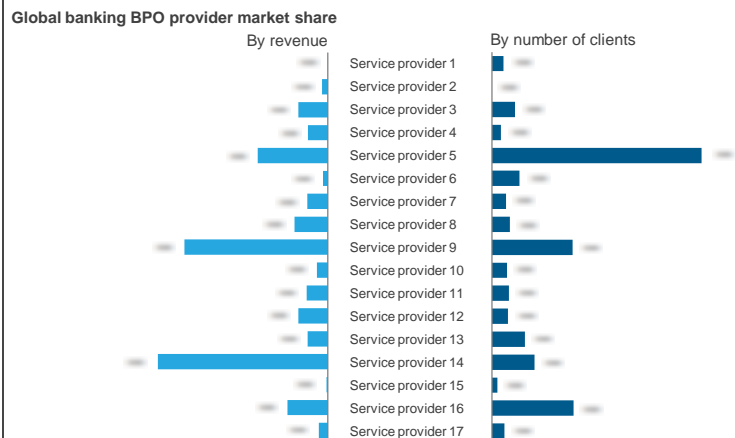


Capability assessment

Measure of capability: ● Best-in-class ● Very high ● High ● Medium high ● Medium ● Medium low ● Low ● Not mature

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	●	●	●	●	●	●	●

Market success



Everest Group's remarks on service providers

Everest Group's remarks on service providers

Provider	Strengths	Areas of improvement
Company X Logo	<ul style="list-style-type: none">XXX has shown significant growth in its already substantial revenue base and in the process has contributed to the growth of the banking BPO marketXXX has earned an impressive position for itself by offering buyers a strong offshoring leverage as well as robust capabilities in more judgment-oriented processes such as analytics and risk managementIt is appreciated by buyers for its strong communication and flexibility in quickly adapting to their needs	<ul style="list-style-type: none">XXX can work on developing strong technological capabilities to support core banking processes to add to its strong capabilities in analyticsIts focus is mainly on large buyers. By developing a strategy to target smaller buyers, XXX will be able to broaden its market coverageBuyer have indicated that XXX can be more pro-active in pitching ideas for cost reduction
Company Y Logo	<ul style="list-style-type: none">Banking BPO forms a significant part of the overall portfolio of YYY, whose scale in this market is among the best in classYYY is able to blend a strong offshoring leverage with significant onshore presence for delivering more judgment-oriented processesBuyers praise it for its ability to ramp up quickly and its dedication to delivering good results on all KPIs	<ul style="list-style-type: none">YYY should look to build capabilities in the lucrative segment of lending to further drive growth in banking BPOIt should aim to improve its coverage of the ZZZ market to bolster its growth potentialBuyer recommend that YYY improve on its speed of execution to help them better meet their business needs

BFS BPO research calendar

■ Published ■ Current

Topic	Release date
Mortgage BPO State of Market Report 2015 – Curve of Time to Meet Mortgage Again?	May 2015
Banking Business Process Outsourcing in Europe - Poised for Primetime	May 2015
Risk Management – Looking Beyond the Transactions, Credit Leading the Way	April 2016
Retail Banking BPO – State of the Market with PEAK Matrix™ Assessment 2016	December 2016
Retail Banking BPO – State of the Market with PEAK Matrix™ Assessment 2016	December 2016
Banking BPO Service Provider Profile Compendium	January 2017
Capital Markets Service Provider Profile Compendium	January 2017
\$300 billion – Enough to Buy Facebook, or Pay for Your Regulatory Mistakes	March 2017
Changing Market Dynamics for Cards Issuers – Adapting to Succeed in the Changing Order	March 2017
Banking BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2017	June 2017
Banking BPO Service Provider Profile Compendium	Q3 2017
Capital Markets BPO Service Provider Landscape with PEAK™ Matrix Assessment	Q3 2017
Capital Markets BPO Annual Report	Q4 2017
Capital Markets BPO Service Provider Profile Compendium	Q4 2017

Additional BFS 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. **\$300 Billion – Enough to Buy Facebook, or Pay for Your Regulatory Mistakes** ([EGR-2017-11-V-2123](#)); 2017. While risk management has been around for a long time, it is only in recent times, particularly in the aftermath of 2008 financial crisis, that it has emerged as a central topic of interest for banks, regulatory bodies, and the wider public. In this report, we focus on three categories of risk management – market, liquidity, and regulatory risk management, as well as the global sourcing landscape for them. Among the topics covered are the nuances of the global sourcing landscape for liquidity and market risk, and how banks should respond to a new regulation
2. **Banking BPO Service Provider Profile Compendium 2016** ([EGR-2017-11-R-2068](#)); 2017. The banking BPO service provider profile compendium provides accurate, comprehensive, and fact-based snapshots of 17 service providers in the market. Each service provider profile captures a comprehensive picture of that provider's service suite, scale of operations, technology solutions, risk management & regulatory reporting support, and delivery locations; along with Everest Group's assessment of the provider. The compendium also sheds light on the global banking BPO service provider landscape
3. **Retail Banking BPO – State of the Market with PEAK Matrix™ Assessment 2016: Analytics and Innovation at the Forefront in Challenging Times** ([EGR-2016-11-R-2027](#)); 2016. This report assists key stakeholders (buyers, service providers, and technology providers) in understanding the changing dynamics of the retail BPO space and helps them identify the recent trends and future outlook. In this backdrop, the report provides comprehensive coverage of the global retail banking BPO space including detailed analysis of the state of the market, market trends and solution characteristics service provider landscape, and future outlook. It also includes a service provider profile compendium
4. **Banking BPO Annual Report 2016: Riding on the Digital Wave and Advancing in Automation** ([EGR-2016-11-R-1941](#)); 2016. This report assists key stakeholders (buyers, service providers, and technology providers) in understanding the changing dynamics in the banking BPO market and identifying recent trends and future outlook. 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

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