



Mortgage BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2017

Banking and Financial Services (BFS) – Business Process Outsourcing (BPO) Market Report – December 2017: Complimentary Abstract / Table of Contents

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Background and methodology of the research

Background of the research

Mortgage BPO stands out as one of the largest submarkets within banking BPO. As regulatory bodies continue to increase their oversight on mortgage activities of banks, the role of BPO has been gaining more significance in the mortgage landscape. This, coupled with newer entrants in the space, such as small-sized banks that lack cost-effective internal capabilities, is also causing a spike in the demand for mortgage BPO.

While the origination volumes have witnessed a decline, the cost of providing origination and servicing has been on the rise. Buyers are now looking to service providers to deliver more than just cost savings. The following features are increasingly gaining prominence:

- Risk and regulatory compliance solutions to prevent banks from faltering
- Digital mortgage services as an increasing number of customers, especially the millennials, now prefer to apply for loans online due to the ease of access across channels and user-friendly features

Service providers need to up their game due to a host of challenges in the market. With a progressively changing landscape, service providers will be required to make the right set of investments such as digitization of mortgage processes and risk and compliance tools to stay competitive. At the same time, buyers need to identify the providers who can deliver an impact on the costs and enhance the customer loyalty with the technology solutions and risk management tools that they have to offer.

The ever-increasing adoption of technology witnessed several service providers join the party, shifting their focus from core mortgage offerings to Robotic Process Automation (RPA) and cognitive automation. While some of the leading providers tried to tap into the automation market by developing their in-house automation capabilities and investing in next-generation cognitive automation technologies, others tried to make the most of the RPA opportunity by partnering/collaborating with RPA technology providers.

Scope and methodology

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

- Relative positioning of 16 service providers on Everest Group's Services PEAK Matrix™ for mortgage BPO
- Analysis of service providers' market share and service provider comments

Overview and abbreviated summary of key messages

Mortgage BPO stands out as one of the largest submarkets within banking BPO. This report uses Everest Group's proprietary Services 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 Services PEAK Matrix for mortgage BPO

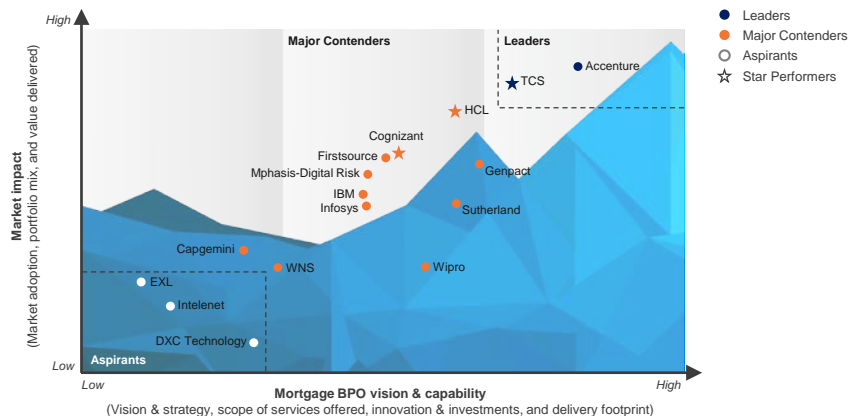
- Everest Group classifies 16 mortgage BPO service providers on the Everest Group Services PEAK Matrix into three categories of Leaders, Major Contenders, and Aspirants
 - Accenture and TCS are the Leaders
 - Major Contenders include Capgemini, Cognizant, Mphasis-Digital Risk, Firstsource, Genpact, HCL, IBM, Infosys, Sutherland, Wipro, and WNS
 - DXC Technology, EXL, and Intelenet are the Aspirants on the Services PEAK Matrix for mortgage BPO
- Cognizant, HCL, and TCS are identified as the “Star Performers” on the mortgage BPO Services PEAK Matrix for 2017, based on their strong performance during the period between 2016-2017

Key insights on mortgage BPO market shares

- Accenture, Mphasis-Digital Risk, and TCS are the three largest mortgage BPO providers by revenue, whereas Accenture, Mphasis-Digital Risk, and Wipro have the largest number of clients
- Accenture, Firstsource, and TCS together account for over 55% of the total growth (2016-2017) of the mortgage BPO market by revenue
- Accenture and HCL each witnessed a Year-on-Year (YOY) growth of over 25% by revenue
- TCS has a dominating presence across all mortgage BPO processes
 - Originations see the highest competitive intensity among all mortgage processes, while servicing is dominated by two players – Cognizant and TCS
- North America remains the largest buyer geography for mortgage BPO by revenue and continues to grow at a stable rate

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

Everest Group Services PEAK Matrix™ for mortgage BPO

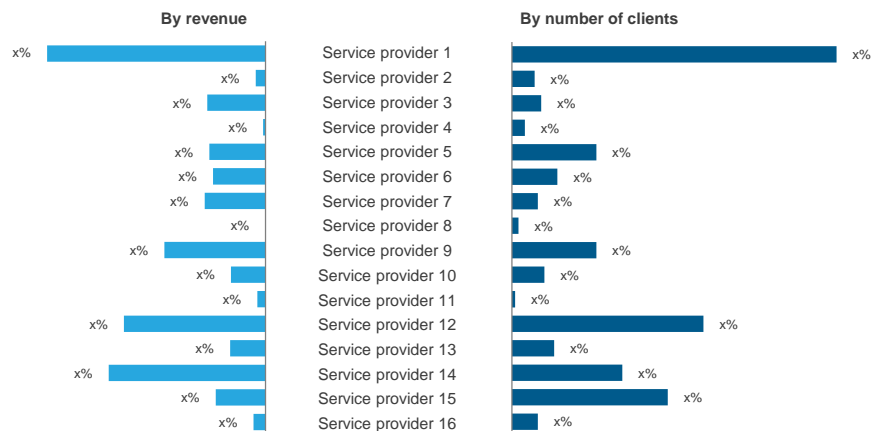


Capability assessment

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

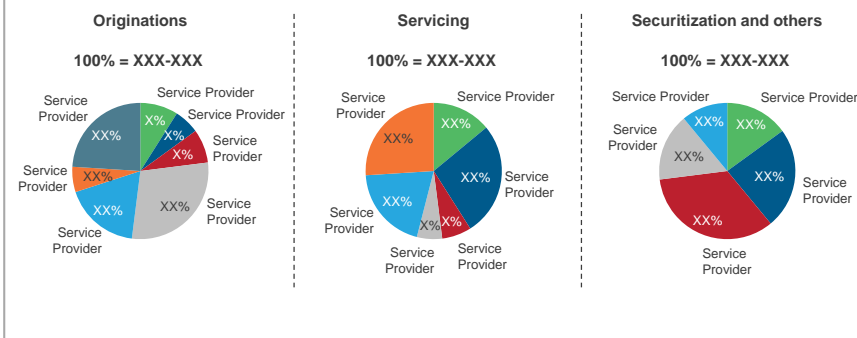
Service provider	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered ¹	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
Service Provider1	●	●	●	●	●	●	●	●	●
Service Provider2	●	●	●	●	●	●	●	●	●
Service Provider3	●	●	●	●	●	●	●	●	●
Service Provider4	●	●	●	●	●	●	●	●	●
Service Provider4	●	●	●	●	●	●	●	●	●
Service Provider5	●	●	●	●	●	●	●	●	●
Service Provider7	●	●	●	●	●	●	●	●	●
Service Provider8	●	●	●	●	●	●	●	●	●
Service Provider9	●	●	●	●	●	●	●	●	●

Market share by service provider



Market share by mortgage BPO process

Market share by mortgage BPO process
Number of FTEs in '00s



Source: Everest Group (2017)

Research calendar – Banking and Financial Services (BFS) – Business Process Outsourcing (BPO)

Published
 Planned
 Current release

Flagship BFS BPO reports

Release date

Banking BPO Annual Report 2017: Disruption Does Not Discriminate – Banks Exploring New Technologies to Offset Existing Challenges	September 2017
Capital Markets BPO Service Provider Landscape with PEAK™ Matrix Assessment	September 2017
Banking BPO Service Provider Profile Compendium	September 2017
Mortgage BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2017	November 2017
Capital Markets BPO Service Provider Profile Compendium	Q1 2018
Banking BPO Service Provider Landscape with PEAK™ Matrix Assessment	Q1 2018

Thematic BFS BPO reports

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Mortgage BPO – Service Provider Landscape with PEAK™ Matrix Assessment 2015	May 2015
Mortgage BPO State of Market Report 2015 – Curve of Time to Meet Mortgage Again?	May 2015
Home Equity Loans – The Next Frontier in Mortgage BPO	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
Risk management – \$300 Billion – Enough to Buy Facebook, or Pay for Your Regulatory Mistakes	March 2017
Automation use cases in banking	Q1 2018
Mortgage of the future viewpoint	Q1 2018

Note: For a list of all BFS BPO reports published by us, please refer to our [website page](#)

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 2017** ([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 – Service Provider Landscape with PEAK Matrix™ Assessment 2017** ([EGR-2017-11-R-2208](#)); 2017. 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 2017: Disruption Does Not Discriminate – Banks Embracing Digital to Stay Relevant** ([EGR-2017-11-R-2320](#)); 2017. 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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