



## **Banking BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018**

Banking and Financial Services (BFS) - Business Process Outsourcing (BPO) Market Report – March 2018: Complimentary Abstract / Table of Contents

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\* Banking, financial services, and insurance

## Custom research capabilities

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



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# Background and methodology of the research

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## Background of the research

The banking BPO landscape is quite mature, with most clients, especially those in the United States and the United Kingdom, having a high degree of comfort with outsourcing. They are increasingly looking to service providers to play a more strategic role for delivering value beyond simple cost savings. Many service providers are responding to this shift in the market by actively upgrading their capabilities, whether by the organic route or through acquisitions. Inorganic growth can also be an effective way of entering new markets in an industry where it is typically difficult to dislodge an incumbent.

RPA continues to be an important theme, with clients becoming increasingly aware about what this technology can do for them. The theme of automation is expected to come to the forefront as more advanced forms such as cognitive automation gain traction among enterprises looking to stay ahead in a “digital-first” era.

## Scope and methodology

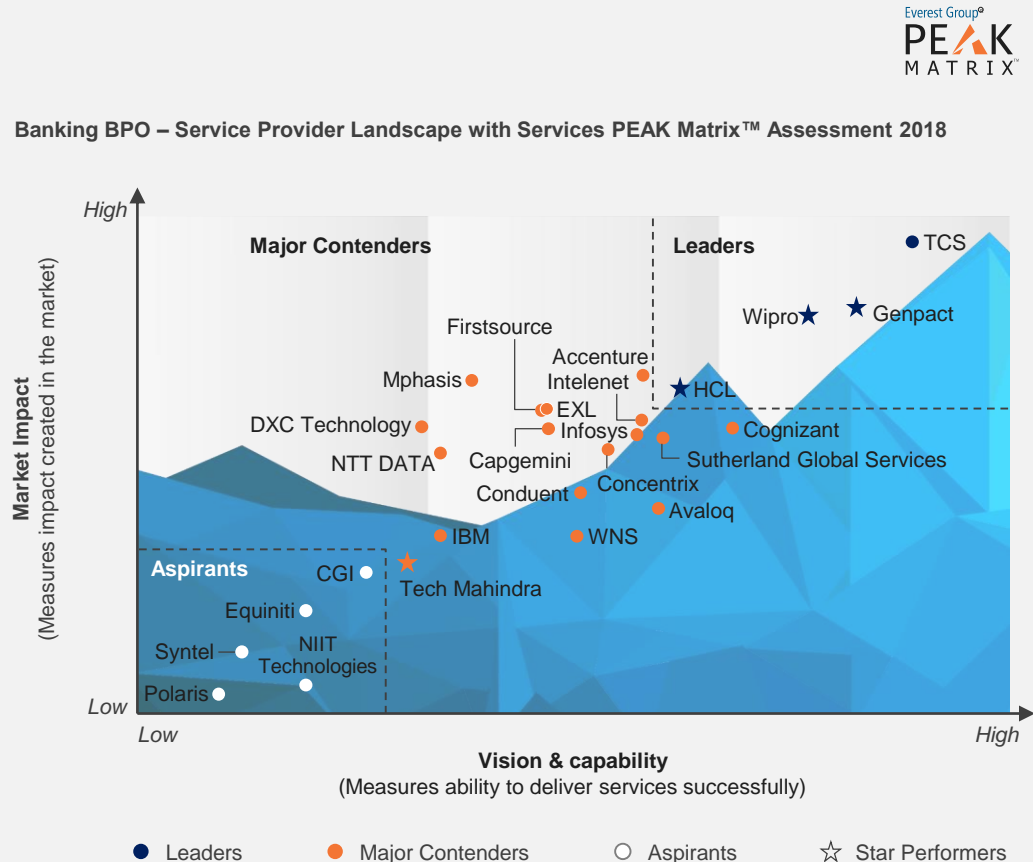
In this research, we analyze the global banking BPO service provider landscape. We focus on:

- The relative positioning of 26 service providers on Everest Group’s PEAK Matrix for banking BPO
- Analysis of service providers’ market share
- Service provider comments

# Summary of key messages (page 1 of 2)

## Everest Group PEAK Matrix for banking BPO

- Everest Group classifies 26 banking BPO service providers on the Everest Group PEAK Matrix into three categories of Leaders, Major Contenders, and Aspirants
  - Genpact, HCL, TCS, and Wipro are the Leaders
  - Major Contenders include Accenture, Avaloq, Capgemini, Cognizant, Concentrix, Conduent, DXC Technology, EXL, Firstsource, IBM, Infosys, Intelenet, Mphasis, NTT Data, Sutherland Global Services, Tech Mahindra, and WNS
  - CGI, Equiniti, NIIT Technologies, Polaris, and Syntel are the Aspirants on the PEAK Matrix for banking BPO
- Genpact, HCL, Tech Mahindra, and Wipro are identified as the “Star Performers” on the banking BPO PEAK Matrix for 2018, based on their strong performance during the period between 2016-2017
- While Leaders continue to maintain their superiority, competition is intensifying among the Major Contenders as the banking BPO industry matures



# Summary of key messages (page 2 of 2)

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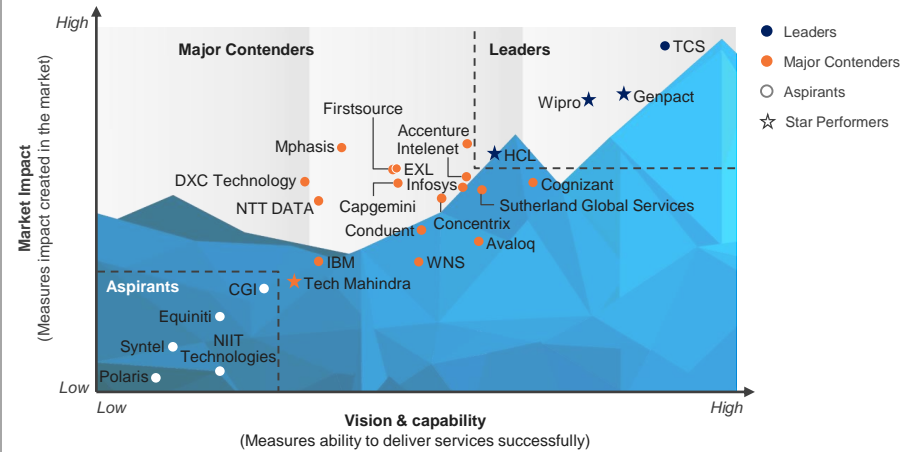
## Key insights on banking BPO service providers' market shares<sup>1</sup>

- Conduent, Genpact, and TCS are the three largest banking BPO service providers by revenue, whereas Conduent, Genpact, and Wipro have the largest number of clients
- HCL, NTT Data, and TCS together account for over 60% of the total growth (2016-2017) of the banking BPO market by revenue
- Genpact and TCS have a dominating presence across most banking BPO lines of business (LoBs)
  - While lending is the largest and most competitive segment, commercial banking has also been showing signs of robust growth
- North America remains the largest buyer geography for banking BPO by revenue; however, it is showing signs of maturing with growth more or less stagnant
  - United Kingdom shows high growth as well as high competitive intensity; continental Europe sees overwhelming traction for Avaloq

<sup>1</sup> Based on the responses of 17 banking BPO service providers

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

## Everest Group PEAK Matrix™ banking BPO

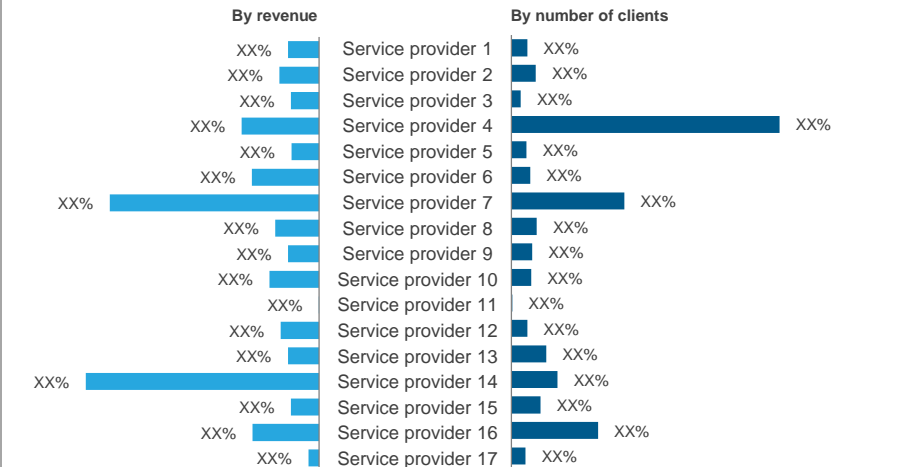


## Capability assessment

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	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	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	●	●	●	●	●	●	●	●	●

## Mix of digital technology leveraged by consumer banks



## Everest Group's remarks on service providers

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

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
●	●	●	●	●	●	●	●	●

### Strengths

- XXX has consolidated its position as a Leader by growing at an appreciable pace with high banking BPO revenue
- It has an extensive delivery footprint, making use of onshore, nearshore as well as offshore FTEs
- Its proven expertise in banking BPO and its ever-expanding suite of technology solutions, including its BaNCS solution, give it a compelling value proposition to pitch to clients

### Areas of improvement

- It can look at inorganic growth to achieve rapid growth in a mature market
- It can explore innovative pricing models such as outcome-based pricing
- Its focus on North America may become a hindrance in maintaining its growth rate as banking BPO in this geography matures



# 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
Mortgage BPO – Service Provider Profile Compendium 2018 .....	February 2018
<b>Banking BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018 .....</b>	<b>March 2018</b>
Capital Markets BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018 .....	Q3 2018

## Thematic BFS BPO reports

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
Broking Bad .....	March 2018

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# 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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## About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com).

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