Banking, Financial Services, & Insurance GICs: Gaining Status, Driving Results

Catalyst™
Market Report – December 2018: Complimentary Abstract / Table of Contents

EGR-2018-34-CA-2890

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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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Overview and abbreviated summary of key messages

India BFSI GICs

01

The BFSI sector in India has grown at a CAGR of ~4% over the last four years, with an average of four centers being set up every year

02

The U.S. is the largest buyer geography (~49%), followed by UK (~22%) and Rest of Europe (~19%)

03

The size of the majority of the BFSI GICs is 1,000 to 5,000 FTEs; while there are multiple banking GICs that have a scale >5,000 FTEs; in insurance, the evidence is limited

04

The majority of the BFSI GICs in India deliver both IT and Operations (58-63%) and only few GICs deliver predominantly IT services

05

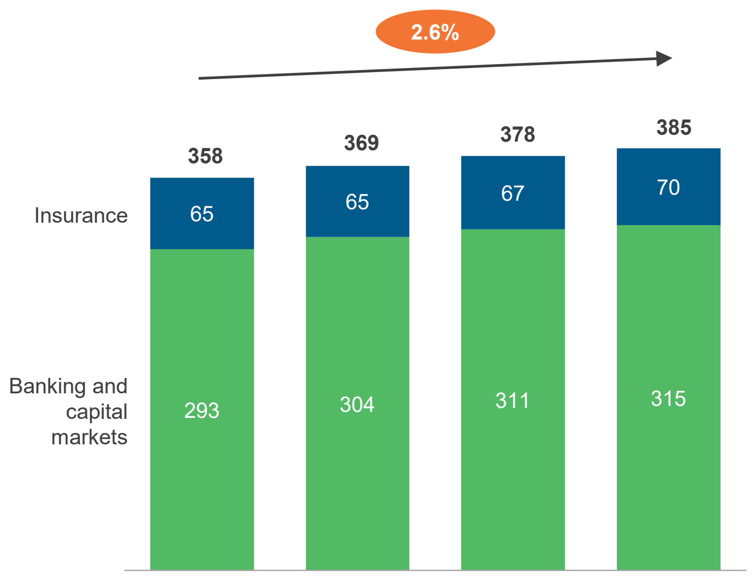
There are <10% GICs present in tier-2 locations; the majority of those present have an existing footprint in tier-1 locations

Source: Everest Group (2018)

This report offers three distinct chapters covering – Global BFSI GIC landscape, India BFSI GIC landscape, and emerging themes

Overview of Global BFSI GIC landscape

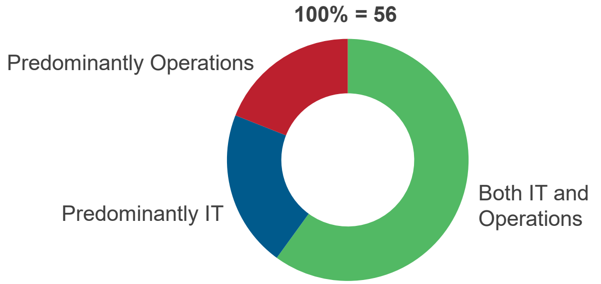
Number of leading BFSI GICs
2015 - H1 2018; Number of GICs



While the overall GIC market grew by 5 to 7% between 2015 and 2018, the BFSI sector has grown at a CAGR of 2.6% over last four years with the addition of 27 new centers since 2015

India BFSI GIC landscape

Distribution of India BFSI GICs by core capabililty
H1 2018; Number of unique GICs[2] (in percentage)



Within insurance GICs, the majority of the companies deliver both IT and Operations. Many of these GICs are now leveraging co-existence of Operations and IT to drive higher cross functional collaboration, and focus on business outcomes beyond arbitrage savings

Emerging themes

Cross-functional collaboration

Increasing in-sourcing in GICs

Building analytics team as a shared capability

Degree of global ownership as a new measure of value contribution

Research calendar – Catalyst™

Published | Planned | Current release

Flagship Catalyst reports	Release date
GIC Landscape Report: Delivery Landscape for Retail and Commercial Banking in GICs	June 2016
Global In-house Center (GIC) Landscape Report: The Philippines	December 2016
Global In-house Center (GIC) Landscape Annual Report 2017	March 2017
Global In-house Center (GIC) Landscape Annual Report 2018 – GICs Emerging as Innovation COEs for Global Enterprises	May 2018

Thematic Catalyst reports	
Small But Mighty: Corporate Functions Delivery from GICs	April 2017
United States Shared Services Landscape – Facing Digital Winds-of-Change in a Tight Labor Market	September 2017
Building a Workforce of the Future – Upskilling/Reskilling in Global In-house Centers	December 2017
Best Practices for RPA Implementation in GICs	December 2017
BFSI GICs: Orchestrating Their Way to Digital Growth	December 2017
Viewpoint | IT Skills of the Future	April 2018
Digital Maturity in GICs | Pinnacle Model™ Assessment 2018	May 2018
Engineering Services Global In-house Centers (GICs) In India	October 2018
Banking, Financial Services, & Insurance GICs: Gaining Status, Driving Results	**December 2018**
Innovation in GICs	Q4 2018
Extract – GIC Talent strategy | Pinnacle Model™ Assessment 2018	Q4 2018

Note: For a list of all Catalyst reports please visit the catalyst on our report portal

Additional Catalyst™ research references

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

1. **Global In-house Center (GIC) Landscape Annual Report 2018 – GICs Emerging as Innovation CoEs for Global Enterprises** (EGR-2018-34-R-2616); 2018. 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 2017. This has been compared with GIC activity for the previous two years, to bring forth key areas of differences.

2. **BFSI GICs: Orchestrating Their Way to Digital Growth** (EGR-2017-2-R-2515); 2017. While digital adoption has been part of the strategy of BFSI GICs for some time, its broad-based emergence in the past few years is offering a new and powerful tool to GICs to create compelling avenues for the next wave of productivity and value addition for their parent enterprises. During the period between 2015-2017, GICs, especially in the BFSI vertical, have made multiple rounds of investments to embrace digital technologies, recalibrate talent models, and foster a culture of innovation in their organizations. This report looks at the evolution of their journeys, current state of digital adoption, key challenges faced, and best practices adopted.

3. **Building a Workforce of the Future – Upskilling/Reskilling in Global In-house Centers** (EGR-2017-2-R-2499); 2017. Skills and competencies required by GICs to deliver services are changing rapidly. In addition to the need for different skills in the future, the talent challenges for GICs will intensify with the increasing automation of the existing services portfolio. As a result, GICs face the dual risks of a large existing workforce with multiple skills that are likely to become redundant, while struggling to find external talent with the skills required for the future. In this research, we surveyed senior leaders from 80+ GICs across leading offshore/nearshore locations to gather perspectives on nature of skills/competencies needed for the future, and the roles GICs can play to help address these changing skill requirements.

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