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Thematic Report | Catalyst™

Banking, Financial Services, and Insurance GBS Market Landscape Report

September 2021: Complimentary Abstract / Table of Contents

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Background and scope of the research

The GBS[1] / Global In-house Center (GIC) / Shared Services Center (SSC) market is valued at approximately US$214 billion. Presently, while global enterprises leverage different sourcing models to suit their objectives and requirements, the GBS model continues to be an integral component of the sourcing model, accounting for ~27% of the global services market. The Banking, Financial Services, and Insurance (BFSI) sector accounts for ~15% of the total number of GBS centers and employs the largest number of FTEs (~35%)

In this study, we analyze the offshore/nearshore BFSI GBS market and its impact on the BFSI industry. We focus on:

- Historic and current GBS market overview, along with a deep dive into two key delivery geographies: India and Nearshore Europe
- Number of GBS centers, total FTEs, new setup and expansion trends, distribution by parent and delivery geography, and distribution of key functions and subfunctions: Information Technology (IT) and Business Process Services (BPS), adoption of digital services (e.g., analytics, cybersecurity, and cloud), and value proposition of key delivery geographies
- Updated hybrid workways and other key themes that are defining and shaping the BFSI GBS market

The scope and methodology of this report includes:

The findings and insights based on Everest Group's proprietary GBS database of more than 3,500 offshore/nearshore GBS centers, updated quarterly with new setups, changes in existing GBS centers, divestitures, etc., based on our ongoing tracking and interactions with leaders of GBS organizations

Scope of this report:

Geography
High-level global overview with a deep dive into India and Nearshore Europe

Industry
BFSI

Services
BPS, IT, and digital services

1 Everest Group uses GBS as the preferred term for in-house setups, which are otherwise also referred to as Global In-house Centers (GICs), shared services, global capability centers, or captives

Overview and abbreviated summary of key messages

This report studies the nearshore/offshore Global Business Services (GBS) market landscape for the BFSI industry and offers an in-depth analysis of two key delivery geographies – India and Nearshore Europe. It provides insights on market size and growth trends, distribution of GBS centers by source and delivery geography and by function and sub-function delivered, and adoption levels of digital services. The study also discusses some key themes that are shaping the role that GBS organizations play

Some of the findings in this report, among others, are:

BFSI GBS market landscape

- As of H1 2021, the BFSI GBS market has expanded to 500+ centers and employs 600,000+ FTEs (accounting for the largest share of FTEs among all sectors)
- The US continues to be the biggest source geography for the BFSI GBS market, accounting for more than 40% of the total GBS centers; India and Nearshore Europe are the leading delivery geographies
- The majority of BFSI GBS centers are delivering a mix of IT and BP services. Adoption of digital services (cloud, cybersecurity, etc.) in GBS centers has accelerated across all delivery geographies

In focus: India

- India continues to be the most preferred BFSI GBS market destination (with 30% of market share)
- More than 60% of centers are multi-functional (delivering IT and BPS), with increasing evidence of enterprises using GBS for IT and other digital services (e.g., analytics, cloud, and cybersecurity)

In focus: Nearshore Europe

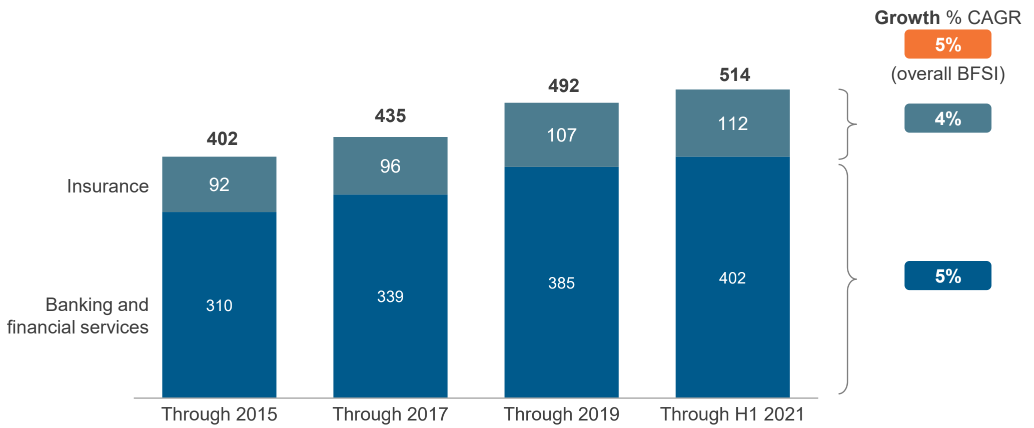
- Nearshore Europe is another key delivery geography, being greatly leveraged by Europe-based enterprises due to factors such as multi-lingual talent pool, proximity, and cultural affinity
- Poland, Ireland, and Scotland account for more than 50% of the total centers in Nearshore Europe

Key themes shaping the role of BFSI GBS organizations

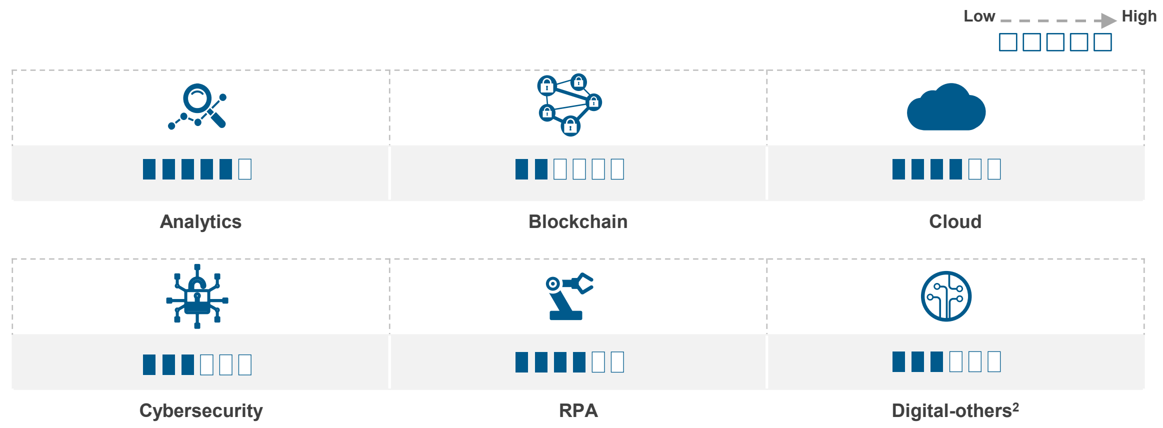
GBS organizations have restored the confidence vested in them by enterprises during the pandemic and continue to drive digital change initiatives; examples include taking a more proactive role in driving global ownership, adopting agility, enabling platform-led innovation, and addressing key talent challenges

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

BFSI offshore/nearshore GBS market (in terms of new center setups)



Adoption of digital services in BFSI offshore/nearshore GBS market



GBS value proposition for India and Nearshore Europe

India

- Cost arbitrage
- Sizable talent pool
- Ease of doing business
- Robust ecosystem for the services industry and for driving innovation

Nearshore Europe

- Multi-lingual
- Proximity
- Employability and retention
- Business environment

Key themes shaping the role of BFSI GBS organizations

Research calendar – Catalyst™

Published | Planned | Current release

Flagship Catalyst™ reports	Release date
Global In-house Center (GIC) Landscape Annual Report 2018 – GICs Emerging as Innovation CoEs for Global Enterprises	May 2018
Global In-house Center (GIC) Landscape Annual Report 2019 – Enterprises Insourcing IT Services to their GICs	July 2019
GBS State of the Market Report: Evolving Operating and Governance Models to Build GBS of the Future	March 2020
US Global Business Services Market Report	March 2021
GBS State of the Market Report: Top 2021 priorities for GBS	March 2021

Thematic Catalyst™ reports	Release date
GBS Cost and Performance Benchmarks Book	August 2020
State Of Adoption For Intelligent Automation (RPA++) In GBS Organizations	August 2020
Charting the Skilling Journey to Build the IT Services Talent of Tomorrow	August 2020
GBS Key Issues Report 2021	February 2021
The Role of Global Business Service (GBS) Organizations in the Automotive Industry	March 2021
Future of Work-From-Home in GBS | Separating Hype from Reality	March 2021
Banking, Financial Services, and Insurance GBS Market Landscape Report	**September 2021**
What is Next for GBS Automation CoE	Q3 2021
Role of Next-generation Technology in GBS Talent Management	Q3 2021
GBS 4.0 – Reimagining the GBS of the Future (GBS Without Borders)	Q4 2021

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