

Modernizing Core Operational Processes – Capital Markets State of the Market 2023

September 2023: Complimentary Abstract / Table of Contents



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- ▶ Process Mining
- ▶ Process Orchestration
- ▶ Procurement and Supply Chain
- ▶ Recruitment
- ▶ Retail and CPG Information Technology
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ SAP Services
- ▶ Service Optimization Technologies
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Focus of the research

An introduction to the themes explored in this report

The capital markets operations landscape is rapidly evolving as enterprises strive to meet the demands of a new generation of customers, reduce cost pressures in a recessionary environment, and adhere to regulatory changes. They are also building operational resiliency in the post-pandemic environment by formulating transformation strategies that create a digitally enabled value chain. The report sheds light on how enterprises are preparing to implement these transformational changes and how third-party providers are responding to these enterprise needs.

The report presents a comprehensive overview of the state of the market for capital markets operations, drawing on data collected through Everest Group's annual RFI process, interactions with leading banking operations service providers, client reference checks, and ongoing secondary analysis of the capital markets operations industry.

In this study, we investigate the state of the capital markets industry. We focus on:

- The current capital markets industry performance at a glance
- Priority areas and trends among enterprises
- Capital markets BPS industry overview
- Key emerging trends among capital markets BPS providers
- Capital markets operations service provider landscape

Scope of this report



Geography
Global



Industry
Banking and financial services



Services
Capital markets business process services



Use cases
Publicly available information and Everest Group resources

Overview and abbreviated summary of key messages

The report presents a comprehensive overview of the state of the market for capital markets operations, drawing on data collected through Everest Group's annual RFI process, interactions with leading banking operations service providers, client reference checks, and ongoing analysis of the capital markets operations industry.

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

Capital markets industry at a glance

- Global capital markets participants, including top banks, are facing margin strain amid inflationary headwinds, rising competition, financial market fluctuations, and lower performance fees
- Thus, enterprises are now focusing on CORE priorities of cost optimization, operational resilience, regulatory adherence, and expansion

Key enterprise priorities

- The wealth management industry as well as the traditional and alternative asset management industries are booming owing to a rise in demand from end customers. This has led to various enterprises expanding in newer markets through organic and inorganic routes
- Dampened M&A and IPO activity in the current scenario has affected the business for investment banks, leading them to cut costs
- The expected T+1 settlement system for US securities would lead to participants changing their operating models to fit into the newer cycle
- In order to build operational resilience, enterprises are replacing or modernizing their current operating systems

Buyer adoption trends

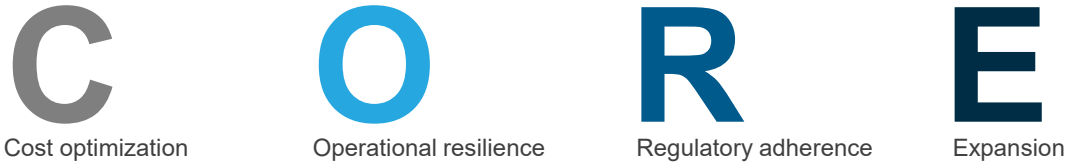
- The global capital markets BPS industry stood at about US\$3.5 billion in 2022, growing at a rate of 6-7% from 2021. It is expected to continue to grow at a similar rate of 6-7% for the next two years
- Buy-side enterprises such as asset and wealth managers, private equity, and hedge funds drove market demand. Geography-wise, North America continues to hold the bulk of the capital markets outsourcing revenue

Emerging trends within BPS

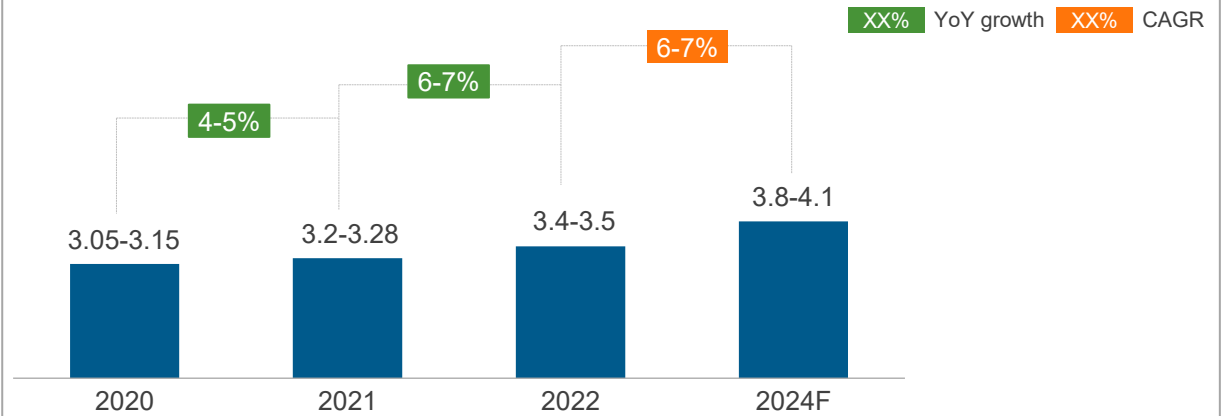
- For an accelerated scale up of consulting capabilities, providers are acquiring advisory firms specialized in the capital markets domain
- With generative AI increasingly becoming relevant, there are certain functions within capital markets operations where providers should strategize to enter in the near and medium term

This study offers seven distinct chapters providing a deep dive into key aspects of capital markets BPS industry; below are four charts to illustrate the depth of the report

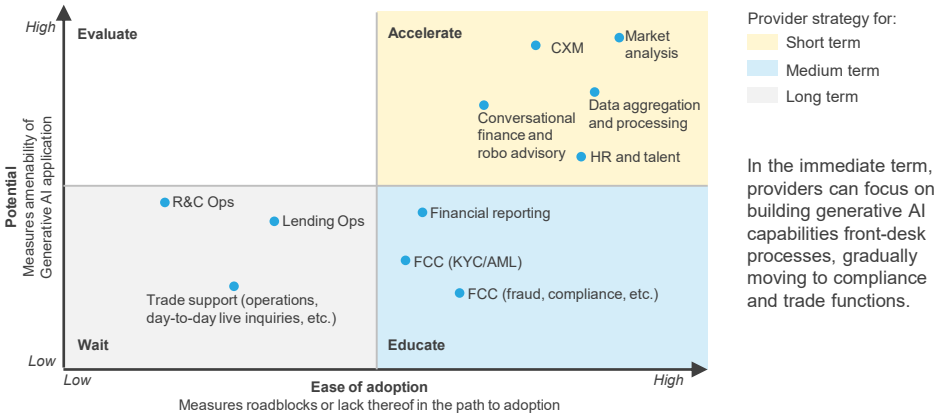
Focus areas for capital markets enterprises



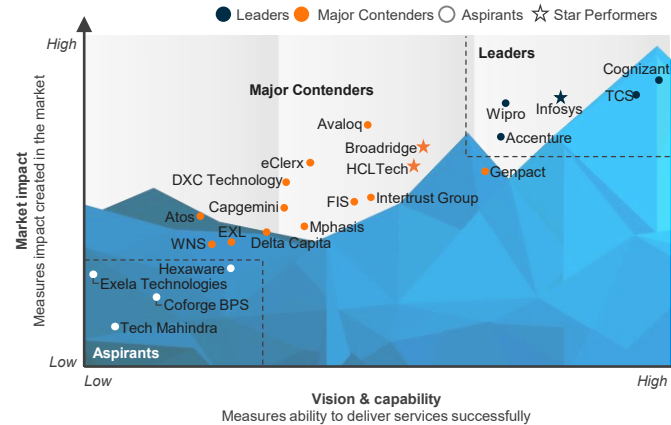
Capital markets BPS market size and growth



Service provider focus areas



Capital markets BPS provider landscape



Research calendar

Banking and Financial Services Business Process

Published Planned Current release

Reports title	Release date
Navigating the Regulatory Tightrope via End-to-End Solutions – Financial Crime and Compliance (FCC) State of the Market 2022	January 2023
Emerging Geographies' Specialized Banking, Mortgage, and Risk and Compliance Needs	February 2023
Capital Markets Operations – Services PEAK Matrix® Assessment 2023	March 2023
Disrupt or Be Disrupted: a Payments Outlook for the Digital Age	April 2023
The FinTech Industry's Outsourcing Needs	May 2023
Capital Markets Operations – Provider Compendium 2023	June 2023
BPS Top 50 – 2023	June 2023
Steering through Uncertainty: The Impact of Recent Bank Failures on Banking Enterprises and Business Process Services (BPS) Providers	June 2023
Weathering the Storm: A Roadmap to Navigate the Mortgage Downturn	June 2023
Banking Operations – Services PEAK Matrix® Assessment 2023	July 2023
Banking Operations State of the Market 2023	September 2023
Modernizing Core Operational Processes – Capital Markets State of the Market 2023	September 2023
Banking Operations Services Provider Compendium 2023	Q3 2023
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