

# Retail Banking BPS Market Assessment and Forecast

Market Analysis  
Summary

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## Who Is This Report For?

NelsonHall's "Retail Banking BPS Market Assessment and Forecast" report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within the retail and commercial banking industry
- Vendor marketing, sales and business managers developing strategies to target service opportunities within the retail and commercial banking industry
- Financial analysts and investors specializing in the retail and commercial banking sector.

## Scope of the Report

The report analyzes the global market for Retail Banking BPS services and addresses the following questions:

- What is the current and future market for Retail Banking BPS services?
- What is the size and growth of the Retail Banking BPS market by market segment?
- Within Retail Banking BPS services, which processes are emerging strongly?
- What are the market segments for Retail Banking BPS services and their characteristics? What are the drivers, benefits, and inhibitors for each segment? What are vendor capabilities by segment?
- What technologies and platforms are being utilized and what are the implications by market segment?
- What are vendor challenges and critical success factors by market segment?
- How vendors are positioned within each Retail Banking BPS market segment?
- Additional topics include: contract lengths; pricing models; partnerships; acquisitions; delivery center locations and the use of offshoring; vendor targeting by client size, geography, and industry.



## Key Findings & Highlights

RB BPS is a large scale, mature business with high adoption by tier 1 banks in mature markets, and low adoption by mid/small tier banks or all banks in emerging markets. Current adoption is from global banks, with single tower BPS engagements. Vendors are delivering elemental processes focused on disputes, reconciliation, and data management, from offshore centers.

The top drivers of retail banking BPS are:

- Mature markets: lack of market growth (i.e. new customers) has reduced ability to share overheads across larger revenue base. Banks look for support to harvest optimum value from a stagnant customer base. Also, younger customers (still a small part of the opportunity) prefer to engage banks in a non-legacy fashion, which requires non-bank support to implement
- Emerging markets: high cost of entry and variation across low volume markets drives the need for low cost third party support. Third party shared services amortize the costs of new market entry (and where possible provides local market knowledge) and aggregates volumes to benefit from scale.

Pricing is rapidly shifting from per FTE (~60% of market) to per transaction (~40% of market). Transaction pricing is preferred where a vendor provides capital based BPS (e.g. infrastructure, software, or network). RB BPS engagements are increasingly requiring ITS services, which use per FTE or fixed price methods.

## Contents

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1. Changing Shape of Retail Banking BPS Services
  2. Buy-side Requirements
  3. Market Size and Growth
  4. Vendor Market Shares
  5. Vendor Offerings & Targeting
  6. Vendor Challenges and Success Factors
  7. Appendix A: Service Definitions
  8. Appendix B: Vendor Details
  9. Appendix C: Key Regulations
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## Report Length

88 pages, consisting of 6 chapters and 3 Appendices

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