



# Retail Banking BPO Assessment and Forecast

Report Abstract

May 2013  
[www.nelson-hall.com](http://www.nelson-hall.com)





## Who Is This Report For?

“Retail Banking BPO Market Assessment and Forecast” is a comprehensive market analysis report designed for:

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

## Scope of the Report

The report analyzes the worldwide market for retail banking BPO and addresses the following questions:

- What is the current and future market for retail banking BPO services?
- What are the client segments for retail banking BPO services and their characteristics? Also, what are the drivers, benefits and inhibitors for each segment?
- What is the size and growth of the retail banking BPO market by client segment, geography, service line, activity and sector?
- How did spending grow in 2012 and how will it increase in 2013 and onwards?
- Where is delivery organized and located?
- How is the market organized? Who are the main vendors? How can they be assessed and compared? What are the criteria to assess the service offering, delivery organization and IP of the different vendors?
- What are vendor challenges and critical success factors by market segment?
- Additional topics include: contract lengths; pricing models; partnerships; acquisitions; delivery center locations and the use of offshoring; and vendor targeting by client size, geography, and industry.



## Key Findings & Highlights

Retail banking BPO had a weak 2012, with almost no growth over 2011. However, retail banking BPO will grow more rapidly over the next five years as compliance requirements are defined, necessitating aggressive cost reduction and changes in business models.

As a result of changing regulations and cost pressures coming out of the global recession, retail banks need to change their management of operational processes. Banks are looking for help in rebuilding their retail banking operational capabilities to address the current market realities. NelsonHall is seeing significant demand from global financial institutions, particularly in countries and regions where costs are high (mature markets) or volumes are low (emerging markets).

The changes in the retail banking industry necessitate combined technology and BPO changes that drive down the cost of individual transactions at the sub-process level at any volume. Transaction products (e.g. payments) are migrating from traditional types (e.g. checks) to electronic types, which are lower in cost and require very low-cost execution (including with reconciliations and disputes) to be competitive. Entrance into emerging economies, for in-country delivery, requires a “mass customization” of global standardization of process delivery at the sub-process level (~70% of overall process), and in-country customization for remaining processes (~30% of process). Rapidly-changing compliance requirements are expensive, but costs can be amortized across industry participants if addressed by third-party vendors who apply across multiple clients.

## Contents

1. The Changing Shape of Retail Banking BPO Services

---

2. Buy-side Requirements

---

3. Market Size and Growth

---

4. Vendor Market Shares

---

5. Vendor Offerings and Targeting

---

6. Vendor Challenges and Success Factors

---

- Appendix A – Service Definitions

---

- Appendix B – Vendor Details

---

## Vendors Researched

Cognizant, CSC, EXL, Firstsource, FIS, Fiserv, Genpact, HCL Technologies, HP Services, IBM Global Services, iGate, Infosys, TCS, Wipro, Xerox and WNS.

## Report Length

76 slides, consisting of 6 chapters and 2 Appendixes.

## Report Author

Andy Efstathiou

[andy.efstathiou@nelson-hall.com](mailto:andy.efstathiou@nelson-hall.com)