



Everest Group PEAK Matrix™ for Banking BPO Service Providers

Focus on Genpact
September 2016



Everest Group recently released its report titled “[Banking BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016](#)”. This report analyzes the changing dynamics of the banking BPO landscape and assesses service providers across several key dimensions.

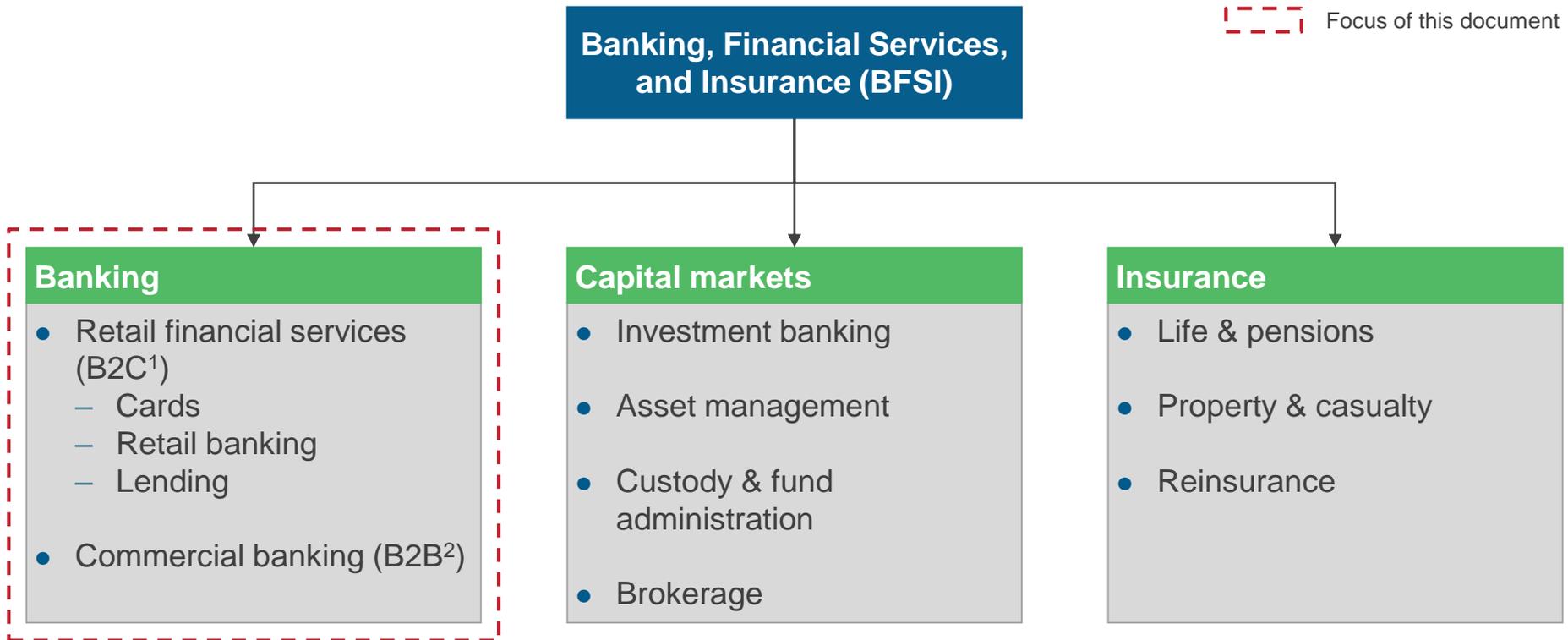
As a part of this report, Everest Group updated its classification of 24 service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for banking BPO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of banking BPO service providers based on their absolute market success and delivery capability.

Based on the analysis, **Genpact emerged as a Leader and a Star Performer**. This document focuses on Genpact’s banking BPO experience and capabilities. It includes:

- Genpact’s position on the Everest Group banking BPO PEAK Matrix
- Detailed banking BPO profile of Genpact

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Everest Group's definition of BFSI includes the following three segments



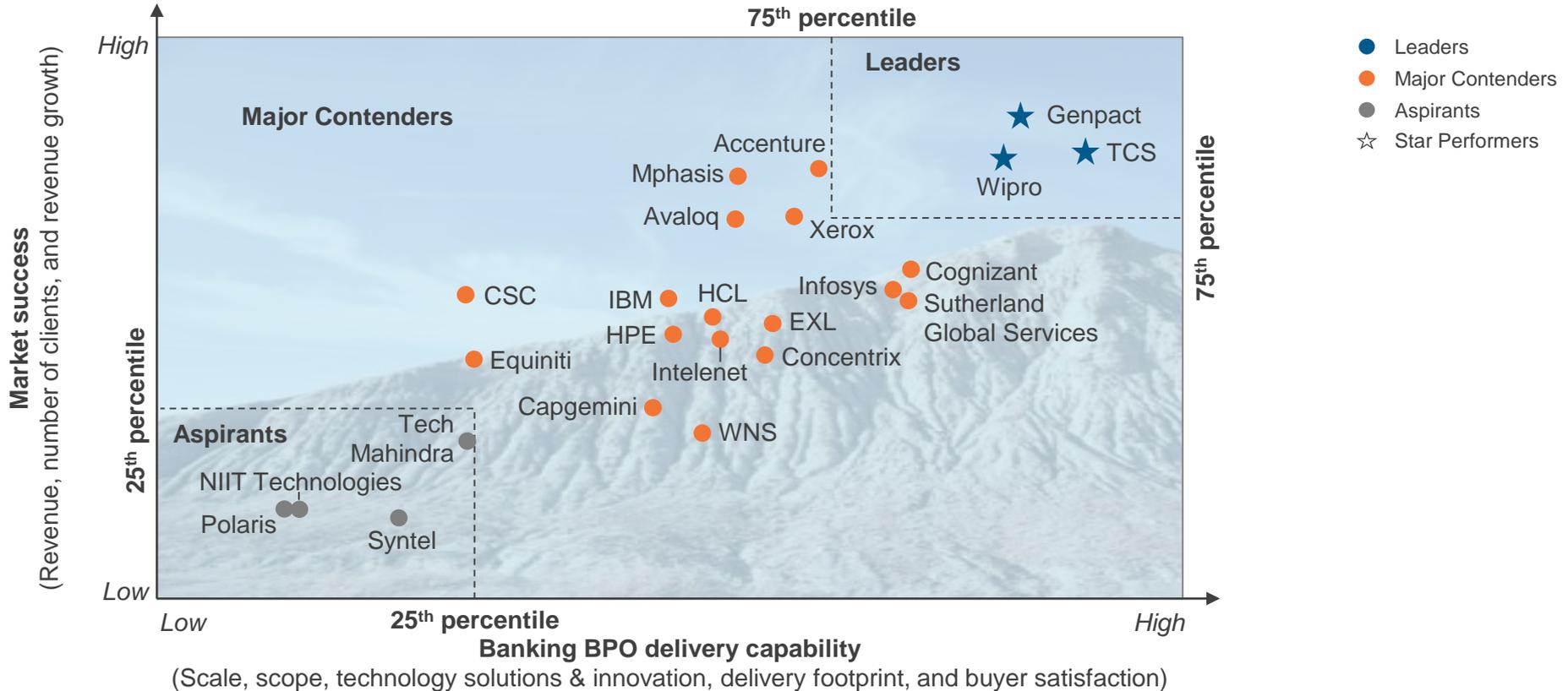
Note: This report covers vertical-specific BPO within the banking space. It does not include coverage of horizontal business processes such as F&A, HR, procurement, and contact centers

1 Business-to-Consumer relationships
2 Business-to-Business relationships

Everest Group PEAK Matrix – 2016 banking BPO market standings

Performance | Experience | Ability | Knowledge

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for Banking BPO¹



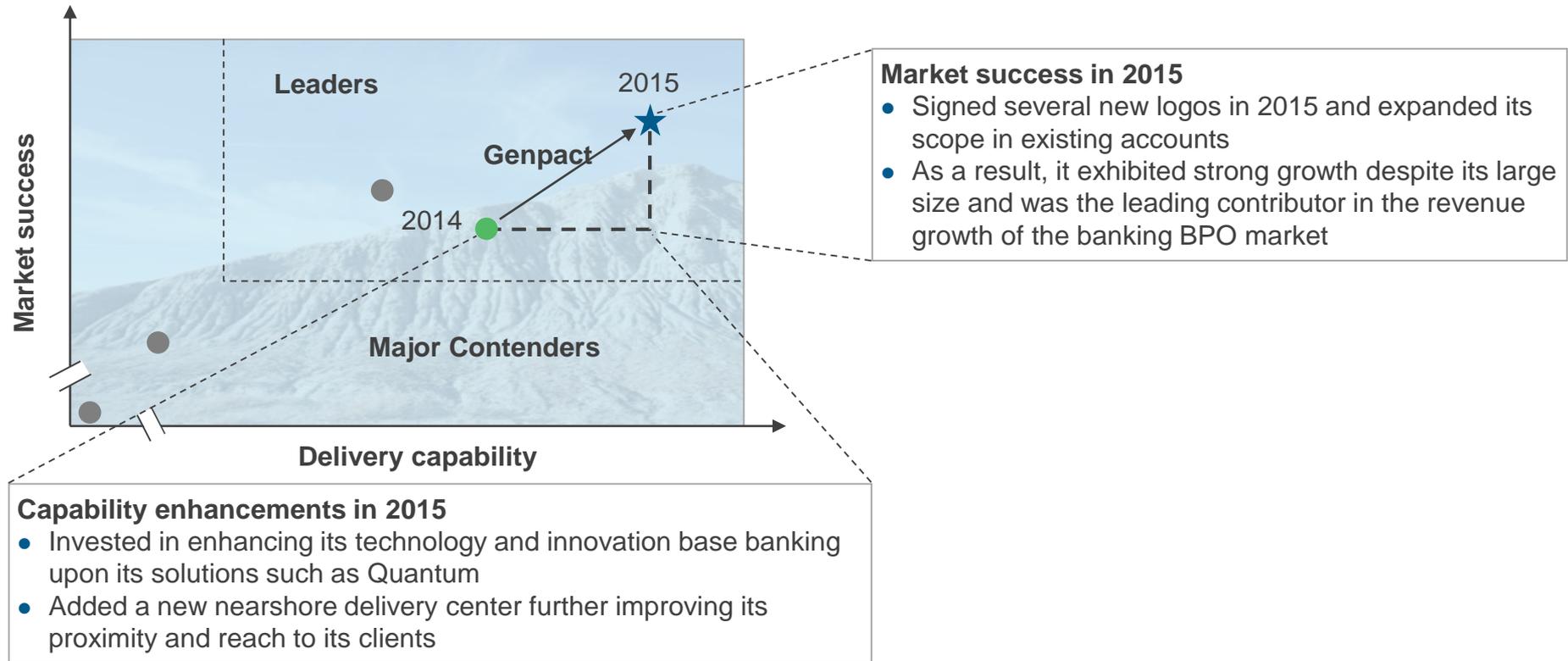
¹ Service providers scored using Everest Group's proprietary scoring methodology

Note: Assessment for Accenture, Equiniti, HPE, IBM, Mphasis, NIIT Technologies, and Polaris excludes service provider inputs on this particular study, and is based on Everest Group's estimates which leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage, service provider public disclosures, and interaction with buyers

Source: Everest Group (2016)

Genpact is a banking BPO Star Performer based on strong forward and upward movement over time on the Everest Group PEAK Matrix

Change in Genpact's positioning on the Everest Group PEAK Matrix for banking BPO



Source: Everest Group (2016)

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Everest Group assessment¹

Measure of capability:  Best-in-class  Not mature  Leaders  Major Contenders  Aspirants

Delivery capability						Market success
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	
						

Strengths

- One of the largest providers in banking BPO by scale, Genpact secured the title of Leader on the Everest Group PEAK Matrix
- With substantial investments on the people front backing it up and on making the highest number of new logo acquisitions in the segment, Genpact also secured the title of “Star Performer”
- A diversified scope, with special focus on the highly relationship-driven commercial banking segment, allows Genpact to maintain a healthy stream of work and compete across the entire market
- With end-to-end mortgage originations and commercial lending platforms, Genpact is well-positioned to serve some of the largest market players in the BPO space

Areas of improvement

- While a heavy offshore delivery enables Genpact to keep its costs down and deliver better on some of the buyers’ basic drivers for outsourcing, investment in onshore talent can help the provider move up the value chain and outscore on the value-added services too
- As most banks have internal platforms, requirements for augmentation solutions in the industry is on the higher side. By developing more offerings on these lines, Genpact can stand to improve its market positioning as well as sign up a lot more technology-driven deals
- High dependency on people leaves Genpact slightly susceptible to emerging technology trends. Proactively migrating clients to technology-heavy delivery solutions can help safeguard against the IT-heavy players

¹ Based on contractual and operational information as of 2015
 Source: Everest Group (2016)

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Banking BPO – overview

Company overview

Established in 1997, Genpact offers business process management, outsourcing, technology services, and shared services. It leverages its unique Smart Enterprise Processes (SEP) framework to solve client problems at multiple vertical levels.

Key leaders

- “NV” Tiger Tyagarajan – President & Chief Executive Officer
- Mohit Thukral – Senior Vice President & Business Leader, BFSI
- Neeraj Gera – Senior Vice President & Chief Operations Officer, North America Banking
- Anish Mukker – Senior Vice President & Chief Operations Officer, Europe and Australia
- Sanjay Srivastava – Senior Vice President & Chief Digital Officer

Headquarter: New York, United States

Website: www.genpact.com

Suite of services

- Retail banking - Multi-channel customer acquisition & service, mortgage services, wealth management, and AML-KYC
- Commercial banking - Asset finance and business banking
- Risk services
- Analytics services
- Finance & accounting
- IT services

	2013	2014	2015
Revenue (US\$ million)	N/D ¹	420-450	485-515
Number of FTEs	15,000	15,500	16,500
Number of clients	63	79	91

Recent acquisitions and partnerships

- **2015:** Partnership with Arria NLG, a company that provides real-time advanced data analysis and insights
- **2015:** Partnership with RAGE Frameworks, a provider of advanced natural language processing, to provide advanced solutions in multi-system reconciliation, financial statement spreading, and investment research
- **2015:** Acquired Endeavour Software Technologies, a mobile digital solutions provider focused on middle and back office

Recent developments

- Enhanced platform development to integrate bundled inbound servicing BPO and customer experience analytics with CRMS Tools and mobile enablement with integration across channels
- Established a platform LoanPath Credit Management that makes application, underwriting, and approval processes more flexible and efficient to meet client expectations and budgetary objectives

¹ Not disclosed

Source: Everest Group (2016)

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Banking BPO – key delivery locations



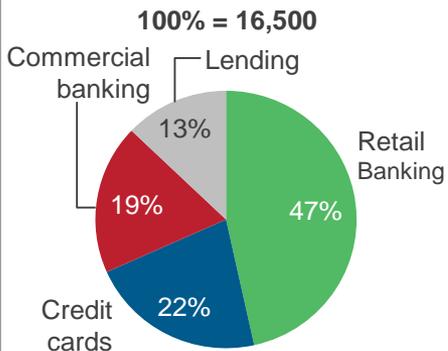
Source: Everest Group (2016)

Key banking BPO engagements

Client name	LoB ¹	Region	Client since
De Lage Landen	Lending	Europe and Asia Pacific	2013
Suncorp	Retail banking	Asia Pacific	2011
Prologis	Lending	Asia Pacific, Europe, and North America	2010
ICICI bank	Retail banking	Asia Pacific	2008
NAB	Retail banking	Asia Pacific and United Kingdom	2007
CITI group	Cards	North America	2007
Westpac	Lending and retail banking	Asia Pacific	2006
General Electric	Multiple	North America	2001

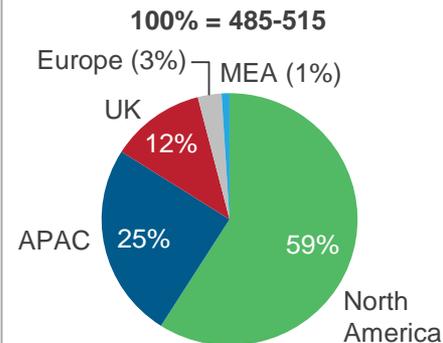
Banking BPO FTE mix by segment

FTEs in numbers



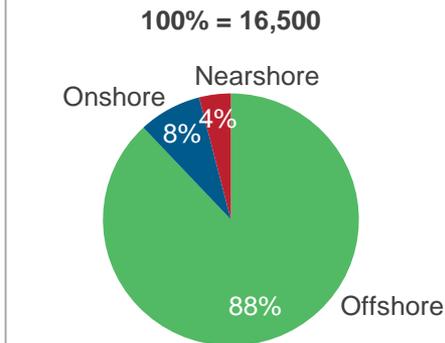
Banking BPO revenue mix by geography

Revenue in US\$ million



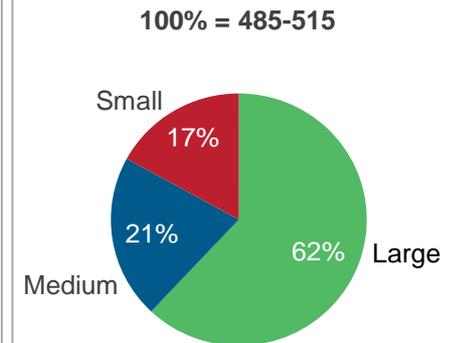
Banking BPO FTE split by delivery location

FTEs in numbers



Banking BPO revenue mix by buyer size¹

Revenue in US\$ million



1 Buyer size is defined as large (>US\$10 billion in revenue), medium (US\$5-10 billion in revenue), and small (<US\$5 billion in revenue)

Note: Based on contractual and operational information as on December 2015

Source: Everest Group (2016)

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Banking BPO – technology solutions/tools

Application	LoB	Year launched	Description	No. of BPO clients
Quantum	Lending	2016	An end-to-end high net worth and component-based loan origination system	4
GENFAST	Commercial banking and lending	2016	A machine assisted financial spreading, analysis, and credit write ups system	N/A ¹
Integrated multi-channel customer management solution	Cards and retail banking	2015	A solution offering a single platform for agents across multiple communication modes with a modular architecture and common business logic across channels	1
Monitor	All	2014	An integrated model risk management and governance platform. In line with OCC, SR 11-7, and BASEL guidelines for model risk management	N/A
Risk Focal	Commercial banking and lending	2014	A business intelligence tool for credit risk management	N/A
Lease management platform	Commercial banking	2011	BPM and technology services-as-a-service. Complete back office-in-a-box in a BPaaS model for asset finance customers	N/A
Atyati (GANASEVA)	Cards, lending, and retail banking	2008	GANASEVA is an end-to-end banking platform supporting rural and semi urban branches, including: <ul style="list-style-type: none"> • Customer acquisition including KYC and Aadhaar-based E-KYC • Servicing a range of banking products, both on asset and liability side • Branchless banking • Backend accounting including interest calculation, NPA processing, etc. 	10

¹ Not Available

Source: Everest Group (2016)

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Banking BPO – technology solutions/tools

Application	LoB	Year launched	Description	No. of BPO clients
3P (GRADE) - commercial lending & leasing origination platform	Commercial banking, lending, and retail banking	2005	<p>An end-to-end commercial lease origination and BPaaS solution implementing GRADE as the origination system, integrated with InfoLease/Leaseware for servicing, and supported by BPM services for running operations as:</p> <ul style="list-style-type: none">• Global asset and residual valuation for multiple business units• End-to-end small business loan origination from an application in a branch for booking including real time integrations for bureaus, scoring, back office systems, data warehouse, document generation, and compliance	3P (GRADE) - commercial lending & leasing origination platform

Source: Everest Group (2016)

Risk management support	Details	No. of BPO clients
Credit risk	<ul style="list-style-type: none"> To manage services in areas of financial spreading and analysis, underwriting support, portfolio monitoring, credit reviews, covenants tracking, risk rating, and others. Provide advisory services for credit risk function redesign, operating model strategy, process improvements, and overall credit risk function effectiveness using Genpact proprietary Smart Enterprise Processes (SEP) and lean six sigma principles 	14
Operations risk	<ul style="list-style-type: none"> Develop target operating model for the framework of controls improvement program and supporting the client in preparation for upcoming regulatory review Assurance of clients compliance plans to assess regulatory obligations adherence 	7
Market risk	<ul style="list-style-type: none"> For a global SIFI, helped to setup risk analytics in market risk, counterparty credit, and balance sheet management For a global investment bank, running model validation as a program for trading models, equity arbitrage, and economic capital model 	8
Regulatory risk	Provide controls assurance to an Australian bank in the areas of life insurance, general insurance, and superannuation	15
Compliance risk	Development of compliance framework with alignment to operations risk and enterprise risk management. It included enhancement and enrichment of enterprise risk and controls library including the compliance and financial risk	5
Liquidity risk	Helps to set up the liquidity risk data management program including liquidity risk data dictionary and creating business rules for data quality. It also runs a data quality as managed services and is currently engaged with reporting support for liquidity for the same client	1

Source: Everest Group (2016)

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Banking BPO – risk management and regulatory reporting

Regulatory reporting support	List of regulations	Description	No. of BPO clients
U.S. regulations	Regulation SHO, stock due, CIP, Federal reporting, CFPB, OCC, FDIC, HUD, federal reserve, Dodd-Frank, SAFE, state regulators, CCAR, DFAST, and BCBS 239	Trade-related and non-trade-related short positions in an account are checked and monitored to ensure compliance with regulations. <ul style="list-style-type: none"> Evaluating risk to on AML regulatory Provide support to banks and firms to comply with regulatory requirements such as BASEL, CCAR, heightened expectations, ALLL, and other business requirements 	8
UK regulations	FCA regulated, HMRC, CMAR, ISA, S17/S18, EUSD, R63N, SA, APSS, P45s, P60s, and PRA	Provides full data provision for reporting and returns to regulators and bodies such as HMRC. This includes production of reports/returns such as CMAR	4
EU regulations	N/A ¹	Genpact is subject to all Europe and UK applicable legislations in respect of employment, data protection, etc.	N/A
Local regulations	APRA (Australia), AUSTRAC (Australia), ASIC (Australia), ABS, RBA, DAFF, and APCA	Regulation reporting to 15 regulators & associations	4

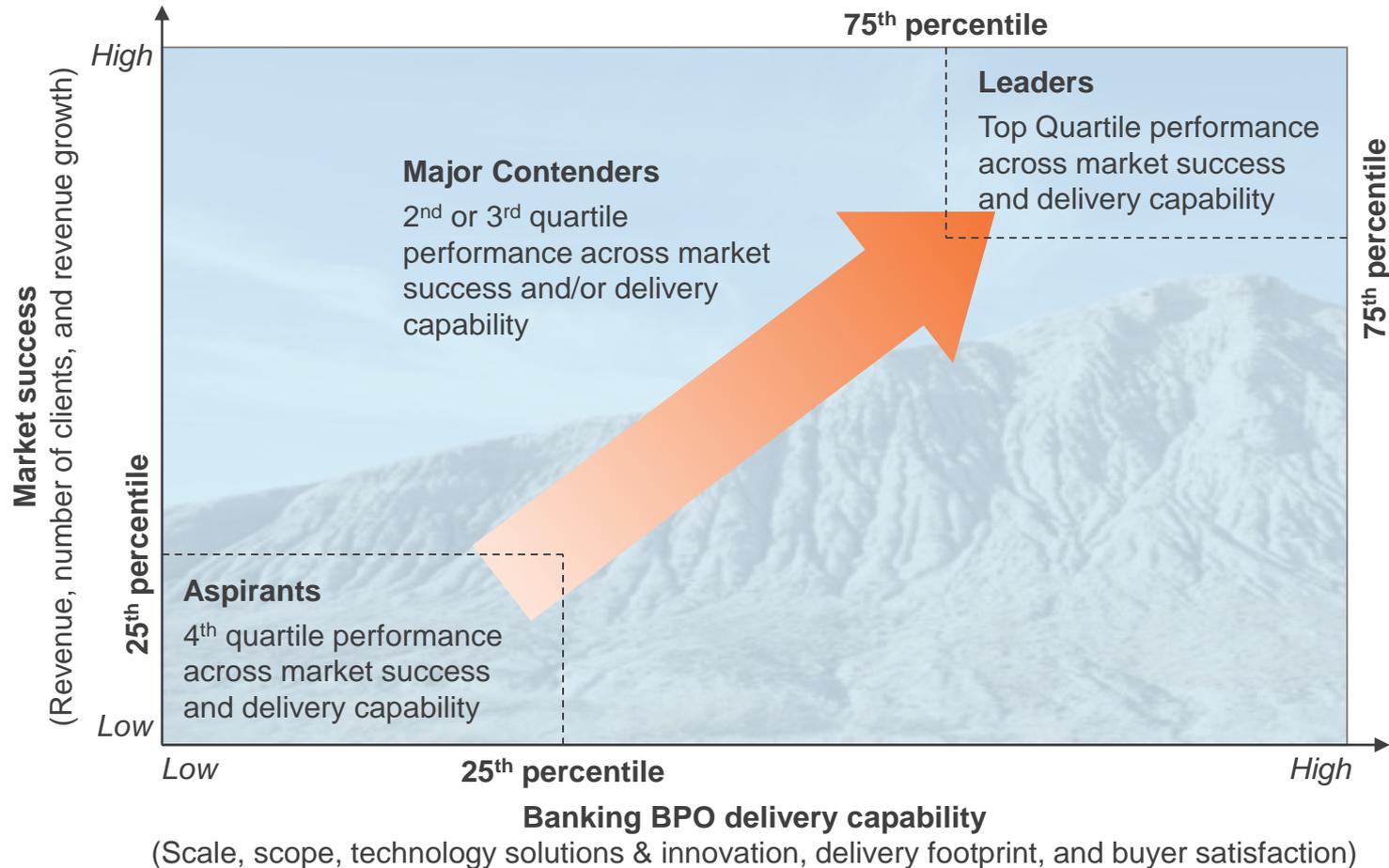
¹ Not Applicable

Source: Everest Group (2016)

Appendix

Everest Group classifies the banking BPO service provider landscape into Leaders, Major Contenders, and Aspirants on the Everest Group PEAK Matrix

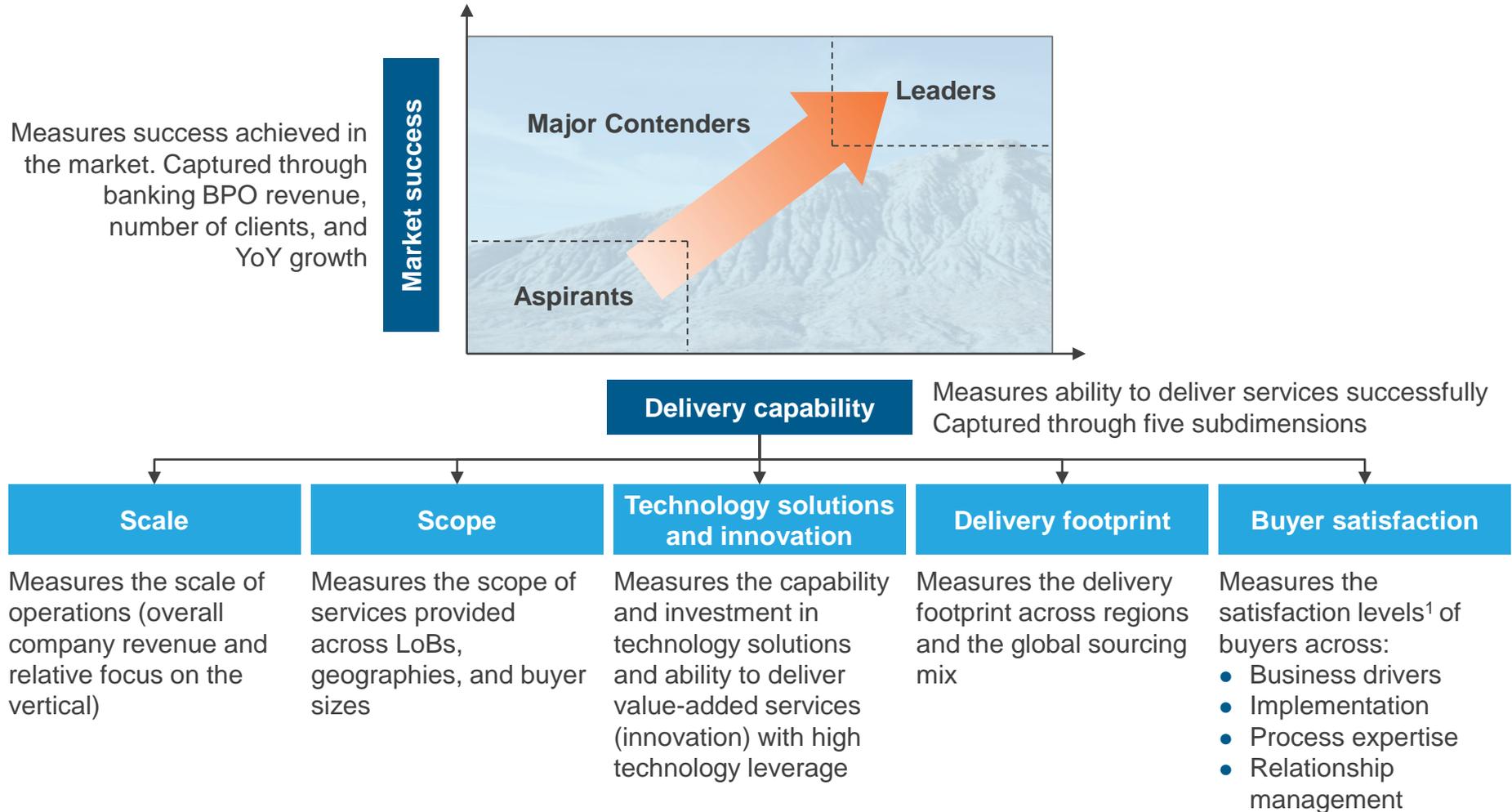
Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix¹ for banking BPO



¹ Service providers scored using Everest Group's proprietary scoring methodology

Source: Everest Group (2016)

Service providers are positioned on PEAK Matrix based on evaluation across two key dimensions

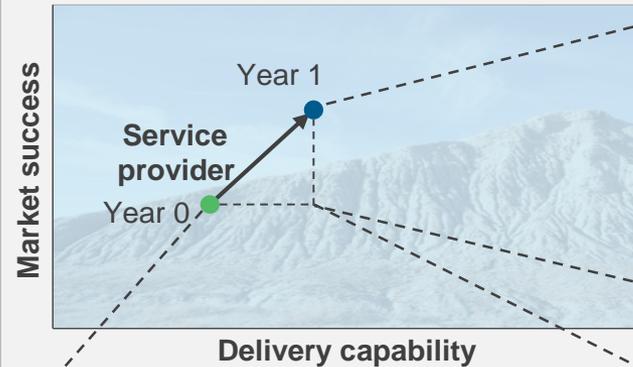


¹ Measured through responses from referenced buyers for each service provider
 Source: Everest Group (2016)

Additionally, Everest Group confers the “Star Performers” title on the providers that demonstrate the strongest forward movement over time on the PEAK Matrix

Methodology

Everest Group selects Market Star Performers based on the relative YoY movement of each service provider on the PEAK Matrix



Market success dimension

In order to assess advancements on market success, we evaluate the performance of each service provider on the PEAK Matrix across a number of parameters including:

- Yearly ACV growth
- Number of new contract signings
- Value of new contract signings

Delivery capability dimension

In order to assess advancements on capability, we evaluate the performance of each service provider on the PEAK Matrix across a number of parameters including:

- Annual growth in scale
- Increase in scope of services
- Expansion of delivery footprint
- Technology/domain-specific investments

The top quartile performers on each of the specified parameters are identified and the “Star Performer” title is awarded to the service providers with:

- The maximum number of top quartile performances across all of the above parameters, and
- At least one area of top quartile performance advancement in either of the dimensions

**2016 banking BPO
 Star Performers**

The “Star Performers” title relates to YoY performance for a given service provider and does not reflect the overall market leadership position. Those identified as “Star Performers” may include “Leaders”, “Major Contenders”, or “Aspirants”

Does the PEAK Matrix assessment incorporate any subjective criteria?

- The Everest Group's PEAK Matrix assessment adopts an objective and fact-based approach (leveraging service provider RFIs and the Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated/fine-tuned based on our market experience, buyer interaction, and provider briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix an unfavorable outcome?

- No. PEAK Matrix highlights and positions only the best-in-class service providers in a particular functional/vertical. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is in itself a favorable recognition

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

- The PEAK Matrix position is only one aspect of the Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric level assessment and associated commentary is helpful to the buyers in selecting particular providers for their specific requirements. It also helps providers showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to the PEAK Matrix research?

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

What is the process for a service provider to leverage their PEAK Matrix positioning status ?

- Providers can use their PEAK Matrix positioning in multiple ways including:
 - Issue a press release declaring their positioning/rating
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from the Everest Group’s analysts could be disseminated to the media
 - Leverage the PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- **The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated PoC at Everest Group**



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empowers clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com and research.everestgrp.com.

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-647-557-3475

London

unitedkingdom@everestgrp.com
+44-207-129-1318

Delhi

india@everestgrp.com
+91-124-284-1000

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