



Everest Group PEAK Matrix™ for Capital Markets BPO Service Providers

Focus on Wipro
August 2016



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

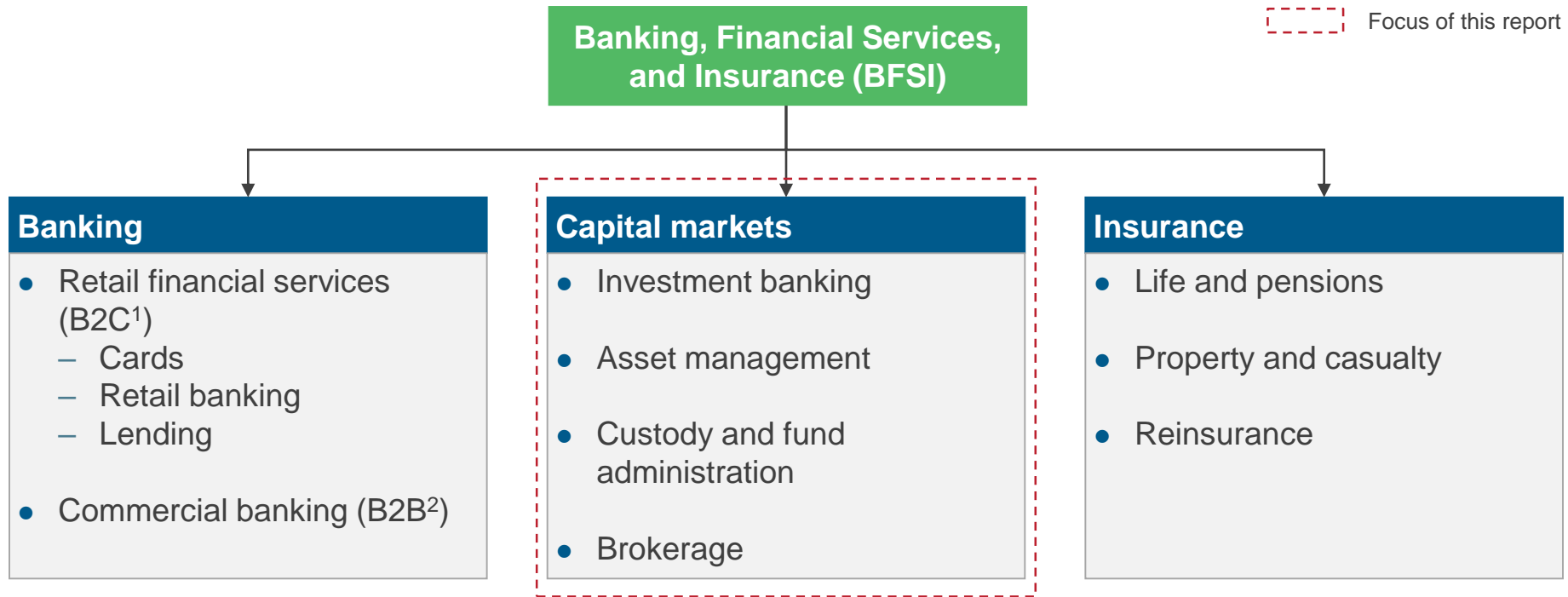
As a part of this report, Everest Group updated its classification of 19 service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for capital markets BPO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of capital markets BPO service providers based on their absolute market success and delivery capability.

Based on the analysis, **Wipro emerged as a Leader**. This document focuses on Wipro’s capital markets BPO experience and capabilities. It includes:

- Wipro’s position on the Everest Group capital markets BPO PEAK Matrix
- Detailed capital markets BPO profile of Wipro

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 & 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 capital markets space. It does not include coverage of horizontal business processes such as F&A, HR, procurement, and contact centers

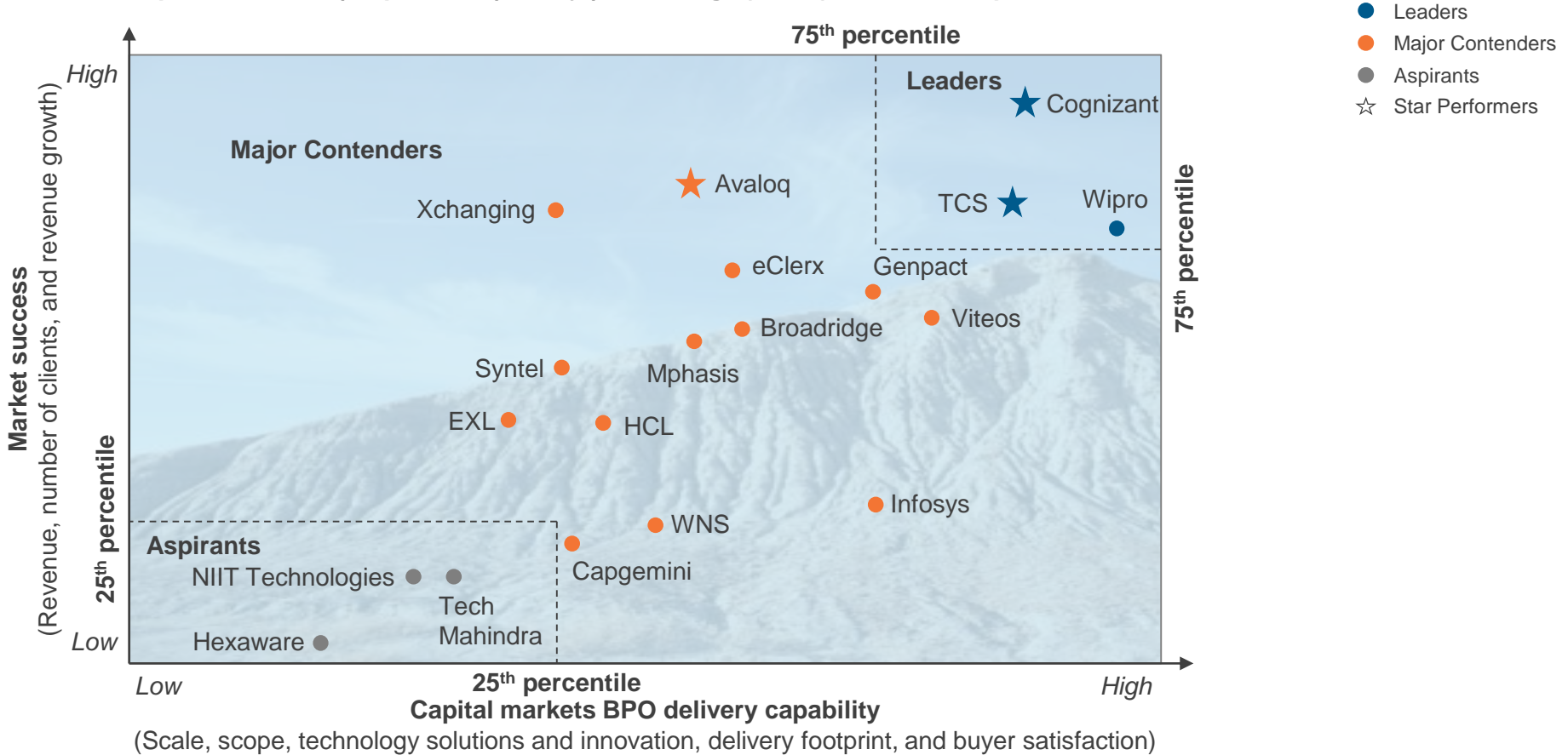
1 Business-to-Consumer relationships

2 Business-to-Business relationships

Everest Group PEAK Matrix – 2016 capital markets BPO market standings

Performance | Experience | Ability | Knowledge

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



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

Note Service provider assessments are based on data collected through December 31, 2015. Any changes in capabilities due to M&A activity after this date are not reflected in the current analysis

Source: Everest Group (2016)

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

- Backed by its strong set of capabilities across scope and delivery dimensions, Wipro is a Leader on the Everest Group Capital markets PEAK Matrix
- It has got a varied presence across several markets and holds a sizable market share in various geographies
- Driven by a healthy mix of delivery locations, Wipro is well-suited to cater to buyers across multiple geographies
- In addition, its continued efforts to drive utility-based offerings can be a major growth engine for the future, if successful

Areas of improvement

- Relationship management has been a key lever, where buyers continue to expect more from Wipro
- Creating cross-selling opportunities across its process expertise and BPaaS capabilities can help Wipro achieve more ambitious growth targets
- Its current client base comprises mostly large-sized buyers and it needs to broaden its buyer relationships by cultivating a pool of small- and medium-sized buyers as well

¹ Based on contractual and operational information as of 2015

Source: Everest Group (2016)

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Capital markets BPO – overview

Company overview

Wipro is an IT, consulting, and outsourcing services provider. In addition to the wide array of IT services, it also offers business process services through Wipro BPO. Wipro has a workforce of over 173,000 and serves clients in more than 175 cities across six continents

Key leaders

- Azim H. Premji – Chairman
- T. K. Kurien – Executive Vice Chairman
- Abidali Neemuchwala – Chief Executive Officer
- Nagendra Bandaru – Global Head, Business Process Services (BPS)
- Sandeep Kumar – Business Head, Capital Markets

Headquarter: Bengaluru, India

Website: www.wipro.com

Suite of services

- Reference data management
- KYC² and client onboarding
- Reconciliations
- Risk management
- Regulatory reporting
- Clearing and settlement
- Brokerage, clearing, and exchange fees processing
- Asset servicing (including corporate actions)
- Syndicated loans processing
- Middle-office functions
- Fund services

	2013	2014	2015
Revenue (US\$ million) ¹	N/D ¹		
Number of FTEs	2,800	4,050	4,900
Number of clients	8	14	18

Recent acquisitions and partnerships

- **2015:** Acquired HealthPlan services, a technology and process-as-a-service provider in the U.S. health insurance market
- **2015:** Partnership with GoldenSource, a provider of data management solutions to the securities and investment management industry
- **2015:** Partnership with RPA third-party providers such as Automation Anywhere, Openspan, and BluePrism
- **2015:** Acquired Designit, a global strategic design firm specializing in designing transformative product-service experiences
- **2015:** Acquired Cellent AG, a leading IT consulting and software services company

Recent developments

- **2014:** Launched Artificial Intelligence (AI) platform HOLMESTM, leveraging it for its e-KYC² solution
- **2014:** Launched Center of Excellence (CoE) focused on building domain expertise, best practices, quality framework, and focused solutions in capital markets

¹ Not disclosed

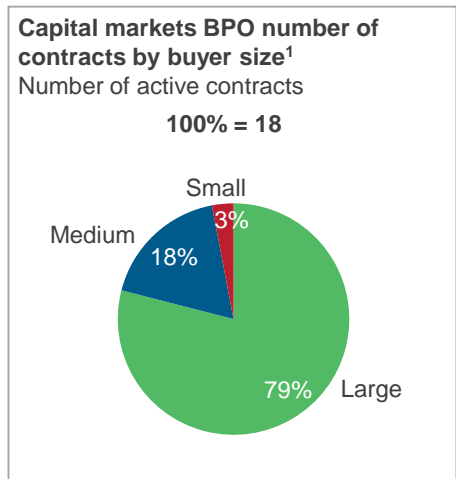
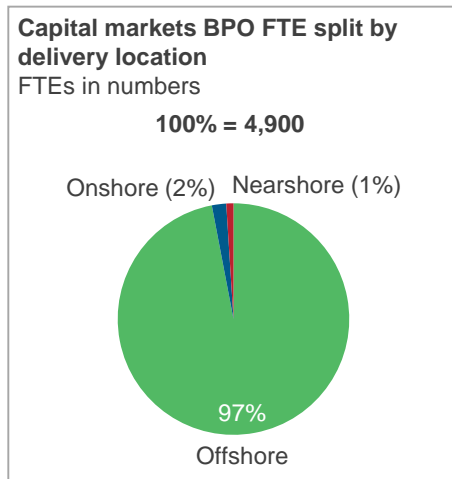
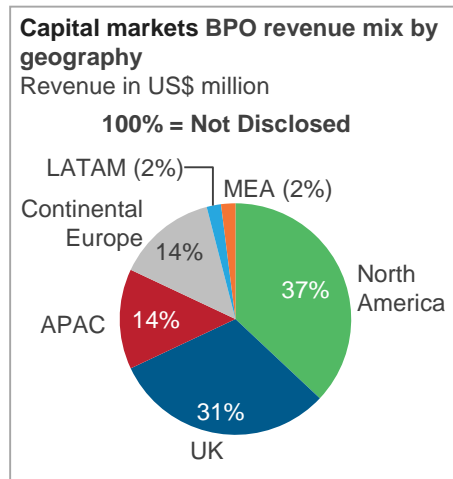
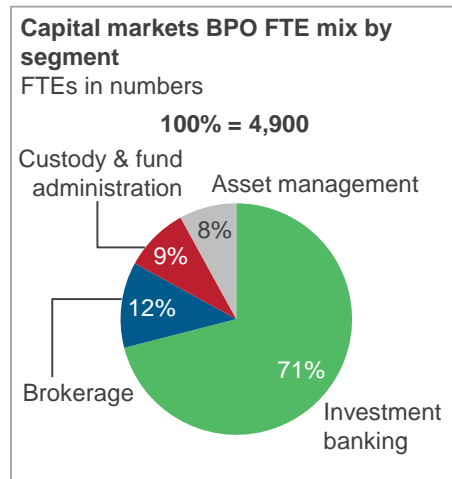
² Know Your Customer

Source: Everest Group (2016)



Source: Everest Group (2016)

Key capital markets BPO engagements			
Client name	LoB	Region	Client since
U.S.-headquartered top five global investment bank	Investment banking	Asia Pacific and Middle East & Africa	2014
Leading European investment bank	Investment banking	North America, United Kingdom, Continental Europe, and Asia Pacific	2013
World's leading global transfer agency	Custody & fund administration	North America	2011
Premier global investment bank	Investment banking	North America, United Kingdom, Continental Europe, Asia Pacific, and Latin America	2011
Leading U.S.-based financial services firm	Investment banking	North America	2009
Global investment firm managing US\$120 billion assets	Investment banking	North America	2009
Leading multinational European investment bank	Investment banking	North America, United Kingdom, Continental Europe, and Asia Pacific	2009



1 Buyer size is defined as large (>US\$10 billion in revenue), medium (between 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)

Application	LoB	Year launched	Description	No. of BPO clients
Robotic Process Automation (RPA) solution	All	2015	A RPA tool offering for capital markets customers to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses, and communicating with other digital systems	5
e-KYC HOLMES	Asset management and investment banking	2015	An in-house Artificial Intelligence (AI) platform to support remediation of KYC data and create scalable and compliant onboarding processes	5
Operations-as-a-Service (OaaS) model	All	2015	A platform which provides end-to-end management of operations with full ownership of people, process, service level agreements, transformation, and automation	2
Instrument data management solution	Asset management and investment banking	2015	A comprehensive catalog of instrument data management services on MDM platforms as an enterprise-wide utility in partnership with GoldenSource	1
Intellifee	All	2014	A Brokerage, Custody, and Exchange (BCE) fees platform-based BPS solution for automation of invoice management & reconciliation and enabling incisive spend analytics	2
Reconciliation solution	All	2014	A hosted reconciliation utility solution to enable capital markets customers to access an end-to-end, “pay-as-you-go”, and scale-advantaged reconciliation service	3
Data quality-as-a-service solution	Asset management and investment banking	2014	A solution to remediate and sustain data quality for critical domains relating to regulatory compliance, reporting, and capital allocation	2

Source: Everest Group (2016)

Application	LoB	Year launched	Description	No. of BPO clients
Settlements pre-matching decision tree	Investment banking	2014	A tool designed to provide intelligence on trades and how much to pre-match to mitigate risks of fails. Additional benefits delivered include determination of cost of fails and pre-match	1

Risk management support	Details	No. of BPO clients
Credit risk	Provides credit risk management support to an investment bank that includes credit risk stress testing, RWA computation, counter-party credit risk, and capital adequacy ratio computation	1
Operations risk	<ul style="list-style-type: none"> Managing operational risk for capital markets clients with the help of proprietary methodologies and tools Support operations due diligence undertaken by investors on hedge funds before any new allocations. The primary focus is on operations risk, transparency, accuracy, and independent reporting 	66
Market risk	<ul style="list-style-type: none"> Providing market risk service to leading European investment banks to manage risk analytics, quantitative model validations, and stress testing. Update and support client risk systems such as risk metrics, riskgura, and imagine 	25
Liquidity risk	Provides liquidity risk management support to an investment bank that includes, liquidity risk stress testing, counter-party credit risk, and liquidity coverage ratio computation	1
Regulatory risk	<ul style="list-style-type: none"> Provide regulatory risk management support to investment banks through key data quality projects executed including data profiling, data monitoring, and data remediation - FCA reporting code accuracy in entity master; remediating entities under MIFID category Undertake regulatory reporting for customers including tracking regulatory reporting thresholds required by SEC, CFTC, CIMA, and ESMA 	26

Source: Everest Group (2016)

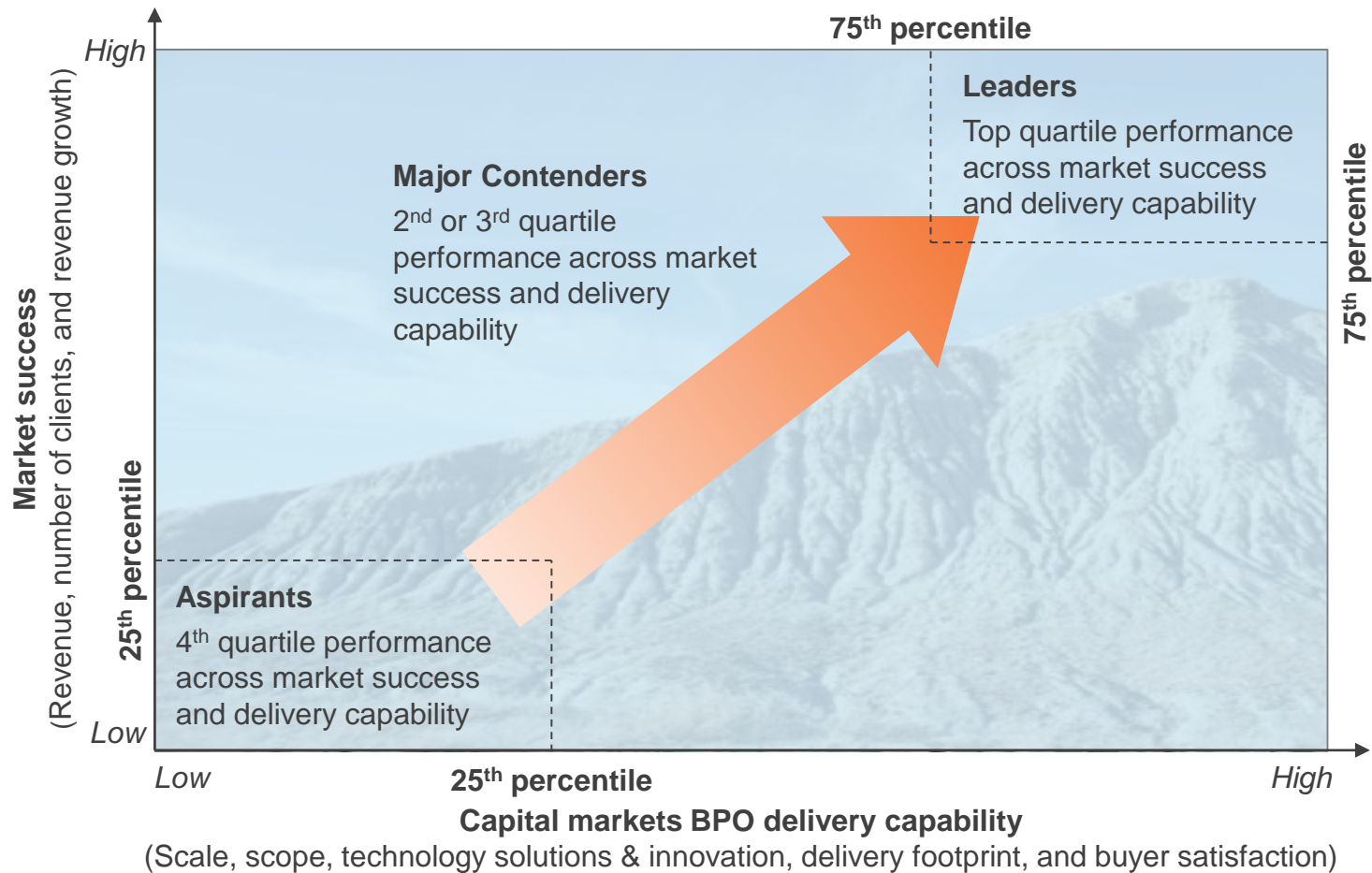
Regulatory reporting support	List of regulations	Description	No. of BPO clients
U.S. regulations	FRB: Financial & regulatory reporting; Dodd-Frank Act; FATCA; KYC and AML. FORM PF, FOR ADV for SEC; CPO PQR for CFTC DODD Frank - OTC reporting and settlements	<ul style="list-style-type: none"> Extraction of data from client applications, population of requisite reporting formats, report generation, report approvals, and upload All regulations required for alternative asset managers by SEC, CFTC, and Dodd Frank Regulation 	22
UK regulations	Prudential Regulatory Authority (PRA) AIFMD Annex IV for ESMA, FCA	<ul style="list-style-type: none"> Implementing the regulatory reporting, as per the prescribed guidelines of PRA, for investment banks New regulation required by ESMA for all alternative asset managers 	14
EU regulations	Markets in Financial Instruments Directive (MiFID); EMIR; KYC and AML. AIFMD Annex IV for ESMA , FCA	<ul style="list-style-type: none"> Extraction of data from client applications, population of requisite reporting formats, report generation, report approvals, and upload New regulation required by ESMA for all alternative asset managers 	14
Local regulations	Hong Kong Monetary Authority (HKMA), Monetary Singapore Authority (MSA), Reserve Bank of India (RBI)	Implementing the regulatory reporting, as per the prescribed guidelines of HKMA, MSA, for investment banks, for their branches based out of Singapore/Hong Kong/India geography	3

Source: Everest Group (2016)

Appendix

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

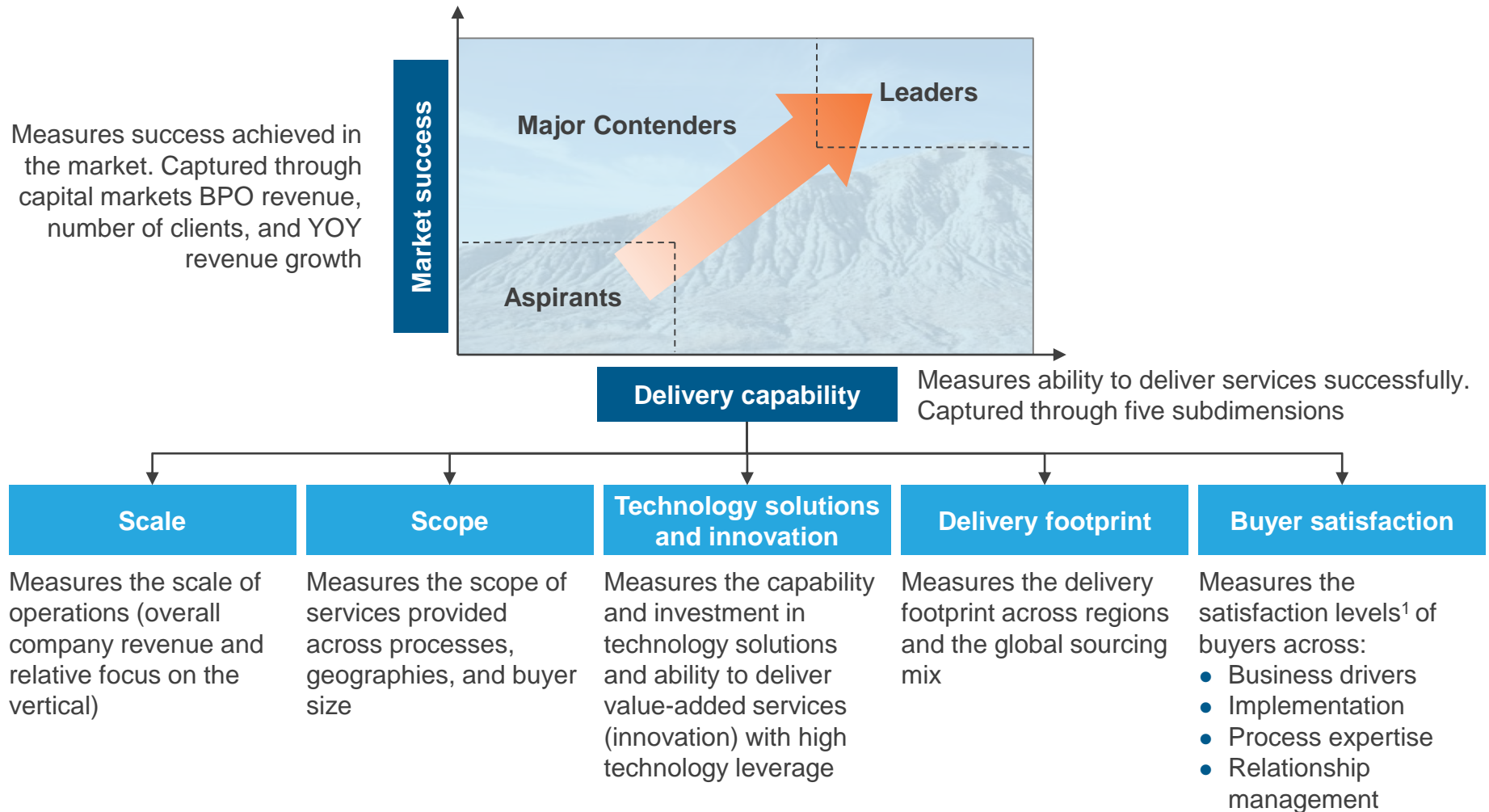
Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix¹ for capital markets BPO



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

Source: Everest Group (2016)

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



¹ Measured through responses from referenced buyers for each service provider

Source: Everest Group (2016)

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.

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