Everest Group PEAK Matrix™ for Banking Business Process Outsourcing (BPO) Service Providers

Focus on Wipro
August 2018
Introduction and scope

Everest Group recently released its report titled “Banking BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018.” 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 26 service providers on the Everest Group 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. Everest Group also identified four service providers as the “2018 banking BPO Market Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

Based on the analysis, Wipro emerged as a leader and star performer. This document focuses on Wipro’s banking BPO experience and capabilities and includes:
- Wipro’s position on the banking BPO PEAK Matrix
- Wipro’s year-on-year movement on the banking BPO PEAK Matrix
- Detailed banking 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 and requirements, and match them against service provider capability for an ideal fit.

Source: Everest Group (2018) unless cited otherwise
Everest Group PEAK Matrix™
Banking BPO – Service Provider Landscape with Services PEAK Matrix™
Assessment 2018

Note: Assessment for Accenture, Avaloq, CGI, DXC Technology, Equiniti, IBM, Mphasis, Polaris, and Syntel 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.
Overview

Recent developments

- **2017**: Expanded global delivery network with two centers in LATAM and started offering AI-driven automation of E2E mortgage origination using HOLMES
- **2016**: Launched e-KYC solution using Wipro’s proprietary cognitive intelligence platform HOLMES. Developed the Enterprise operations Transformation (EoT) framework and established strategic partnerships with leading RPA providers
- **2015**: Launched end-to-end BPaaS solution for loan origination hosted on the cloud “Pay-per-Use” model. Developed NGCE platform that enhances customer experience by understanding history, predicting impact, and forecasting the next best action

Company overview

Wipro is a global information technology, consulting, and business process services company. Wipro uses cognitive computing, hyper-automation, robotics, cloud, analytics, and emerging technologies to help its clients to adapt to the digital world. It has over 160,000 dedicated employees serving clients across six continents. Its clients include investment banks, leading card network associations, and financial institutions in more than 60 markets.

Key leaders
- Azim H. Premji, Chairman
- Abidali Neemuchwala, Chief Executive Officer and Board Member
- Nagendra Bandaru, Global Head, BPO
- Shaji Farooq, Senior Vice President, Finance Solutions
- Trupti Mukker, Global Head, Banking and Mortgage, BPO

Headquarters: Bangalore, India

Website: [www.wipro.com](http://www.wipro.com)

<table>
<thead>
<tr>
<th>Suite of services</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cards &amp; payments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk &amp; compliance</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recent acquisitions and partnerships

- **2017**: Acquired Cooper, a leading UX and interaction design company, to strengthen its design and innovation capabilities and expand its reach in North America
- **2016**: Acquired Appirio, a U.S.-based technology and professional services provider, to create cloud transformation practices in the digital economy
- **2016**: Acquired TopCoder, a crowdsourcing marketplace of one million technology professionals present in 190 countries
- **2016**: Strategic investment and a partnership with Emailage that provides secure cloud-based service to determine financial fraud risks
- **2016**: Strategic partnership with CustomerXPs, which provides financial crime risk management and customer experience management solutions to banking institutions
- **2015**: Acquired Designit, a global strategic design firm specializing in designing transformative product-service experiences

<table>
<thead>
<tr>
<th>Recent developments</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (US$ million)</td>
<td>Not disclosed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of FTEs</td>
<td>2,730</td>
<td>3,014</td>
<td>3,671</td>
</tr>
<tr>
<td>Number of clients</td>
<td>84</td>
<td>92</td>
<td>96</td>
</tr>
</tbody>
</table>
Key delivery locations
Capabilities and key clients

### Key banking BPO engagements

<table>
<thead>
<tr>
<th>Client name</th>
<th>LOB</th>
<th>Region</th>
<th>Client since</th>
</tr>
</thead>
<tbody>
<tr>
<td>One of the top 10 U.S. bank</td>
<td>Retail banking</td>
<td>North America</td>
<td>2017</td>
</tr>
<tr>
<td>A leading multinational bank</td>
<td>Retail banking</td>
<td>Latin America</td>
<td>2017</td>
</tr>
<tr>
<td>A leading global bank</td>
<td>Retail banking</td>
<td>North America</td>
<td>2016</td>
</tr>
<tr>
<td>A direct banking and payments company</td>
<td>Lending</td>
<td>North America</td>
<td>2015</td>
</tr>
<tr>
<td>A leading UK-based MNC bank</td>
<td>Retail banking</td>
<td>United Kingdom</td>
<td>2015</td>
</tr>
<tr>
<td>A large credit card association</td>
<td>Cards</td>
<td>North America</td>
<td>2012</td>
</tr>
<tr>
<td>A leading UK bank</td>
<td>Retail banking</td>
<td>United Kingdom</td>
<td>2012</td>
</tr>
<tr>
<td>A leading U.S. card issuer</td>
<td>Cards</td>
<td>North America</td>
<td>2003</td>
</tr>
</tbody>
</table>

### Banking BPO FTE mix by segment

- Retail banking: 39%
- Cards: 31%
- Lending: 30%
- Total: 100% = 3,671

### Banking BPO revenue mix by geography

- North America: 86%
- UK: 13%
- APAC, MEA & Continental Europe (<1%)
- Total: 100% = Not disclosed

### Banking BPO FTE split by delivery location

- Onshore: 22%
- Offshore: 77%
- Nearshore (1%)
- Total: 100% = 3,671

### Banking BPO number of clients by buyer size

- Large: 44%
- Medium: 19%
- Small: 37%
- Total: 100% = 96

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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 of June 2017
## Technology solutions/tools

<table>
<thead>
<tr>
<th>Tools</th>
<th>Processes covered</th>
<th>Year launched</th>
<th>Solution description</th>
<th>No. of clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Discovery Platform (DDP)</td>
<td>Cards, commercial banking, and lending</td>
<td>2016</td>
<td>An integrated solution for capturing &amp; managing data and generating actionable insights through advanced analytics to offer price, performance, and time benefits</td>
<td>2</td>
</tr>
<tr>
<td>Next-Generation Customer Experience (NGCE)</td>
<td>Cards and retail banking</td>
<td>2015</td>
<td>The solution brings together technology, combined with BPO expertise to deliver customer experience management. It is driven by multi-layered analytics, offers a 360° view of the customer’s engagement, proactive resolutions to issues, and actionable recommendations to address various customer lifecycle challenges</td>
<td>1</td>
</tr>
<tr>
<td>Collection and recoveries</td>
<td>Cards and retail banking</td>
<td>2015</td>
<td>A solution for collection and recoveries that includes various technology levers such as robotics, AI, and analytics tools that can be deployed at different stages of the collections lifecycle</td>
<td>2</td>
</tr>
<tr>
<td>ENGAGE</td>
<td>Cards</td>
<td>2014</td>
<td>A digital customer experience solution that enables users to have an enriched experience by leveraging chat and social media tools</td>
<td>1</td>
</tr>
<tr>
<td>Loan Serve and LPS</td>
<td>Lending</td>
<td>2014</td>
<td>A client application for servicing loans</td>
<td>1</td>
</tr>
<tr>
<td>OpusPanorama Opus First</td>
<td>Lending</td>
<td>2014</td>
<td>A proprietary client web application that provides increased transparency and real-time collaboration for due diligence clients</td>
<td>35</td>
</tr>
</tbody>
</table>
| HOLMES Marketplace                         | Retail banking and lending             | 2014          | • Enterprise KYC – self-learning algorithms that contextually analyze mandatory documents and establish audit trails for accurate compliance  
• Anomaly detection – A big data platform used for detecting frauds and process violations through correlating data feeds from a variety of data sources in structured and unstructured formats  
• Loan origination – AI-driven automation of end-to-end mortgage origination process  
• RPA – Wipro has automated several processes in the banking space that include ATM disputes, account maintenance, cash management, branch balancing & reconciliations, account activation, loans operations, etc.  | 15            |
| DCxM                                       | Cards and retail banking               | 2014          | A cloud-based, open-source solution that creates a unified and consistent customer experience across channels, devices, and domains. It provides a single view of customer interactions to the CMO and to business, making it possible to customize recommendations and up-sell and cross-sell to target better revenue opportunities | 2             |
# Risk management & regulatory reporting

## Risk management support

<table>
<thead>
<tr>
<th>Risk management support</th>
<th>Details</th>
<th>No. of BPO clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit risk</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Operations risk</td>
<td>Not disclosed</td>
<td>10</td>
</tr>
<tr>
<td>Market risk</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Liquidity risk</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Regulatory risk</td>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>

## Regulatory reporting support

<table>
<thead>
<tr>
<th>Regulatory reporting support</th>
<th>List of regulations</th>
<th>Description</th>
<th>No. of BPO clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. regulations</td>
<td>Multiple</td>
<td>Basel – Pillar I, II, &amp; III disclosures (covering credit, market, operations, and liquidity risks, pillar II risks), U.S. SEC reports, EU trade &amp; transaction reporting, and local regulatory reporting</td>
<td>5</td>
</tr>
<tr>
<td>UK regulations</td>
<td>Multiple</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>EU regulations</td>
<td>Multiple</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Local regulations</td>
<td>Multiple</td>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>
### Strengths

- Wipro has been able to consistently grow its large client base to achieve a sizable banking BPO business, spread over all major banking lines of business in the B2C segment.
- It enjoys a well-balanced delivery footprint, with centers all around the world.
- It is praised by clients for its relationship management skills.

### Areas of improvement

- It can look to explore the B2B segment in its quest to discover new levers of growth.
- Its portfolio is largely concentrated in North America. It can target other geographies to achieve a more uniform geographical spread of clients.
- Clients have indicated that there is scope for improvement in performance at the middle management level.

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### Everest Group assessment – Leader

<table>
<thead>
<tr>
<th>Market impact</th>
<th>Vision &amp; capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market adoption</td>
<td>Scope of services offered</td>
</tr>
<tr>
<td>Portfolio mix</td>
<td>Innovation and investments</td>
</tr>
<tr>
<td>Value delivered</td>
<td>Delivery footprint</td>
</tr>
<tr>
<td>Overall</td>
<td>Vision and strategy</td>
</tr>
<tr>
<td>Overall</td>
<td>Overall</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measure of capability:</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
</table>

### Market impact

<table>
<thead>
<tr>
<th>Measure of capability:</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
</table>

### Vision & capability

<table>
<thead>
<tr>
<th>Measure of capability:</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
</table>

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Appendix
Everest Group’s classification of the BFSI industry

Banking, Financial Services, and Insurance (BFSI)

**Banking**
- Retail financial services (B2C^1)
  - Retail banking
  - Lending
  - Cards
- Commercial banking (B2B^2)

**Capital markets**
- Investment banking
- Asset management
- Custody & fund administration
- Brokerage

**L&P insurance**
- Life insurance
- Pensions and annuities
- Reinsurance
- Others

**P&C insurance**
- Property insurance
- Casualty insurance
- Reinsurance
- Others

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1 Business to consumer
2 Business to business
Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability.

Everest Group PEAK Matrix

Market impact
Measures impact created in the market

Leader

Major Contenders

Aspirants

Low

High

Vision & capability
Measures ability to deliver services successfully

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Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

- **Market adoption**
  No. of clients, revenue base, and YOY growth, deal value/volume

- **Portfolio mix**
  Diversity of client/revenue base across geos and type of engagements

- **Value delivered**
  Value delivered to the client based on customer feedback and transformational impact

Measures ability to deliver services successfully. This is captured through four subdimensions

- **Vision and strategy**
  Vision for the client and itself; future roadmap and strategy

- **Scope of services offered**
  Depth and breadth of services portfolio across service sub-segments / processes

- **Innovation and investments**
  Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

- **Delivery footprint**
  Delivery footprint and global sourcing mix
Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix™

Methodology

Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix.

In order to assess advances on **market impact**, we evaluate each service provider’s performance across a number of parameters including:
- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider’s performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YOY performance for a given service provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.
Does the PEAK Matrix™ assessment incorporate any subjective criteria?

Everest Group’s PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and 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/vendor briefings.

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

No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. 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 itself a favorable recognition.

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

A PEAK Matrix position is only one aspect of 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 for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas.

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

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors 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 / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status?

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
  - Issue a press release declaring their positioning. See citation policies
  - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  - Quotes from Everest Group analysts could be disseminated to the media
  - Leverage 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.

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises.
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 empower 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.

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