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:
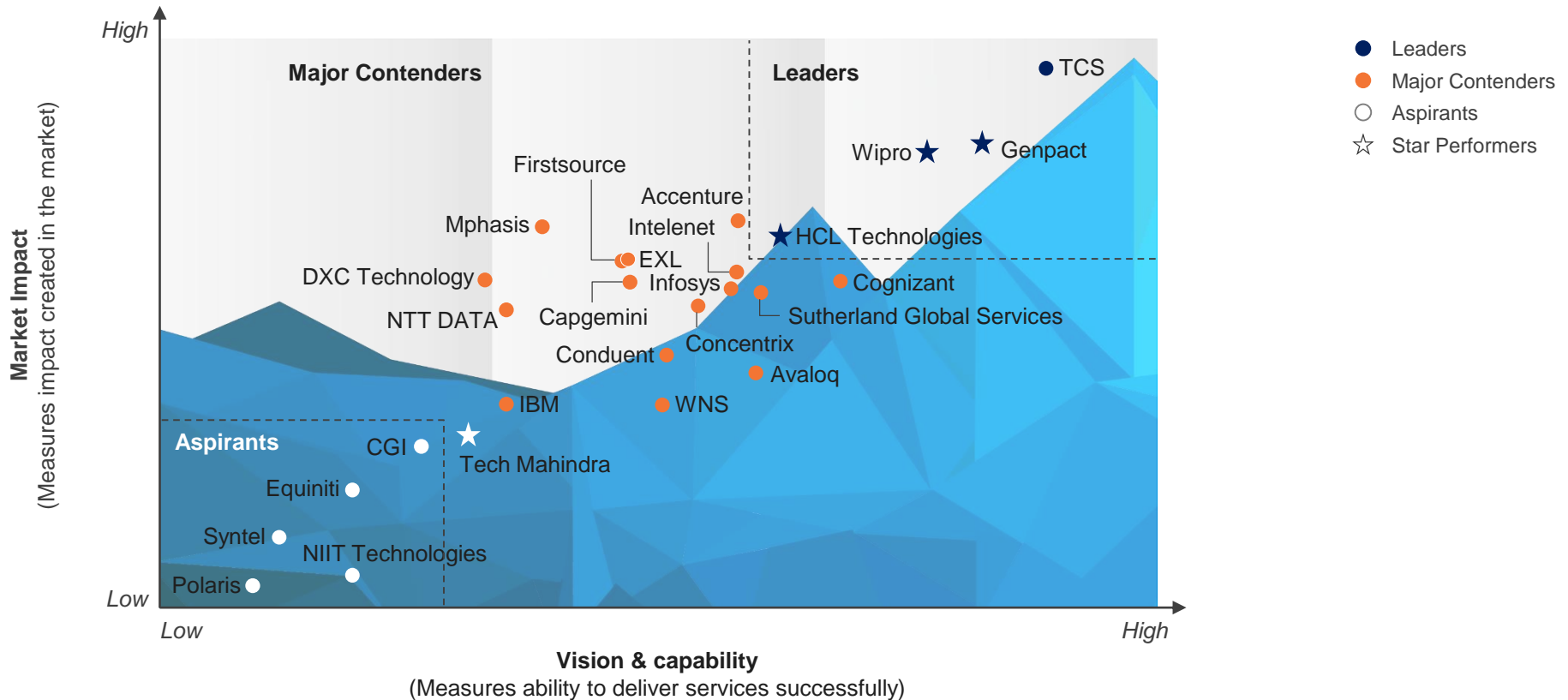
- Wipro's position on the banking BPO PEAK Matrix
- Wipro's year-on-year movement on the banking BPO PEAK Matrix
- Detailed banking BPO profile of Wipro

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

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Everest Group PEAK Matrix™
Banking BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018

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PEAK
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Everest Group Banking BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018

Legend:
- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Chart labels:
- High / Low axis: **Market Impact** (Measures impact created in the market)
- **Vision & capability** (Measures ability to deliver services successfully)
- Major Contenders
- Leaders
- Aspirants

Plotted points: TCS, Wipro ★, Genpact ★, HCL Technologies ★, Firstsource, Accenture, Intelenet, Mphasis, EXL, Cognizant, DXC Technology, Infosys, Sutherland Global Services, NTT DATA, Capgemini, Concentrix, Conduent, Avaloq, IBM, WNS, CGI ★, Tech Mahindra, Equiniti, Syntel, NIIT Technologies, Polaris

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

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Overview

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

	2015	2016	2017
Revenue (US$ million)	Not disclosed		
Number of FTEs	2,730	3,014	3,671
Number of clients	84	92	96

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

Suite of services
- Mortgage
- Cards & payments
- Retail banking
- Risk & compliance

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

Key delivery locations

Capabilities and key clients

Key banking BPO engagements

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

Banking BPO FTE mix by segment
FTEs in numbers
100% = 3,671
Cards 39%, Lending 31%, Retail banking 30%
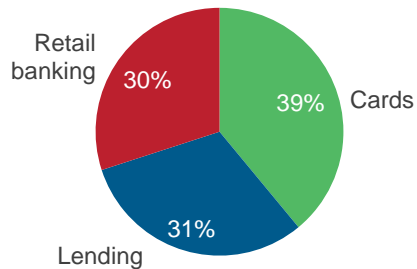
Banking BPO revenue mix by geography
Revenue in US$ million
100% = Not disclosed
APAC, MEA & Continental Europe (<1%)
UK 13%, North America 86%
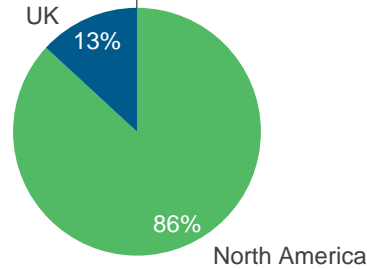
Banking BPO FTE split by delivery location
FTEs in numbers
100% = 3,671
Nearshore (1%), Onshore 22%, Offshore 77%
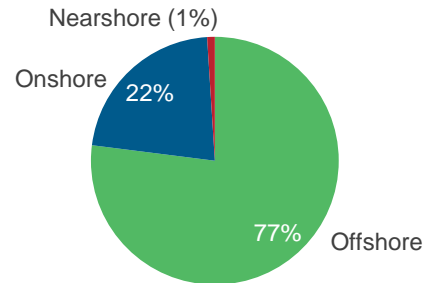
Banking BPO number of clients by buyer size[1]
Number of clients
100% = 96
Medium 19%, Large 44%, Small 37%
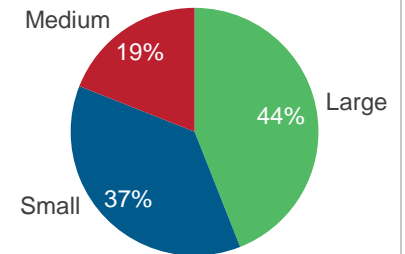
1 Buyer size is defined as large (>US$10 billion in revenue), medium (US$5-10 billion in revenue), and small (<US$5 billion in revenue)
Note: Based on contractual and operational information as of June 2017

Technology solutions/tools

Tools	Processes covered	Year launched	Solution description	No. of clients
Data Discovery Platform (DDP)	Cards, commercial banking, and lending	2016	An integrated solution for capturing & managing data and generating actionable insights through advanced analytics to offer price, performance, and time benefits	2
Next-Generation Customer Experience (NGCE)	Cards and retail banking	2015	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	1
Collection and recoveries	Cards and retail banking	2015	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	2
ENGAGE	Cards	2014	A digital customer experience solution that enables users to have an enriched experience by leveraging chat and social media tools	1
Loan Serve and LPS	Lending	2014	A client application for servicing loans	1
OpusPanorama Opus First	Lending	2014	A proprietary client web application that provides increased transparency and real-time collaboration for due diligence clients	35
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

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Risk management & regulatory reporting

Risk management support	Details	No. of BPO clients
Credit risk		20
Operations risk		10
Market risk	Not disclosed	10
Liquidity risk		12
Regulatory risk		5

Regulatory reporting support	List of regulations	Description	No. of BPO clients
U.S. regulations	Multiple	Basel – Pillar I, II, & III disclosures (covering credit, market, operations, and liquidity risks, pillar II risks), U.S. SEC reports, EU trade & transaction reporting, and local regulatory reporting	5
UK regulations	Multiple		5
EU regulations	Multiple		4
Local regulations	Multiple		10

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Everest Group assessment – Leader

Measure of capability: ● High ◔ Low

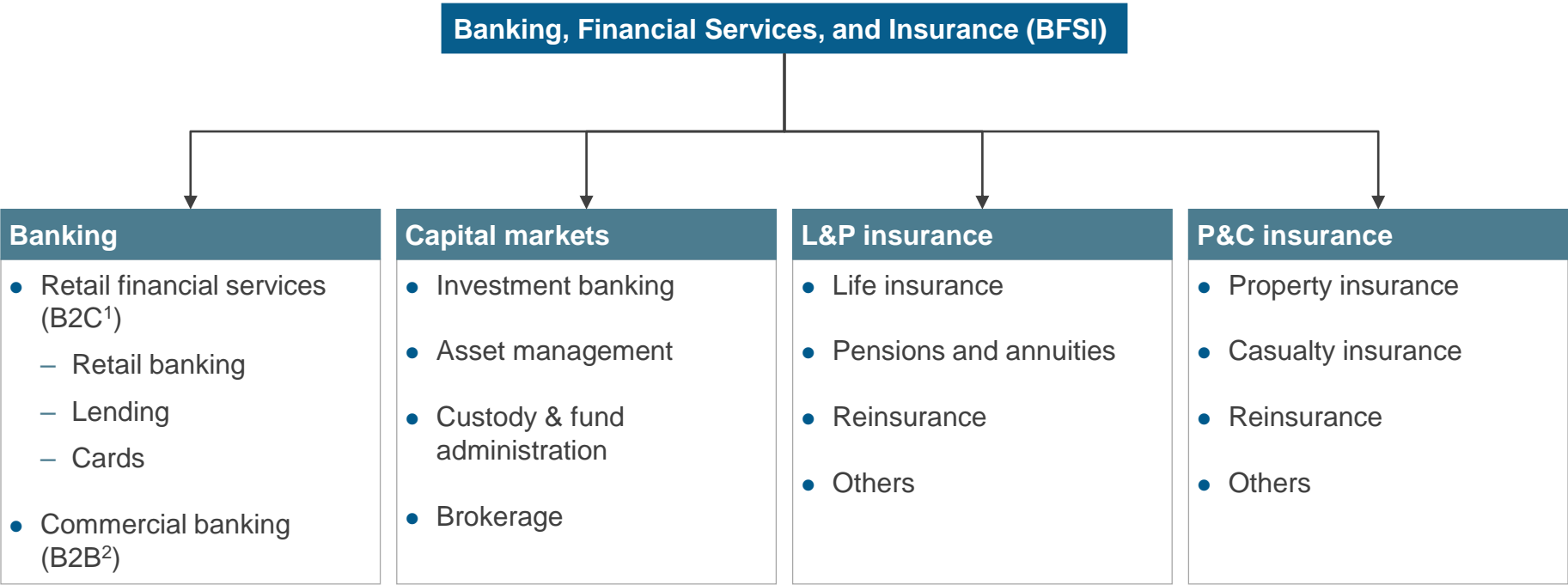| Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
◔	◕	◔	◔	◕	◔	●	◔	◔

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
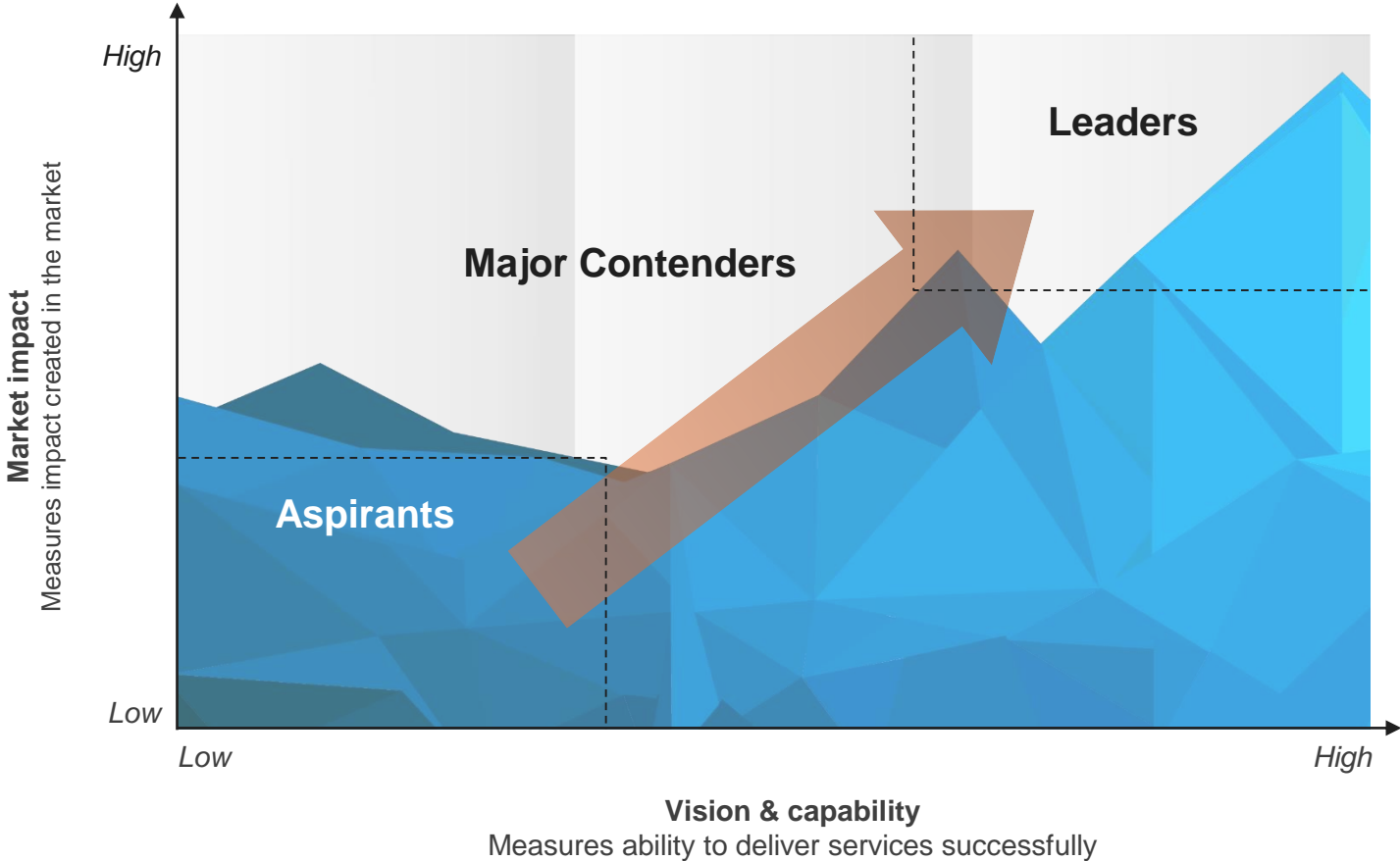
Appendix

Everest Group's classification of the BFSI industry

Banking, Financial Services, and Insurance (BFSI)

Banking	Capital markets	L&P insurance	P&C insurance
• Retail financial services (B2C[1]) – Retail banking – Lending – Cards • Commercial banking (B2B[2])	• Investment banking • Asset management • Custody & fund administration • Brokerage	• Life insurance • Pensions and annuities • Reinsurance • Others	• Property insurance • Casualty insurance • Reinsurance • Others

1   Business to consumer
2   Business to business

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Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix

Leaders

Major Contenders

Aspirants

Market impact
Measures impact created in the market

High

Low

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

Market impact (vertical axis)

Leaders

Major Contenders

Aspirants
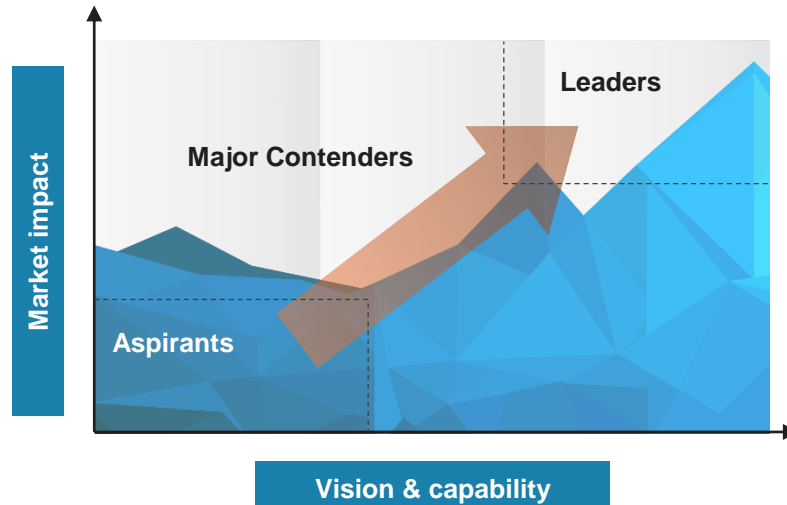
Vision & capability
Measures ability to deliver services successfully. This is captured through four subdimensions
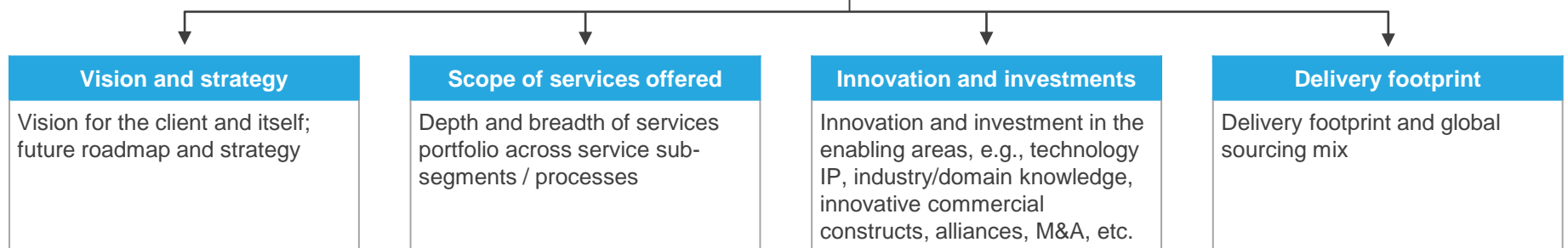
Vision and strategy
Vision for the client and itself; future roadmap and strategy

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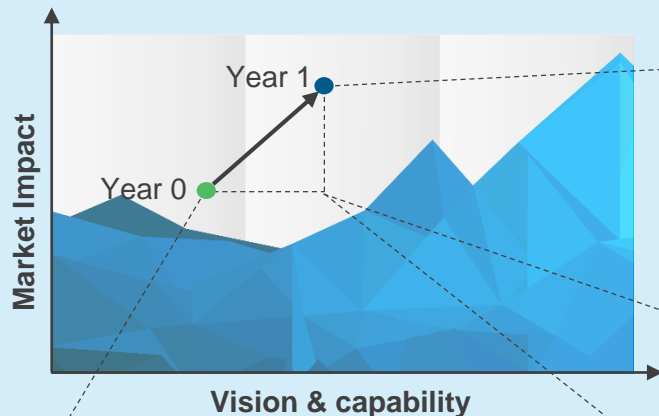
In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:
- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value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

Star Performers are identified by top quartile performance improvement on the X and Y axes for each segment

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.

FAQs

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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