

Transforming BFSI

Simplifying Complexity with
TechM BPS Innovative Solutions



Abstract

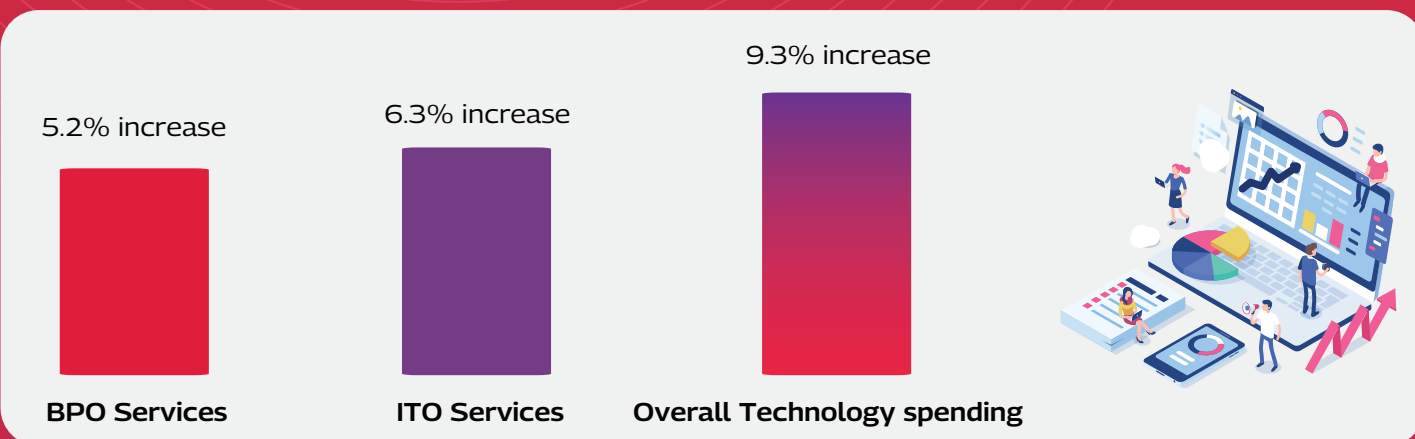
The global business transformation market size was estimated at USD 880.28 billion in 2023 with an expected compound annual growth rate (CAGR) of 27.6% from 2024 to 2030. This growth is attributed to the adoption of cutting-edge technologies like artificial intelligence (ai), cybersecurity, business intelligence (bi), big data analytics, and cloud computing. These technologies are driving innovation and transformation across the business landscape, thereby enhancing revenue growth. The adoption of digital experience platforms is bolstering customer experience and brand loyalty contributing to ideal scenario for the digital transformation market. Various industries including banking financial services, and insurance (BFSI), retail, information technology and telecommunications, and healthcare, are embracing changes in their business operations. This shift aims to heighten customer engagement and accelerate the availability of products in the marketplace.

In response to the market demand for technological investment and overcoming current challenges, Tech Mahindra's framework and approach are uniquely positioned to address industry challenges and trends. It provides all the aspects of People, Process & Technology to derive critical success factors for banking operations by leveraging our expertise in areas such as, operational efficiency, business strategy, and E2E transformation of business practices and processes to effectively manage, adapt, and foster the growth of banking day-to-day operations.

Introduction

According to research conducted by HFS across more than 92+ BFS enterprises, there is an expected increase in spending on AI-driven technologies compared to growth in labor-driven services.. AI-driven technology spending at the enterprise level is anticipated to grow by ~ 10% Y-o-Y, encompassing machine learning, Gen AI, and analytics transformation. Businesses have been incorporating AI for some time now, a trend that has intensified lately with more investment in tools featuring crucial AI elements. By weaving AI into their transformation blueprints, the BFSI industry can tap into vast market potential.

How do you expect your Enterprise spending across the following to change in 2024?



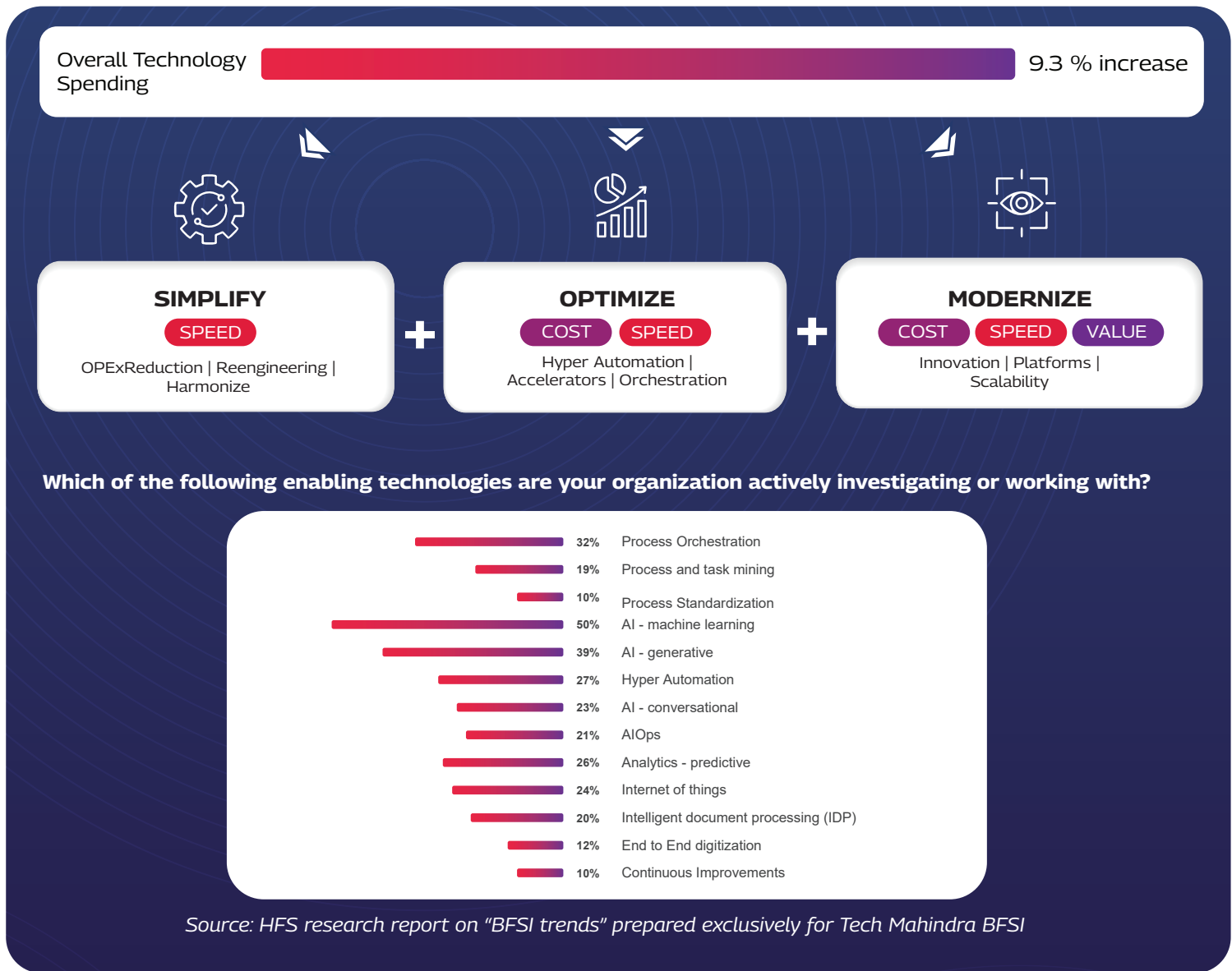
Source: HFS research report on "BFSI trends" prepared exclusively for Tech Mahindra BFSI

To ensure a seamless transformation, BFSI entities should follow a detailed, phased method that covers the essential aspects of reviewing the current scenario through Simplification, Optimization, and Modernization of the business sector. There's a growing emphasis among industries on revamping their comprehensive business operations, including areas such as payments, customer service centers, client onboarding, claim handling, debt recovery, business financing, home loans, fraud detection, and anti-money laundering initiatives.

The global digital banking platform market size was valued at USD 20.8 billion in 2021 and is expected to expand at a CAGR of 20.5% from 2022 to 2030. APAC dominated the regional market with a share of 30.5% in 2021 and is expected to register the highest CAGR of 21.1% in the forecast period. North America with a revenue share of 27.2% in 2021 was the 2nd largest regional market and is expected to reveal a CAGR of 19.9% during the forecast period.

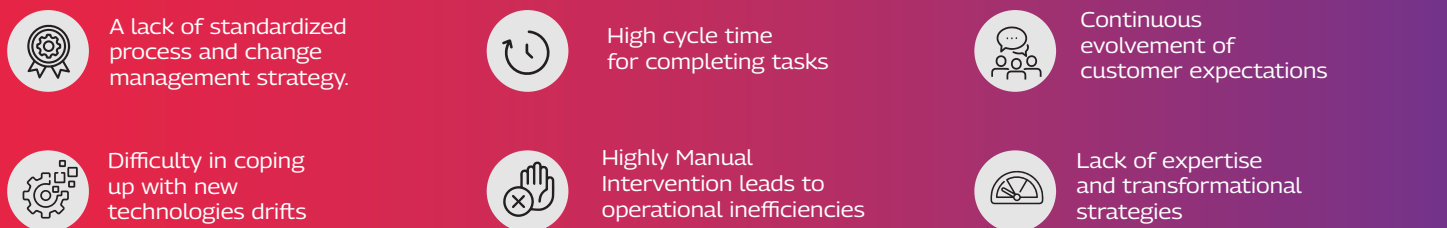
Emerging Trends/ Technologies:

In overall Technology spending, the technologies listed below will play a crucial role in driving market growth for enterprises, leading to enhanced customer experiences, improved operational efficiency, and optimized costs.



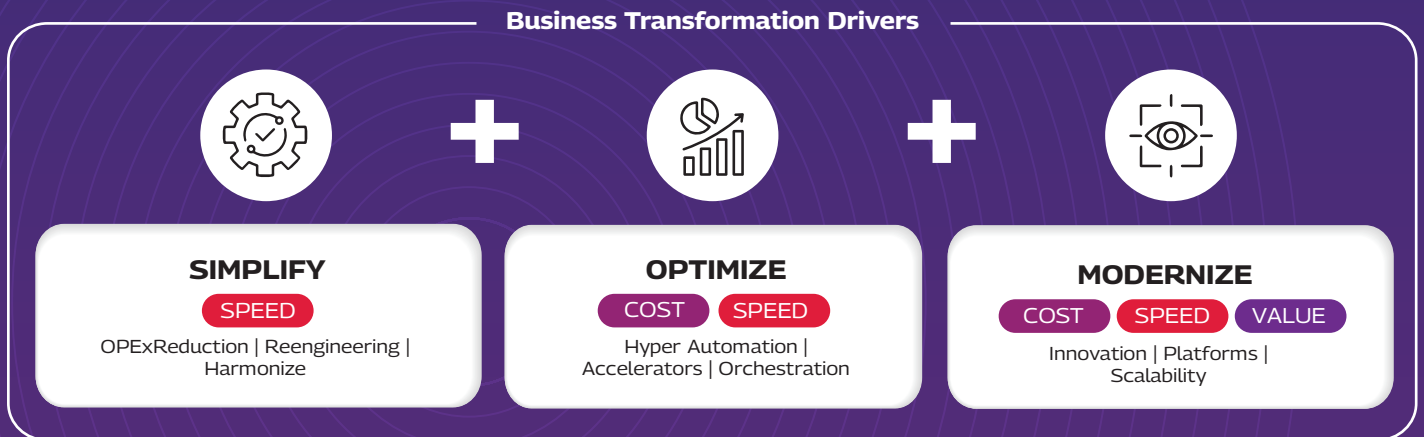
Key Challenges:

To achieve objectives such as enhancing customer experience, improve operational efficiency, and optimizing costs, Financial Institutions must adopt a meticulous step-by-step approach that covers three crucial dimensions: Simplification, Optimization, and Modernization of the business area.



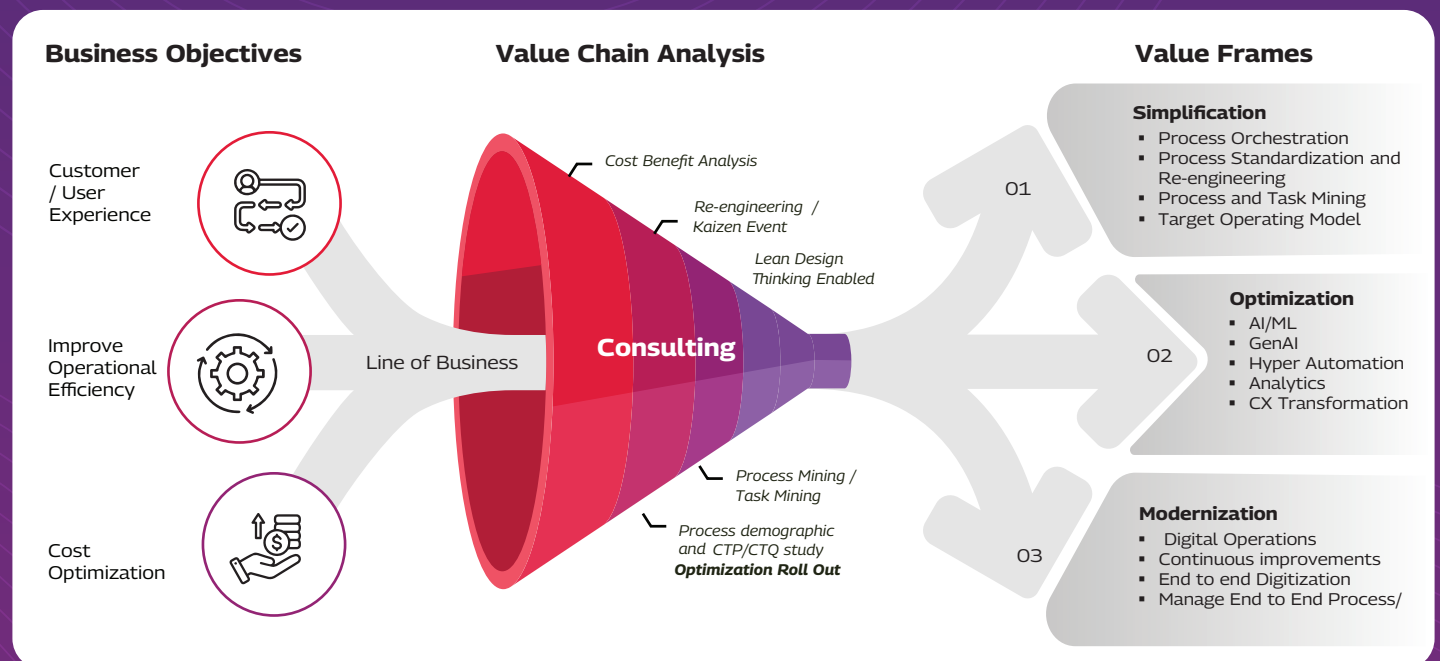
Our Solution:

TechM has a wealth of expertise in serving the entire line of businesses of BFSI. We harness our knowledge in domains like corporate strategy, operational excellence, and e2e processes & business transformation to efficiently manage, adopt, & faster the growth of banking functions & operations.



Tech Mahindra's Business Transformation Framework and Capabilities:

Our business transformation framework is strategically designed to address industry challenges and capitalize on trends. Our transformation framework caters to all the aspects of people, process and technology to derive critical success factors for banking operations i.e., enhanced customer/user experience, increased operational efficiency, and optimized costs.



Benefits

- Up to **30% - 40%** reduction in effort by back-office staff through our integrated solution, resulting in cost reduction.
- Up to **60% - 70%** reduction in cycle time through digital process mining.
- Achieve cost savings of **30% - 40%** through automation (RPA / IPA and AI), process reengineering, and adherence to industry best practice.
- Improved CSAT Score
- Improved SLA's, KPI's.



The NXT.NOW™ Advantage

- Over 20+ years of Process knowledge and actionable insights aligned with customer business objectives.
- Leveraging consulting led strategies with proven, innovative tech enabled process mining, digital transformation, hyper automation, analytics. delivered over 60% efficiency and ~40% faster onboarding.
- A one-stop shop solution encompassing people, process, and technology.
- Domain expertise with In-house and partner led offerings.
- Strong credibility for driving transformation for large banks across geographies.

TechM Success Stories

Leading African Bank	BEFORE	AFTER	VALUES DELIVERED
 <p>End to End Consulting Led Transformation</p>	<ul style="list-style-type: none"> • Manual process for Account Origination, and verification process across products. • TAT for application processing was 8 days. • Poor Customer Experience as there was huge delay in delivering cards to Customers. 	<ul style="list-style-type: none"> • Digitized Account Origination, verification across products, and reduced TAT from 8 days to 3-4 days. • VAF / HL Verification within 4 min • Cards to be delivered on the same day, reduced from current baseline of 6 - 8 days 	<p>~100 + FTE Reduction ~USD 2.1 million annual savings</p>
Largest European Bank	<ul style="list-style-type: none"> • Manual and partially automated processes for loan origination. • Highly Dependency on Emails, calls for day to day operations. • Lacked real time integrations to external sources. • TAT for application processing was 8- 10 days. 	<ul style="list-style-type: none"> • Implemented Low code and No code BPM platform. • Successfully integrated with 25 external API's. • Lacked real time integrations to external sources. • Reduced TAT with 80% and 95% improvement in First time right 	<p>~ 50 + FTE Reduction ~USD 1 million annual savings</p>
Leading Singapore Bank	<ul style="list-style-type: none"> • Multiple standalone systems & lack of integration .STP rate at all time low of 65% • Manual record keeping with labor intensive process • Wait time over 50% of overall productive time and handoff at 35% between teams 	<ul style="list-style-type: none"> • Transformed 17+ LOBs for entire Trade Life cycle. • As a Continuous improvements, we identified & delivered 68 potential improvements. • Wait time reduced to half and hand over eliminated via time value mapping 	<p>~85% + STP Improvement Total saving of ~ SGD 5Mn & 50% AHT Reduction</p>
Middle East Bank	<ul style="list-style-type: none"> • ~70+ Manually driven & Cumbersome processes • Limited & Manual Process Controls • Lots of Humans errors & Quality issues 	<ul style="list-style-type: none"> • Transformed 17+ LOBs for entire Trade Life cycle. • As a Continuous improvements, we identified & delivered 68 potential improvements. • Wait time reduced to half and hand over eliminated via time value mapping 	<p>~ 20 + FTE Reduction ~USD 500K + Reduction</p>
 <p>Transformed End to End Credit Card Journey</p>			

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