



BANKING **iNFO** 11

Discovering a world of difference

The changing face of globalisation

The concept of thinking globally and acting locally – or ‘glocalisation’ – has been much overused in the corporate arena. But the need for outsourcing partners to respond flexibly on both a strategic, global platform, whilst having the resource and agility to deliver local solutions on the ground, has never been more important.



Discovering a world of difference

Exploring key trends for globalisation in banking BPO

The changing face of globalisation

The concept of thinking globally and acting locally – or ‘glocalisation’ – has been much overused in the corporate arena. But the need for outsourcing partners to respond flexibly on both a strategic, global platform, whilst having the resource and agility to deliver local solutions on the ground, has never been more important.

As a global service provider, Williams Lea has witnessed this diversity of requirement first hand from our established portfolio of global clients, so we know from experience that in today’s climate, one delivery model does not fit all.

Established and emerging markets

On one hand, we serve the mature but increasingly diverse markets of Europe. On the other, we deal with emerging markets, like those in Latin America, where growth is likely to see countries such as Brazil taking an increasingly central role on the world financial stage. In Asia Pacific we are covering the full spectrum – from mature countries like Australia to the newly developing territories of Indonesia, Thailand and Vietnam.

Regardless of market maturity, banks with clients world-wide are keen to deliver global service standards. But they must also ensure that delivery serves its primary function – to support the needs of key fee-earning personnel – and takes into account the language and cultural nuances that are specific to their location.

Developments in Europe

The mature but fragmented markets of Europe are no longer happy to be served out of a small number of financial capitals such as London, Paris, Frankfurt and Amsterdam. Instead, as banks grow their presence in local markets throughout mainland Europe and these operations transcend their previous ‘satellite’ status, so arm’s length service delivery must be replaced with more hands-on provision in each locality. Done well, the leverage of global capabilities, delivered on a local scale can facilitate closer interaction between fee-earners and their support staff which in turn delivers faster turn around and quicker speed to market.

As operations reach a size where there is an on-site requirement for document management solutions including mail, reprographics, presentation and creative support, clients look to a partner who has the scale and presence to resource these individual operations, whilst simultaneously offering cost savings that come from wider economies of scale.

Growth Markets

In the emerging economies of the BRIC countries and in Latin America in particular, banks are evolving to cope with the demands of massive economic growth and are laying foundations that will support the markets of the future.

In the past, back office support for these ‘remote’ locations was provided by larger administrative hubs, whether in mainland Europe, key locations in Asia such as India, Hong Kong and Singapore, or in Latin American countries such as Mexico. This model made best use of technology to allow seamless document workflow. Now, these regional operations are becoming major business locations in their own right. But more than this, these locations also have the potential to become the hubs of the future and are being scoped as potential centres to support the next generation of off-shored business process outsourcing.

Latin American countries are a natural choice for off-shoring in the near future. Many of them have the requisite multi-lingual talent pool, infrastructure and favourable legislative conditions to grow large-scale service industries. Moreover, the emerging markets of the Americas can also provide a

Discovering a world of difference

Exploring key trends for globalisation in banking BPO

route to realising cost savings via labour arbitrage – where wage inflation and a fierce war for talent are not key concerns.

For banks looking to minimise risk through off-shoring their outsourced services in today's uncertain global economic climate, it makes sense to split service provision across different geographies, with the added benefit of creating solutions that 'follow the sun.' As such, the BPO industry is anticipating fast growth in countries such as Brazil, Argentina and Mexico, and gearing up to support the next wave of emerging markets that will undoubtedly follow the example of the BRIC economies.

A number of clients are considering leveraging the following model for their multi-geography sourcing, differentiating service provision (and service location) by client and technology requirements. Arguably the very same model could be applied to a bank's internal service provision.

	Service Differentiator	Client Contact Type	Channel Strategy	Financial Imperative
Domestic	– High/Medium	– Complex inbound – High-value outbound – Complaints	– High touch – Value-added services and account management	– Medium/Low
Nearshore	– Medium	– Multilingual Complex support – Select outbound sales	– Cost effectiveness is key – Regular customer interaction	– Medium/High
Offshore	– Medium/Low	– Transactional Technical support – Collections – Lower value outbound	– Labour arbitrage & operational expenditure model	– High
Service Automation & selfservice	– Medium/Low	– Status inquiry – FAQ – Repetitive inbound	– Customer interaction mitigation & automation	– Medium/High

Looking ahead

Working closely with our client partners in global banking, Williams Lea is currently completing road-mapping exercises that will see us evolving a new generation of service provision in Corporate Information Solutions.

We are developing a model that will support local on-the-ground requirements, whilst simultaneously bolstering our off-shoring capabilities in new markets.

Technology will undoubtedly remain central to our solution – as the critical enabler that supports integrated working practices and high quality service delivery, irrespective of location. As such, we are developing both our in-house technology and employing industry leading software solutions that can be applied with total flexibility to fit any client requirement.

Contact

If you would like to discuss any of the points raised in Banking iINFO.11, please contact your regional practice leader, Lyndsay Hardwick, Managing Director, International, on t: +44 (0)207 772 4350 e: Lyndsay.Hardwick@williamslea.com. Or for more information, visit our global website: www.williamslea.com