



Everest Q3 Report: Financial Services Outsourcing Slowdown will Regain Momentum in Early 2009

Report Focus Topic: Outsourcing in Asia

Press release

DALLAS and GURGAON, November 19, 2008 – Outsourcing in the banking and financial services sector is showing short-term signs of a slowdown for the remainder of the year due to the economic crisis, but the market will likely regain momentum in early 2009, according to the [Market Vista: Q3 2008](#) report on global outsourcing and offshoring activity by the [Everest Research Institute](#).

“Despite a 40 percent increase in transactions by financial services firms during the third quarter, a slowdown is emerging due to delays in initiatives and managements’ keen focus on the economic crisis,” said [Eric Simonson](#), Managing Principal, [Everest Research Institute](#). “In the medium-term, restructuring, integration, and redefinition of sourcing strategies by large financial firms will lead to an increase in project-based work for suppliers and increased pressures on captives.”

The Institute’s quarterly [Market Vista](#) reports provide data and analysis of deal trends in the outsourcing and offshoring market, captive model landscape, current and emerging locations, key supplier developments, and key developments across the top 20 financial services companies globally. The report also includes a special section on the Asian market.

Other insights for the third quarter activity include:

- Overall outsourcing transactions increased 15 percent over the previous quarter, valued at about US\$3.2 billion in ACV
- Banking, financial services and insurance firms signed 81 transactions, up from 54 in Q2
- Momentum from Europe continued to grow with a 10 percent increase in transaction activity
- Captives saw significant momentum - 24 new announcements, compared to 18 in Q2 and 16 in Q1
- Indian suppliers are experiencing slowdown pressures; hiring by the leading Indian suppliers dropped 22 percent quarter-on-quarter and 49 percent compared to 2007
- Central American countries (especially Guatemala, El Salvador, Panama and Costa Rica) are taking active measures to improve their near-shore proposition
- A key development was the inclusion of Unisys Corporation to the list of key suppliers tracked. Overall, supplier investment led to 100 percent increase in new center setup, while M&A activity was 68 percent lower than Q2

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[Market Vista](#) is a subscription service with four reports published per year. For information about the [Market Vista: Q3 2008](#) report or other research services, please visit www.everestresearchinstitute.com, e-mail info@everestresearchinstitute.com or call +1-214-451-3110.

About Everest Research Institute

[Everest Research Institute](#) serves as a central source of independent and objective strategic intelligence, analysis, and actionable insight for leading corporations, suppliers, technology providers, and investors in the global outsourcing and offshoring marketplace.

The Institute addresses both business process and information technology sourcing topics, providing the global outsourcing and offshoring community with information that empowers highly productive, sustainable sourcing strategies and relationships. The Institute's wealth of knowledge and experience provides unique perspectives into today's marketplace and the competitive edge required to take advantage of emerging opportunities.

Everest Research Institute is the research arm of the Everest Group (www.everestgrp.com), a global consulting firm with offices in such leading business centers as Dallas, New York, Toronto, London, Amsterdam, New Delhi, Melbourne, and Sydney. Everest Group has earned a worldwide reputation for ongoing innovation as it helps clients achieve maximum value from their operations including sourcing strategy and implementation.

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