

## Financial Services Industry Sector

Sylvan provides the full breadth of outsourcing advisory services to companies in the Financial Services industry, to include Business Case development, Vendor Selection, Transition Management, and establishing and optimizing Offshore Centers. Advisors from Sylvan have worked with major Banks, Financial Services firms, and Insurance Companies to deliver meaningful business change and measurable results.

### Background

Financial Services firms are facing continued pressures from all fronts. The collapsed credit markets are creating an unprecedented level of turmoil, and are threatening revenue streams. The reporting and risk management obligations associated with Sarbanes-Oxley, and Basel II, now require greater transparency into underlying information. While most firms are still figuring out how to field innovate products that address the needs of emerging segment, such as retirees and ethnic groups.

The majority of Financial Services firms have leveraged outsourcing to some extent, but very few of made full use of the mature capabilities that can now be found in low-cost geographies. Historically, offshoring was only viewed as being viable for low-end work activities, that were deemed to be rote. Today, there are many offshore companies that have the ability to provide domain specific, thought intensive, high-end financial services, at relatively low costs.

### Benefits

Financial Services firms have attained first-year cost savings that range from 22%-48% over their previous operating costs. By virtue of the full life-cycle approach, these cost savings have been directly attributed to the ability to provide services from low-cost geographies. These firms have also experienced a return on their initial investment (ROI) that ranged between 3 months and 12 months.

In all cases, the quality of services being provided has equaled or exceeded the previous service levels within the first year of operation.

### Business Challenges

Financial Services Companies are under tremendous margin pressure, given the current state of the economy. These organizations are confronted with the need to reduce costs in order to maintain an acceptable level of profitability, while not eroding their ability to serve existing clients and capture new clients. Cost cutting through layoffs has served to temporarily maintain margin performance, but has also provided the first step in an imminent downward spiral.

Experienced management teams are now considering the use of offshoring as a method for reducing operating costs, while still maintaining the resource capacity that is required to perform revenue generating activities. These same management teams are also interested in exploring the outsourcing of all internally-focused business functions, assuming there is at least a 20% cost savings, with no associated decrease in the quality of services.

### Approach

Sylvan has worked with Financial Services Companies to provide unbiased and experienced advisory services. With a typical team size ranging from 1 to 3 Advisors, Sylvan has successfully developed business plans, performed vendor selections, and managed the transition of internal staff members.

Over the last 5-years, Advisors from Sylvan have facilitated the establishment of vendor relationships with Accenture, IBM, TCS, Infosys, Wipro, Patni, HCL, Terralink, and NIIT. Sylvan's Advisors have also worked with client companies to establish and optimize captive centers located in Cairo Egypt, Bratislava Slovakia, multiple cities in India, Monterrey Mexico, Sao Paulo Brazil, and Dalian China.

Sylvan Advisors have worked with Financial Services firms to outsource the following business functions:

- Information Technology
- Procurement
- Finance and Accounting
- Claims Processing
- Third Party Administration

### Contact Information

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### About Sylvan Advisory

Formed in 2007, with its founding Partners coming from Big-5 consultancies, Sylvan Advisory represents a unique mix of buy-side and sell-side experiences, that is supported by deep industry, financial, and technical knowledge. With its headquarters in New York City, and satellite offices in Los Angeles, Atlanta, London, Amsterdam, and Singapore, coupled with a history of having conducted business in 43 countries, Sylvan is well-positioned as the premier global provider of value-creation services.