



## Financial services enterprise goes global With a virtual captive BPO solution.

Hybrid global service delivery model helps bank  
improve operational efficiency

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Because we delivered a high level of service through a highly capable, experienced team that was laser-focused on adding value, the TPI team became trusted advisors at the client's C-suite level. While the client had a strong strategy organization, we were consistently consulted throughout the strategy process.

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Bill Huber  
Partner, TPI

TPI empowered a major U.S. bank to transform its business through an innovative Global Service Delivery model while maintaining focus on its domestic leadership position. In addition to providing transactional consulting to help the client achieve greater operational efficiency via the emerging “virtual captive” hybrid business process outsourcing (BPO) solution, TPI guided the client's internal strategy team on instituting a robust governance program that would ensure ongoing success.

With TPI's assessment, negotiations and strategic guidance on a range of complex global challenges, the client transformed its business into a change-ready organization capable of seizing upon new market opportunities through shared accountabilities with an expertly matched service provider.

### THE CLIENT'S CHALLENGE

A fast growing, super-regional financial services provider faced operational efficiency challenges and wanted to proactively address them to be better positioned for future change initiatives. Areas for improvement included eliminating redundant functions, re-engineering processes and adjusting to the global service delivery model to which it aspired.

The client was concerned that its efficiency and global delivery objectives might erode its culture and employee engagement, introduce a higher level of operational risk and compromise goodwill in the core customer communities. On the flip side was the risk that cultural inertia would lead the company down a path of minor incremental improvements that would fall short of its objectives and place it at a competitive disadvantage.

While helping the client negotiate a partnership with the service provider it had identified to enable its transformation, TPI's advisors were mindful of these specific challenges:

- The client exhibited uneven “change readiness” across all levels of the organization. (Include link to change readiness white paper.)
- The client's revenue model, operational footprint and internal culture were largely “North American-centric.” The selected Global Service Delivery model had to support the client's objective of improving operating efficiency and driving process improvement.
- The client needed to balance the resources required for global expansion with other priorities across the organization, including organic growth initiatives, customer service excellence, merger integrations and more.
- It was imperative to address bank regulatory and risk considerations (Sarbanes-Oxley and other compliance), federal oversight regulations and banking industry working group guidelines for mitigating technology outsourcing risks.



ASSESSMENT IS KEY TO DESIGNING BEST-FIT SOLUTION

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The client selected TPI to assist in educating its leaders and helping to successfully execute a business transformation strategy, recognizing that its existing level of international experience, organizational structure and internal culture would limit its ability to achieve the transformational change required. As trusted advisors, TPI worked with a team of senior executives assigned by the CEO to develop a comprehensive offshore strategy, operational capability and enterprise governance structure.

After completing an assessment of its change readiness, the team considered a continuum of options for achieving its objectives and opted to pursue a “virtual captive” Global Service Delivery solution. TPI helped engage an overseas BPO partner with a history of innovation and a track record in teaming with companies to provide industry-specific services on a global scale while driving process improvement, all at lower costs.

EMPOWERING THE PARTNERSHIP THROUGH AN INNOVATIVE AGREEMENT

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TPI collaborated with the client and the service provider to negotiate a flexible, seven-year master services agreement. The agreement had a limited, predetermined scope, yet it was structured to enable a streamlined assessment, scoping and transition process that would enable an accelerated capability for offshore migration.

Because the virtual captive solution gives both parties equal accountability for the success of the partnership, the contract allowed the service provider the leeway to evaluate new opportunities for Global Service Delivery, to prove the strongest business cases to the client and to then execute with client approval.

To mitigate the risks inherent in Global Service Delivery while ensuring the initiative’s success, TPI helped the client institute a rigorous corporate governance framework that provided for continuous cost optimization, efficiency and quality, competitive positioning, value creation, flexibility and enterprise objectivity.

CLIENT BENEFITS

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By partnering with an established BPO leader in a virtual captive arrangement, the client was able to leverage the service provider’s expertise at significantly lower risk and cost than would have been possible had it attempted business transformation by itself.

Benefits of the virtual captive solution included:

- Leveraging the partner’s resources and relationships to attract and maintain top talent on a sustained basis
- Enabling the partner to deliver services that were tightly aligned with the client’s preparedness for offshoring
- Meeting the client’s needs for organizational control Addressing the client’s regulatory and risk issues
- Providing true transformational capabilities
- Ensuring strong buy-in and adoption across all of the client’s business units

LOOKING FOR A STRATEGIC PARTNER?

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TPI’s experts can help you achieve your organizational goals through objective advice, knowledge of your industry and experience with sourcing arrangements from simple to complex.

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