

Synergizing Data and Intelligence (D&I) with Operations

Enhancing Performance in Banking and Financial Services (BFS)



Success in the banking and financial services (BFS) industry requires data – data embedded across the enterprise from the front office to the back office, data driving decisions, and data enhancing customer experiences. However, achieving these goals requires organizations to determine the best path for integrating data and intelligence (D&I) into their operations.

This is no easy task. BFS companies vary wildly in their levels of D&I maturity, and many struggle with identifying the best use cases and areas of investment.

Luckily, there is a way forward. The right approach lets organizations avoid the siloed, fragmented integrations that fail to create value. By taking a holistic view to the D&I transformation journey, BFS firms can accomplish key enterprise objectives including improved risk management, regulatory compliance, and stakeholder engagement.

Seven areas in particular stand out as key for an organization's D&I strategy

- **The four pillars of D&I:** Companies looking to gain full advantage of their D&I programs must integrate data, analytics, automation, and artificial intelligence.
- **Invest in user experience:** A direct correlation exists between tech investment and customer experience. A data-driven approach enhances consumer satisfaction and retention.
- **Constantly evolve:** Data privacy concerns, data quality issues, and macroeconomic uncertainties mean D&I programs must constantly monitor and adapt to internal and external factors.
- **Growing challenges:** Data quality, data security, and change management issues are the largest obstacles to successful D&I initiatives.
- **Balance experimentation and value realization:** A focused maturity stage assessment and use case prioritization can help BFS enterprises choose the right investments.

- **Prioritize digitization and cloud migration:** Moving more assets to the cloud enables the solid foundation of diverse data sets, on-demand insights, and organization-wide availability required for a successful D&I program.
- **Pick the right partner:** The right third-party provider accelerates D&I integration through on-demand talent, solutions, and ability to scale.

D&I can help BFS organizations grow profitably, navigate shifting economic conditions, and optimize customer experience. At EXL, we bring the industry expertise, talent, and solutions to make that happen. We help you put to work our 7,000 data scientists with deep knowledge of AI, analytics, and cloud development, as well as the firsthand experience that can only come from our multiple successful D&I integrations for financial institutions. We use our unique combination of deep domain expertise and GenAI solutions including:

- Banking-specific intelligent document processing
- Digital collections
- Client onboarding optimization
- Customer experience transformation leveraging conversational AI and GenAI based agent coaching
- Fraud management solutions leveraging data and analytics
- Machine learning models

We bring the resources our clients need to succeed. Partnering with EXL means realizing the complete possibilities of your D&I initiatives.

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November 2024

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Introduction

The Banking and Financial Services (BFS) industry is adapting to swiftly evolving macro, consumer, advisor, employee, competitive, and regulatory dynamics while navigating cost pressures. To overcome these challenges, BFS enterprises must transform rapidly and implement integration initiatives. These initiatives will increase operational efficiencies and enhance end-user experience.

Today, this evolution's cornerstone lies in the strategic pivot toward optimized servicing capabilities via digital integration, manifesting across two key dimensions:

- **Front-back integration:** Integrating front- and back-office operations to ensure a unified customer experience by streamlining interactions and optimizing BFS workflows
- **Data and Intelligence (D&I) integration in operations:** Using advanced analytics, automation, and cognitive tools to drive efficiency and agility throughout operational workflows, empowering BFS enterprises to make educated decisions

In this Viewpoint, we explore the necessity of embedding D&I into business processes and examine D&I adoption's current maturity in BFS enterprises. To offer a comprehensive understanding, we explore the following key questions:

- What are the advantages of strategically leveraging D&I in BFS operations?
- What are current and emerging D&I adoption themes in the BFS space?
- How can BFS enterprises prioritize relevant use cases to maximize the value realization of D&I investments?
- Why is there an urgent need to accelerate D&I integration amid prevailing macroeconomic scenarios?

D&I leveraged operations: why does it matter?

Everest Group take

Enterprises must leverage D&I capabilities strategically to optimize operations and elevate customer satisfaction. They need to overcome fragmented data-operations siloes and corporate risk aversion to unlock data monetization’s full potential.

Most BFS enterprises have digitized their operations using digital workflows, analytics, and automation tools. However, these transformation initiatives are frequently rolled out in siloes causing fragmented data, technology, and operational layers, resulting in restricted visibility in broader process workflows. Recognizing the need for a more strategic and programmatic approach, BFS enterprises are now integrating D&I into their operations.

Exhibit 1 illustrates the four D&I pillars: data, analytics, automation, and AI.

Exhibit 1: The four D&I pillars

Source: Everest Group (2024)

D&I

Pillar 1: Automation

Rule-based automation



Unattended RPA

IDP

Pillar 2: Analytics

Business intelligence and reporting



Industry-specific analytics use cases

Predictive and prescriptive analytics

Pillar 3: AI

AI/ML and deep learning



Cognitive services (AR/VR, computer vision, etc.)

Generative AI and other NLP/NLG models



Pillar 4: Data

Big data, IoT, and edge computing

Data monetization

Privacy and security

Data modernization

Data administration

Data quality and integration

Note: While there can be overlaps across these four pillars, this is a simplified D&I landscape view
 RPA - Robotic Process Automation, IDP – Intelligent Document Processing, NLP – Natural Language Processing, NLG – Natural Language Generation

How are BFS enterprises integrating D&I to enhance CX?

BFS enterprises are among the most data-rich businesses in the world. Hence, in an era where differentiation is pivotal for success, establishing successful data monetization models has become increasingly evident for them.

Most large banks that have completed their D&I transformation journeys during 2022-24 invested significant portions of their technology spends in D&I. Some highlights are:

Citizens Bank made a substantial commitment of around US\$ 50 million toward digital transformation, with a specific focus on improving user experience.

KeyBank increased its annual technology investments to enhance user experience. JP Morgan Chase & Co. is poised to allocate US\$ 15 billion toward modernization efforts and AI-powered tools' implementation.

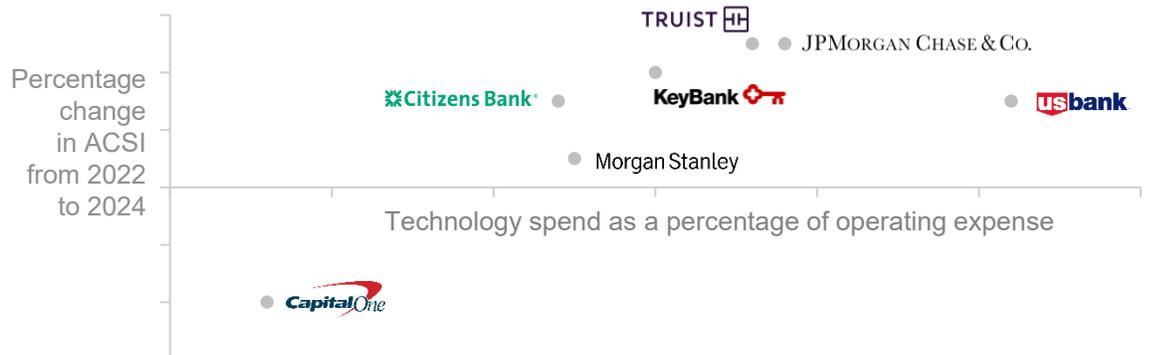
Truist Bank acquired the Zaloni Arena platform to deliver better experiences and advance its data-driven strategy.

Exhibit 2 shows the change in the American Customer Satisfaction Index (ACSI) scores from 2022 to 2024, alongside the percentage of IT/technology spend relative to operating expenses in 2022 for top US BFS enterprises.

Exhibit 2: Consumer satisfaction versus technology expenditure in the BFS industry

Source: The American Customer Satisfaction Index (ACSI), company reports, Everest Group estimates (2024)

Change in ACSI (2022 vs. 2024) versus technology spend as a percentage of operating expense for top BFS enterprises in the US



Thus, a direct correlation between technology investment and customer satisfaction emerges, highlighting BFS enterprises' evolving focus on spending on creating data-driven experiences to enhance consumer satisfaction and retention.

Enterprise objectives driving D&I solutions adoption in the BFS space

Key enterprise objectives, such as risk management, regulatory compliance, enhanced stakeholder experience, and operational efficiency, drive D&I adoption in the BFS industry. We delve deeper into these benefits with real-world examples below.

Exhibit 3 lists key value tenants, their definitions, and relevant real-world examples.

Exhibit 3: Key enterprise objectives driving D&I integration

Source: Everest Group (2024)

[NOT EXHAUSTIVE]

Key value tenants	Definition	Real-world examples
<p>Increased operational efficiencies</p> 	<p>Measure efforts or time savings related to technology and business-related processes achieved through D&I initiatives</p>	<p>Fidelity Investments partnered with a US-based Customer Data Platform (CDP) provider to build a next-generation data pipeline, giving business stakeholders easy access to previously siloed data and insights. Additionally, Fidelity collaborated with Snowflake to migrate data warehouses to the cloud, resulting in cost savings and improved operational efficiencies.</p>
<p>Improved stakeholder experiences</p> 	<p>Measure an enterprise's ability to meet or exceed stakeholders' (customers, employees, and partners) expectations</p>	<p>An IT-BP provider helped HDFC Bank personalize its customer experience by matching transaction data in real time with customer demographics from the bank's database. Customers receive customized offers as recommendations in seconds.</p>
<p>Reduced risk and compliance costs</p> 	<p>Measure an enterprise's ability to manage technology and business-related risks and regulatory standards</p>	<p>Mastercard built its proprietary generative AI model to help banks in its network detect and root out fraudulent transactions.</p>
<p>Better data protection and reduced cybersecurity threats</p> 	<p>Measure an enterprise's ability to navigate evolving data regulations and cybersecurity nuances in the BFS industry</p>	<p>Banco Santander and Forgepoint Capital announced their strategic alliance to advance cybersecurity investment and innovation globally.</p>
<p>Reduced time-to-market for new products and revenue streams</p> 	<p>Measure an enterprise's ability to enable growth through new revenue streams and innovative products/service offerings</p>	<p>Ellie Mae, with the help of a cloud solutions partner and an IT-BP provider, monetized its data by offering market insights to lenders. This process enabled lenders to make better decisions, improve efficiency, and drive business innovation.</p>

“As a leading international bank, we have been intelligently analyzing data for making useful decisions, such as detecting fraud, finding new customers, offering new products to current ones, and learning more about our customer journeys.”

– Pradeep Menon¹, MD and GCC Head, HSBC

D&I’s current versus future adoption: what does it mean?

Everest Group take

Leverage the existing high maturity of D&I adoption within BFS industry to address key challenges like data privacy concerns, data quality issues, and economic uncertainties. Prioritize investments in talent development initiatives, and agile change management strategies to gain leadership in D&I adoption and sustain strategic advantage.

In a strategic shift, BFS enterprises have migrated from traditional D&I services, such as data warehousing and migration, to more innovative analytics and intelligent automation solutions. This transition aims to achieve strategic business objectives at the Line of Business (LoB) use case level.

Exhibit 4 highlights retail banking, cards and payments, and lending as the leading LoBs in D&I adoption maturity and suggests commercial banking and asset and wealth management are poised to become high-growth areas in the future.

¹ Analytics India Magazine. (2022, August 3). Enabling a data-driven culture within BFSI GCCs in India

Exhibit 4: D&I's current adoption, opportunities, and anticipated future trends across LoBs

Source: Everest Group (2024)

Near future growth potential for D&I ▲ Increase ▲ Significant increase ■ No significant increase

Adoption level Low ○○○○ High

LoB	Current D&I adoption level	Near future growth potential for D&I	Sample use cases
 Cards and payments	● ● ● ○	▲	Detect possible card fraud by recording user's location data and information and employment profile at the time of transactions
 Commercial banking	● ● ○ ○	▲	Predict client cashflows for commercial clients and offer credit products proactively for optimization
 Lending	● ● ● ○	▲	For collections/delinquencies, use predictive analytics to identify and prioritize default accounts
 Retail banking	● ● ● ○	▲	Design and drive personalization and run campaigns tailored to customer profile analysis
 Asset and wealth management	● ● ○ ○	▲	Understand client requirements and decision-making according to market conditions and optimize clients' investments
 Investment banking	● ● ○ ○	▲	Identify financial market movement and improve portfolio managers' research capabilities
 Fund administration and custody	● ○ ○ ○	■	Perform deal evaluation and quick reporting after data analysis so that deal closures can happen faster
 Brokerages	● ○ ○ ○	■	Establish a detailed understanding of retail customer segments and customer behaviors to improve customer journeys

Focus use case – cards and payments

Let us do a deep dive of cards and payments specific industry use cases across the three pillars of D&I – analytics, automation, and AI.

BANK OF AMERICA

CashPro® Insights – analytics

On January 9, 2024, Bank of America introduced CashPro® Insights, an advanced analytics tool that enhances treasury management for its corporate and commercial clients. This new addition to the CashPro® platform uses historical and real-time data-driven intelligence to offer actionable insights, enabling clients to make strategic decisions, optimize cash flow management, detect fraud, and drive cost efficiencies.

JPMORGAN CHASE & CO.

Mobile Point-of-Sale (PoS) solution – automation

On June 11, 2024, JPMorgan Chase launched a mobile POS solution in partnership with Sephora to improve payment processing efficiency. This solution automates payment acceptance by enabling contactless transactions through standard smartphones, eliminating the need for traditional POS hardware. The system is scalable across merchant environments, streamlining operations, reducing transaction times, and improving overall customer experiences.

VISA

Account Attack Intelligence [VAAI] – AI

On May 7, 2024, Visa launched the VAAI score, a generative AI-powered fraud solution to combat enumeration attacks in card-not-present transactions. The VAAI score provides real-time risk assessments by analyzing transaction patterns, helping issuers detect and prevent fraud. This tool reduces false positives by 85%, lowers fraud and operational losses, and enhances cardholder experiences.

Key challenges hindering D&I adoption

Despite the significant potential of D&I solutions, several key challenges hinder their full adoption in BFS operations.

Exhibit 5 presents the evolving intensity of key challenges from 2023 to 2024, focusing on optimal data use, talent availability, change management, data quality, and data security.

Exhibit 5: Key challenges hindering D&I adoption in the BFS industry

Source: Everest Group (2024)

Shift in prevalence ▲ Increase ▲ Significant increase ■ No significant increase



Below is a detailed analysis of the top three issues that have become more prevalent over the past year.

Data security

The demand for greater data transparency, coupled with increasing instances of cyber data breaches and fraud, discourages financial institutions from fully leveraging D&I. Ensuring data privacy and security is paramount, and this restricts the extent to which data can be shared and utilized.

Data quality

Data must be accurate and accessible for informed decision-making. However, BFS enterprises frequently face challenges, such as data overload, human error, data duplication, and other issues, compromising data quality. Addressing these challenges requires investment in intelligent data warehousing systems to enhance data quality. However, maintaining consistent data quality remains a persistent struggle.

Change management

Although investing in D&I has become a top priority for BFS enterprises, poor change management practices, misaligned internal processes with D&I strategies, and a lack of skilled workforce often impede progress. Many firms find that the challenge does not lie in acquiring more data but in agreeing and learning how to optimally use their existing data resources.

“Cybersecurity and data strategy remained a top priority of our agenda during the year, recognizing the importance of having adequate defenses and security controls in place against increasing threats.”

– Ana Botin, Executive Chairman, Santander²

Balancing experimentation and value realization

Everest Group take

D&I integration is a growing trend among BFS enterprises. However, it faces adoption barriers, including mid-level leadership pushback to change, perception as a discretionary investment, robust data integration requirements, unrealistic expectations of quick RoI, and the need for continuous improvement. A focused maturity stage assessment and probable use case prioritization exercise can help BFS enterprises stay competitive.

BFS enterprises must balance value realization and experimentation in their D&I investments. They need to rationalize their D&I spend, assess their current maturity stage, and prioritize D&I integration use cases based on a complexity and potential impact matrix.

Current D&I maturity assessment for BFS enterprises

Enterprises have different D&I integration maturity levels, influenced by strategic alignment, talent and governance practices, technology investments, and their approach to automation, data analytics, and enterprise platforms.

Exhibit 6 shows the current D&I maturity assessment framework for BFS firms.

Exhibit 6: Current D&I maturity assessment framework for BFS enterprises

Source: Everest Group (2024)



Fundamental-state enterprises

Progressive-state enterprises

Leaders

Fragmented processes relying on legacy technology with limited integration	More integrated operational approach with end-to-end automation	Integrated and strategic operations model with a focus on talent, industry-specific capabilities, and a unified data architecture
Use siloed automation and basic talent strategies	Refined talent strategies, such as employee experience management and learning and development programs	Prioritize business-IT integration and employ objectives and key results-based performance management
Reactive approach to D&I prioritizing operational risk mitigation	A proactive approach to leveraging technology and talent to optimize operations	Have achieved superior business outcomes and high-performance D&I integrated operations
Lack a strategic focus on operations and D&I integration	Prioritize achieving cost efficiencies and reducing operational risks rather than driving revenue growth	Need to implement well-defined governance processes and constantly evolve change management programs to maintain their competitive edge

Dimensions	Fundamental	Progressive	Leaders
 Objective function	Cost efficiencies	Cost and operational benefits	Strategic benefits and experience imperatives
 Scope and targeted process types	<ul style="list-style-type: none"> Efficiency-driven initiatives Leverage D&I for transactional tasks 	<ul style="list-style-type: none"> Efficiency-driven and some experience-driven initiatives Integrate D&I for transactional tasks with some focus on judgmental processes 	<ul style="list-style-type: none"> Experience-driven initiatives Leverage D&I for transactional and judgement-intensive tasks
 Funding/ Sponsorship	Sponsored by the IT budget	Funded by business units' budget	Mix of center-led and business-led funding
 D&I pipeline responsibility	Individual business process owners and IT intelligence teams	Individual business process owners, process mining tools, and IT intelligence teams	Citizen-led discovery, centralized CoE, process mining tools, process owners, and IT intelligence teams

Exhibit 6: Current D&I maturity assessment framework for BFS enterprises (continued)

Source: Everest Group (2024)

Dimensions	Fundamental	Progressive	Leaders
 Talent, team structure, and governance	<ul style="list-style-type: none"> No dedicated D&I teams Largely shared talent from IT and operations Design, delivery, and strategy teams operate in silos and lack collaboration 	<ul style="list-style-type: none"> Centralized Center of Excellence (CoE) with well-defined roles Sharing resources in a business function across geographies Design, delivery, and strategy teams operate in silos but have well-established collaboration 	<ul style="list-style-type: none"> A hub and spoke CoE model with presence across business units Sharing resources across most business functions and geographies Follows a fusion team concept, and customer journey experts and product owners work together in specific sprints
 Reusability of D&I integration use cases	No library of reusable D&I integration use cases	Developed libraries of reusable D&I integration use cases and shared across some business units and regions	Developed a central library of reusable D&I integration use cases and shared across the organization worldwide
 Technology investments	Investments solely in mature technologies, such as RPA and test automation	Investments in mature technologies and average investments in new technologies, such as data fabric and generative AI	Robust investments across the D&I landscape
 Key metrics	<ul style="list-style-type: none"> Metrics are ad hoc and poorly controlled Cost impact: cost savings, number of use cases leveraging D&I, and number of automated hours 	<ul style="list-style-type: none"> The metrics are in addition to those in essential D&I integration Operational impact: employee productivity, operational efficiency, TAT, and better governance Tech infra utilization and license utilization CSAT, employee satisfaction, reusability rate, RoI, and revenue growth 	<ul style="list-style-type: none"> Along with intermediary metrics, the below metrics or outcomes are expected Positive impact on experience metrics, such as customer satisfaction and NPS Tight causality between technology metrics and operational business outcomes
 Performance tracking	Collection and data analysis is ad hoc	Performance data is regularly collected to create product dashboards	Performance is monitored in real time to make strategic decisions

Any BFS enterprise can use this framework to assess its current D&I maturity across the following three buckets:



Fundamental-state enterprises exhibit fragmented processes, limited integration, and basic automation, focusing on cost efficiencies and risk mitigation.



Progressive-state enterprises show more integrated operations with end-to-end automation, focusing on cost efficiencies and operational benefits, and employ refined talent strategies and proactive technology use.



Leaders achieve strategic benefits and superior business outcomes through highly integrated operations, robust governance, and advanced technology investments, focusing on experience-driven initiatives and comprehensive performance metrics.

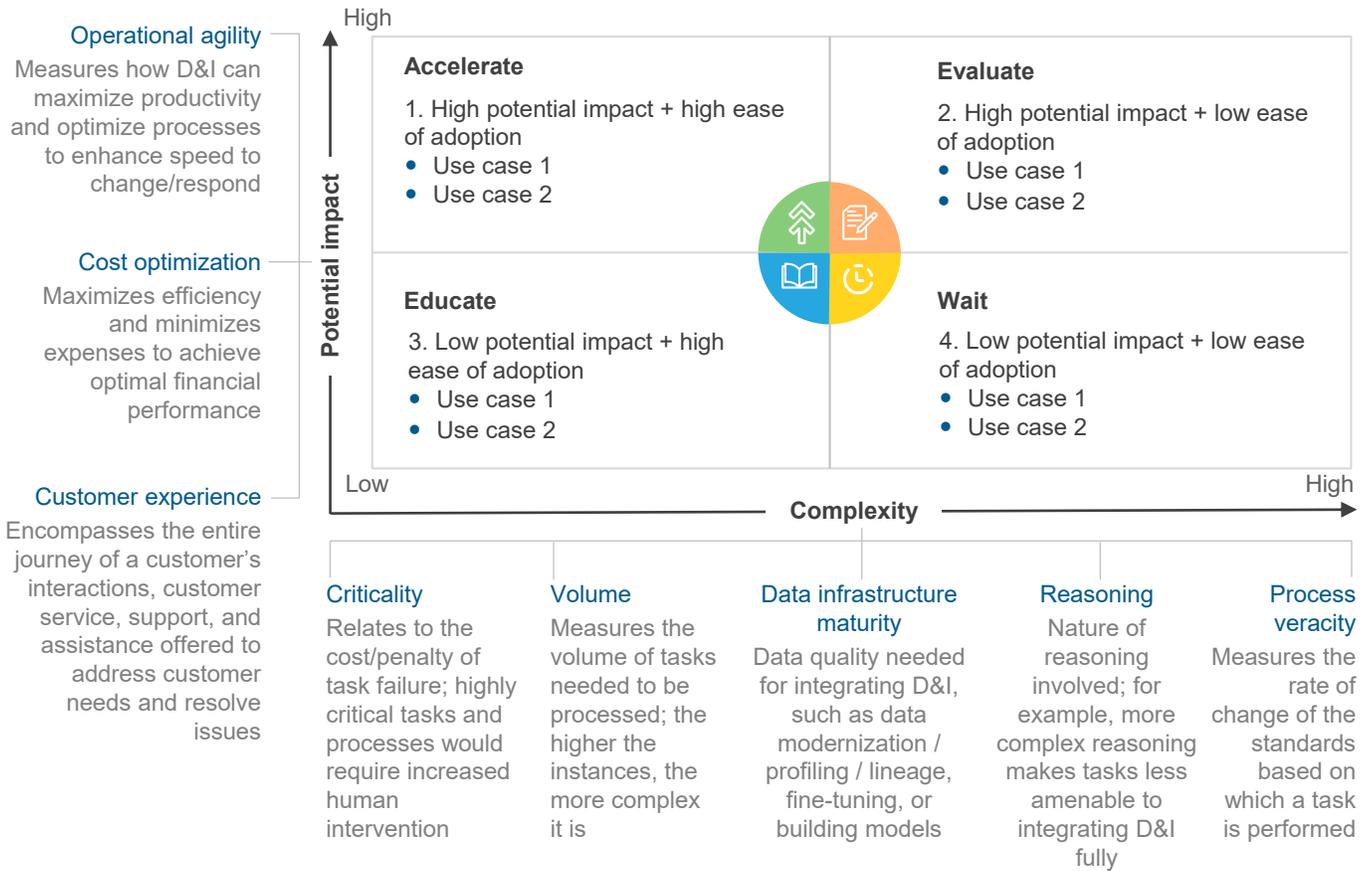
D&I integration use case prioritization roadmap for BFS enterprises

With numerous operational processes suitable for D&I integration, BFS enterprises must prioritize them judiciously. Enterprises must base this prioritization on criticality, volume, data infrastructure maturity, reasoning, process veracity, and the potential impact on operational agility, cost optimization, and customer experience.

Exhibit 7 illustrates the sub-processes identified in this prioritization framework, providing a clear roadmap for strategic D&I integration.

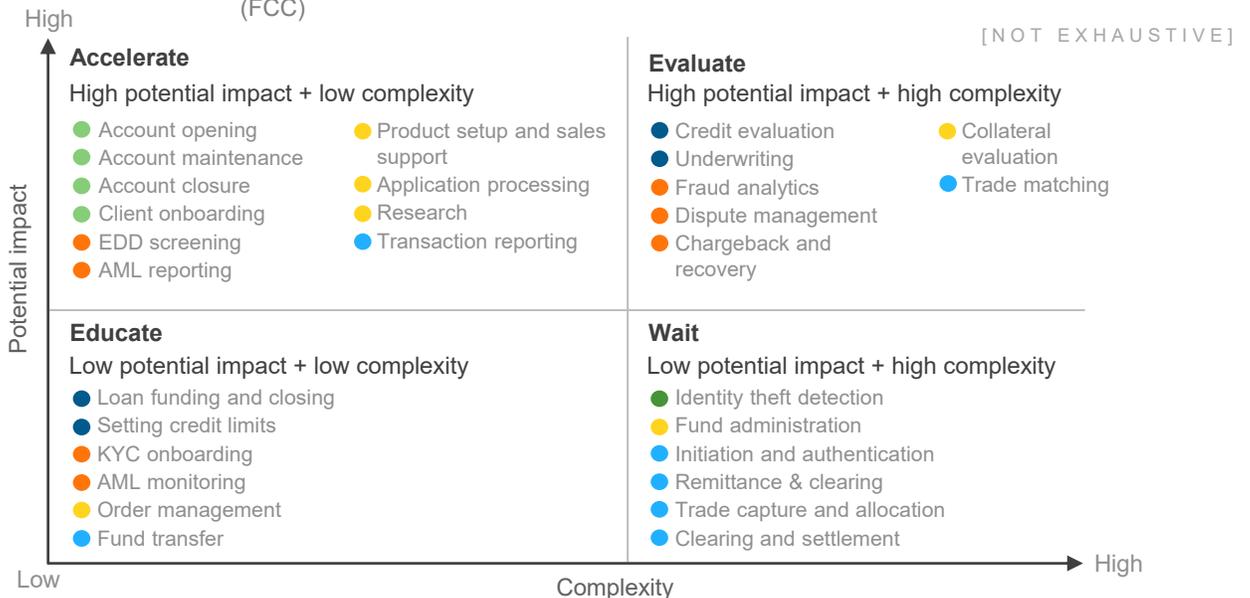
Exhibit 7: Use case prioritization roadmap for BFS enterprises in their D&I integration journeys

Source: Everest Group (2024)



Legend (value chain alignment)

- Customer Experience (CX)-centric
- Financial Crime and Compliance (FCC)
- Delinquency servicing
- Sales support
- Transactional



With distinct prioritization nuances, the use cases at a process level are classified as:

Customer Experience (CX)-centric: These processes prioritize enhancing customer journeys and ensuring seamless interactions. High-priority use cases, such as account opening, maintenance, closure, and client onboarding, are mapped to the **accelerate** quadrant due to their potential to significantly improve customer experience and operational agility. Identity theft detection, although critical, is classified under the **wait** bucket due to its comparatively higher complexity.

Delinquency servicing: Processes in this category manage and mitigate credit risks. Credit evaluation and underwriting are key use cases with high D&I adoption potential but are classified under the **evaluation** bucket due to their high complexity. Loan funding and setting credit limits use cases have lower priority, given their low impact potential and less-complexity nature.

Financial Crime and Compliance (FCC): This use case category ensures adherence to regulatory requirements and minimizes financial crime risks. Vital processes, such as Enhanced Due Diligence (EDD) screening and Anti-Money Laundering (AML) reporting are mapped to the **educate** quadrant due to their high potential impact and comparatively low complexity. Fraud analytics, dispute management, and chargeback processes are mapped in the **evaluate** quadrant, highlighting their high importance and complexity. AML monitoring and Know Your Customer (KYC) onboarding must have an even lower priority because their potential future D&I integration impact is limited, with high ease of adoption.

Sales support: Processes in this category support product development and sales activities. Processes, such as product setup, application processing, and research, are mapped to the **accelerate** quadrant due to their high impact on cost optimization and operational efficiency. Collateral evaluation use case is classified under the **evaluate** bucket due to its high complexity. Order management and fund administration, which have lower complexity and impact, are prioritized for the **wait** and **educate** buckets, respectively.

Transactional: The daily operational processes with conventionally large volumes fall under this category. **Accelerate** transaction reporting, which significantly impacts cost optimization with high ease of adoption. High-complexity processes such as trade matching are marked **evaluate**, while lower impact processes, such as fund transfer, trade capture, and remittance, are in **wait/educate** buckets.

The current D&I integration imperative: understanding the urgency

Everest Group take

Current macroeconomic pressures require BFS executives to allocate resources strategically to D&I initiatives. Prioritizing investments in predictive models, stress testing, and AI platforms will enhance risk management and operational resilience, drive cost efficiency, and improve customer experience. This approach ensures that despite tightening budgets, BFS firms can remain agile and innovative in a challenging economic landscape.

Macroeconomic uncertainties and cost pressures

The current economic landscape shows significant uncertainties due to geopolitical tensions, such as the Russia-Ukraine war and the Israel-Palestine conflict, high interest rates, and ongoing regional elections. Recent failures of Silicon Valley Bank, Credit Suisse, Silvergate Bank, and First Republic Bank, alongside rising inflation, have tightened BFS enterprise budgets, delaying decisions on large modernization deals and reducing discretionary spending.

Despite these challenges, BFS firms maintain stable spending on D&I integration initiatives. They leverage D&I to drive cost efficiencies, meet tighter-than-ever regulatory requirements, diversify products, and enhance resilience. There is a notable increase in data science and AI platform investments for improved cost predictability, budget analysis, and liquidity measures. Additionally, CFOs invest more in treasury management functions in response to recent banking failures.

“We expect AI will enable us to lower our costs for the coming years. Furthermore, we believe that AI, combined with our unique data scale and sets, will drive efficiencies and a differentiated and unique set of value propositions for our merchants and consumers. So, even though today’s macroenvironment is difficult to forecast, we believe we are well-positioned to deliver a strong year.”

– Dan Schulman, Former President and CEO, PayPal³

Rapid digitization and cloud migration

Post-COVID-19, the BFS industry accelerated its digitalization and cloud migration efforts to ensure business continuity and resilience. This rapid shift has unlocked vast opportunities for data-driven product innovation. BFS enterprises now have access to more diverse datasets. Additionally, a new demographic of digital-first clients increasingly demands superior customer experiences, pushing enterprises to leverage advanced analytics and intelligence to tailor services and enhance engagement. As a result, the business case for value realization from the cloud has firmly pivoted from optimizing costs and efficiency to driving product and experience innovation.

Cybersecurity, AI advances, and regulatory dynamics

The surge in cyberattacks and the advent of advanced cognitive capabilities, particularly generative AI, have transformed BFS enterprises’ risk landscape. Concurrently, the regulatory environment around data privacy is becoming more stringent and complex, as shown in Exhibit 8.

³ PayPal Q1 2023 earnings call

Exhibit 8: The emerging data privacy regulatory environment

Source: Everest Group (2024)

North America	New York State Department of Financial Services Cybersecurity regulation (NYDFS), Gramm-Leach-Bliley Act (GLBA), Fair Credit Reporting Act (FCRA), Personal Information Protection and Electronics Document Act (PIPEDA), and the Bank Act
Latin America	Personal Data, Protection Law, and Law for Protection of Private Life
Continental Europe	The European Data Governance Act and General Data Protection Regulation (GDPR)
United Kingdom	The UK Data Protection Act
Middle East & Africa	The Electronic Communications and Transactions Act (South Africa)
Asia Pacific	MAS-TRM, Consumer Data Right (CDR), and Personal Data Privacy Ordinance

Integrating D&I would allow BFS enterprises to enhance their cybersecurity measures, leveraging predictive analytics and real-time monitoring to detect and mitigate threats proactively. Additionally, AI-driven insights can help navigate and comply with evolving regulatory requirements, ensuring data governance and privacy while maintaining operational integrity.

Conclusion and the way forward

D&I is no longer optional but necessary for BFS enterprises seeking to shape their digital transformation journeys. To successfully adopt analytics, enterprises must understand their current states, assess gaps, and leverage next-generation analytics and AI tools to address pain points, refine customer journeys, and improve business outcomes.

However, several challenges hinder CXOs from effectively scaling their intelligent automation and AI investments. These challenges include change management, well-founded business case identification to RoI justification, talent availability, and safety, privacy, and data protection risks.

Hence, BFS enterprises must decide the D&I capability type they would develop and integrate in-house and the type they want to integrate through partnerships with broader technology and service provider ecosystem. Third-party providers offer access to production-ready and proven solutions, a skilled talent pool with domain and technical expertise, cutting-edge technologies, and scalability and cost-effectiveness to help enterprises achieve their transformation goals. Enterprises must select the right partner ecosystem that offers their customers and employees best-in-class solutions and an unparalleled experience.

Based on a recent Bank of America Global Research⁴ study, the financial services industry is poised to achieve a significant 41% revenue growth from AI products and services over the next five years.

Are you ready to enhance your readiness and accelerate value realization from your D&I investments to capitalize on this growth potential? Exhibit 9 presents an enterprise roadmap for a successful D&I integration.

Exhibit 9: Way forward for enterprises: the nine-step process for a successful D&I integration

Source: Everest Group (2024)



⁴ Bank of America Global Research. (2024). [The AI Evolution: Reality Justifies the Hype](#)



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This study was funded, in part, by
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