Customer Experience Services in BFSI

TCS

1. Background

Tata Consultancy Services (TCS) is a public IT services and BPS provider, part of the Tata Group. It has ~$23bn for CY 2020 (NelsonHall estimates) and ~453k employees globally. NelsonHall estimates the BFSI sectors represent the largest share of the business at ~32%. CX services called Customer Experience Management are part of the Cognitive Business Operations (CBO) unit. CBO delivers for its ~200 sector clients CX services, F&A, supply chain management, HRO, and IT support, including application and infrastructure design, development, maintenance, cloud, and security.

TCS' CX services in BFSI cover customer care, technical support, billing, payment processing, complaints management, sales, cross-sell and upsell, outbound campaigns, loyalty management, credit management, early and late stage collections, order processing, claims administration, underwriting support, KYC, fraud protection, and QA. It also offers WFM, operational optimization, CX consulting, digital channel enablement, analytics, reporting and BI, RPA/RDA, and AI/ML development and implementation.

It has ~20k CX front and back-office employees in 30 locations supporting the BFSI clients in North America, U.K., Ireland, Hungary, Saudi Arabia, India, China, the Philippines, and Singapore.

TCS' ~200 CX engagement BFSI clients include retail and commercial banks, digital banks, card companies, mortgage and lender brokers, credit unions, investment and wealth management funds, life and P&C insurers, pension funds, insurance, and reinsurance brokers.

TCS has a BFSI-dedicated technology stack in insurance, mortgage processing, commercial lending, and capital markets such as F&A application suite and Smart Onboarding Solution. It has a suite of banking products, BaNCS. Its wider CX services digital assets include cognitive tools such as Customer Interaction Manager, Disambiguation Engine, Dispute 360, TCS Financial Closing Monitor, and patented frameworks such as Transform.

2. Revenue Summary

NelsonHall estimates TCS' CX Services revenues for CY 2020 at ~$1.1bn, of which BFSI forms ~42% or ~$460m.

3. Key Offerings

TCS provides customer care over the phone, email, chat, and social media, billing, claims and complaints management, account maintenance, and technical support. It offers lead generation, marketing campaigns, inbound and outbound sales, cross-sell and upsell, retention and renewal, collections such as skip trace, recoveries, legal supports, and agency management. In the CX back-office, TCS delivers data administration, processing, underwriting support, verification, KYC, fraud prevention, and insurance services such as first notice of loss, review of risk indicators, credit bureau updates, checks, and compliance services.

It provides CX consulting, reporting and dashboarding, analytics, WFM, QA, and implementation of agent and customer-facing RPA and bots.

Exhibit 1: TCS CX Services in BFSI Offerings

Service	Offering
Customer care	General inquiries Account management Billing and payment support Technical support Complaints management Social media care
Revenue generation	Lead generation Inbound/outbound sales Marketing campaigns Cross-sell and upsell Retention and renewals Early and late-stage collections Skip trace Recoveries Legal support
CX services back-office	Customer onboarding Claims administration Underwriting support Order management Data management Application screening and risk assessment KYC Fraud prevention
Consulting and analytics	CX design and consulting Customer journey mapping Digital channel enablement Speech and text analytics Reporting and BI RPA/RDA and bots implementation Customer survey data Employee interviews Ecosystem maps Industry and competitive analysis Customer effort score and competitive analysis Social listening and social sentiment Distribution and channel structure Customer segmentation Customer pain and pleasure points Voice of customer and employee

Source: TCS

TCS Business 4.0 framework includes intelligent automation, agile development, automation, and cloud to deliver business growth, cost optimization, utilization of the company's industry ecosystem, and end-user CX personalization. The approach is top-down, focusing on cognitive technology and transformation of the contact center within the end-to-end customer journey. At the base are cognitive tools such as automatic case management, workflow manager, or a chatbot. Next is a contextual domain layer by subsector such as insurance or mortgage processing. TCS then has a set of proprietary frameworks for operational transformation and benchmarking. For example, TCS' Customer Journey as-a-Service (CJaaS) is the company's asset-led consulting framework to assess and identify friction across processes, including outside the front-office. It is guided by pre-configured journeys, pre-built data models, and optimized processes with real-time insights from the journey context and behavior to personalize CX interactions online, in the banking app, in the contact center, or the physical branches. TCS performs omnichannel listening, identifies and recognizes journey pain points, runs analytics, creates adaptive customer profiles, and finally orchestrates the journey. The company has five implementations in the BFSI space. TCS teams analyzed, refined, and aligned for regulatory compliance and organized in libraries approximately 480 CX processes at the vertical level such as commercial lending and P&C and life insurance. It runs KPI analytics and presents insights to clients across six categories, organization, productivity, quality, volume, cost, and revenue. Finally, using the open Thunderhead ONE Engagement Hub, it orchestrates and presents operational management in the optimized processes. The average implementation process is three months.

At the next level, the company has dedicated cognitive platforms such as Cognitive Automation Platform for FOH/BOH, Adaptive Knowledge Bank, TCS Intelligent Digital Extraction Suite (TIDES), Intelligent Conversation Entity (ICE), Integrated Business Workflow Solution (IBWS), Disambiguation Engine, Cognitive Financial Spreading, and Dispute 360 and assets such as TCS F&A application suite, Smart Onboarding Solution, and Customer Interaction Manager for collections. Finally, the company offers the contextualized managed services.

TCS BaNCS is the company's digital BFSI stack for digital transformation, with RPA, AI, data and analytics, mobility, social media, blockchain, and edge computing. An example is a TPA contract for a U.S. life and employee benefits carrier, which TCS won in 2018. It provides policy and claims administration, new business support, customer care, regulatory compliance, complaints handling, reinsurance administration, F&A, IT application development and management, TCS BaNCS platform implementation, and change management. It has ~2k resources in nine locations, four in North America and five in India. The multi-year agreement resulted in annual run-rate savings of approximately $70m in the first two years, growing to $100m over time.

The company has delivery frameworks for WFM, quality and compliance, FCR and knowledge update, and benchmarking across industries and shares best practices, for example, in collections for the telecom and utility sectors. In QA, TCS has ~750 specialists providing compliance monitoring, soft skills evaluation, and continuous improvement. In WFM, TCS has ~100 resources supporting ~40k agents in forecasting, staffing, scheduling, and operational analysis. It uses the TCS Productive tool to track productivity and identify improvement opportunities. It also optimizes the search in the clients' knowledge bases with TCS Adaptive Knowledge Bank. For a LATAM bank, TCS reduced the AHT between 8% and 10% and increased the FCR.

In agent augmentation, the company implements virtual assistants giving agents suggestions for relevant articles, automated decision trees, and contextual information of the customer web journey. It has a proprietary Adaptive Knowledge Management Bank (AKB) for business process knowledge management. AKB has features for document ingestion with content creation, workflows and approval steps, ticketing process, keyword tagging, and metadata management. It allows user collaboration to broadcast and pledge, like, track usage trends, and quick search personalization. The document search has a data dictionary and fuzzy search. It has controls, audits, reporting, and dashboarding. TCS develops RPA/RDA, unified agent desktops, and NBA tools. It has eight implementations of AKB. For example, for a bank in the U.S., it introduced real-time sales optimization and NBA bots to optimize calls by 33%. It also performs data gathering, generates insights, and runs operational and customer analytics such as speech and text analytics, VOC and feedback analytics, and compliance analytics. An example client is an Indian bank.

TCS enhances utilization in CX operations with a proprietary set of WFM models, cross-skilling employees, and the introduction of its workflow and routing tool TCS Microflow. After the Microflow implementation, an Australian bank achieved an ASA reduction from 60 sec to 30 sec with ~AUD 4m savings.

TCS's debt management and collections offerings include credit limit adjustments, early and late-stage collections, skip tracing, and legal support. It onboards overdue customers on the collections tool, Customer Interaction Manager, and tracks and returns analysis to the clients. For example, for an Australian bank, TCS' generated revenue 6.36 times per invested dollar and improved the right party contact rate by 37%. It also runs marketing and sales campaigns for BFSI clients. For example, for a retail bank in India, it introduced SMS sent over a dialer with a link to a chatbot, activated proactive notifications via the CRM, and automated email management with TCS Smart Email Case Management platform. It also integrated two-way IVR validation and self-services. As a result, TCS reduced repeat calls with contact rate increasing from 40% to above 60% through customer segmentation and increased recovery rate to 3%, 100 bps higher than the target.

TCS COIN is the company's research and innovation ecosystem with a network of technology providers, startups, research, and academic entities. COIN covers areas such as cybersecurity, microservices and APIs, automation and AI, IoT, and industry accelerators, with a dedicated BFSI one. An example development is WAH and TCS Secure Borderless Workspace.

In 2019, TCS launched CUBO, a cloud-based marketplace with ~500 proprietary and third-party APIs, bots, and platforms with function-specific use such as analytics and social messaging, and domain-specific instruments. In BFSI, CUBO has BaNCS, Fiorano, an open banking platform, GReg regulatory risk management and reporting tool, and CredoWeb app for credit intelligence.

The company also has an enterprise digital store for software packages and business process materials tailored for BFSI. Companies can download materials, analytics models, and reporting templates and dashboards, for example, in personalization iPrescribe or RFP Wizard; app such as intelligent file mapping and RPA command center; data assets such as DECISION fabric; platform modernization such as cloud studio; and analytics and AI such as Smart Email case management and TIDES OCR.

It has a network of innovation hubs called Pace ports in New York, Pittsburgh, Toronto, Amsterdam, and Tokyo. The centers are co-creation spaces for academia such as Cornell University, startups, technology partners, UX/UI agencies, and blueprinting teams to reimagine products and processes.

4. Delivery Capabilities

4.1 Delivery Capability

TCS CBO has ~48k employees, including ~20k sector resources in 30 countries. Major delivery locations include:

- North America: U.S.

- LATAM: Mexico, Chile, Uruguay, Brazil

- EMEA: U.K., Ireland, Hungary, Saudi Arabia

- APAC: India, China, Philippines, and Singapore.

4.2 Platforms and Intellectual Property

TCS' proprietary CX technology include:

- TCS BaNCS: Suite of banking products

- Conversa: Omnichannel management

- TCS Intelligent Digital Extraction Suite:

- TCS-Financial Closing Monitor

- TCS Control Line

- TCS Smart E-Mail Case Management Solution

- Adaptive Knowledge Bank

- TCS Integrated Business Workflow Solution

- PRODUCTIV - Workforce Productivity Solution

- TCS Smart Journal

- TCS Digital Account Payable Solution

- Customer Interaction Manager: Collections

- TCS Xylatics: Customer survey

- IQlass: Remote training.

TCS' third-party CX technology partnerships include:

- Genesys (Cloud)

- Google CCAI

- Amazon Connect

- Avaya (One Cloud)

- NICE inContact

- Nexmo

- Plivo

- Twilio

- Microsoft

- Salesforces

- Thunderhead

- Quantum Metrics, OnviSource, SmartQM, Aspect, Cisco, Verint Witness Systems, Genesys, NICE, Impact 360, for QA

- Oracle RightNow, NICE, Five9, Repsly, Gridspace, Avaya, Anaplan for WFM.

4.3 Commercial Models

TCS pricing models in BFSI are predominantly by time and material. It is actively promoting outcome-based pricing such as reduced cost per transaction or commission in collections. An example implementation is a price per supported policy for a U.K. pension scheme. The insurance sector, in particular, is more open to outcome and risk and reward models. A common challenge for the advanced models in banking CX services is insufficient experience to predict and forecast volumes and customers.

5. Target Markets

BFSI clients focus on resilience and BCP; they want to balance the digital CX between automated and human support, achieve hyper-personalization and proactive touch through analytics, and expect the improved CX to lead to better business growth. Sector clients aim to migrate their contact center operations to a secure cloud. Finally, they are open to exploring risk and reward commercial models.

Examples of TCS' CX services banking, financial services, and insurance clients include:

Multinational U.S. and APAC bank wanted an end to end CX operations support:

- This multinational bank with operations in the U.S., Australia, and India wanted an end to end CX operations support

- TCS supports the client since the late 1990s and currently has ~5k resources in India, the Philippines, and the U.S., providing sales, customer onboarding, origination, customer care, debt collections, and loyalty management over voice, SMS, email, chat, and back-office processes in the three markets

- It optimized training processes such as queue categorization, best practice sharing, and training need analysis and identified process enhancement opportunities resulting in 12% higher efficiency

- TCS deployed omnichannel communication in collections with IVR, outbound SMS and voice messages, and account history visibility for the live agent contact. It supported collections for the customer base during the client's acquisitions and expansion history. For the India market, TCS delivered ~20% enhanced recovery

- It implemented desktop automation across processes such as account validation, reducing the validation time from 45 min to one minute in the U.S.

- It also deployed speech and text analytics on chat transcripts and emails to give insights on customer sentiments, response time, root cause analysis, and compliance

- Over the period, TCS became the single service provider for the premium segment. It delivered $1.7bn fraud saves in credit and debits detection and $257 ROI per dollar in fraud for U.S. operations. It achieved an NPS of ~56% from the introduced analytics and operational framework. In Australia, TCS reached 9% positive NPS for early and mid-stage collections.

U.K. pension provider wanted to evolve its CX to digital channels:

- This U.K. workplace pension provider had a strategic initiative to automatically enroll eligible workers into a qualified workplace pension scheme and transform its support by enabling digital channels

- TCS began supporting the client in December 2013, setting up greenfield operations with BaNCS, IT and back-office operations, and CX services to ~10m members. It worked with the pension scheme to optimize the IVR, enable web chat, and influence customers to adopt digital channels. TCS also manages the social media channels

- It optimizes the self-service materials and assists employers with the self-service portal, and makes recommendations to the client based on analysis of customer engagements

- It also activated offshore support from India to handle ~85% of volumes and introduced automation and self-service to process ~1/4 of the traffic. During the pandemic in 2020, it migrated the ~550 onshore U.K. and offshore resources to WAH

- By August 2020, TCS achieved 12% voice transactions deflection to chat, increased IVR traffic from 11% to 23% of all volumes with ~100k transactions serviced automatically. It also reduced TAT by 50% for emails and eliminated ~7% of potential transactions. Overall calls per employer reduced by 52%, while 56% of the service is over digital channels.

North American insurer looked to leverage knowledge management technology in its front and back-office CX:

- This North American insurer had an operating procedure repository of ~6k documents with manual content creation, control, and distribution, resulting in high handling time, process errors, low adoption of SOP referral, and poor change management

- TCS supports six lines of business with ~750 front-office and ~1.2k back-office agents in different geographies

- In 2020, TCS rolled out its Adaptive Knowledge Bank over three months with a cloud-based implementation. It also integrated fuzzy search for more accurate research

- It used gamification to increase adoption and implemented a broadcast module for SOP change communication

- TCS adopted knowledge management governance based on roles and workflows and enabled audits for QA standard maintenance

- As a result, the TCS achieved 100% adoption in 60 days, reduced procedural errors by 15%, and reduced search time by 40%.

6. Strategy

Since 2018, TCS developed a cognitive operations strategy where it positions as a full-service provider for BFSI, offering CX services reimagination, industry-specific services supported by the BaNCS suite of banking products, infrastructure services, particularly for cloud migration, and IT services for omnichannel enablement. It uses the approach to address BFSI market demand for consulting-led CX services outsourcing, specifically with customer journey as-a-service with visualization to capture issues across all parts of the organization. Next, the BPS teams expand the process libraries, identifying and improving additional CX sub-processes per subsector, such as mortgage services and capital markets. It is developing several sector pilots with the partnership CX journey orchestration and engagement hub.

One of the model's accelerators is that TCS is increasingly dealing with unified technology and operations structures in the client organizations. The technology stakeholders' involvement is a must when the project migrates customer interactions from voice to non-voice channels. For example, for the above-mentioned bank in the U.S., Australia, and India, TCS targets a greater share of the consolidated delivery for the U.S. market, assisting with higher adoption of non-voice channels, which already started during the 2020 pandemic. For the bank's Australian market, it is participating in the client's risk council to analyze factors in the overall risk governance and provide credit calls.

Since 2019, it actively leverages its automated QA and WFM experience as an independent offering, for example, call monitoring for the internal operations and third-party suppliers for BFSI clients. For WFM, it expands the volume management to non-voice activities. For its knowledge management platform, the objective is to create ROI cases for new opportunities.

On the innovation roadmap, TCS also relies on its ecosystem of technology providers to create and show POCs and uses Pace Ports' network to run demonstrations, co-create, and test technology.

For its delivery network, TCS is adding capacity in the onshore U.S. and China and offshore from Mumbai, India, and non-voice services from Indore, Nagpur, and Gandhinagar. It aims to move to universal agent delivery with employee upskilling and technology enablers such as domain academy, online learning, and remote training.

During the pandemic, new wins typically started in WAH. At the company level, it has a vision, Secure Borderless Workspace, to maintain only 25% of all TCS workforce on-site by 2025. In BFSI, it expects the remaining 20%-25% on-site to be primarily compliance-related work.

7. Strengths & Challenges

Strengths

- Breadth and depth of BFSI sector offerings across BPS

- Delivery scale and strong market momentum in BFSI

- Strong practice in CX transformation with a proprietary framework for customer journey diagnostics, technology partnership for journey orchestration, pre-built assets by vertical with sector implementations

- Suite of proprietary BFSI automation, analytics, and process optimization platforms with subprocess use cases with a dedicated store

- An ecosystem of technology and innovation partnerships, alliances, accelerators, and marketplace.

Challenges

- Can build up additional case studies in BFSI for support on emerging channels such as asynchronous messengers

- Can promote more actively its predictive and prescriptive analytics capabilities in revenue generation activities such as collections

- Can develop further its brand persona design and language consulting capabilities.

8. Outlook

TCS's strong CX BFSI expertise is built on a range of proprietary platforms and transformation frameworks with subprocess level applications. Its continuous investments in agent augmentation, omnichannel, and contact center operational optimization such as QA automation address the developing market demand for a unified CX strategy. A standout capability is the customer journey analysis and orchestration practice leveraging Customer Journey as a Service with dedicated resources, pre-built process libraries, and partnerships. Look for additional sector wins on the back of these investments.

The company's collaboration studios, R&D partnerships, the marketplace, and digital store focus on emerging BFSI brands' needs where changing customer behaviors such as digital channel migration, competitive pressures from fintech and insurtech, and evolving product landscape with ML analytics require continuous innovation.

Expect additional deployments of TCS' proprietary knowledge management platform, digital extraction suite, automation email management, and integrated business workflow with sector clients looking to augment live agent support and improve front-office performance.

Expect meaningful sector growth from the company, for example, the management of government financial support schemes in the U.K.

About The Author

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