

*Only relationships can make  
a difference to inhuman  
**Banking** services*



## Shining Perspective

Public / Private sector

- In case of smaller banks, customer base proximity and penetration density in their locality are very high
- They lack discipline, process and technology compared to larger banks
- After acquisition, the smaller banks need to go through a huge **cultural transformation** to match the corporate culture of the buyer bank
- A special task force is required for a minimum of two years to activate the transformation
- Training on micro details of soft skills is also needed for better integration
- Appropriate use of their existing workforce would be very crucial to maintain control over the entire customer base and to ensure the relationships endure

As rest of the world continues to struggle with expanding fiscal deficits and external debt, it the emerging markets of countries like China, India which holds the key to growth in financial services.

It should not surprise many if companies from these regions declare cross border mergers resulting in consolidation of the industry.

Banks continue to move away from traditional outsourcing towards captive operations or a mix of captive and outsourced operations.

Predictive analytics will result in less erroneous forecasting models.

### Industry Growth Drivers

- Growth in Emerging market
- Deregulation
- Retail banking
- Expansion across geographies
- Cross-selling
- Technology
- Value added services: Mobile banking/E-banking

### Industry Competitive Scenario

- Global Vs National competition
- Diversification
- Declining margin due to tougher competition

- Decreasing direct customer touch points by introducing value added services
- Increased convenience through technology

### Industry Complexity

- Government regulations
- Achieving economies of scale
- Risk management
- Managing Data privacy and security
- Managing customer experience as products are rarely differentiated and quickly copied
- Managing product and service innovation
- Multi-channel integration and optimization

### Industry Pain Areas

- High delinquency rate
- Customer churn/shift
- Debt recovery
- Post merger transition
- Increasing compliance costs
- Technological obsolescence
- High cost of technologies
- Increase in IT security cost
- Increasing IT security incidents like Phishing



**Delivering extra benefit**

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