Everest Group Capital Markets Application Services PEAK Matrix™ 2019

Focus on TCS
November 2018

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PEAK MATRIX™

Introduction and scope

Everest Group recently released its report titled "[Application Services in Capital Markets – Services PEAK Matrix™ Assessment 2019: Data, Cloud, and Platform Investments to Fuel Innovation and Optimize Costs](#)." In this report Everest Group assessed the vision & capability and market impact generated by 27 service providers for their capital markets application services portfolio; service providers were positioned on Everest Group's proprietary PEAK Matrix™ to identify Leaders, Major Contenders, and Aspirants

The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of IT service providers based on their absolute market success and delivery capability. Everest Group analysed the service providers response to key capital markets demand themes through investments in Centers of Excellence(COEs), certified talent, platforms, and partnerships

Based on the analysis, **TCS emerged as a Leader**. This document focuses on **TCS** capital markets application services market success and capabilities and includes:

- TCS' position on the capital markets application services PEAK Matrix
- Detailed services provider profile of TCS

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

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R E S E A R C H

Background, scope, and methodology for capital markets Application Services (AS) PEAK Matrix™ assessment 2019

- Global capital markets firms are investing in technology themes such as data, platform, modernization, and experience to offset the challenges faced due to the evolving nature of consumer demands, complexity of regulatory landscape, sluggish growth, and the threat from niche financial technology firms (FinTechs)

- In a bid to contain costs, manage regulations, and grow their revenue base, capital markets enterprises are investing in utilities & platforms and exploring technologies such as Robotic Process Automation (RPA), blockchain, machine learning, cloud, and robo-advisory. With technology becoming core to the business, the capital markets landscape is witnessing continued disruption

- In this research, we studied the vision and capability of 27 IT service providers for capital markets application services. We also evaluated the market impact generated by each IT service provider

Scope of this report

Industry
Capital markets (investment banking, asset management, custody and fund administration, and brokerage)

Market segment
ITS market – third-party ITS transactions; excludes shared services or Global Capability Centers (GCC)

Geography
Global

Sources
- Everest Group's proprietary database of 1,200+ active, multi-year ITS contracts within capital markets
- Operational capability of 25+ capital markets ITS service providers updated through Request for Information (RFI)
- Service provider's demonstration of capabilities through briefings and discussions
- Interactions with the service provider's clients

Service providers covered in the analysis

accenture, Atos, birlasoft (CK BIRLA GROUP), Capgemini, CGI, Cognizant, DXC.technology, endava, epam, excelian LUXOFT FINANCIAL SERVICES, genpact, GFT, HCL, Hexaware, IBM, Infosys, LTI, Mphasis, NIIT technologies, NTT DATA, Softtek, Synechron, TATA CONSULTANCY SERVICES, Tech Mahindra, virtusa, wipro, YASH Technologies
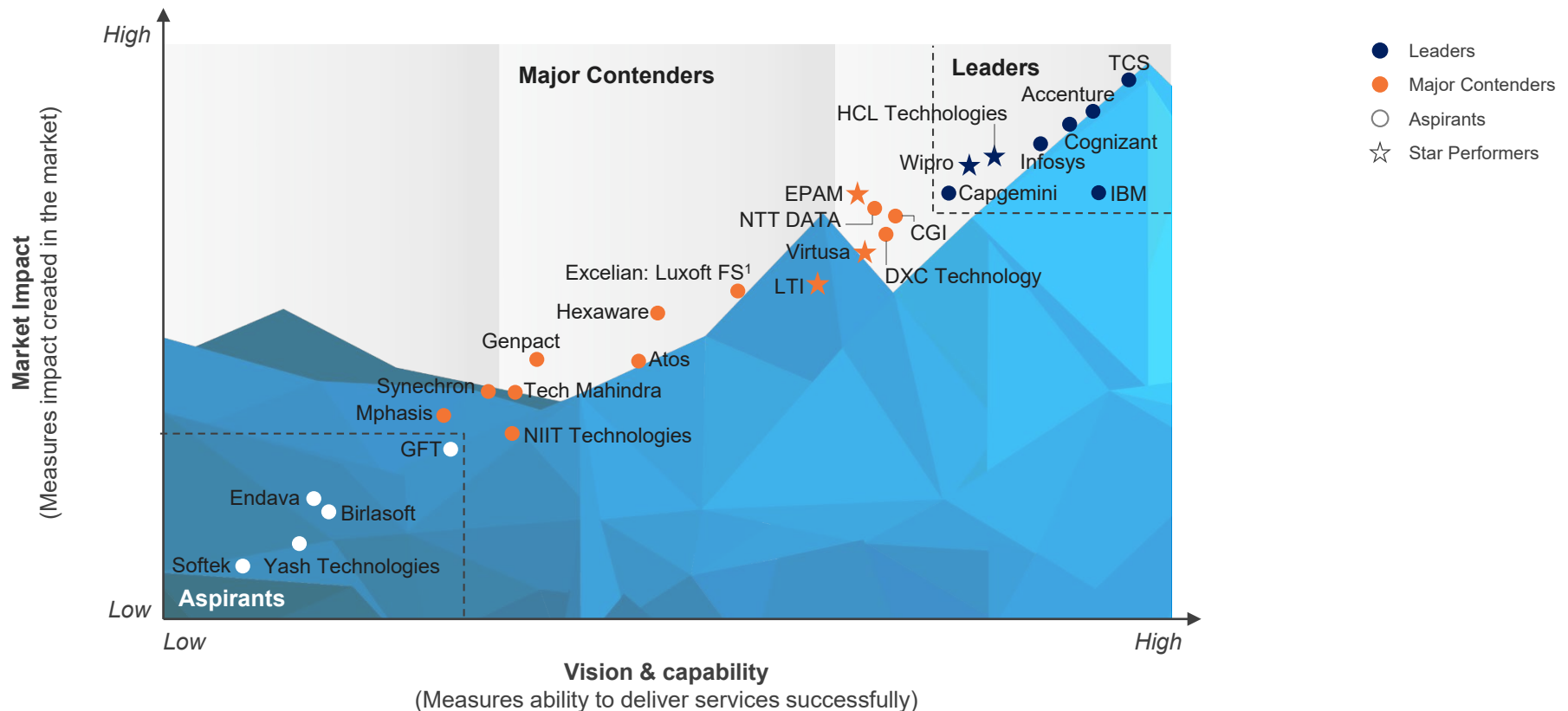
Everest Group PEAK Matrix™
Capital Markets Application Services PEAK Matrix™ 2019 | TCS emerged as a Leader

Everest Group Capital Markets Application Services PEAK Matrix™ 2019

Legend:
- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Axes:
- Vertical: **Market Impact** (Measures impact created in the market) — Low to High
- Horizontal: **Vision & capability** (Measures ability to deliver services successfully) — Low to High

Quadrants/groups: Major Contenders, Leaders, Aspirants

Plotted providers: TCS, Accenture, Cognizant, Infosys, HCL Technologies, Wipro, Capgemini, IBM, EPAM, NTT DATA, CGI, Virtusa, LTI, DXC Technology, Excelian: Luxoft FS[1], Hexaware, Genpact, Atos, Synechron, Tech Mahindra, Mphasis, NIIT Technologies, GFT, Endava, Birlasoft, Softek, Yash Technologies

1 Excelian: Luxoft Financial Services

Note: Assessment for Birlasoft, CGI, DXC Technology, Endava, Excelian: Luxoft FS, Hexaware, Softtek, and Yash Technologies excludes service provider inputs, and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with capital markets enterprise

Source: Everest Group (2018)

Overview

Strengths
• Firm-wide restructuring, focus on region-specific delivery approach, and industry-oriented GTM approach are showing significant signs of success in the capital markets space
• Significant investments in solutions/IP, products, thought leadership, and co-innovation efforts further fueled growth
• Clients appreciate TCS' delivery focus in driving advanced Agile adoption
• Clients cited their ability to deliver consistently at a large scale, strong technical and domain capabilities, and flexible pricing models as key differentiators

Areas of improvement
• Enhance the design and domain consulting capabilities to ensure competitive differentiation from consulting majors expanding into downstream application services delivery
• Potential to enhance messaging around change management capabilities as TCS looks to scale their digital capabilities for the capital markets industry
• Clients expect TCS to better manage attrition during large scale transformation projects as well as ensure consistency of delivery resources

Revenue contribution   ■ >20%   ■ 10-20%   ■ <10

Application services scope

Development	Maintenance	Testing	SI/consulting
■ >20%	■ >20%	■ 10-20%	■ 10-20%

Adoption by lines-of-business

Investment banking	Asset management	Custody & fund administration	Brokerage
■ >20%	■ >20%	■ >20%	■ >20%

Adoption by geographic focus

North America	EMEA	Latin America	APAC
■ >20%	■ >20%	■ <10	■ 10-20%

Capital markets AO revenue

<US$200 million	US$200-US$500 million	US$500 million-US$1 billion	>US$1 billion
			>US$1 billion

AO services revenue by buyer size[1]

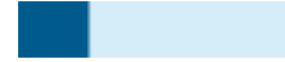|		
Small	(annual revenue < US$5 billion)	
Medium	(annual revenue = US$5-10 billion)	
Large	(annual revenue = US$10-20 billion)	
Mega	(annual revenue > US$20 billion)	
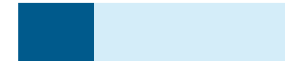
Digital services scope

Big data analytics	Blockchain	Cloud	Machine learning / AI	Social and mobile
■ >20%	■ <10	■ >20%	■ <10	■ 10-20%

Case studies and solutions

Case study 1: One of the largest European global banks intended to create data insights-as-a-service model for multiple LoBs across the enterprise	
Business challenge	Disparate systems and redundant data stores created issues with system integrity and audit compliance to the bank. The bank wanted to transform their application landscape.
Solution and impact	A platform to provide insights-as-a-service across different business units within the bank. It is used by business groups across the enterprise to explore and evaluate opportunities by loading data directly and performing the analytics on a pilot basis. There is a full-fledged project execution based on the analytics insights received from the pilot which was live for multiple LoBs.

Case study 2: A large global private bank set out to strengthen relationship with the clients with an integrated digital technology platform	
Business challenge	Customer wanted to embark on a digital transformation journey to enable stickiness of their existing customers and increase clientele with improved Straight Through Processing (STP)
Solution and impact	Transformation of both client and advisor channels. The key features within client channel included omnichannel experience, real-time information, easy accessibility to products & services, personalized content/advice, support for self-service, automated advisor, single integrated & aggregated view of customer, and better tools for financial analysis

Key proprietary solutions (representative list)

Solution name	Details
TCS mastercraft suite	A suite of tools across transformation, simplification, data migration, and application decommissioning
Application portfolio management framework	Framework to handle application componentization, sizing, decommissioning, and rationalization
Microservices framework	Collection of assets including best practices, frameworks, standards, and guidelines for developing highly scalable microservices
CAT offering	Consolidated audit regulatory offering for broker dealers
TCS wealth advisory suite	A solution framework that enables the bank to implement advisor recommendations, robotic advisory, research and social sentiment analysis, and collaborative financial planning
Cloud readiness assessment framework	The framework helps TCS in assessing client organizations to determine their readiness to move to the cloud. It enables assessment across multiple dimensions including business objectives, infrastructure, application architecture, and IT organization
RPA framework	Capability to provide suitability assessment, functional prioritization, and implementation for capital markets players. The framework creates RPA suitability assessment, business case evaluation, and RPA-enabled process augmentation and optimization
Cognitive solutions	Host of AI-based solutions such as conversational agents and intelligent agents to automated robots

Investments and partnerships

NOT EXHAUSTIVE

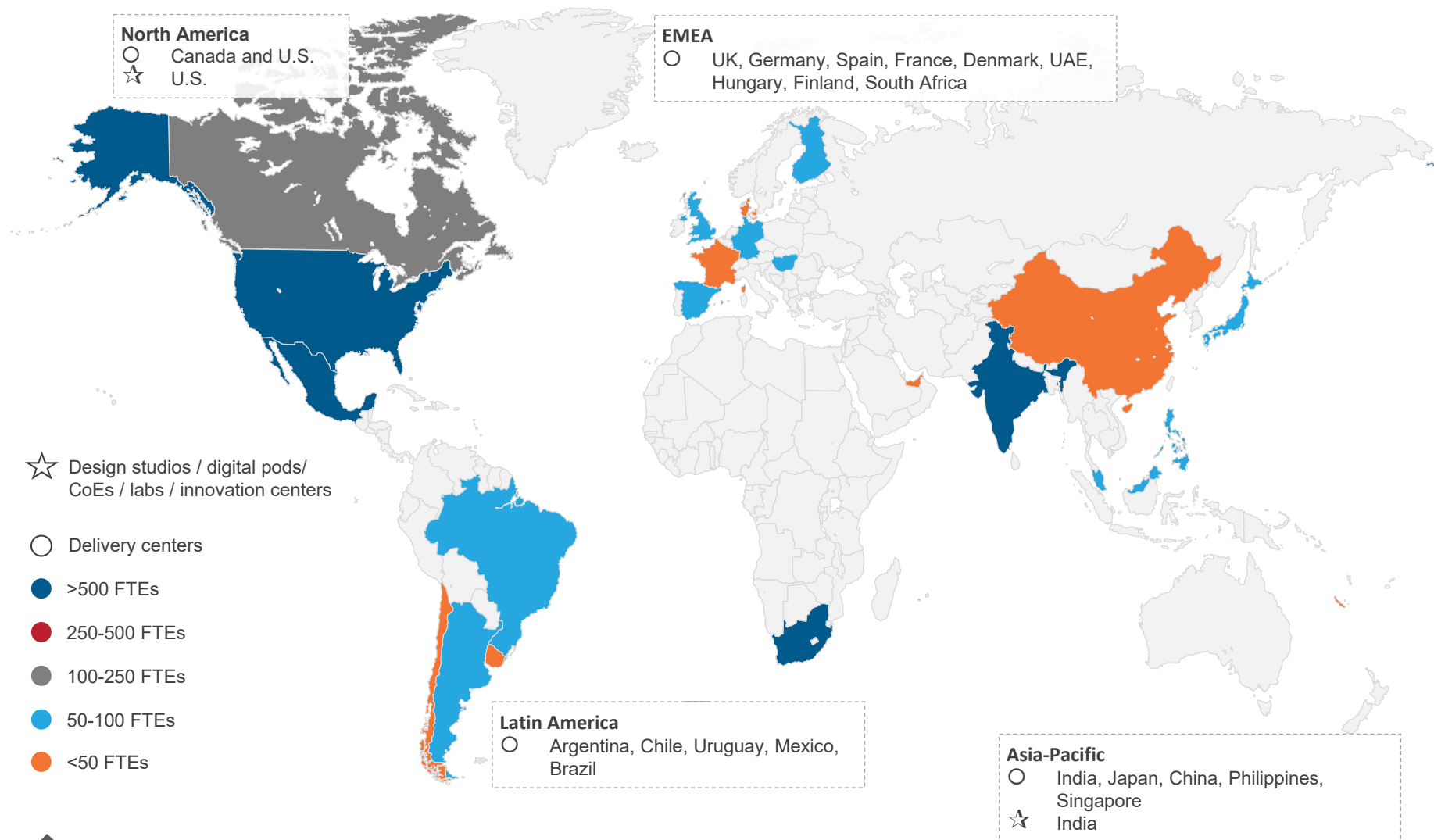| Key alliances/partnerships/M&As (representative list)		
Investment name	**Investment type (Year)**	**Details**
R3	Partnership (2017)	Partnered for Go-to-Market (GTM) and implementation services in the blockchain space
Industry Alliances	Partnership (2017)	Industry alliances such as Genivi, Industrial Internet Consortium (IIC), open alliance, research and collaboration on NG digital technologies, and a comprehensive set of offerings aligned to industry trends
Apigee (Google)	Partnership (2016)	Partnered to help accelerate digital business transformation for enterprises
Mulesoft	Partnership (2016)	Partnered to leverage integration platform for connecting SaaS and enterprise applications in the cloud and on-premise
Calypso	Partnership (2015)	Strategic partner for GTM to provide system integration and implementation services
Axiom SL	Partnership (2014)	Partnered to provide implementation for reporting services and testing, adding new reports and support services

Other key investments (e.g., setup of new delivery centers / CoEs / innovation labs, trainings/certifications, etc.)	
Investment name	**Details**
Innovation labs	TCS digital reimagination studio, comprising UX centers, customer experience and briefing centers, and emerging technology labs
State of art agile ODCs	Facilitate distributed Agile projects with enabling frameworks to introduce engineers to new ways of working
TCS and top academic institutions	Promote joint academic and industry research, research and innovation in cognitive vision, robotics, IoT, and ML
Key CoEs	Blockchain, RPA, customer experience, big data, cloud, AI, and analytics
Ignio	Ignio is the cognitive automation solution for IT operations
Conversa	Conversational engagement platform for enabling conversational banking through multiple channels
CKP	Platform to enable advanced analytics for enhanced customer life cycle value
Domain CoEs	Investment banking, brokerage, investment management (asset & wealth), market infra and custody, and strong business domain academy for all LoBs within capital markets

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Delivery footprint – Key delivery centers and innovation hubs

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North America
- ◯ Canada and U.S.
- ☆ U.S.

EMEA
- ◯ UK, Germany, Spain, France, Denmark, UAE, Hungary, Finland, South Africa

☆ Design studios / digital pods/ CoEs / labs / innovation centers

◯ Delivery centers

- ● >500 FTEs
- ● 250-500 FTEs
- ● 100-250 FTEs
- ● 50-100 FTEs
- ● <50 FTEs

Latin America
- ◯ Argentina, Chile, Uruguay, Mexico, Brazil

Asia-Pacific
- ◯ India, Japan, China, Philippines, Singapore
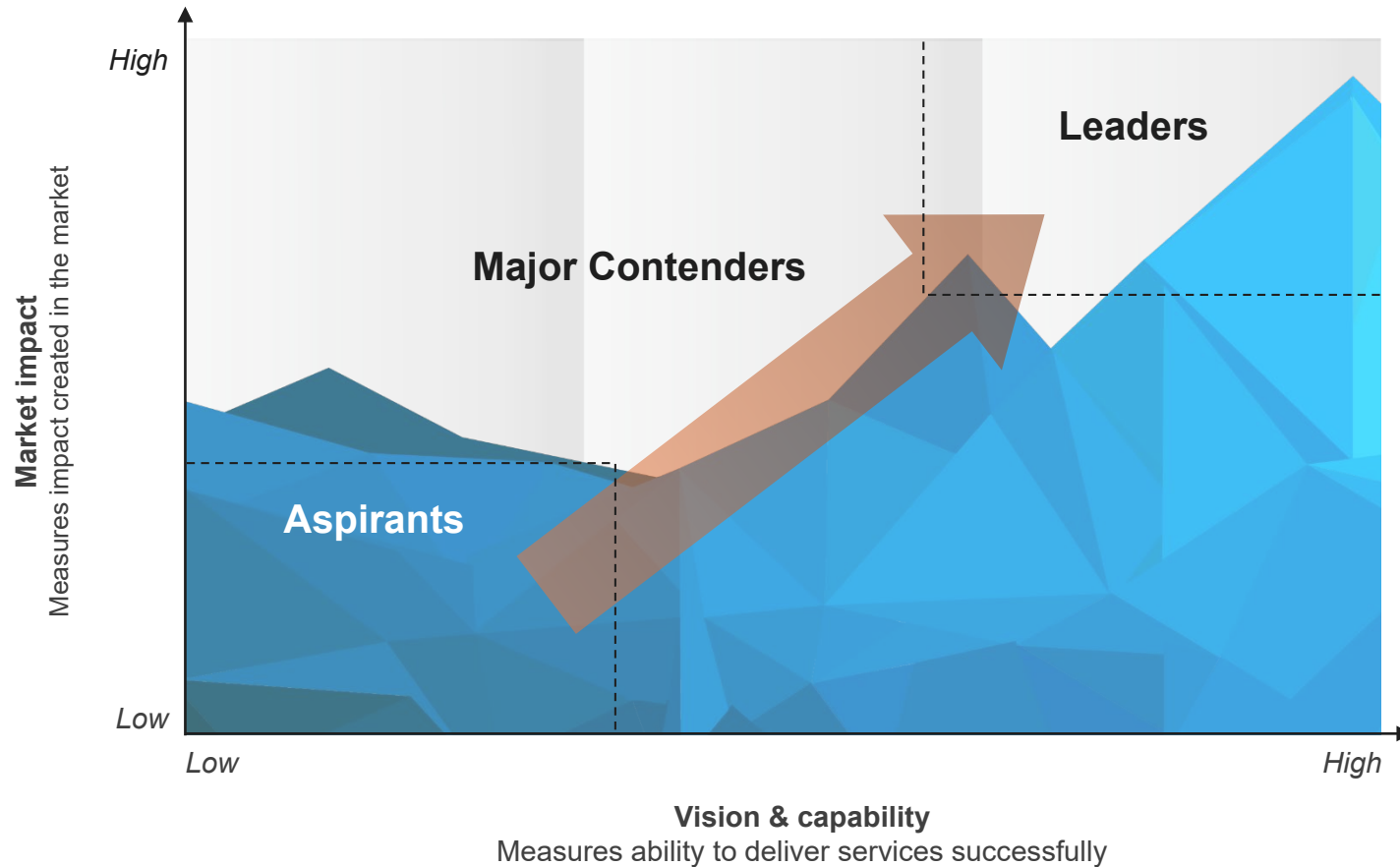- ☆ India

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Appendix

Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability
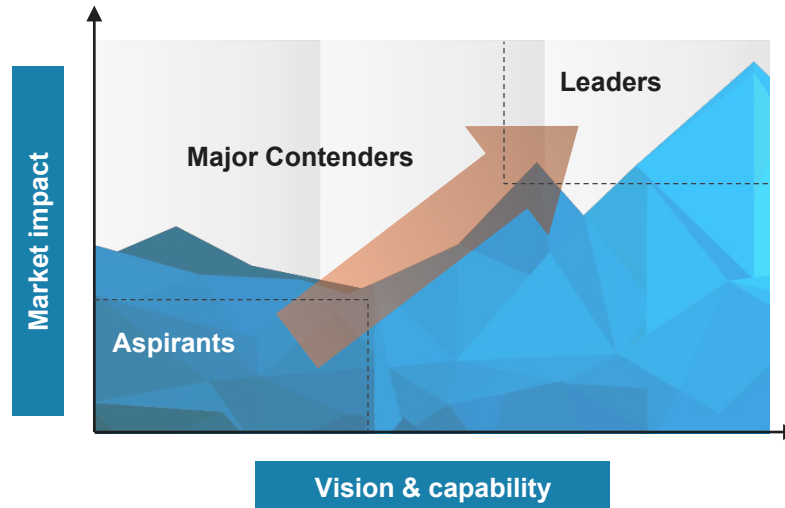
Everest Group PEAK Matrix

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Services PEAK Matrix™ evaluation dimensions

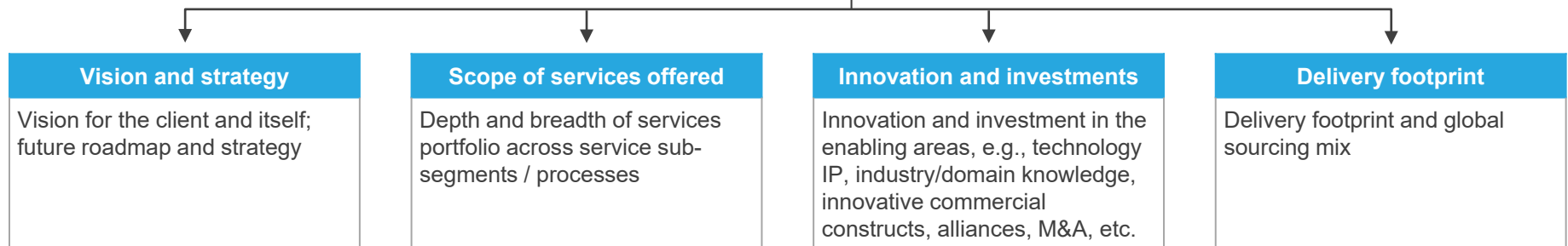Measures impact created in the market – captured through three subdimensions

Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix
Diversity of client/revenue base across geos and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability
Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service sub-segments / processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

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FAQs

Does the PEAK Matrix™ assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
- Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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