



# Everest Group's PEAK Matrix™ for Global Insurance AO Service Providers

Focus on TCS

December 2016



# Background and scope of the research

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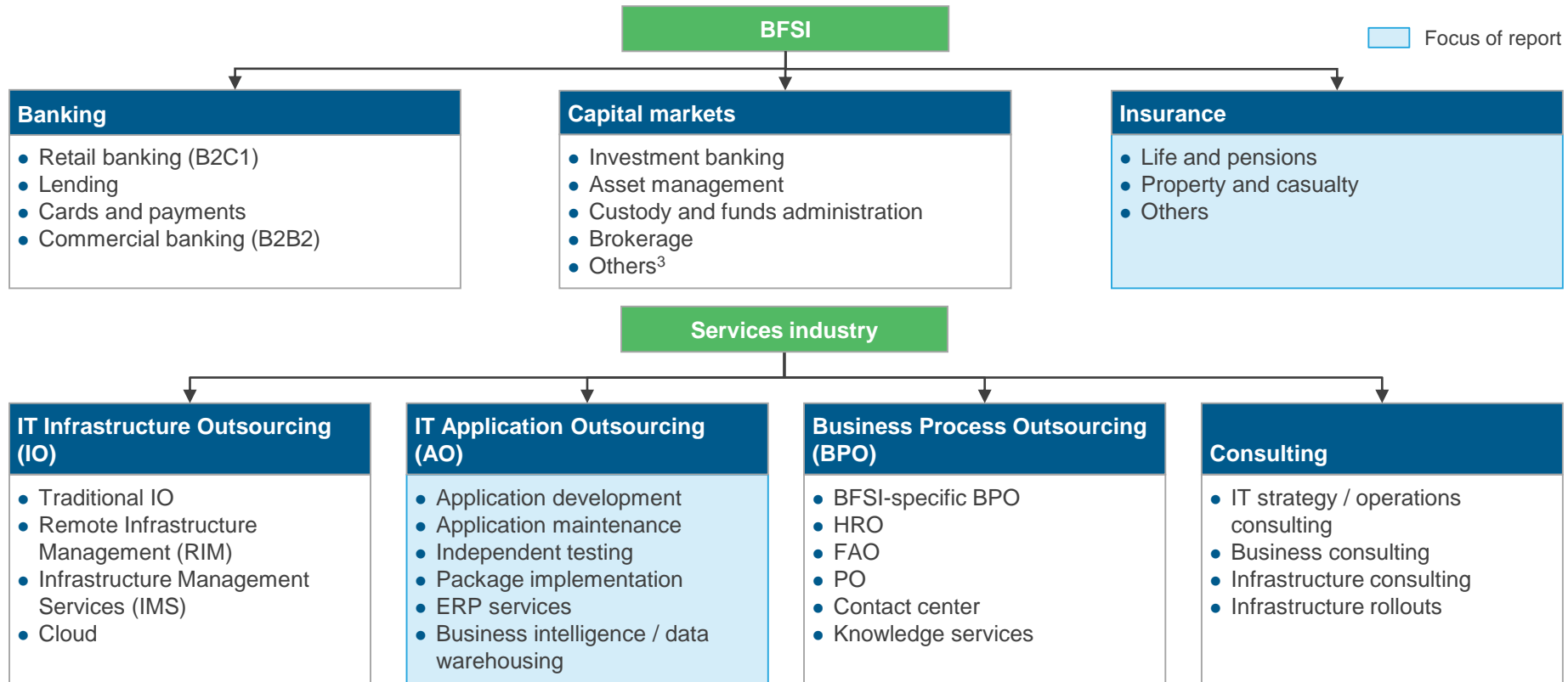
- Heightened customer expectations, stagnant growth, limited product differentiation, increasing threat from new entrants, and the stringent regulatory environment are the key challenges faced by insurers today. Amongst these industry headwinds, insurers are feeling the pressure from investors and competitors to increase efficiency and effectiveness in processes and delivery. In order to grow in such a non-conducive environment, insurers are aligning their technology priorities around business agility and embracing digital technologies that can help them to contain costs, shift from a product-centric play to a customer-centric play, and also defend their business from emerging disruptive models at the same time
- With the insurers shifting towards establishing efficient/agile operations and increasingly adopting digital technology themes, IT service providers are aggressively looking to tap the opportunity by tailoring their offerings with next-generation technologies, developing in-house solution frameworks and accelerators, partnering with buyers to co-innovate, setting up labs and Centers of Excellence (CoEs) to demonstrate and evaluate proof-of-concepts, and forming alliances with leading platform providers to strengthen their value proposition
- In this research, we analyze the capabilities of 24 leading AO service providers, specific to the global insurance sector. These providers were mapped on the Everest Group [Performance | Experience | Ability | Knowledge \(PEAK\) Matrix](#), which is a composite index of a range of distinct metrics related to each provider's capability and market success. Additionally, Everest Group has also profiled the capabilities of these 24 service providers in detail including a comprehensive picture of their service suite, scale of operations, scope, domain expertise & innovation, delivery footprint, and buyer satisfaction specific to insurance AO services

## This document focuses on TCS' insurance AO experience and includes:

- Overview of the insurance AO service provider landscape
- Everest Group's assessment of TCS' delivery capability and market success on PEAK Matrix
- Detailed insurance AO profile for TCS

# This report examines the service provider landscape for large (TCV > US\$25 million), annuity-based, multi-year (>3 years) application services relationships in the global insurance sector

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## Digital Services

Services in next-generation technologies leveraged by enterprises to enable transformation including social, mobility, analytics, cloud, and others (Artificial Intelligence (AI), Robotics Process Automation (RPA), Internet of Things (IoT), Machine-to-Machine (M2M), etc.)

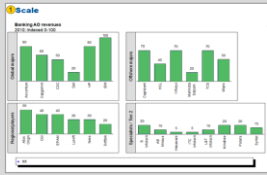
1 Business-to-consumer relationships

2 Business-to-business relationships

3 Includes other capital markets functions such as structured finance, treasury, FX, and horizontal functions including risk management

# This report is a part of Everest Group's series of reports focused on ITO in BFSI in 2016

## IT Outsourcing in BFSI – Annual Report

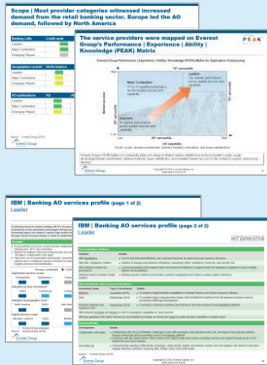


Each report provides:

- An overview of the application services market for the BFSI vertical, capturing key trends in market size, growth, drivers & inhibitors, adoption trends, regional/functional break-outs of the market, emerging themes, key areas of investment, and implications
- Key movements in volumes/values of AO transactions, evolving trends, market dynamics, and emerging priorities of buyers in the last 12 months

- Global Banking
- Global Capital Markets
- Global Insurance

## IT Outsourcing in BFSI – Service Provider Landscape and Profiles Compendium



Each report provides:

- Assessment of service provider landscape in AO services and mapping of providers on Everest Group's PEAK Matrix™ – as Leaders, Major Contenders, and Aspirants
- Benchmarking scale, scope, domain investments, and delivery footprint of each provider's BFSI-AO practice along with comparative evaluation of their BFSI-AO capabilities
- The 2016 BFSI-AO PEAK Matrix analyses focus on identifying the "Star Performers", i.e., providers with the strongest forward movement over time – both in terms of market success and capability advancements
- Capability profiles of service providers capturing their AO services experience in specific subverticals including details such as AO services capabilities, key investments, proprietary solutions, and technological expertise

- Global Banking
- Global Capital Markets
- **Global Insurance**
- Mobility in Banking
- Mobility in Insurance
- Analytics in Banking
- Analytics in Insurance

## Enterprise Digital Effectiveness with APEX Matrix



Two reports as part of an "open source" evaluation of the digital effectiveness of the largest retail banks in Europe and United States and mapping them on Everest Group's APEX Matrix – as Leaders, Optimizers, Innovators, and Aspirants

- APEX Matrix for Digital in U.S. retail banks
- APEX Matrix for Digital in Europe retail banks

# Everest Group's BFSI research is based on two key sources of proprietary information

1

- Everest Group's proprietary database of 400+ large, active, multi-year AO contracts within insurance (updated annually). The database tracks the following elements of each large AO relationship:
  - Buyer details including industry, size, and signing region
  - Contract details including TCV, ACV, term, start date, service provider FTEs, and pricing structure
  - Activity broken down separately for banking, capital markets, insurance, and by lines of business (for example, investment banking, asset management, custody, fund administration, and brokerage)
  - Scope includes coverage of buyer's geography as well as functional activities
  - Global sourcing including delivery locations and level of offshoring

2

- Everest Group's proprietary database of **operational capability of 25+ insurance AO service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
  - Major insurance AO clients and recent wins
  - Overall revenue
  - Recent insurance-related developments
  - Insurance AO delivery locations
  - Insurance AO service suite
  - Domain capabilities, proprietary solutions, and intellectual property investments

## Service providers covered in the analysis



1 Assessment for Accenture, HPE, IBM, and Mphasis 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 insurance buyers

2 Analysis based on capabilities before the merger of CSC and HPE Services

3 Analysis for NTT DATA is based on its capabilities before acquiring Dell Services

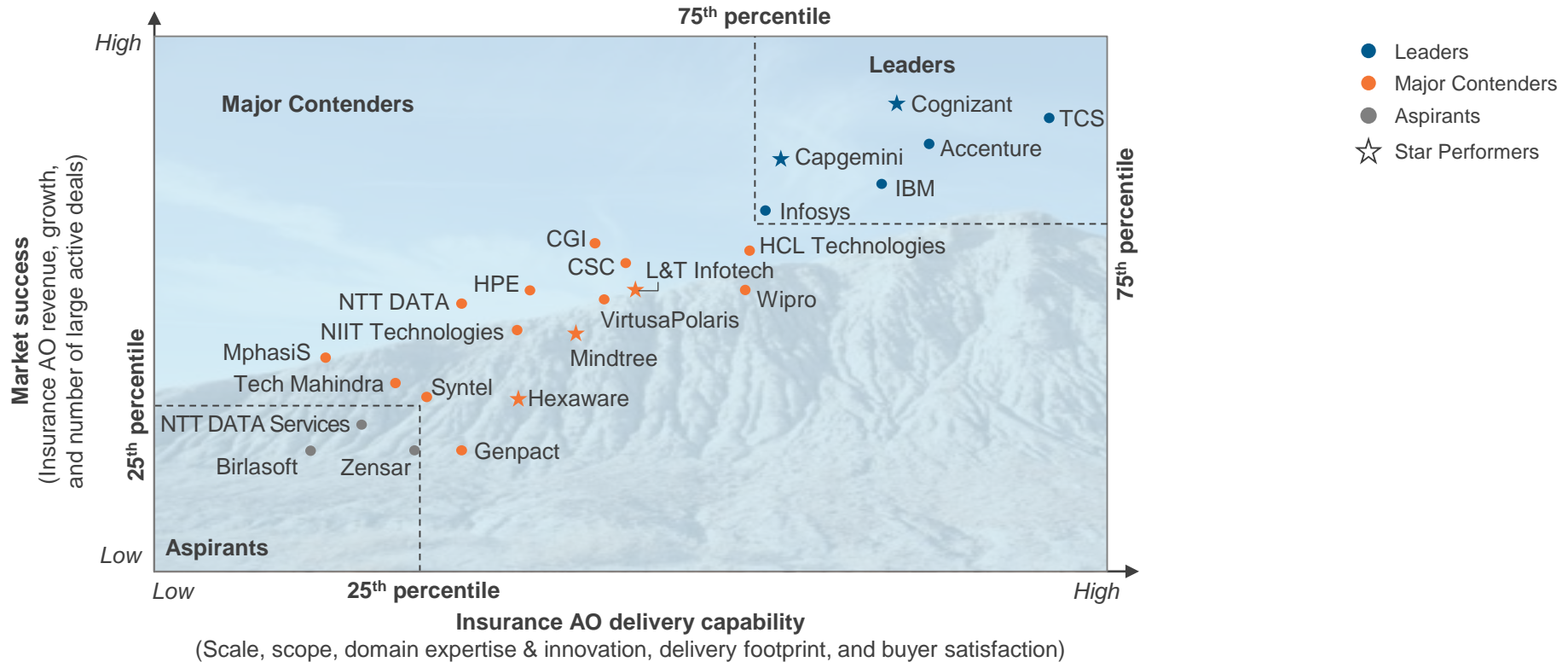
4 RFI submitted by Dell Services before completion of acquisition by NTT DATA. New entity is known as NTT DATA Services

Note: We continuously monitor market developments and track additional service providers beyond those included in the analysis

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information, that is contract-specific, will be presented back to the industry only in an aggregated fashion

# TCS is positioned as a Leader on Everest Group PEAK Matrix™ for insurance AO – 2016

## Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for large insurance AO relationships<sup>1,2,3</sup>



- 1 PEAK Matrix specific to large (>US\$25 million TCV), multi-year (>3 years) application outsourcing relationships for the insurance sector (life & pensions, property & casualty, others including reinsurance and takaful Islamic insurance); excludes banking and capital markets
- 2 Analysis for NTT DATA is based on its capabilities before acquiring Dell Services; analysis of CSC and HPE is based on capabilities of individual entities before the HPE-CSC merger
- 3 RFI submitted by Dell Services before completion of acquisition by NTT DATA. New entity is known as NTT DATA Services

Note: Assessment for Accenture, HPE, IBM, and Mphasis 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 insurance buyers

Source: Everest Group (2016)

# TCS | Insurance AO profile (page 1 of 2)

## Insurance AO services overview

TCS offers an attractive value proposition to insurance clients with a broad portfolio of industry-specific platforms, accelerators, and off-the-shelf frameworks. Extensive domain expertise coupled with a large delivery scale & global delivery footprint has helped TCS to establish and grow multiple long-term relationships with strategic insurance accounts. Going forward, TCS should focus on improving its market perception of being viewed as primarily an offshore-centric player and enhance its domain consulting capabilities in order to partner with clients on their large scale transformational journey.

### Strengths

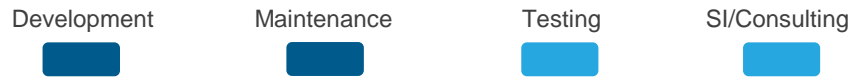
- Well-balanced comprehensive portfolio comprising domain-focused integrated platforms and targeted accelerators, coupled with a global delivery presence
- Multiple strategic relationships with global insurers across all insurance segments and geographies
- Established credibility for domain knowledge, large scale, and agility across key engagements

### Areas of improvement

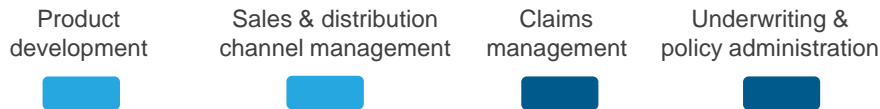
- Invest in thought leadership and consulting capabilities to enhance its market positioning for winning large scale business transformational engagements
- Complement its value proposition centered around cost-savings and delivery excellence with strong market messaging around driving “change-the-business” initiatives

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

#### Application services scope<sup>1</sup>



#### Adoption by value chain<sup>1</sup>



#### Adoption by geographic focus<sup>1</sup>



#### Digital services scope<sup>1</sup>



#### Insurance AO revenue<sup>1</sup>



#### AO services revenue by buyer size<sup>1</sup>



<sup>1</sup> As per Everest Group estimates

Source: Everest Group (2016)

# TCS | Insurance AO profile (page 2 of 2)

## Insurance AO services offerings

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### Key proprietary solutions

Solution	Details
TCS Connected Home	A comprehensive solution that leverages IoT and digital technologies to help the insurer connect the internal and external customer data, home monitors, etc., for developing customized products and for better risk assessment
Intelligent Remote Inspection System (IRIS)	Enables insurers to integrate Unmanned Aerial Systems (UAS) into their claims/underwriting inspection processes, helping them to remotely assess risk and reduce operational costs
TCS NextGen Underwriting Workbench	Delivers an end-to-end unified process to manage submissions, evaluate risk, and underwrite commercial property, general liability, and commercial package exposures
Predictive Underwriting Framework for Life Insurance	A framework for using predictive analytics in complex scenarios to help underwriters get insights into factors – such as claims history, previous decisions, and social information – for making underwriting decisions

### Key alliances/partnerships/M&As

Investment name	Type of investment	Details
Apigee	Partnership (2015)	To leverage Apigee's platforms in the areas of API management, IoT, and predictive analytics to drive digital business transformation for enterprises
Tableau	Partnership (2015)	To enable customers implement and integrate rapid analytics as well as visualize multi-structured data in the form of patterns, trends, and visual insights for real-time decision making

### Other key investments

Development	Details
Digital Reimagination Studio	Launched a Digital Reimagination Studio in Santa Clara, United States, to help customers and partners rapidly ideate bold new innovations and build transformational POCs
CoE for IoT solutions	Set up a CoE in collaboration with Intel at the TCS Hyderabad, India campus; the lab focuses on developing new use cases for multiple industries and creates solution accelerators around Intel technologies

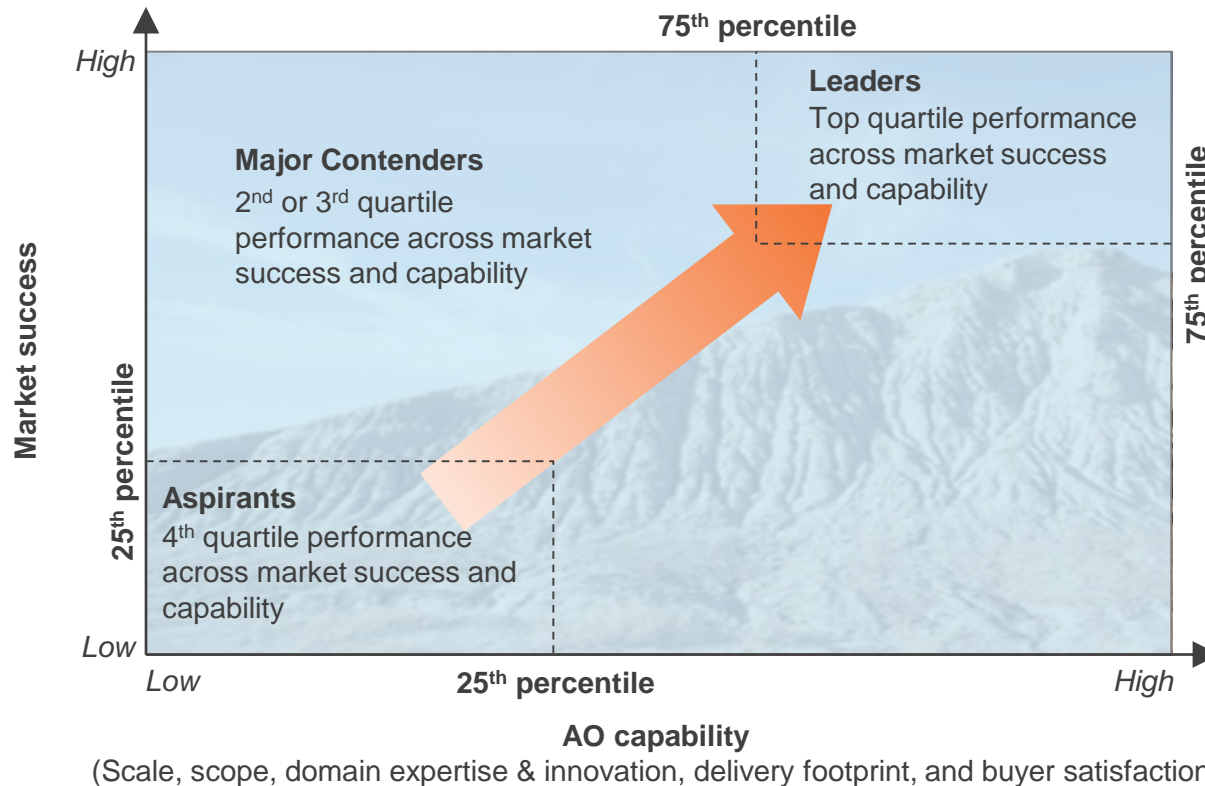
Source: Everest Group (2016)



# Appendix

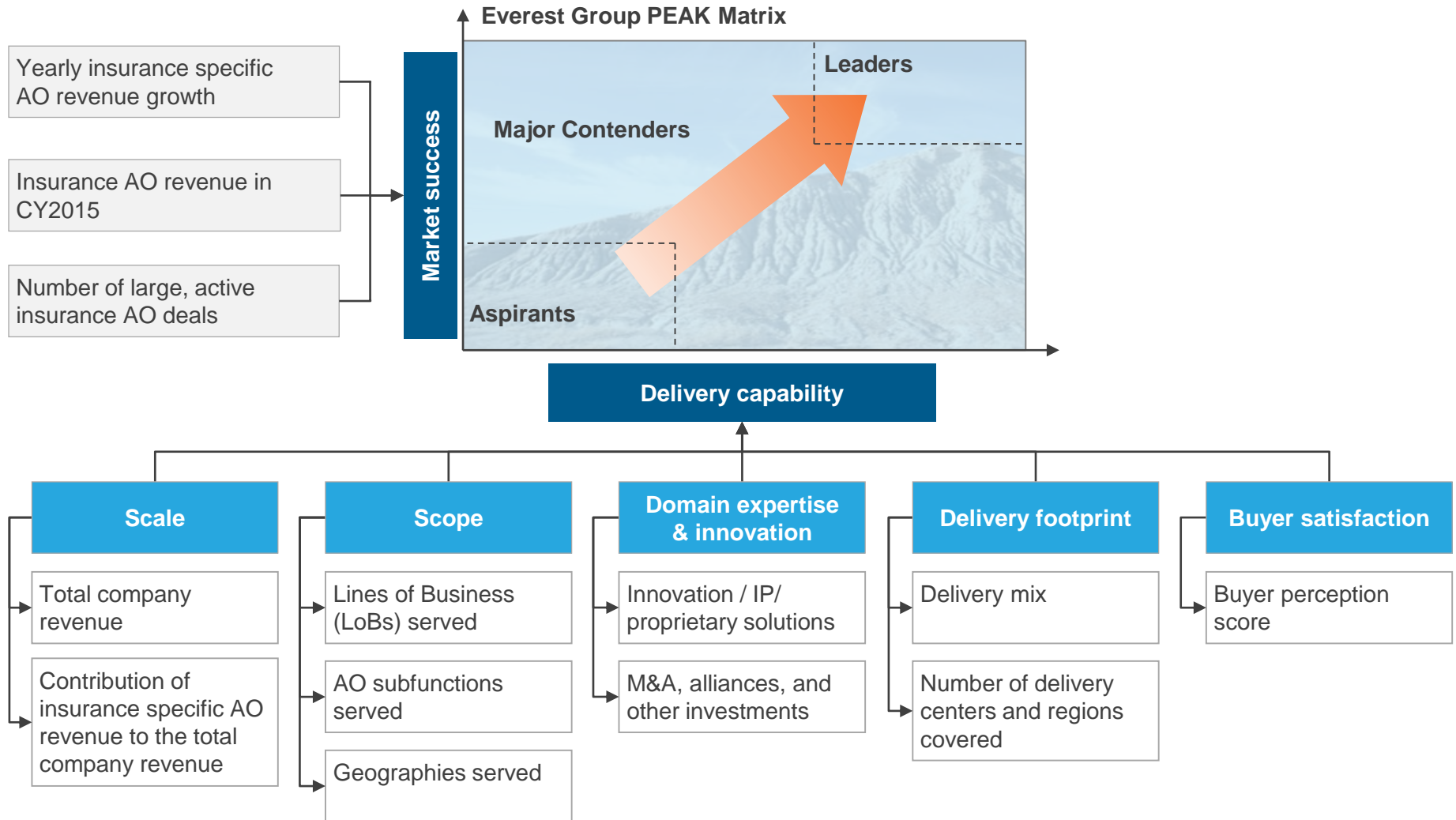
# The service providers were mapped on Everest Group's Performance | Experience | Ability | Knowledge (PEAK) Matrix

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for Application Outsourcing



Everest Group's PEAK Matrix<sup>TM</sup> is a composite index of a range of distinct metrics related to a service provider's scale, scope, technology/domain expertise & innovation, delivery footprint, buyer satisfaction, and resultant market success in the context of a given outsourcing function.

# Dimensions of service providers' capability and market success underlying the PEAK Matrix™ for insurance AO services



### **Does the PEAK Matrix assessment incorporate any subjective criteria?**

- The Everest Group’s PEAK Matrix assessment adopts an objective and fact-based approach (leveraging service provider RFIs and the 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 briefings

### **Is being a “Major Contender” or “Aspirant” on the PEAK Matrix an unfavorable outcome?**

- No. PEAK Matrix highlights and positions only the best-in-class service providers in a particular functional/vertical. 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 in itself a favorable recognition

### **What other aspects of the PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?**

- The PEAK Matrix position is only one aspect of the 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 to the buyers in selecting particular providers for their specific requirements. It also helps providers showcase their strengths in specific areas

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### What are the incentives for buyers and providers to participate / provide input to the PEAK Matrix research?

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers 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 to leverage their PEAK Matrix positioning status ?

- Providers can use their PEAK Matrix positioning in multiple ways including:
  - Issue a press release declaring their positioning/rating
  - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  - Quotes from the Everest Group’s analysts could be disseminated to the media
  - Leverage the 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**



## 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 empowers 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](http://www.everestgrp.com).

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