



Everest Group PEAK Matrix™ for Risk & Regulatory Compliance in BFS Application Service Providers

Focus on TCS
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Introduction and scope

Everest Group recently released its report titled “[Service Provider Landscape with PEAK Matrix™ Assessment 2017 for Risk & Regulatory Compliance Application Services in BFS: Sustainable Competitive Advantage Through Digital Risk & Compliance Efforts](#).” This report analyzes the changing dynamics of the risk & regulatory application services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group classified 21 service providers on the Everest Group PEAK Matrix for Risk & Regulatory Compliance in BFS into Leaders, Major Contenders, and Aspirants. The PEAK Matrix™ is a framework that provides an objective, data-driven, and comparative assessment of service providers based on their absolute market success and delivery capability.

Based on the analysis, **TCS emerged as a Leader**. This document focuses on TCS’ risk & regulatory compliance application services experience and capabilities in BFS and includes:

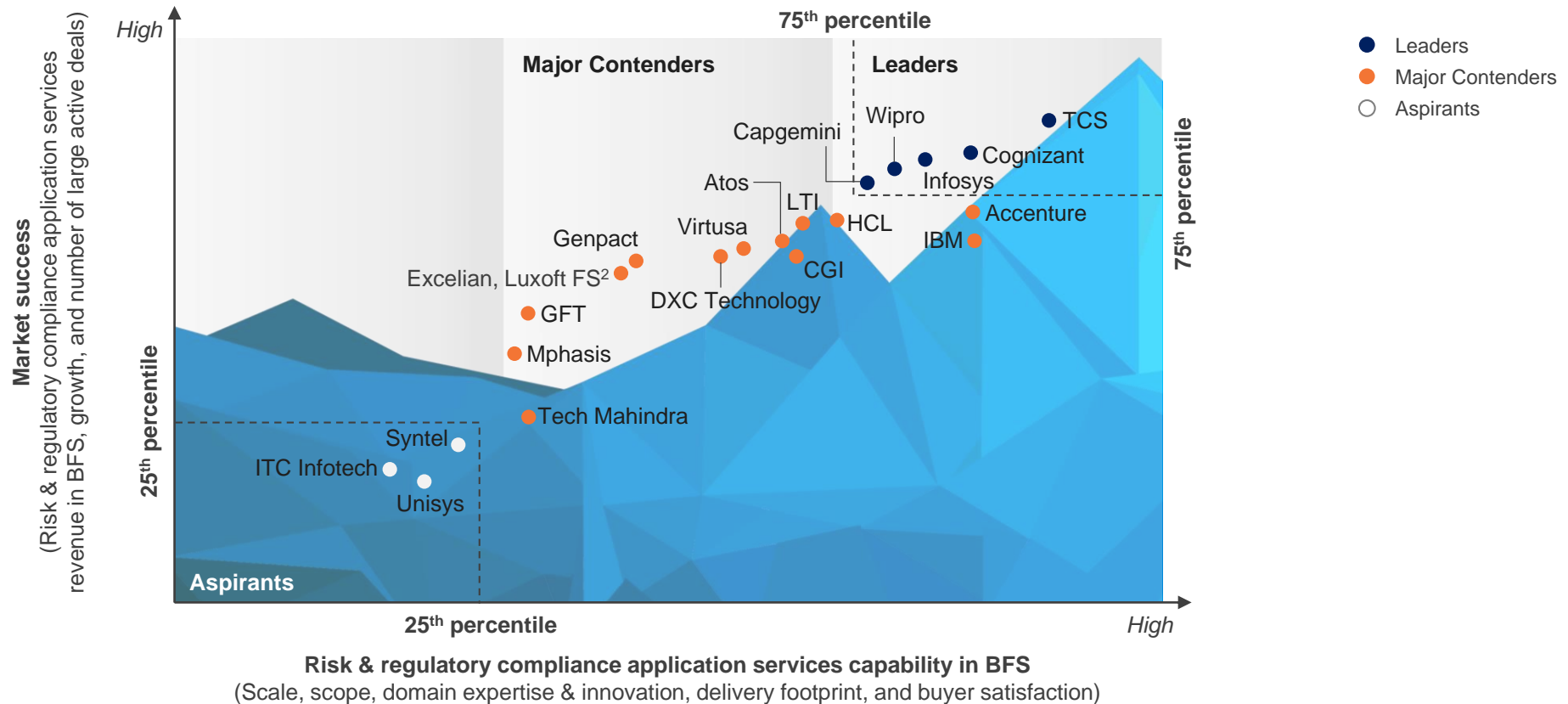
- Overview of the risk & regulatory compliance in BFS application service provider landscape
- Everest Group’s assessment of TCS’ delivery capability and market success on the PEAK Matrix
- Detailed risk & regulatory compliance application services in BFS profile for TCS

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.

Everest Group PEAK Matrix™

Risk & regulatory compliance application services in BFS | TCS positioned as Leader

Everest Group PEAK Matrix™ for risk & regulatory compliance application services in BFS¹



1 As this is the inaugural PEAK Matrix™ assessment focusing on risk & regulatory compliance application services in BFS, Star Performer analysis has not been done in 2017
 2 Excilian: Luxoft Financial Services
 Note: Assessment for Accenture, IBM, and Unisys 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 banking buyers
 Source: Everest Group (2017)

Strengths

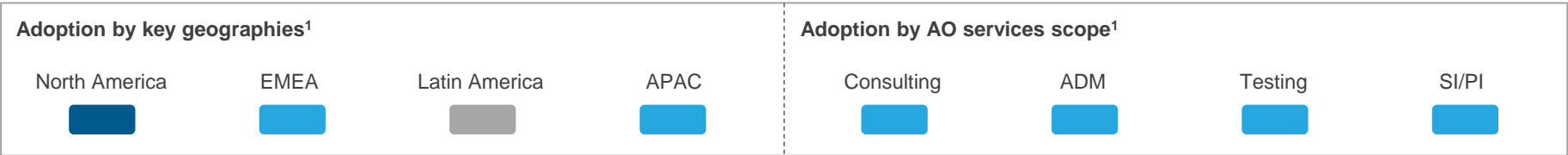
- Strong solution portfolio catering to different elements in the risk & compliance value chain; pre-built frameworks and accelerators for upcoming regulations Proactively comes up with new uses cases leveraging RPA, cognitive computing, AI, ML, big data & analytics, and blockchain
- Differentiates through wide solution portfolio, understanding of their client's legacy systems, and COTS implementation and data management capabilities

Areas of improvement

- Clients cited the need to control resource churn rate in existing engagements and proactively offer flexible pricing models (such as outcome-based ones)
- Although it has strong domain expertise, resources deployed at client locations need to move up the basic expectations and help clients with consulting needs related to risk modeling and regulatory compliance preparedness
- Needs to increase its share of wallet in key accounts to maintain its market standing since peers have demonstrated higher growth last year

Scope coverage	Offered	Description
Risk management	Yes	Wide coverage across geographies and customer segments; pre-built solutions, accelerators, and frameworks
Regulatory compliance	Yes	Strong focus on compliance & reporting needs for existing/upcoming regulations in the United States, Europe, and Asia Pacific
KYC and AML	Yes	Leverages new technologies such as AI and blockchain effectively to develop new use cases
Financial crime	Yes	Holistic surveillance solution for end-to-end trade life cycle; developed fraud detection solutions using ML and analytics
Cybersecurity	Yes	Offers Identity & Access Management (IAM), data protection, and digital forensic solutions for mobile and cloud security
Data & analytics	Yes	End-to-end capabilities across both traditional and advanced analytics; partnerships with leading tools and platform providers

Revenue contribution ■ (>50%) ■ (10-50%) ■ (<10%)



Source: Everest Group (2017)

Key offerings		
Coverage area	Solution	Details
Risk management & regulatory compliance	Vitellius Reporting Solution (2017)	<ul style="list-style-type: none"> Self-service Business Intelligence (BI) framework for risk dashboards
	Regulatory compliance implementations	<ul style="list-style-type: none"> GDPR suite of accelerators – e-Discovery, consent management, and data lifecycle management solutions BCBS 239, IRRBB, FRTB, SMA (capital adequacy), and stress testing (FDSF, DFAST & CCAR) suite of accelerators
	ML-based EWI Components	<ul style="list-style-type: none"> ML powered EWI components for operational risk – loss data analytics, IT compliance risk, credit risk – asset quality intelligence, conduct risk, and counterparty credit risk - limits management
	Regulatory Reporting Solution (2016)	<ul style="list-style-type: none"> A platform-agnostic regulatory reporting framework compatible with banks' technology landscape, that is configurable and reusable across geographies and different LoBs
	TCS TRAPEZE Regulatory Reporting Manager (2017)	<ul style="list-style-type: none"> An amalgamation of TCS's analytics services in the modeling and regulatory reporting space, targeted at addressing the reporting needs of FR Y-14A, DFAST, and FR Y16
	Frameworks for automating risk and compliance functions	<ul style="list-style-type: none"> E2E solution framework for model risk and model governance management RPA frameworks for risk and compliance functions Regulatory compliance (ERCMF) framework to digitize regulatory / policy compliance management leveraging Natural Language Processing (NLP), and ML / Deep Learning
	SAP and OFSAA	<ul style="list-style-type: none"> Suite of risk and compliance solutions in the area of IFRS 9, liquidity risk reporting, risk and finance data foundation, and FRTB
	Enterprise risk reference architecture based solutions	<ul style="list-style-type: none"> Stress testing and liquidity risk reference business architecture Operational risk capability maturity framework
KYC, AML, financial crime, and surveillance	Financial crime and compliance management (FCCM)	<ul style="list-style-type: none"> RPA-based solution framework for KYC Solution concept for leveraging blockchain for KYC Analytics-based solution in communication surveillance TCS co-innovation partner-based data science-powered solution in AML Alert prioritization
Cybersecurity	Suite of offerings in IT and Cybersecurity solutions	<ul style="list-style-type: none"> Suite of solution accelerators in the areas of security services, fraud management, digital forensics, Identity and Access Management (IAM), vulnerability management, cloud security, mobile security, and privacy-data protection
Data and analytics	Integrated information controls framework	<ul style="list-style-type: none"> DIME framework to implement know-your-data-culture for risk and compliance E-Discovery and Data Lineage solution for know-your-data – Master craft and alliance-led solution

Source: Everest Group (2017)

TCS | Risk & regulatory compliance AO in BFS

Key investments (partnerships, M&As, and other initiatives)

Key investments (alliances/partnerships/M&As)

Investment name	Investment type	Details
MetricStream	Alliance (2015)	SI and implementation of Metricstream risk and compliance solutions
Global ID	Alliance (2017)	Alliance in the area of data discovery for risk and regulatory compliance
Theta Ray	Alliance (2017)	Alliance in the area of cognitive solutions for AML alert management
Outside IQ	Alliance (2017)	Alliance in the area of cognitive solutions for AML customer due diligence and screening
Intel Saffron	Alliance (2017)	Alliance in the area of cognitive solutions for AML customer due diligence and screening
NICE Actimize	Alliance (2017)	RPA-based solutions for AML
OFSAA Alliance	Alliance (2015)	OFSAA-based alliances for SI and implementation in the area of risk , finance, and compliance
SAP Alliance	Alliance (2015)	OFSAA-based alliances for SI and implementation in the area of risk , finance, and compliance
TCS Co Innovation network	Partnership (2017)	Partnership with multiple Co Innovation partners in delivering solutions to risk and compliance change needs
Tookitaki	Partnership (2017)	Alliance in data sciences for risk analytics – credit risk portfolio management, AML alert management & operational risk
Nordea	Partnership (2016)	Provides FinTechs with external entrepreneurs, technology specialists, Nordea experts, and key decision-makers

Recent activities

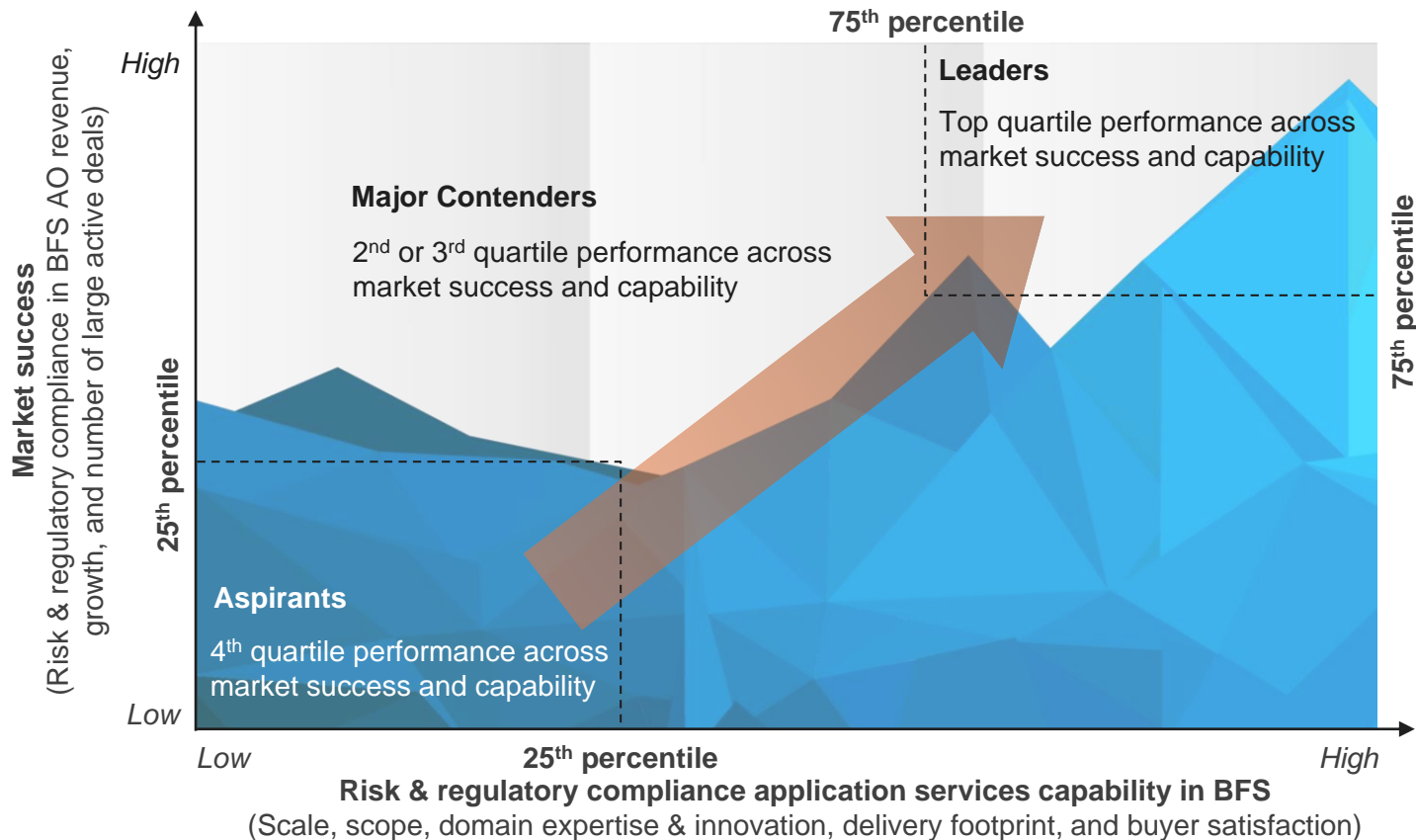
Developments/announcements	Details
Innovation events and hackathon in risk and compliance	Partnered with bank in innovation events and hackathons to identify newer ideas and innovation in risk and compliance
Sandbox environment	Developed Proof-of-Values (PoVs) in innovation themes for risk and compliance for banks in the U.S., Europe, and Australia
GARP, FRM Certified Professionals, DCAM Certified Professionals	Partnership with various industry bodies in risk and compliance data management
Singapore Fintech Festival	Participation in the Fintech festival for risk and compliance representation
Innovation Center	Set up a dedicated risk and compliance innovation center in India for a large bank in the United Kingdom

Source: Everest Group (2017)

Appendix

Everest Group PEAK Matrix™ is a proprietary framework for assessment of a service provider's capability

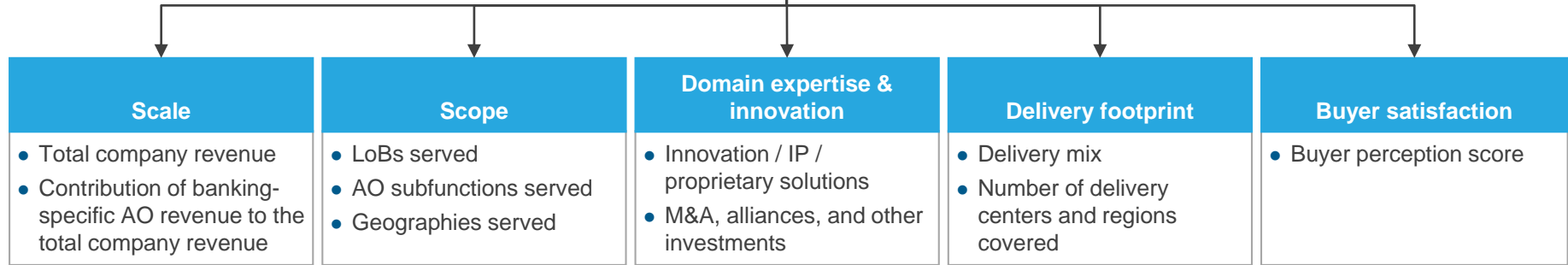
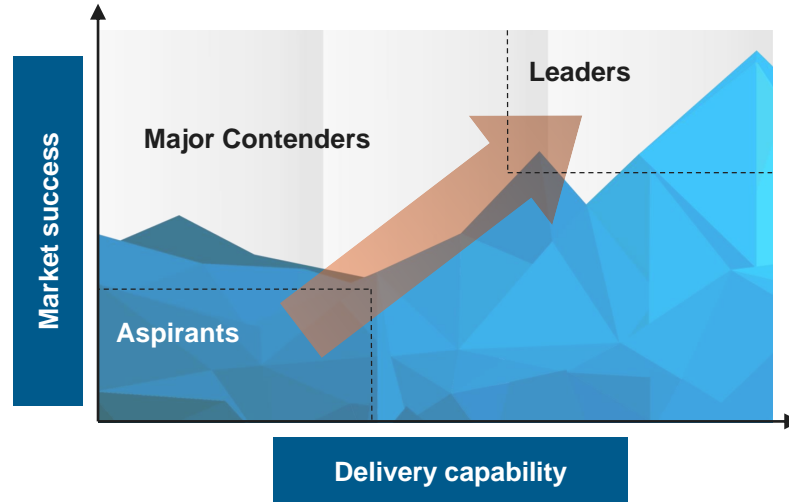
Everest Group PEAK Matrix for risk & regulatory compliance application services in BFS



Everest Group's PEAK Matrix 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 risk & regulatory compliance in BFS AO services

Measures success, which is captured through risk & regulatory compliance in BFS revenue in CY 2016, yearly revenue growth, and number of large, active AO deals



Does the PEAK Matrix™ assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix™ assessment adopts an objective and fact-based approach (leveraging service provider 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 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 services area. 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”?

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 for their specific requirements. It also helps providers 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 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 positioning rating in multiple ways including:

- Issue a press release declaring their positioning/rating
- Customized PEAK profile for circulation (with clients, prospects, etc.)
- Quotes from Everest Group analysts could be disseminated to the media
- Leverage PEAK 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 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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