

Everest Group PEAK Matrix™ for Banking Application Services

Focus on TCS
October 2018



Introduction and scope

Everest Group recently released its report titled “[Application Services in Global Banking – Services PEAK Matrix™ Assessment 2018: Spending Picks up as Need for Talent, Transformation, and Time to Market Intensifies](#).” This report analyzes the changing dynamics of the banking application services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 25 service providers on the Everest Group PEAK Matrix™ for banking application services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of banking application service providers based on their absolute market success and delivery capability. Everest Group also identified 6 service providers as the “2018 Banking Application Services Market Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

Based on the analysis, **TCS emerged as a Leader**. This document focuses on **TCS** banking application services experience and capabilities and includes:

- TCS position on the banking application services PEAK Matrix
- Detailed banking application services 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.

Background, scope, and methodology for banking AS PEAK Matrix™ assessment 2018

- Pace of technology disruption, changing consumer preferences, and the need for banks to come up with new business models are disrupting the current banking landscape. Banks are moving away from being perceived as a physical structure that offers financial services/products to being an ambient fabric connecting people and businesses
- Banks are transitioning from a product-centric to a customer-centric model by redesigning the existing IT landscape. With technology becoming core to the banking business, the Information Technology Services (ITS) market is witnessing massive disruption
- In this research, we studied the vision and capability of 25 IT service providers for banking AS. We also evaluated the market impact generated by each IT service provider

Scope of this report



Industry

Banking (retail banking, commercial banking, cards & payments, and lending)



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 banking
- Operational capability of 25+ banking 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

epam

excelian
LUXOFF FINANCIAL SERVICES

genpact
Transformation Programs Here

GFT

HCL

HEXWARE

IBM

Infosys

ITC INFOTECH
Techno-Ready Solutions

LTI

Mphasis
Unleash the Next

NIIT
technologies
New Ideas. More Value.

NTT DATA
Global IT Innovator

SYNTEL
Consider IT Done

TATA CONSULTANCY SERVICES

Tech Mahindra

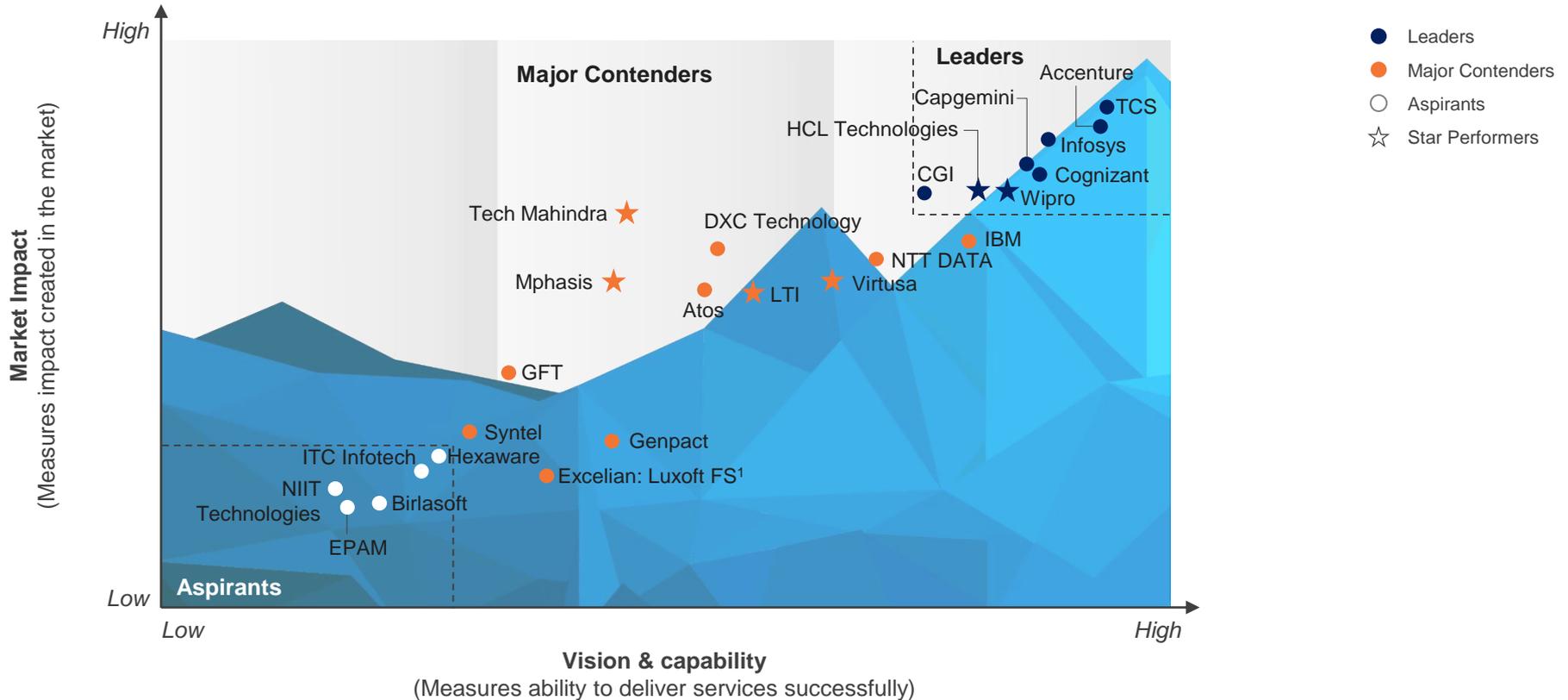
virtusa
Accelerating Business Outcomes

wipro

Everest Group PEAK Matrix™

Application Services in Global Banking – Services PEAK Matrix™ Assessment 2018: Spending Picks up as Need for Talent, Transformation, and Time to Market Intensifies

Application Services in Global Banking – Services PEAK Matrix™ Assessment 2018: Spending Picks up as Need for Talent, Transformation, and Time to Market Intensifies



¹ Excelian: Luxoft Financial Services

Note: Assessment for Accenture, Birlasoft, EPAM, IBM, ITC Infotech, Excelian: Luxoft FS, and NIIT 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 banking enterprises

Source: Everest Group (2018)

TCS | Banking AS profile (page 1 of 4)

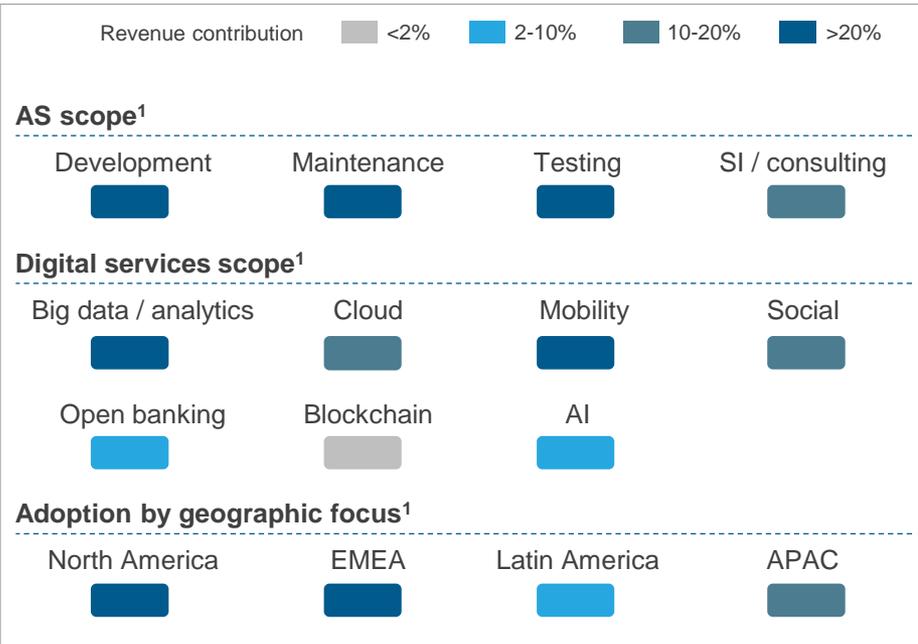
Overview

Strengths

- Organization level restructuring and renewed region-specific GTM approach is showing initial signs of success in driving growth
- Significant investments in solutions/IP, products, academic partnerships, and co-innovation efforts further fueled growth
- Clients appreciate TCS' investment in driving scaled Agile adoption
- Clients cited their ability to scale quickly, strong execution capabilities, and flexible pricing models as key differentiators

Areas of improvement

- Clients perceive TCS as a strong run-the-bank partner, however, this confidence does not translate into change initiatives; clients expect TCS to aggressively demonstrate their digital capabilities
- Large-scale banking delivery operations for TCS come with unique challenges of talent and account management
- TCS needs to enhance its business-aligned messages and thought leadership to protect its turf from consulting players



Banking AS revenue¹



AO services revenue by buyer size¹



¹ As per Everest Group estimates
Source: Everest Group (2018)

Case study 1: Digital transformation journey for one of the largest UK banks

Business challenge	The bank needed a partner with deep knowledge to take them through the transformation journey across their application landscape, which is currently monolithic and on legacy technology.
Solution and impact	<ul style="list-style-type: none"> • TCS leveraged their 1,000+ applications in a distributed agile environment • Enabled microservices and APIs to transform the bank's core systems to be digital-ready • Leveraged TCS' accelerators and frameworks for this journey

Case study 2: Digital transformation journey for a large Nordic Bank

Business challenge	The bank wanted to embrace cloud, microservices & enable API towards future-readiness and wanted a strong strategic partner to help them transform their IT roadmap and move towards digital nativity
Solution and impact	<ul style="list-style-type: none"> • Delivered P2P solution that became synonymous with money movement • Supported the bank on their digital transformation by adopting microservices, cloud, API, along with maturing the agile/DevOps, and CICD ways of working across various digital initiatives

Key proprietary solutions

Solution	Details
TCS Mastercraft Suite	Offer tools for transformation, simplification, data migration, and application decommission
Application portfolio management framework	Framework to handles application componentisation, sizing, decommissioning, and rationalization
Micro services framework	Collection of assets including best practices, frameworks, standards, and guidelines for developing highly scalable microservices
TCS JILE Tool	Help customers manage/orchestrate the DevOps pipeline across technology spectrum and has ready-to-use dashboards for monitoring and analytics support
TCS Agile Academy	Deployed on TCS cloud, the solution enables agile/DevOps training in a distributed manner across various technologies. It includes case lets and ready pipelines to train up to 3,000 engineers across the world
Cloud readiness assessment framework	Framework that helps TCS in assessing client's organization to determine their readiness to move to the cloud. It enables an assessment across multiple dimensions including business objectives, infrastructure, application architecture, and IT organization
TCS blockchain Lab	An in-house blockchain platform aligned to regulated financial institutions. It has developed partnerships/competencies with third party products such as Hyperledger, R3 Corda, and Ethereum

Source: Everest Group (2018)

Investments and partnerships

NOT EXHAUSTIVE

Key alliances / partnerships / M&As / JVs

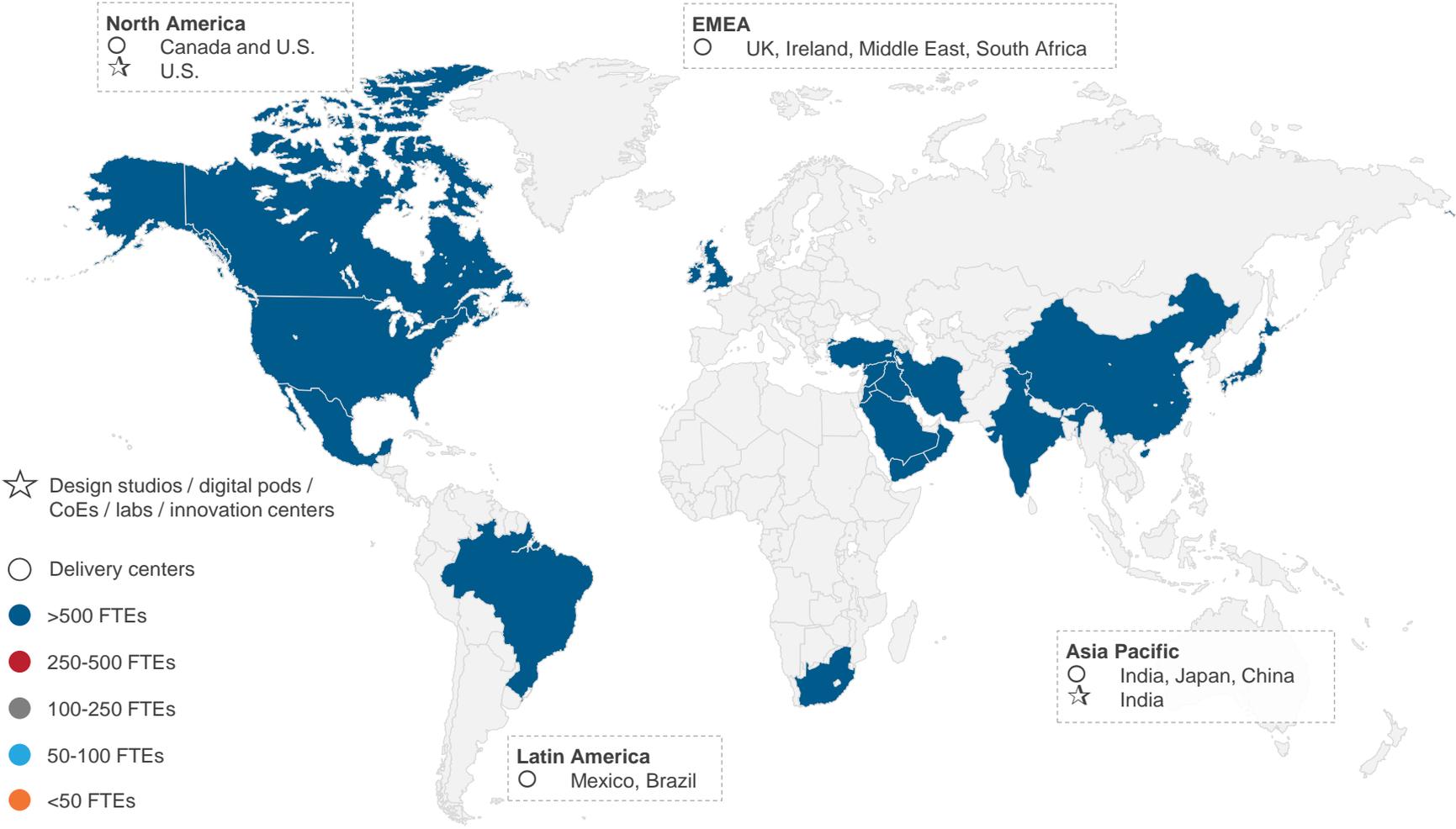
Investment name	Type of investment	Details
Token	Partnership (2017)	API banking partner for PSD2
R3	Partnership (2017)	Partnered with R3, a blockchain platform, to develop a distributed ledger platform specifically for financial services
Apigee (Google)	Partnership (2016)	Partnered to help accelerate digital business transformation for enterprises
Mulesoft	Partnership (2016)	Partnered to leverage integration platform for connecting SaaS & enterprise applications in the cloud and on-premise
OpenWay Group	Partnership (2016)	Partnered for end-to-end card management platform
Akana API Gateway	Partnership (2016)	API alliance partner (PSD2 and open banking)

Other key investments and recent activities (e.g., setup of new delivery centers / CoEs / innovation labs, trainings/certifications, etc.)

Development	Details
Blockchain CoE	Developed an in-house blockchain platform aligned to regulated financial institutions. Also, developed partnerships / competencies with third party products such as Hyperledger, R3 Corda, and Ethereum
State of art Agile ODCs	Facilitate distributed agile projects with enabling frameworks to introduce engineers into new ways of working
Tata Innovation Center	TCS and Cornell Tech got into partnership on campus to promote joint academic and industry research
TCS and Indian academic institutions	Indian Institute of Technology (IIT) collaborated for research and innovation in cognitive vision, robotics, IoT, and ML
Digital studio and innovation center	Opened its digital reimagination studio in Santa Clara, the United States and a new office in Toronto, Canada, for technical innovation, partner collaboration, and client services

Source: Everest Group (2018)

Delivery footprint – Key delivery centers and innovation hubs



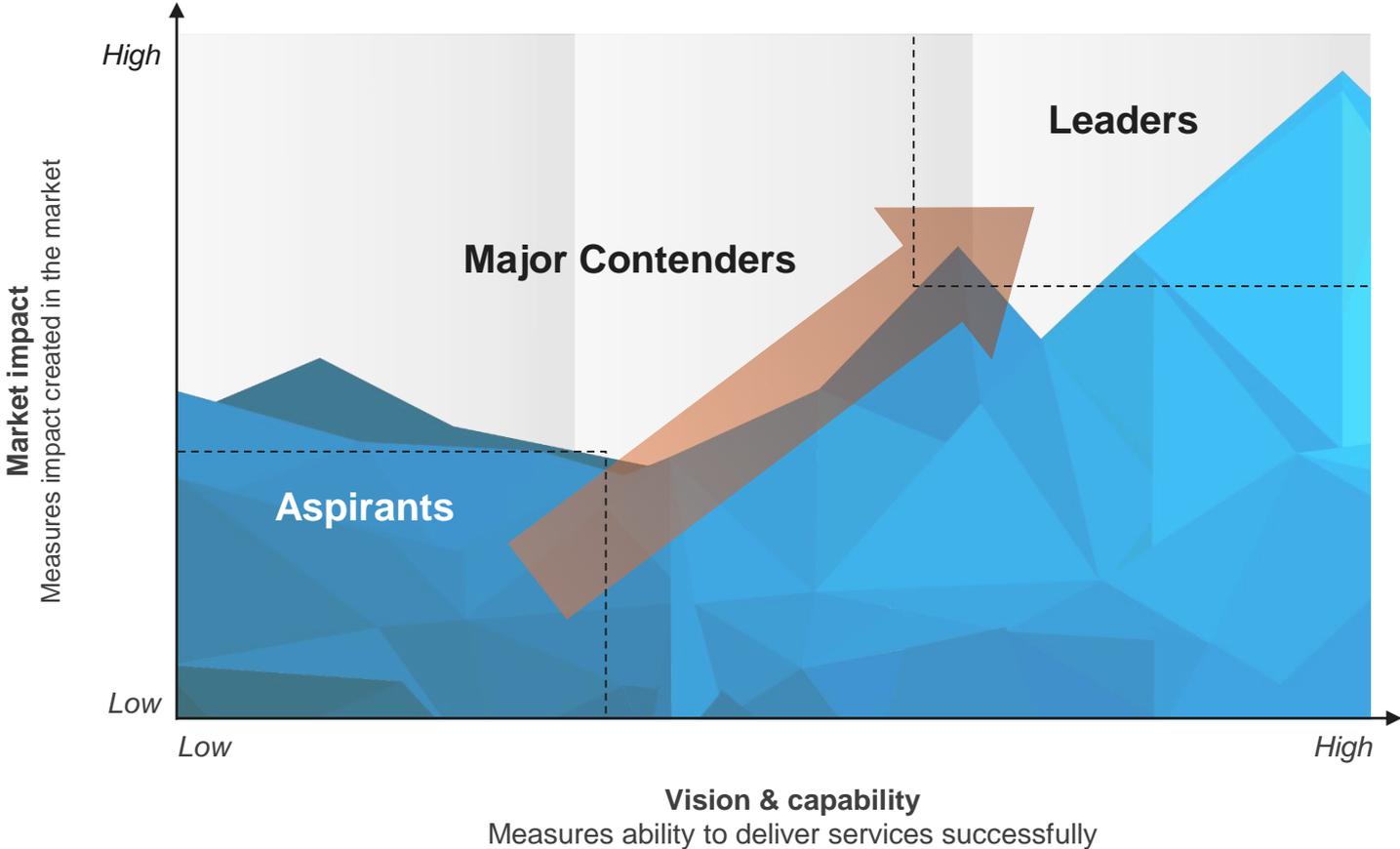
Source: Everest Group (2018)

Appendix

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



Everest Group PEAK Matrix



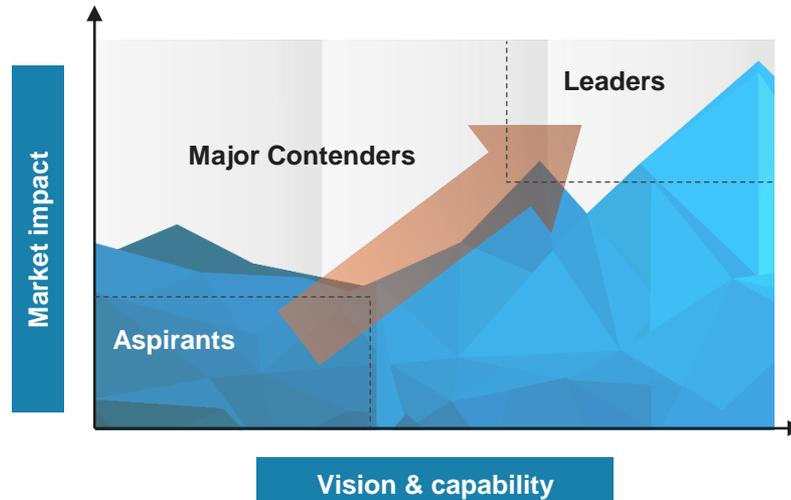
Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

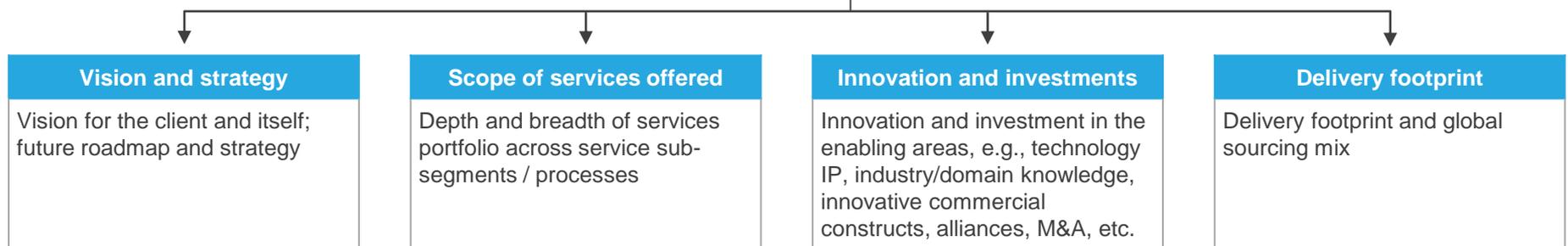
Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

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



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

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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