Everest Group PEAK Matrix™ for Life and Annuities (L&A) Insurance Application and Digital Services 2020

Focus on TCS
December 2019
Introduction

Everest Group recently released its report titled “Life & Annuities (L&A) Insurance Application and Digital Services PEAK Matrix™ 2020 – Conflated Growth and Efficiency Agendas.” This report analyzes the changing dynamics of the L&A insurance application and digital services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 20 service providers on the Everest Group PEAK Matrix™ for L&A insurance application and digital services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of L&A application and digital service providers based on their absolute market success and delivery capability. Everest Group also identified five service providers as the “2020 L&A Insurance Application and Digital 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 and Star Performer. This document focuses on TCS’ L&A insurance application and digital services experience and capabilities and includes:

- TCS’ position on the L&A insurance application and digital services PEAK Matrix
- Detailed L&A insurance application and digital 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.

Source: Everest Group (2019)
Background, scope, and methodology

- Reversal of interest rates has brightened L&A insurers’ short-term growth outlook. Amidst general caution on the back of high regulatory pressure and intense price competition, L&A insurers are optimistic about meeting evolving customer demands by investing in digital technologies to meet efficiency mandates and drive the next wave of growth.
- Service providers are responding to these demand themes by helping insurers modernize their technology landscape, design a rich user experience to improve customer engagement, and offer advanced analytics solutions to generate personalized customer insights.
- In this report, we studied the vision and capabilities of 20 leading service providers specific to their application and digital services portfolio for the global L&A insurance sector. We also evaluated the market impact generated by each service provider.
- Service providers were positioned on Everest Group’s proprietary PEAK Matrix™ to identify Leaders, Major Contenders, Aspirants, and Star Performers.

Scope of this report:

Industry  
Life and Annuities (L&A) insurance

Market Segment  
IT services

Geography  
Global

Sourcing Model  
Everest Group’s proprietary database of 500+ active, multi-year IT Outsourcing (ITO) contracts within insurance (updated quarterly) and operational capability of 25+ insurance service providers (updated annually through service provider RFIs).

Service providers covered in the analysis:

- Accenture
- Atos
- Capgemini
- CGI
- Cognizant
- DXC Technology
- Hexaware
- HCL
- IBM
- Infosys
- LTI
- Mphasis
- NIIT Technologies
- NTT DATA
- Rapid Value
- Tata Consultancy Services
- Tech Mahindra
- Virtusa
- Wipro
- ZenSar Technologies

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L&A insurance application and digital services PEAK Matrix™ characteristics

Leaders:
Accenture, Capgemini, Cognizant, Infosys, TCS, and Wipro
- Ability to identify high-growth opportunity areas in a slow-paced market and launch targeted offerings to capitalize on the opportunity has set Leaders apart
- Leaders have demonstrated a strong platform-based approach to serve the end-to-end needs of large L&A insurers
- Leaders have differentiated themselves through their consulting expertise, execution experience, breadth of solution offerings across multiple digital technology stacks, and their ability to act as strategic partners for L&A clients by driving a transformation mandate

Major Contenders:
Atos, CGI, DXC Technology, HCL Technologies, IBM, LTI, Mphasis, NIIT Technologies, NTT DATA, and Virtusa
- Major Contenders consists of a mix of large and mid-sized players
- The majority of large service providers in this category have built strong credibility around specific functions; IBM has excelled with a differentiated value proposition around hybrid cloud and advanced analytics services; DXC is recognized by clients for its domain-specific products business; Atos and HCL have fared strongly on digital enablement themes such as platform modernization, agile, and cloud. Virtusa is recognized for its deep engineering capabilities, while Mphasis and LTI have enhanced their brand recall for advanced analytics services

Aspirants:
Hexaware, RapidValue, Tech Mahindra, and Zensar Technologies
- Aspirants excelled in managing client relationships and demonstrated a niche focus either on a particular geography or on a specific digital technology stack
- Success for Aspirants is primarily centered around meeting specific service requirements for clients leveraging their nimble operating models; limitations in serving the end-to-end needs of customers and lack of substantial thought leverage to partner on the broader transformation journey is holding them back
Everest Group PEAK Matrix™
Life & Annuities (L&A) Insurance Application and Digital Services
PEAK Matrix™ 2020 | TCS positioned as a Leader and Star Performer

Everest Group Life & Annuities (L&A) Insurance Application and Digital Services PEAK Matrix™ 2020

Note 1  PEAK Matrix specific to application and digital services in the L&A insurance sector (excludes P&C and others including reinsurance and Takaful Islamic insurance)
Note 2  Assessment for DXC Technologies, IBM, and Zensar 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 insurance buyers. For these companies, Everest Group’s data for assessment may be less complete
Source: Everest Group (2019)
## TCS | L&A insurance application and digital services profile

### Overview

**Vision for application and digital services profile in L&A insurance practice:** TCS envisions to enable L&A customers achieve their growth and digital transformation targets based on its Business 4.0 thought leadership framework. Focusing on innovative digital solutions development, TCS will enable insurer transformation by harnessing data insights, intelligence, and automation. The firm offers an end-to-end platform-based digital transformation solution for insurers addressing their business process, infrastructure, IT ecosystem, and administration of closed books of business.

### Application and digital services mix in L&A insurance:

<table>
<thead>
<tr>
<th>By lines of business</th>
<th>Whole life – individual</th>
<th>NA</th>
<th>Term life</th>
<th>NA</th>
<th>Whole life – group</th>
<th>NA</th>
<th>Annuities</th>
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### By geography

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<tr>
<th>By geography</th>
<th>North America</th>
<th>United Kingdom</th>
<th>Europe (excluding UK)</th>
<th>Asia Pacific</th>
<th>Latin America</th>
<th>Middle East &amp; Africa</th>
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### By services scope

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<th>By services scope</th>
<th>Development</th>
<th>IT consulting</th>
<th>Maintenance</th>
<th>System integration services</th>
<th>Testing</th>
<th>Others</th>
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### By digital services segment

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<tr>
<th>By digital services segment</th>
<th>Big data &amp; analytics</th>
<th>Internet of Things (IoT)</th>
<th>Mobility</th>
<th>Blockchain</th>
<th>Others¹</th>
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### By value chain function

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<tr>
<th>By value chain function</th>
<th>Product development</th>
<th>Policy administration</th>
<th>Sales, distribution, &amp; channel management</th>
<th>Claims management</th>
<th>Underwriting</th>
<th>Others (GRC, security, etc.)</th>
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### By buyer size

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1 Interactive, Augmented Reality (AR), etc.

Source: Everest Group (2019)
# Key Solutions

## TCS | L&A insurance application and digital services profile

### Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver IT services to insurance customers

<table>
<thead>
<tr>
<th>Domain</th>
<th>Details</th>
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| L&A insurance-specific     | - Retirement Conversational Agent: A voice-based conversational agent for retirement participants  
                              - Wealth Management Analytics: A wealth management analytics framework  
                              - TCS Wealth Advisory Solution (TWAS): An Apple watch solution for advisor and clients for wealth and annuities |
| Other key solutions        | - AI studio: Enables insurers to build enterprise-wide AI and ML adoption, manage datasets, and apply AI in improving processes such as underwriting and claims  
                              - Blockchain-based KYC: Solution for leveraging blockchain for KYC  
                              - Insurance assistant bot: Enables retail insurers to provide conversational channels to work with multiple conversational frameworks  
                              - Insurance advisor bot: Facilitates product marketing/promotions to prospective customers through anonymous channels  
                              - Jile: A cloud-based DevOps product for continuous delivery and optimization of portfolio governance  
                              - Know Your Data: A data assurance framework consisting of a big data-powered platform for data quality control transformation  
                              - Machine First Delivery Model (MFDM): An enterprise-wide automation and decision-making model leveraging robotics, ML, and AI  
                              - TCS Apphonics API platform: Provides an environment for prototyping APIs in a secure and scalable environment  
                              - Ignio: Manages large number of batch jobs and correctly predicts impacts, allowing insurers to take precautionary actions  
                              - TCS Agile PAS framework: A lean and agile digital platform accelerator for the launch of simple insurance products |

*NOT EXHAUSTIVE*
TCS | L&A insurance application and digital services profile
Everest Group assessment – Leader and Star Performer

**Strengths**

- Deep domain expertise, customer contextual mastery, and innovation pedigree utilizing TCS CoIN ecosystem has enhanced TCS’ relevance as a trusted advisor and end-to-end transformation partner
- Commitment to business outcomes, through a combination of platform modernization and digital enablement, has helped TCS sign multiple large-scale engagements with L&A insurance clients
- Meaningful investments to build domain-specific solutions, especially across customer experience in retirements, annuities, and pensions space, compliance management, and DevOps enablement is resonating with L&A insurance clients
- Acquisition of Bridgepoint Group and W12 studios to enhance retirement services and digital design capabilities, respectively, has helped TCS augment its value proposition

**Areas of improvement**

- Some clients have cited that in certain situations, TCS comes with a transactional mindset and is not very proactive in driving an enterprise-level change agenda
- In certain accounts, TCS needs to improve its day-to-day project management capabilities as there are bureaucratic hurdles, which often deplete positive client sentiment
- Should look to enhance its enterprise agility and operate with strategic nimbleness to attack tier 2/3 L&A insurance accounts to sustain the growth momentum

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**Market impact**

- Market adoption
- Portfolio mix
- Value delivered
- Overall

**Vision & capability**

- Scope of services offered
- Innovation and investments
- Delivery footprint
- Vision and strategy
- Overall

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Measure of capability: High Low
Appendix
Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix

Market impact
Measures impact created in the market

Vision & capability
Measures ability to deliver services successfully

Leaders
High

Major Contenders

Aspirants
Low

High
Low
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
Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix™

**Methodology**

Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix

In order to assess advances on **market impact**, we evaluate each service provider’s performance across a number of parameters including:
- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

In order to assess advances on **vision and capability**, we evaluate each service provider’s performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

The Star Performers title relates to YOY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.
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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