

Everest Group PEAK Matrix™ for Open Banking IT Services

Focus on TCS
October 2018



Introduction and scope

Everest Group recently released its report titled “[Open Banking IT Services: Orchestrating Experiences in the Platform Economy – Services PEAK Matrix™ Assessment 2018](#).” In this report Everest Group assessed the vision & capability and market impact generated by 19 service providers for their open banking IT 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 open banking 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** open banking IT services market success and capabilities and includes:

- TCS’ position on the open banking IT 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.

Background, scope, and methodology for Open Banking IT services PEAK Matrix™ assessment 2018

- Open banking is concept where banks expose data and services using secured open standards through platforms and Application Programming Interfaces (APIs) to third parties. This aligns with investments of banks in technologies of the future to help orchestrate customer lifestyles and businesses
- Accelerated adoption will herald an era of ecosystem collaboration between banks, FinTechs, technology providers, service providers, and peers to provide tailored products and superior experiences
- The IT services open banking market is a US\$3.3 billion economy and is slated to double by 2022; service providers respond to these demand themes by investing in open banking Centers of Excellence(COEs), certified talent, platforms, and partnerships
- In this report, we assessed the vision & capability and market impact generated by 19 service providers for their open banking IT services portfolio; service providers were positioned on Everest Group's proprietary PEAK Matrix™ to identify Leaders, Major Contenders, and Aspirants

Scope of this report



Industry
Banking and Financial Services(BFS)



Market segment
Open banking IT services



Geography
Global

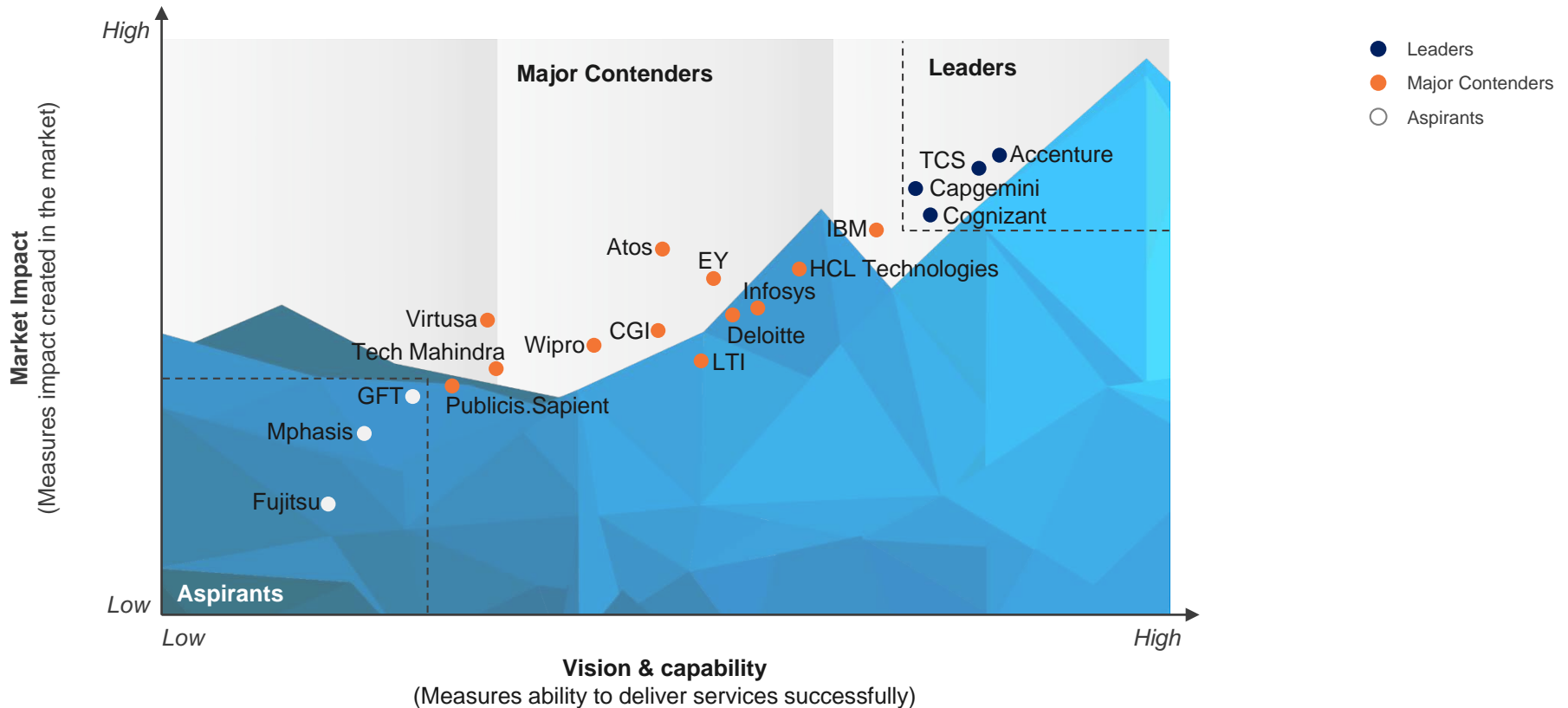


Sources
Everest Group's proprietary database of 500+ active, multi-year IT Services(ITS) contracts within BFS (updated quarterly) and operational capability of banking and financial service providers (updated annually through service provider RFIs)

Service providers covered in the analysis



Everest Group Open Banking IT Services: Orchestrating Experiences in the Platform Economy – Services PEAK Matrix™ Assessment 2018¹



¹ PEAK Matrix specific to open banking IT services for the banking and financial services sector

Note: Assessment for Deloitte, EY, Fujitsu, IBM, Mphasis, Publicis.Sapient, and Wipro 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

Tata Consultancy Services | Open banking IT services profile (page 1 of 2)

Overview

Open banking vision

The open banking vision is to support the expansion of open banking APIs into all LOBs within the bank to truly open up a collaborative environment in order to enable innovation across banks.

Strengths

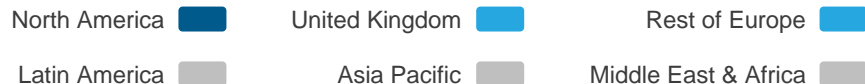
- Investments in a wide range of solutions for open banking, global CoE, and delivery presence help them win in this market
- Clients commend TCS' competitive pricing and flexible engagement models that help it maintain strong relationships with banking clients
- Clients appreciate the ability to manage attrition and deliver resources in niche areas at scale and across geographies

Areas of improvement

- TCS needs to build talent around design concepts such as edge and interactive design through acquisitions or partnerships to win UI-/UX-based CEM assignments
- Clients cite the need to better manage internal communication within teams, which includes extensive knowledge transitions and offshore-onshore communication between teams

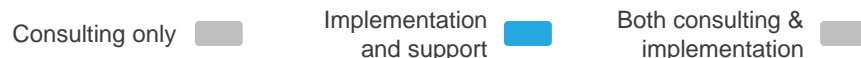
Revenue by geographic focus¹

■ >50% ■ 20-50% ■ <20%



Number of open banking projects by engagement scope¹

■ >50% ■ 20-50% ■ <20%



Case study 1:

Provider of multi-bank Internet services for professional users in Belgium

Business challenge	Preparation for open banking API strategy and readiness for PSD2. Client wanted a head start on PSD2 and to be the first bank in Europe (excluding the United Kingdom) to offer PSD2 APIs
Solution and impact	<ul style="list-style-type: none"> • Developed a focused program to create a new service layer across all the systems of record thereby creating a payment hub to mask the backend from the channels • Enabled the bank to be ready to expose APIs in preparation for their PSD2 compliance and beyond

Case study 2: Global American bank propelling customer experience using an API based FinTech platform

Business challenge	The bank wanted to discover, create, and expose a set of APIs for external consumption so that these APIs could be consumed to provide superior customer experience
Solution and impact	<ul style="list-style-type: none"> • TCS helped the bank review all the customer journeys and established that 85% of them are enabled by 56 services • Created an enterprise capability that helped the bank to create a new API in four weeks sprint with 12 days development time • Around 66 partner solutions launched, 60+ micro services deployed, and effected 97% reduction in cost for new APIs

¹ As per Everest Group estimates

Tata Consultancy Services | Open banking IT services profile (page 2 of 2)

Key investments

NOT EXHAUSTIVE

Key alliances / partnerships / M&As / JV

Investment name	Type of investment	Details
R3	Partnership (2017)	Partnered for Go-to-Market (GTM) and implementation
Token	Partnership (2017)	API banking partner for PSD2
Akana API Gateway	Partnership (2016)	API alliance partner for PSD2 and open banking
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

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

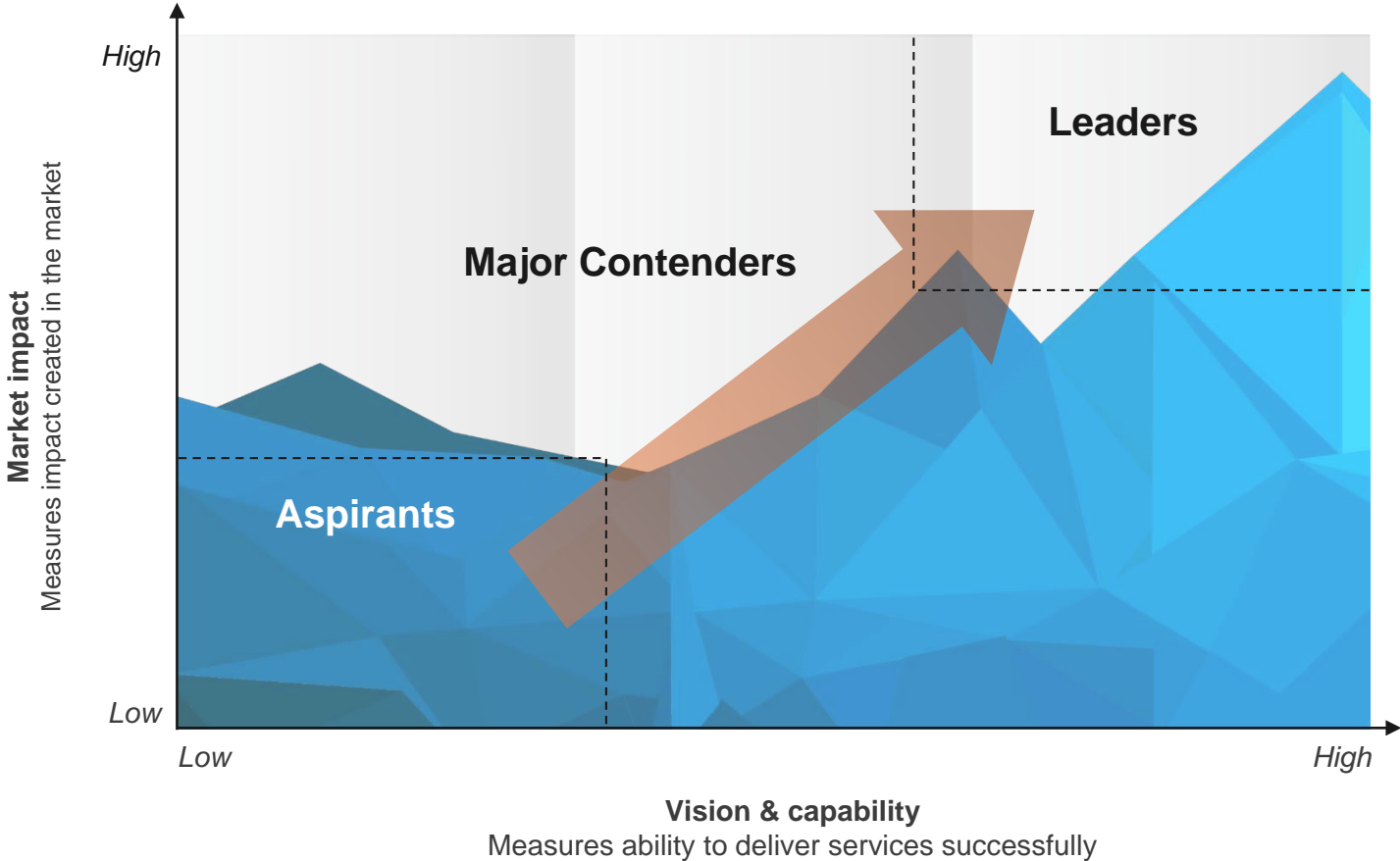
Investment name	Details
Payments CoE	The payment CoE has expanded the journey set by PSD2 and developed a wider point of view for open banking APIs across all banking LOBs
Business technology services	Invested in enterprise horizontal LOBs and CoE for cloud, micro services, and APIs
Microservices transformation propeller	Invested to expedite 'Monolith to Microservices' journey and adoption on different cloud platforms
ZippedAgile	Developed a framework to accelerate application provisioning and deployment for different cloud platforms using DevOps toolsets
Open banking API framework	Launched an open banking API framework that provides the foundation for banks to innovate and accelerate their journey towards becoming a digitally integrated financial services provider
Range of API tools & enablers	Developed an API life cycle management framework, API readiness assessment framework, API strategy definition suite, API architecture definition & governance suite, and apphronics digital sandbox
Innovation centers	Opened a Digital Reimagination Studio™ at Santa Clara and UX center at Cincinnati

Appendix

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



Everest Group PEAK Matrix



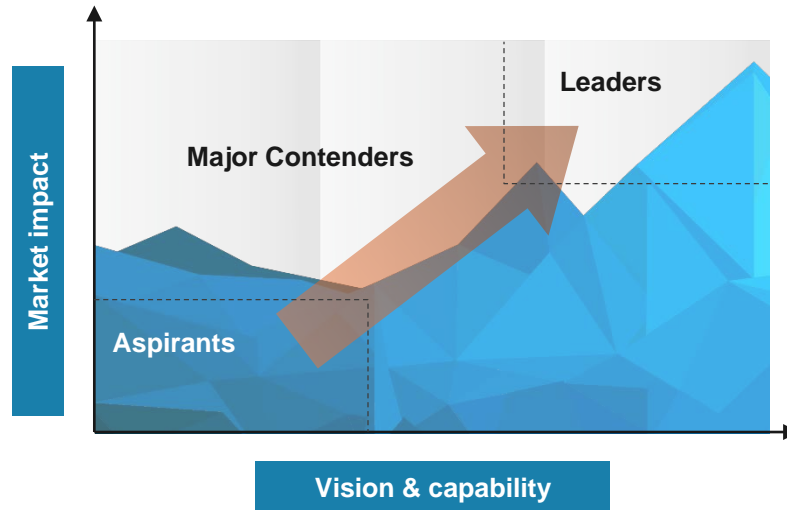
Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

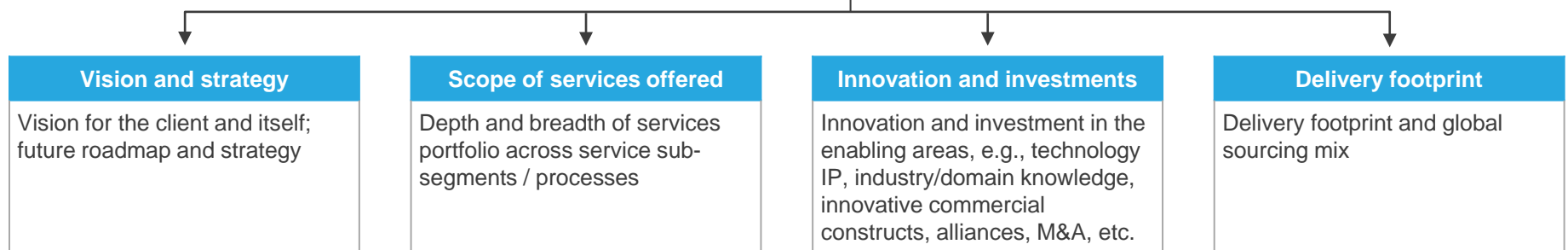
Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

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



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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