

Everest Group PEAK Matrix™ for Property and Casualty (P&C) Insurance Application and Digital Services 2020

Focus on TCS
December 2019



Introduction

Everest Group recently released its report titled “[Property & Casualty \(P&C\) Insurance Application and Digital Services PEAK Matrix™ Assessment 2020 – Coverage, Channels, and Commercial Model Innovation](#)”. This report analyzes the changing dynamics of the P&C 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 22 service providers on the Everest Group PEAK Matrix™ for P&C 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 P&C insurance application and digital services providers based on their absolute market success and delivery capability. Everest Group also identified six service providers as the “2020 P&C 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**. This document focuses on **TCS’** P&C insurance application and digital services experience and capabilities and includes:

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

Background, scope, and methodology

- P&C insurers are witnessing massive disruption in their business ecosystem from evolving customer expectations, emerging risks, and extreme levels of competitiveness in the industry. In order to stay relevant, P&C insurers are investing in business model innovation by reimagining product and channel experience for customers
- To support insurers in their transformation journey, IT service providers are moving beyond the digital enablement value proposition and are looking to develop full stack services offerings, combined with domain-centric consulting capabilities
- In this report, we studied the vision and capabilities of 22 leading service providers specific to their application and digital services in P&C insurance portfolio. 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, and Aspirants. Providers with the maximum momentum in 2019 are rated as Star Performers

Scope of this report



Industry
Insurance



Market Segment
P&C insurance



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



P&C insurance application and digital services PEAK Matrix™ characteristics

Leaders: Accenture, Capgemini, Cognizant, IBM, and TCS

- Leaders have showcased a strong vision for the “insurer of the future,” combined with strong domain-centric consulting capabilities that have allowed them to become preferred partners for change management
- Significant experience in supporting insurers across complex modernization engagements, global delivery presence, and investments in building a scaled talent pool across all major digital technologies have helped the Leaders differentiate in the market
- The ability to commit to definite business outcomes that are tied back to technology imperatives has allowed Leaders to sign large scale transformation projects

Major Contenders: Atos, CGI, DXC Technology, HCL Technologies, Hexaware, Infosys, LTI, Mphasis, NIIT Technologies, NTT DATA, Tech Mahindra, Virtusa, and Wipro

- Major Contenders have shown a keen focus on refining their market messaging to position themselves as strategic partners on the insurers’ modernization journey. Service providers in this category are aggressively investing to develop a robust portfolio of point solutions / frameworks to help accelerate project delivery
- Infosys, HCL Technologies, and Wipro have a challenger positioning in the marketplace owing to a comprehensive services portfolio, large scale, and strong success proof points
- Tech Mahindra has transitioned to the Major Contenders category this year, driven by focused investments in building domain-centric proprietary solutions and strong client feedback

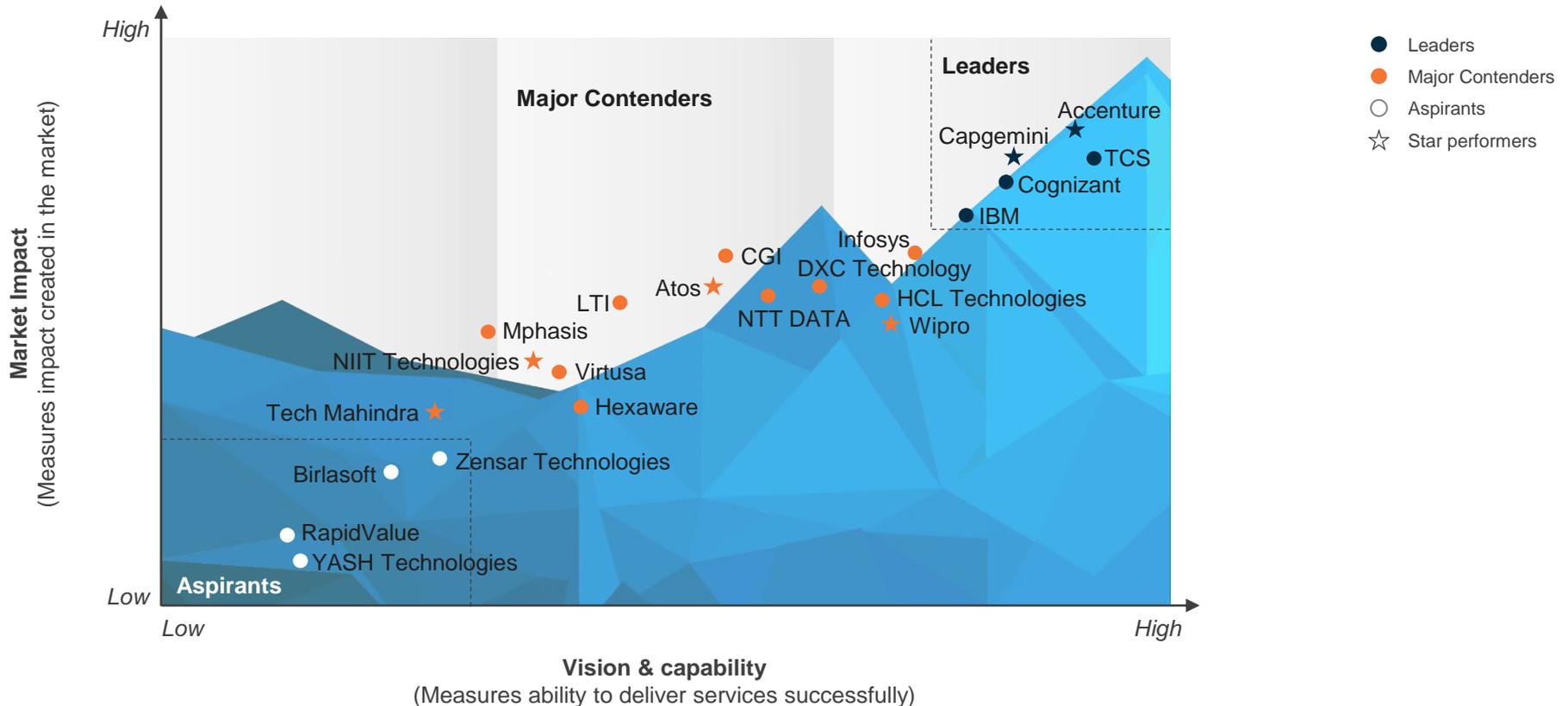
Aspirants: Birlasoft, RapidValue, YASH Technologies, and Zensar Technologies

- Aspirants have exhibited limited coverage in supporting insurers across the different value chain functions
- Success for Aspirants is primarily concentrated around addressing the insurer’s “run-the-business” priorities; they need to expand their delivery presence across key onshore locations, breadth of services, and formulate compelling market messaging around their transformational offerings to compete with larger peers

Everest Group PEAK Matrix™

Property & Casualty (P&C) Insurance Application and Digital Services PEAK Matrix™ 2020 | TCS positioned as a Leader

Everest Group P&C Insurance Application and Digital Services PEAK Matrix™ Assessment 2020



Note: Assessment for DXC Technology, IBM, YASH Technologies, and Zensar Technologies; excludes service provider inputs on this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers. For these companies, Everest Group's data for assessment may be less complete

Source: Everest Group (2019)

TCS | P&C insurance application and digital services profile

Overview

Vision for application and digital services profile in P&C insurance practice: TCS envisions to enable P&C customers achieve their growth and digital transformation targets based on its Business 4.0 thought leadership framework. The firm offers application and digital services across the entire insurance value chain from product development to policy servicing. Focusing on innovative digital solutions development, TCS will enable insurer transformation by leveraging its ADM and IT infrastructure solutions.

Application and digital services mix in P&C insurance:

By lines of business

Auto	NA	Property	NA
Aviation	NA	Workers' compensation	NA
Marine	NA	Specialty	NA
Others	NA		

By services scope

Development	High (>25%)	IT consulting	Medium (10-25%)
Maintenance	High (>25%)	System integration services	Medium (10-25%)
Testing	Medium (10-25%)	Others	Low (<10%)

By value chain function

Product development	Low (<10%)	Policy administration	Medium (10-25%)
Sales, distribution, & channel management	Low (<10%)	Claims management	Medium (10-25%)
Underwriting	Medium (10-25%)	Others (GRC, security, etc.)	Low (<10%)

By geography

North America	High (>25%)	United Kingdom	Medium (10-25%)
Europe (excluding UK)	High (>25%)	Asia Pacific	Medium (10-25%)
Latin America	Low (<10%)	Middle East & Africa	Low (<10%)

By digital services segment

Big data & analytics	High (>25%)	Internet of Things (IoT)	Low (<10%)
Mobility	High (>25%)	Blockchain	Low (<10%)
Cloud	Medium (10-25%)	Others ¹	Low (<10%)
Social media	Low (<10%)		

By buyer size

Small (annual revenue < US\$1 billion)	Low (<20%)
Medium (annual revenue = US\$1-US\$5 billion)	Low (<20%)
Large (annual revenue = US\$5-US\$10 billion)	Medium (20-50%)
Very large (annual revenue = US\$10-US\$20 billion)	Medium (20-50%)
Mega (annual revenue > US\$20 billion)	Medium (20-50%)

¹ Interactive, Augmented Reality (AR), etc.

Source: Everest Group (2019)

TCS | P&C insurance application and digital services profile

Key solutions

NOT EXHAUSTIVE

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

Domain	Details
P&C insurance-specific	<ul style="list-style-type: none"> ● Commercial co-insurance contract management: Enables a broker or commercial insurer to improve efficiency in covering large risks and creating complex contracts leveraging blockchain ● Peer-2-peer insurance using blockchain: Platform to define self-interest groups and create coverage for low-value risks ● Ride sharing auto insurance using blockchain: To manage commercial and personal insurance effectively ● TCS connected home: Leverages IoT and digital technologies to help the insurer connect internal and external customer data, home monitors, etc., for developing customized products and better risk assessment ● TCS connected auto: Connected auto offerings to enable insurers to transform the customer's driving and insurance experience by leveraging connected auto innovations ● TCS Intelligent Remote Inspection System (IRIS): It enables adjusters or underwriters to get an experience of the damage site along with augmented information such as the extent of damage
Other key solutions	<ul style="list-style-type: none"> ● 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 Apphionics 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

Source: Everest Group (2019)

TCS | P&C insurance application and digital services profile

Everest Group assessment – Leader

Measure of capability:  High  Low

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
								

Strengths

- TCS has invested in creating a comprehensive partner ecosystem that has helped it steer a joint go-to-market strategy for insurance clients
- Strong market messaging and vision around “connected insurance;” TCS has built multiple point solutions leveraging IoT in the areas of driving behavior monitoring, connected homes, and sensor-based risk intelligence to help insurers embrace this change
- Demonstrated strong success proof points on assisting P&C insurers around channel innovation and enhancing customer experience
- Adept at identifying emerging demand themes such as IFRS 17, product innovation, and Agile/DevOps-based delivery across core modernization engagements
- Recognized by clients for a large scale of skilled resources across multiple technologies, deep domain expertise, and the ability to serve clients as a strategic partner

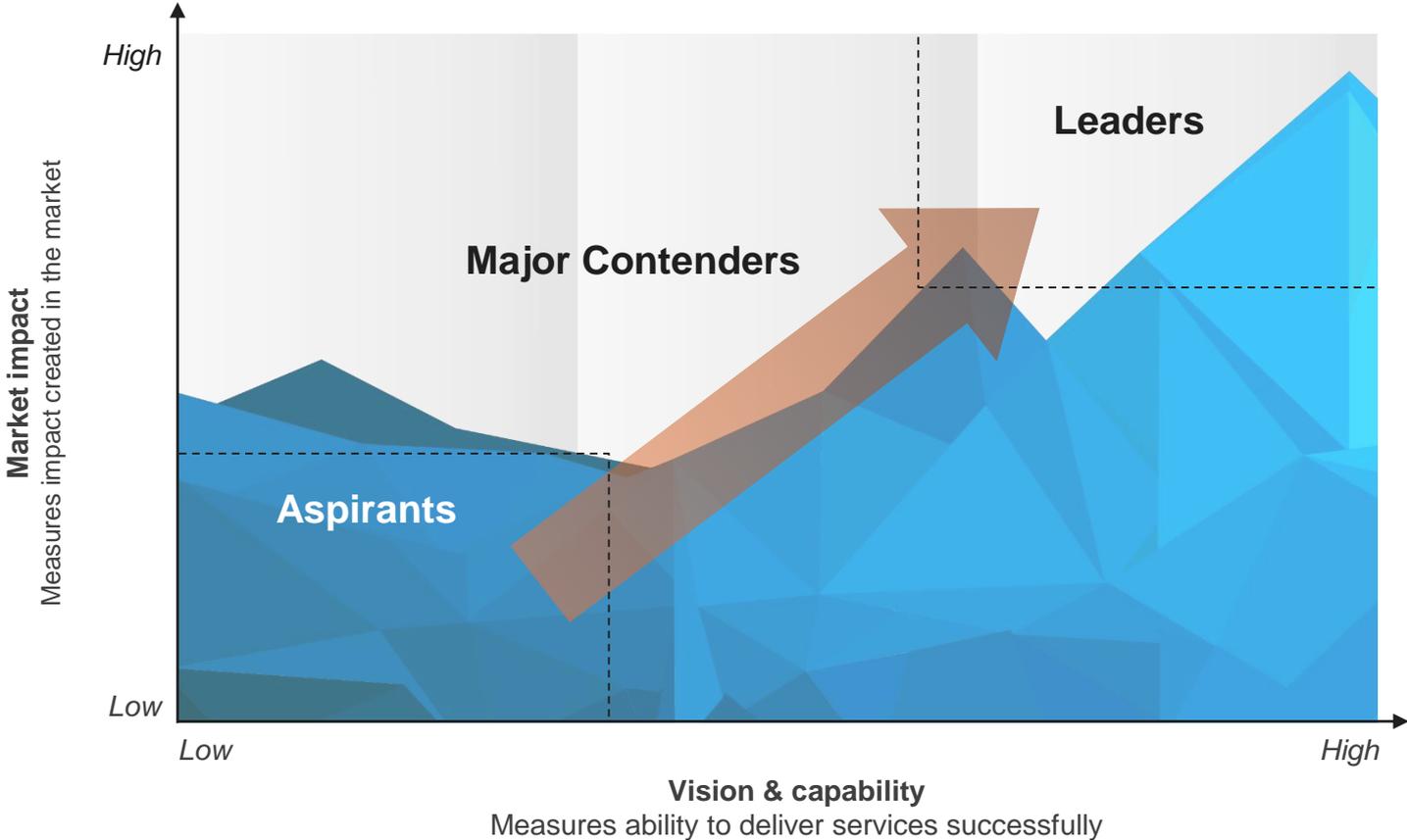
Areas of improvement

- Clients have cited TCS’s approach to be a bit transactional at times; needs to be proactive in advising clients on their modernization journey and minimizing time-to-market
- Needs to broaden strategic focus to target tier-2 and tier-3 insurers, as the mid-market is largely underserved and is expected to drive the next wave of IT investments
- Should look to formulate LOB-specific market messaging to pivot away from approaching clients with an offering-led value proposition

Appendix

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

Everest Group PEAK Matrix



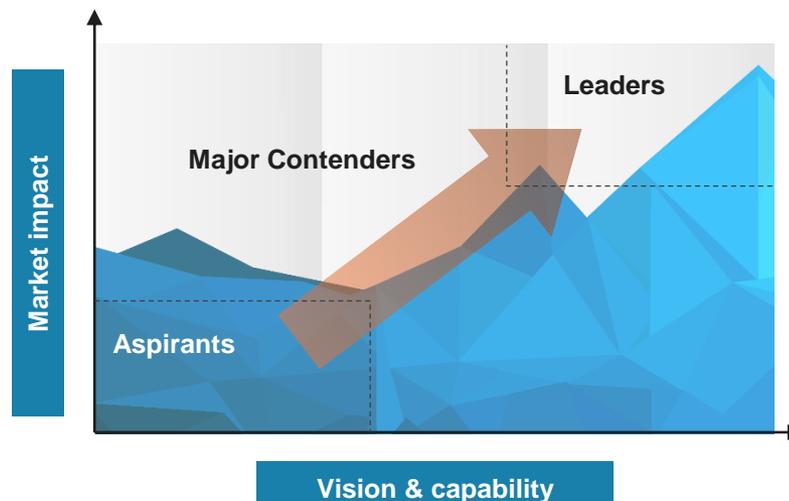
Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

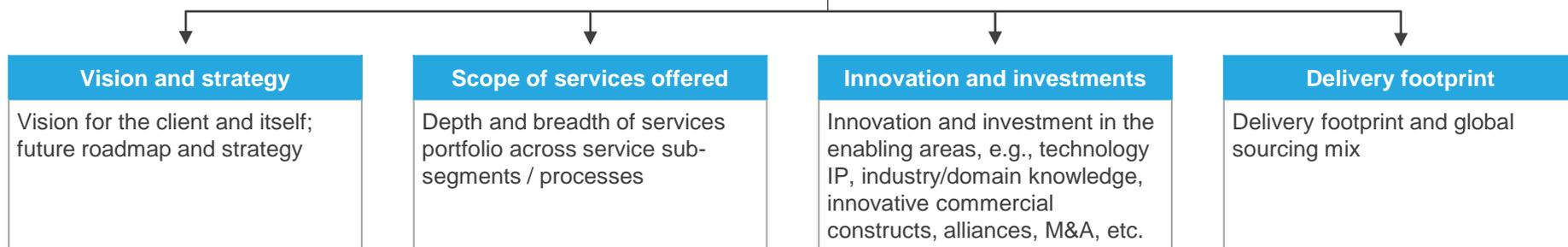
Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

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



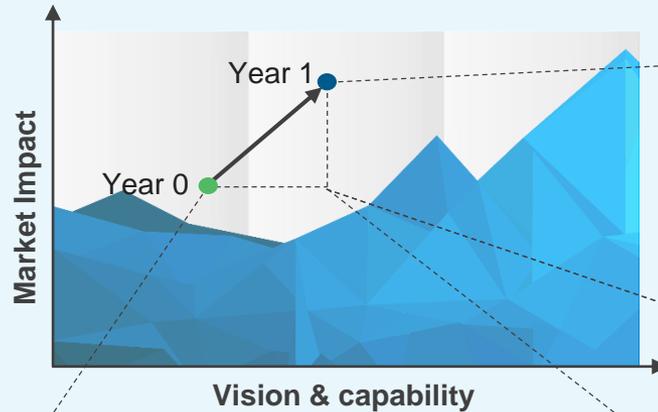
Measures ability to deliver services successfully. This is captured through four subdimensions



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

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

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

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.

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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