



# Everest Group PEAK Matrix<sup>®</sup> for Wealth Management Operations Service Providers 2020

Focus on TCS  
April 2020



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# Background of the research

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As more and more millennials join the client pool for wealth managers, it is becoming imperative to overhaul the traditional methods of managing wealth. Online presence, digital onboarding, omnichannel communication, and overall turnaround time for investments are some of the differentiators prevalent in the industry now. Wealth management organizations are becoming more open to technology and digital intervention in operations to compete with the new-digital-first wealth managers to sustain growth and maintain market share.

Service providers have started focusing on providing more end-to-end solutions for their clients and are working more like partners than service providers. There is an increased prevalence of including a wealth management platform in capabilities among service providers to provide Business Process-as-a-Service (BPaaS) solutions. Several partnerships, alliances, and acquisitions have been observed in the market, with regards to FinTechs and niche technology providers. Buyers are increasingly looking to partner with their service providers in solving business challenges, gaining process efficiencies, and embarking on a journey to transform operations to achieve a superior customer experience as the end goal.

## Scope of this report

- **Services:** Wealth management operations
- **Geography:** North America, Latin America, the United Kingdom, Continental Europe, Asia Pacific, Middle East, and Africa
- **Service providers:** 20 leading wealth management operations service providers

# Introduction and scope

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Everest Group recently released its report titled [“Wealth Management Operations – Service Provider Landscape with Services PEAK Matrix® Assessment 2020.”](#) This report analyzes the landscape of the wealth management operations services and assesses service providers across several key dimensions.

As part of this report, Everest Group classified 20 service providers on the Everest Group PEAK Matrix™ for wealth management operations into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of wealth management operations 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’ wealth management operations experience as well as capabilities, and includes:

- TCS’ position on the wealth management operations PEAK Matrix
- Detailed wealth management operations 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.

# Wealth management operations PEAK Matrix® key messages

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Everest Group classified 20 wealth management operations service providers on the Everest Group PEAK Matrix into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework to assess the absolute market success and overall capability of service providers:

## **Leaders:**

There are three service providers in the Leaders category – Avaloq, TCS, and Wipro

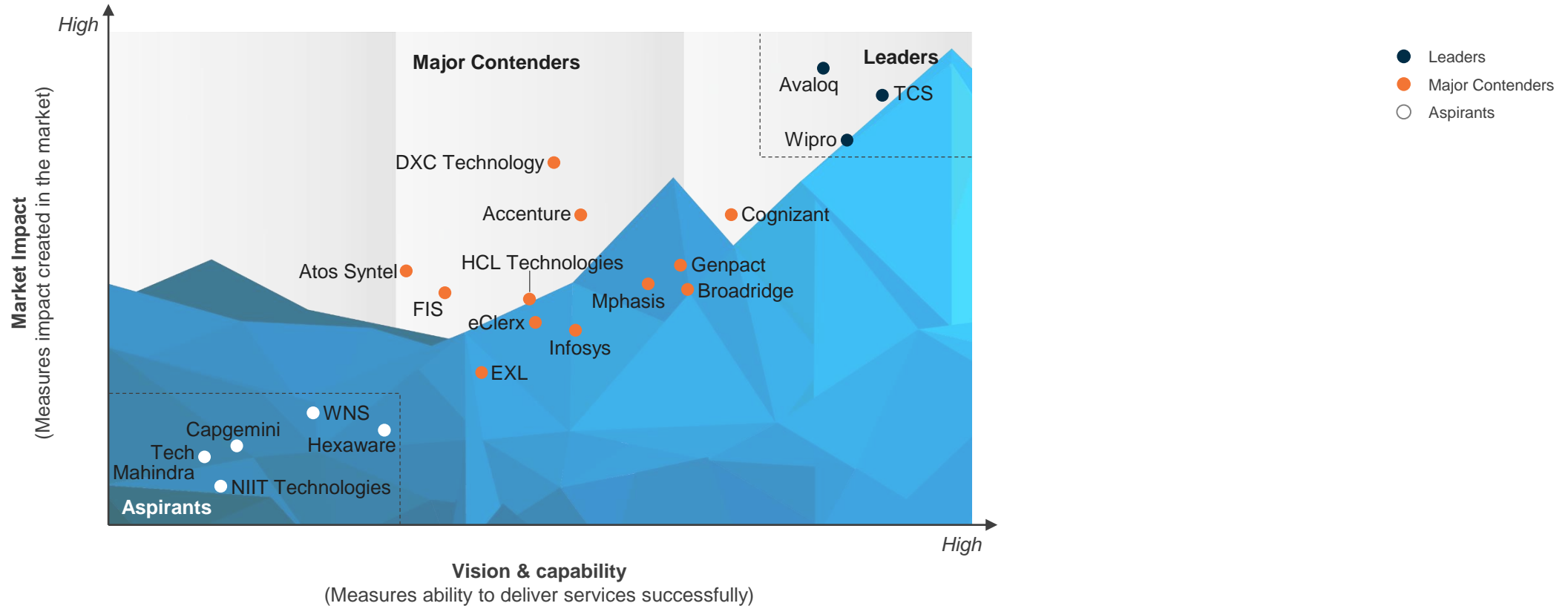
## **Major Contenders:**

The Major Contenders category has twelve service providers – Accenture, Atos Syntel, Cognizant, Broadridge, DXC Technology, eClerx, EXL, FIS, Genpact, HCL Technologies, Infosys, and Mphasis

## **Aspirants:**

Capgemini, Hexaware, NIIT Technologies, Tech Mahindra, and WNS are Aspirants on the PEAK Matrix for wealth management operations

Everest Group Wealth Management Operations Services PEAK Matrix® Assessment 2020<sup>1,2</sup>



1 PEAK Matrix specific to wealth management operations

2 Assessments for **Atos Syntel, Capgemini, eClerx, EXL, FIS, Genpact, Hexaware, NIIT Technologies, Tech Mahindra, and WNS** excludes 9 of service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with wealth managers

Source: Inputs from market players, recruitment firms, and investment agencies

## Overview

**Company overview:** Tata Consultancy Services (TCS) is an IT, consulting, and business operations organization. It provides in-depth domain solutions and offerings spanning front-, middle-, and back-office operations of the enterprise and supports asset classes including equities, fixed income, derivatives, foreign exchange, and money markets across investment banking, securities & funds services, and wealth management.

### Key leaders

- K Krithivasan, President and Global Head, Banking & Financial Services
- Veeturi R. Mohan, Global Head, BFSI Cognitive Business Operations

Wealth management operations <sup>1</sup>	2017	2018	2019 (H1)
Revenue (US\$ million)	Not disclosed		
Number of FTEs	Not disclosed		2,100-2,200
Number of clients	10-15		

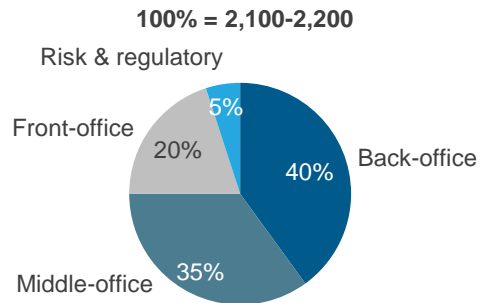
### Technology solutions/offerings specific to wealth management

Solution name	Year launched	Description of the solution	No. of operations clients
TCS BaNCS for market infrastructure	2018	TCS BaNCS for market infrastructure is a componentized and scalable solution, deployable in an integrated Straight-Through-Processing (STP) environment. The solution supports end-to-end trade and post-trade capabilities, including trade matching, risk and collateral management, surveillance, unified clearing, settlement, and depository and registry, around a common reference data layer	Not disclosed
TCS BaNCS for corporate actions	2017	The solution automates end-to-end corporate actions and income processing. It empowers customer institutions across the globe in both mature and emerging markets, and provides processing capabilities to fit into each organization's business model	<5
TCS BaNCS for reconciliations	2015	It is a Line of Business (LOB)-agnostic, reliable, and scalable solution that manages transactions emanating from a wide range of assets across multiple market segments and is integrated with the TCS BaNCS suite of solutions	Not disclosed
TCS BaNCS for compliance	2007	It is a proactive, web-based, enterprise-wide solution for monitoring money-laundering activities across multiple business lines	Not disclosed
TCS BaNCS for wealth management	2007	The wealth management solution from TCS BaNCS is architected to meet global strategic wealth management processes and underlying customer-specific requirements. It caters to the wealth management value chain through capabilities such as goal planning, financial planning, portfolio management (including rebalancing, and performance measurement	Not disclosed

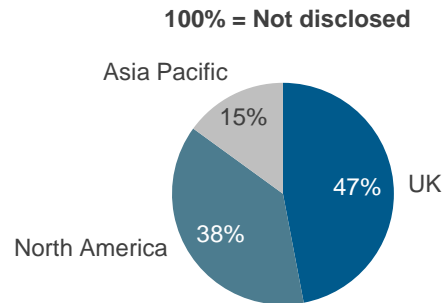
<sup>1</sup> 12 months ending June 30 of any particular year, i.e., from July 1, YYYY-1 to June 30, YYYY

## Key clients and capabilities

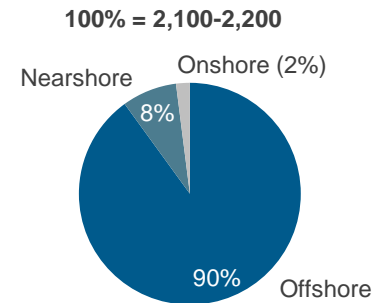
**Wealth management operations FTE mix by processes covered**  
FTEs in numbers



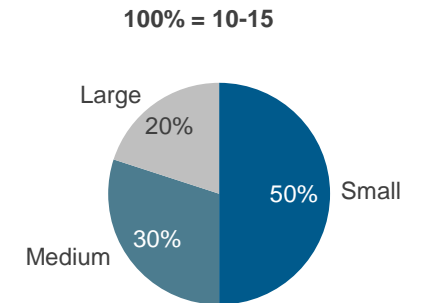
**Wealth management operations revenue mix by geography**  
Revenue in US\$ million



**Wealth management operations FTE split by delivery location**  
FTEs in numbers



**Wealth management operations revenue by buyer size<sup>1</sup>**  
Revenue in US\$ million



### Recent developments specific to wealth management (12-18 months)

- **2019:** Developed X-code, a tool that leverages Natural Language Processing (NLP) and Machine Learning (ML) technologies for extraction of data from discretionary investment management agreements, learns from manual corrections, and automatically applies correct coding to the set of trades in accordance with the stipulations laid in the investment management agreements
- **2019:** Developed corporate actions services for both issuers and wealth managers to publish corporate actions on a distributed ledger that is consumed by wealth managers, thus eliminating the need for several reconciliations by each industry participant – transfer agency, depository, broker dealer/custodian, and the client organizations (asset managers)

### Key wealth management operations engagements

Client name	Region	Client since
A North American wealth manager	North America	Not disclosed
A large banking group	Not disclosed	Not disclosed
A leading global bank	Not disclosed	Not disclosed

### Key wealth management operations delivery locations












<sup>1</sup> Buyer size is defined as large (>US\$10 billion in revenue), medium (US\$5-US\$10 billion in revenue), and small (<US\$5 billion in revenue)  
Note: Based on contractual and operational information as on June 2019

# TCS | Wealth management operations profile (page 3 of 3)

## Everest Group assessment – Leader

Measure of capability:  High  Low

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

### Strengths

- TCS has developed a holistic set of offerings in wealth management operations with services covering front-, mid- and back-office operations backed by strong domain expertise. It is also looking at new geographies such as the Middle East and Africa to expand its presence in wealth management operations
- TCS has invested heavily in its BaNCS platform for wealth management-specific functionalities such as robo-advisory and instant messaging functionalities for end users. It recently launched BaNCS Cloud for asset servicing that automates servicing of multiple asset classes
- It has also worked on creating solutions targeted at the advisors to help them make investment decisions based on factors such as client's existing portfolio, historic transactions and other key deterministic, stochastic, and judgmental factors among others

### Areas of improvement

- It has developed the necessary capabilities to take on a BPaaS approach to its wealth management offering. However, it has not been able to tap that segment on a large scale yet
- TCS' wealth management clientele predominantly comprises small and mid-size buyers. While it has rich experience in serving large investment banks, its clientele of large wealth managers is limited
- Clients expect TCS to bring more innovation to the table and include more value-add services to its wealth management offering

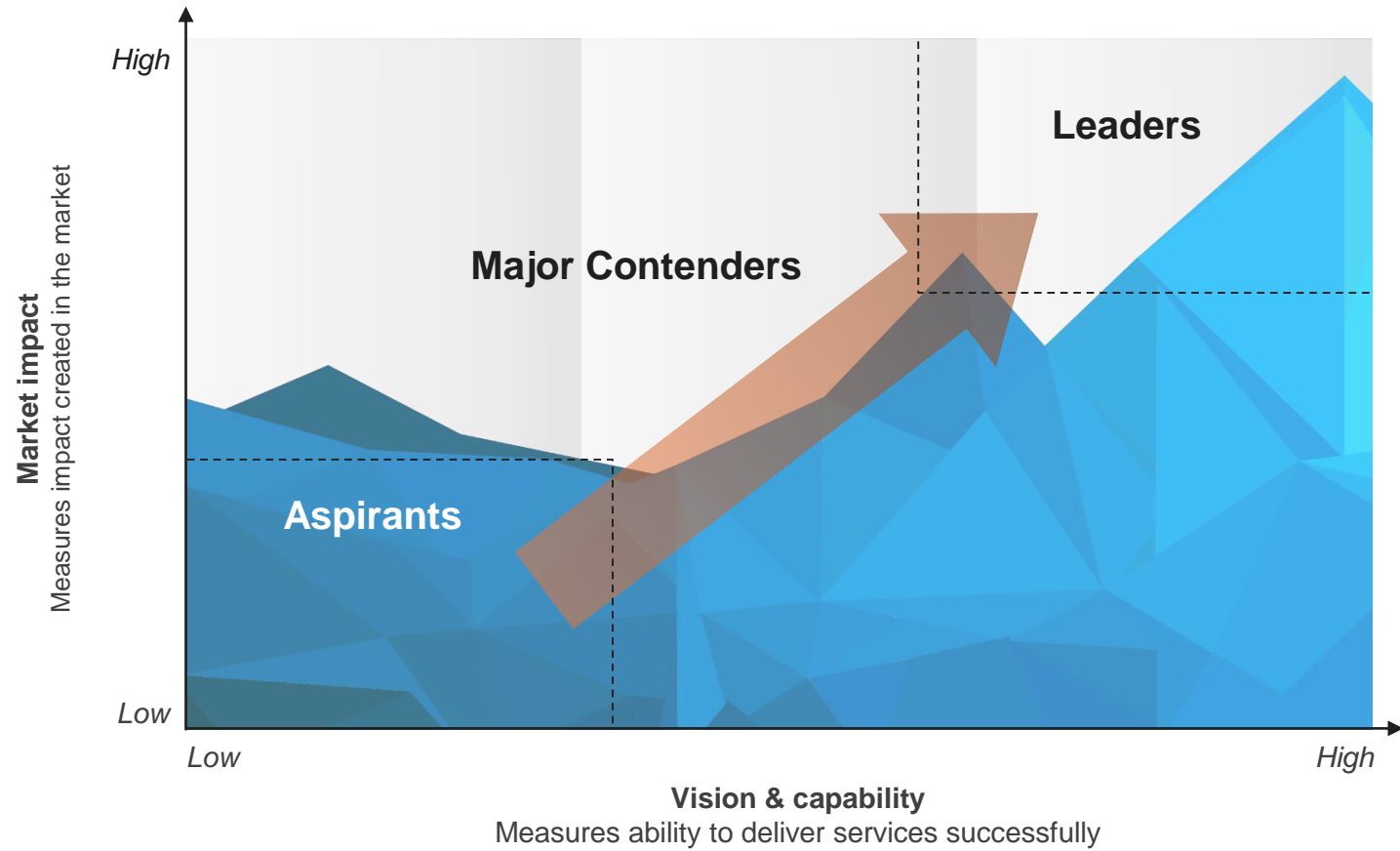


# Appendix

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



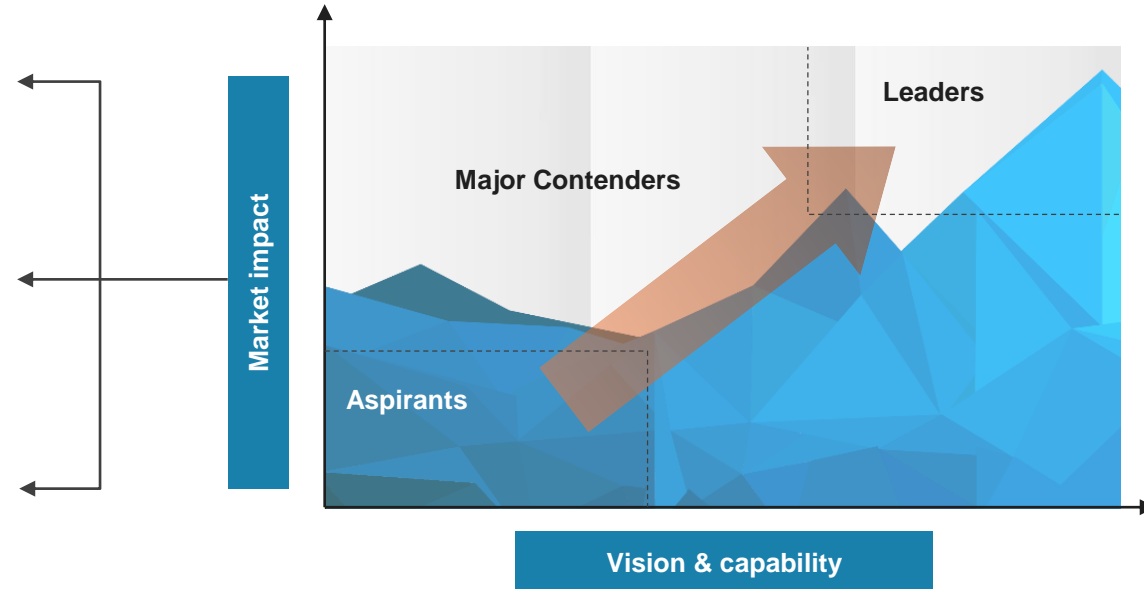
Everest Group PEAK Matrix



# 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

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## **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](http://www.everestgrp.com).

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