

Everest Group Services PEAK Matrix™ for Banking BPS Service Providers 2019

Focus on TCS
July 2019



Introduction and scope

Everest Group recently released its report titled “[Banking BPS – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019](#).” This report analyzes the changing dynamics of the banking business process services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 30 service providers on the Everest Group PEAK Matrix™ for banking business process services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of banking BPS 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’s banking business process services experience and capabilities and includes:

- TCS’s position on the banking business process services PEAK Matrix
- Detailed business process 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) unless cited otherwise

Everest Group PEAK™ Matrix for banking BPS – summary

Everest Group classified 30 banking BPS 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 five service providers in the Leaders category – Cognizant, HCL Technologies, Genpact, TCS, and Wipro

- **Major Contenders:**

The Major Contenders category has nineteen service providers – Accenture, Avaloq, Capgemini, Concentrix, Conduent, Datamatics, DXC Technology, Exela Technologies, EXL, Firstsource, FIS, IBM, Infosys, Mphasis, NTT Data, Teleperformance, Sutherland Global Services, Tech Mahindra, and WNS

- **Aspirants:**

Atos Syntel, CGI, Conneqt, Equiniti, NIIT Technologies, and Virtusa are the Aspirants on the PEAK Matrix for banking BPS

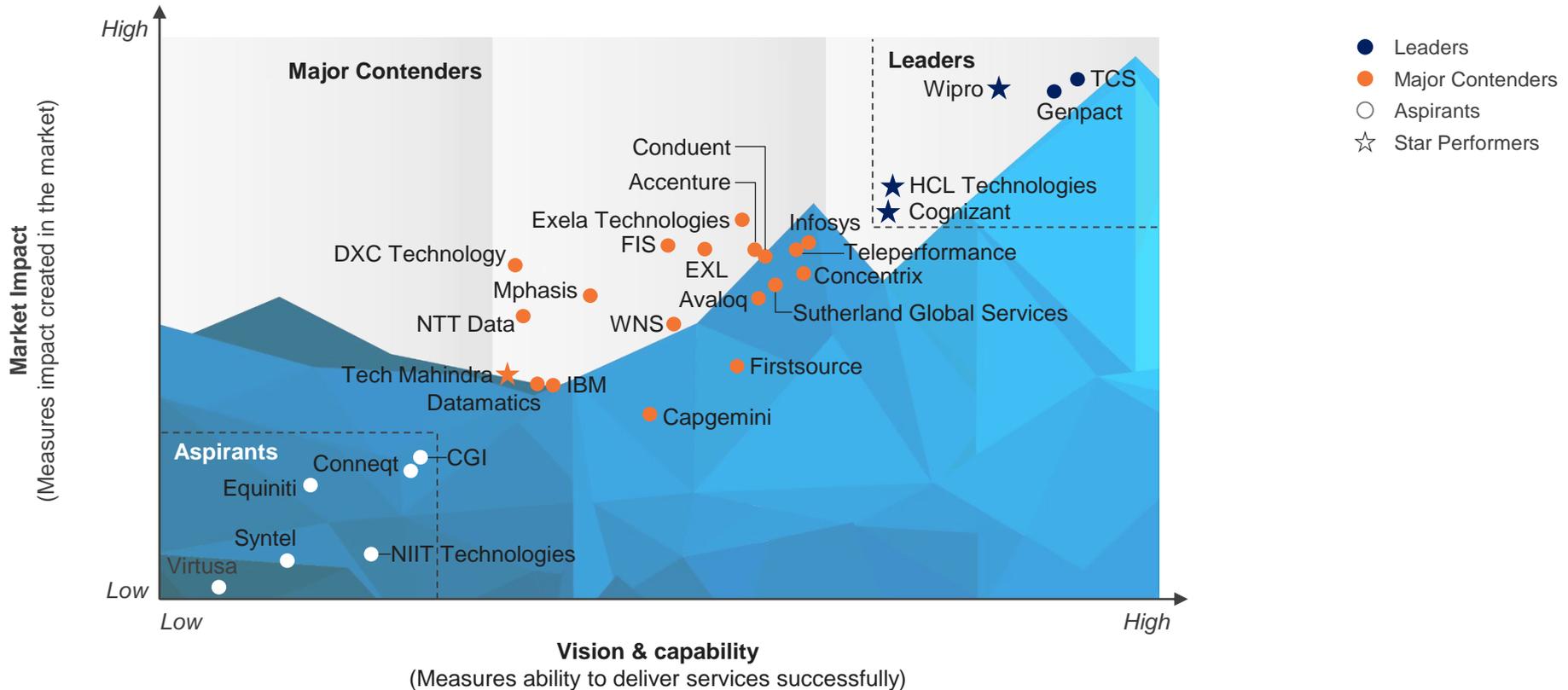
Everest Group conferred the Star Performers title on providers that demonstrated the strongest forward and upward movement on the PEAK Matrix

- Cognizant, Genpact, HCL Technologies, Tech Mahindra, and Wipro are Star Performers on the banking BPS Everest Group PEAK Matrix for 2019

Everest Group PEAK Matrix™

Banking BPS – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 | TCS positioned as a Leader

Everest Group Banking BPS – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019¹



¹ Service providers scored using Everest Group's proprietary scoring methodology

Note: Assessment for Accenture, Avaloq, CGI, Equiniti, IBM, NIIT, Atos Syntel, and Virtusa 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 | Banking BPS profile (page 1 of 7)

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 successfully leveraged its proven banking domain expertise and suite of end-to-end platform solutions to become a market leader in banking BPO services
- Its core banking solutions give it an edge in technology-heavy deals where it can bundle BPO services with technology solutions. Its ability to offer risk management services adds even more value to clients
- TCS has a broad coverage of all LOBs in banking BPO and holds a good client base spread across different geographies with higher presence in North America and Asia-Pacific
- TCS continues to invest in the development of technology solutions such as the cognitive solution 'Ignio' and partnership with various players such as Tookitaki, which offers AI-based analytics solutions for reconciliations and AML
- Clients have praised TCS for its consistency, domain expertise, and ability to handle issue escalations

Areas of improvement

- TCS is currently the market leader but it is growing at a slower pace than the industry and its competitors are catching-up fast. It needs to look for avenues to drive growth in the future including inorganic growth
- While TCS's banking BPO delivery is largely offshore, which gives it cost arbitrage advantage, clients are increasingly looking for a stronger onshore presence to support more judgment-oriented work. It should expand its onshore and nearshore presence to stay competitive in this dynamic market
- Clients have mentioned its proactiveness and ability to challenge status quo as some areas of improvement

Overview

Company overview

Tata Consultancy Services (TCS) is an IT, consulting and business operations organization. TCS has a diverse base of banking & financial services clients and extensive, in-depth domain expertise across all banking products. TCS currently guides its customers on their transformation journeys through its Business 4.0™ thought leadership framework that is characterized by “Intelligent, Agile, Automated and on the cloud” enterprises. TCS' suite of services caters to all industry segments across retail banking, cards, lending, commercial banking, and capital markets and includes cognitive-enabled digital and technology-led business operations offerings and solutions.

Key leaders

- **K Krithivasan**, President and Global Head, BFS, TCS
- **Veeturi R. Mohan**, Global Head, BFSI Cognitive Business Operations, TCS

Headquarter: Mumbai, India

Website: www.tcs.com

Suite of services

- Retail banking and investments / private banking
- Cards
- Commercial/wholesale banking
- Commercial real estate
- Consumer lending
- Risk management (credit, market, liquidity, operations, and regulatory)
- Financial crime & compliance (AML, Fraud)
- KYC
- Payments
- Analytics

	2016	2017	2018 ¹
Revenue (US\$ million)	~505	~585	Not disclosed
Number of FTEs	~21,020	~24,325	23,900-23,920
Number of clients	40-45	45-50	50-55

Recent acquisitions and partnerships

- **2018:** Partnered with Tookitaki to leverage analytics solutions for the identification of false positives
- **2018:** Partnered with BDO on regulatory consulting
- **2018:** Partnered with leading cyber-crime platform vendor "RSA"
- **2017:** Partnered with Oracle Mantas for AML platform
- **2017:** Partnered with Newgen for automation and mobility in check processing
- **2017:** Partnered with IBM on iReply – next-generation service request monitoring tool based on NLP algorithm

Recent developments

- **2018:** Launched Automated Disposition Rule Engine (ADRE), an automated disposition of actions/Specially Designated Nationals (SDN) hit basis cross match/rule matrix through Natural language Processing(NLP), Machine Learning(ML) & Robotic Process Automation(RPA) & auto escalation of valid true hits
- **2018:** Launched Digi MIFT, the application that helps users to create fund transfer requests through an online platform. An integrated OCR and NLP component decodes instructions and transposes data directly onto the product processor
- **2018:** Digi CAP, a digital application that helps the customer to upload the checks and electronically fill up the limited fields of the pay in / deposit slips automatically using OCR
- **2018:** Payment Auto Repair, a predictive, prescriptive, and automated analytics solution to identify the source of repair and automate using NLP and ML, thereby enabling faster payment to the end customer
- **2017:** Launched Merchant Pay, a digital payments integration platform

¹ 12 months ending June 30 of any particular year, i.e., from July 20XX to June 20XX+1

Key delivery locations



TCS | Banking BPS profile (page 4 of 7)

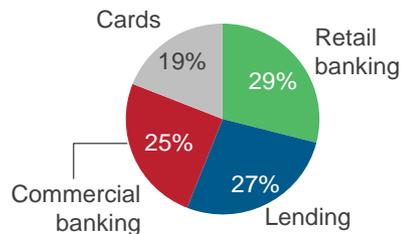
Capabilities and key clients

Key banking BPS engagements

Client name	LoB	Region	Client since
Canadian multinational banking and financial services corporation	Retail banking and cards	North America	2016
One of the top-three banking and financial services providers	Commercial banking and retail banking	United Kingdom	2015
One of the top 5 Australian banks	Retail banking and cards	Asia Pacific	2015
A Leading bank in the Middle East	Commercial banking and retail banking	Middle East & Africa	2015
A Leading European multinational bank	Commercial banking and retail banking	Europe	2014
A Large NBFC in India	Lending and retail banking	Asia Pacific	2011
A Large global bank	All	Global	2008

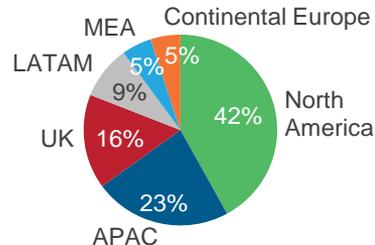
Banking BPS FTE mix by segment FTEs in numbers

100% = 23,900-23,920



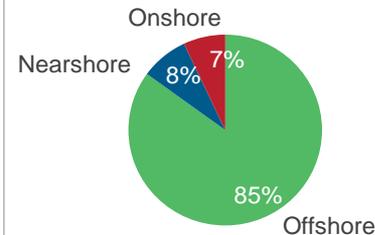
Banking BPS revenue mix by geography Revenue in US\$ million

100% = Not disclosed



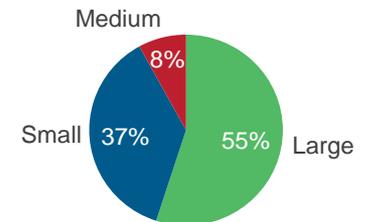
Banking BPS FTE split by delivery location FTEs in numbers

100% = 23,900-23,920



Banking BPS number of clients by buyer size¹ Number of clients

100% = 55



¹ Buyer size is defined as large (>US\$10 billion in revenue), medium (US\$5-10 billion in revenue), and small (<US\$5 billion in revenue)
Note: Based on contractual and operational information as of June 2018

TCS | Banking BPS profile (page 5 of 7)

Technology and analytical solutions/tools

Tools	Processes covered	Year launched	Solution description	No. of clients
Wrapper/ERP	Commercial banking	2018	The solution enables one touch uploading of trade documents leveraging the existing online banking platform. It can auto classify documents and extract data from trade documents using cognitive OCR and extraction algorithms	Not disclosed
Intelligent Doc Check	All	2018	The rule-based validation tool helps in checking the documents on various pre-defined parameters, thus minimizing the manual efforts spent in document checking	Not disclosed
ChatBoT	Commercial banking	2018	The solution enables the end user to raise queries and obtain clarifications through self-service channels, thereby reducing dependency on the manual workforce at the bank and improving the overall experience	Not disclosed
BaNCS CLOS	Commercial banking	2018	It is an integrated digitized corporate loan origination system and its servicing platform TCS BaNCS helps significantly improve productivity, reduce risk, improve controls, and comply with regulatory requirements	Not disclosed
Cognitive Automated Financial Spreading	Commercial banking	2018	Automation through the ML solution of financial spreading that eliminates or reduces the manual effort in the financial spreading of financial statements	Not disclosed
Digital Onboarding	Retail banking and cards	2018	A digital onboarding solution that leverages 'digital + servicing workforce' capability to delivery seamless service. Front-end interface involves a digital tab solution that leverages e-KYC to ensure instant verification. A flexible workforce augmentation model is offered to make it an end-to-end holistic solution	Not disclosed
Decision Fabric	All	2017	A cognitive automation solution primarily focused on introducing advanced automation by leveraging proven ML/AI. It can be used across domains to improve efficiency, productivity, and scalability	<5
TCS Vitellus	Cards and AML	2017	A light-weight, standardized, flexible, and interactive JavaScript graphics library built over open source visualization libraries	<10
Disputes Workflow	Cards	2017	Workflow tool designed to meet the tracking requirements of the disputes process	<3

TCS | Banking BPS profile (page 6 of 7)

Technology and analytical solutions/tools

Tools	Processes covered	Year launched	Solution description	No. of clients
mMortgage-Digital Quality Control	Lending	2017	A rule engine with built in OCR/ICR technology that performs automated data points check on information between multiple documents and loan originations systems	<3
mMortgage-Digital Servicing	Lending	2017	A platform and device-agnostic solution that allows online document upload, real-time chats, and gives transparency in service request resolution and progress status	<3
Cognitive KYC	Retail banking and commercial banking	2017	TCS cognitive KYC solution powered by BaNCS is a workflow application with features such as OCR, web-crawling, and risk rating intelligence, and a workflow that has multiple rules to expedite the process of KYC	<3
Quest Tool	Cards	2017	A decision support tool to be used by the end users (client facing teams) to browse for an answer before raising a query to the helpdesk team, depending on the specific system and scenario	<3
Rapid Tracking System	Cards	2017	System to track the service requests received by the helpdesk team. The system aids in tracking the action taken, the current status, and generate reports & MIS	Not disclosed
Mobile Referral App	Cards, lending, and commercial banking	2017	A mobile app that aids faster communication with the regional managers, regarding check clearances and other transactional referrals	<3
Cognitive Customer Experience	Cards and retail banking	2017	A solution that takes a look at the challenges faced by contact centers and back-office agents, and discusses the ways to improve operations to deliver a superior customer experience at every interaction	Not disclosed
Contact Centre Compliance Monitoring	Cards and retail banking	2017	The solution helps the call center monitoring team to analyze the call and fulfill the checklist. Converted transcripts will be parsed based on checklist parameters using a natural language classifier	Not disclosed
Top 50 Counter party reporting	All	2017	The solution addresses the compliance set forth by the Basel Committee. It consists of populating four templates as required by the regulatory body by assimilating data from various sources in the bank	Not disclosed
Trapeze Automation Suite	Cards, retail banking, and lending	2017	Trapeze automation suite consists of TCS RPA components, a non-intrusive, non-personal, and IP-based solution	<5
Cheque Deposit Automation	Cards and commercial banking	2017	Facilitates the automation of check data extraction as part of the check deposit process	<3

TCS | Banking BPS profile (page 7 of 7)

Risk management & regulatory reporting

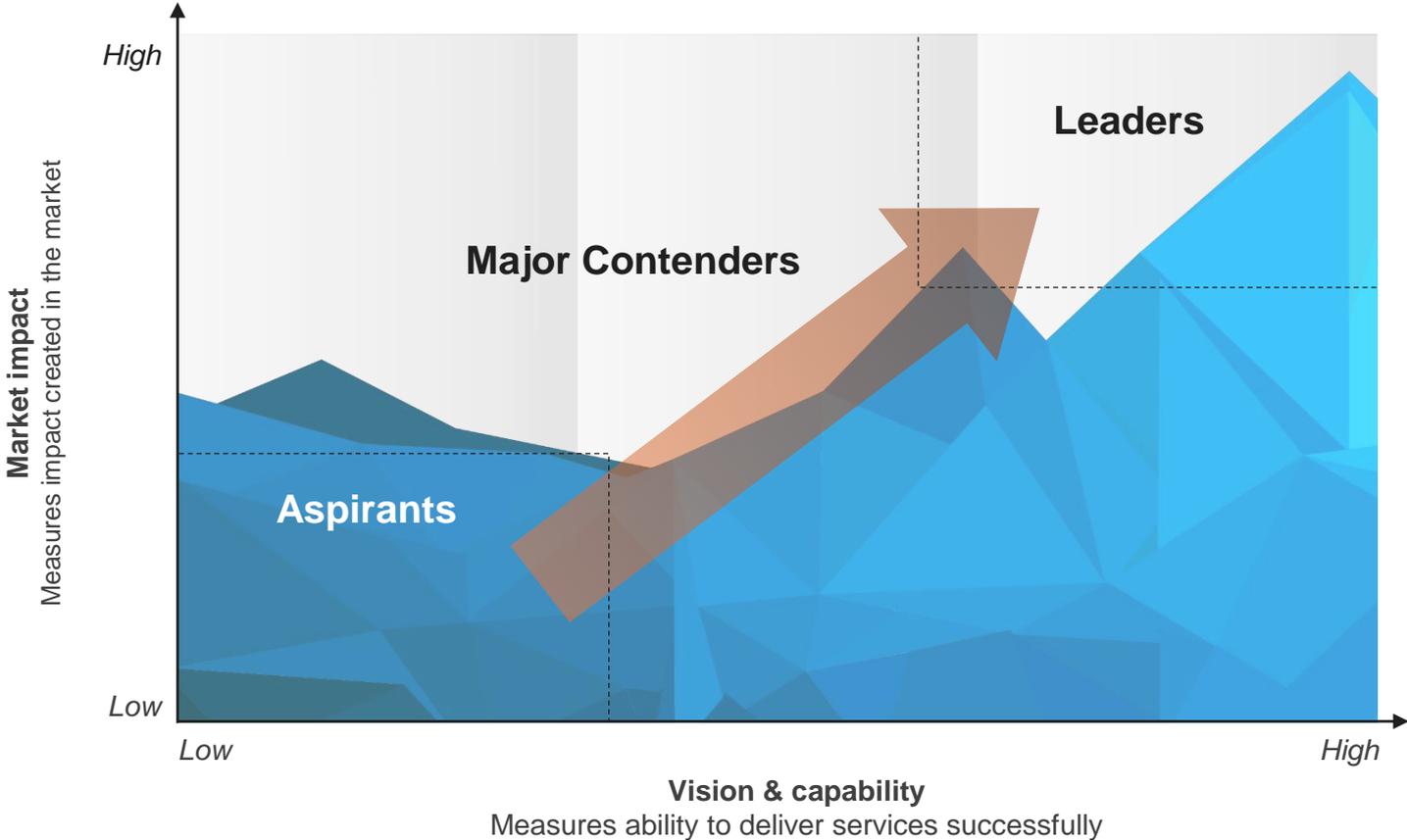
Risk management support	Details	No. of BPS clients
Credit risk	TCS is engaged in multiple activities to support pre- and post-sanction decision-making and credit operations including, but not limited to, static data maintenance, facility setting up, customer hierarchy maintenance, excess tickets reviews, data quality adherence, alignment of risk, and finance systems	<5
Operations risk	<ul style="list-style-type: none"> TCS provides consulting and execution services for designing the Object-relational mapping (ORM) framework and testing business process controls These controls and tests are mapped against business requirements, policies, and regulations The services also cover the designing and implementation of supplier risk management framework 	>20
Market risk	TCS supports market risk production activities such as: <ul style="list-style-type: none"> Market data time series sourcing, cleansing, and validation. It also supports scenario generation Validation and reporting of sensitivities, Value at Risk (VaR), and economic capital reporting 	<3
Liquidity risk	<ul style="list-style-type: none"> Reporting on the liquidity position across debt, equity, foreign exchange, derivative, loans, and deposits asset classes Computing maximum cash outflows for the business at asset level and performing stress testing on them 	<5
Client onboarding	KYC and FATCA are within the remit of client onboarding Center of Excellence (CoE)	<5
AML transaction monitoring and sanctions	TCS provides end-to-end support for AML across all geographies (including analytics, platform, consulting, and operation services)	<15

Regulatory reporting support	List of regulations	Description	No. of BPS clients
US regulations	CFPB, RESPA, TRID, HMDA, SAFE Act, ECOA & Investor Guide, FDCPA, FCRA, OCC, DOD Frank, TILA, Electronic Funds Transfer Act, TCPA, SCRA, FACTA, USAPA, CPA, GLBA, HOPA, CSR, USC	US regulations that are considered while performing activities	>15
UK regulations	GDPR	Data Protection Act for UK clients	<3
EU regulations	European Market Infrastructure Regulation (EMIR)	Supporting a large Europe-based bank in EMIR compliance	<3

Appendix

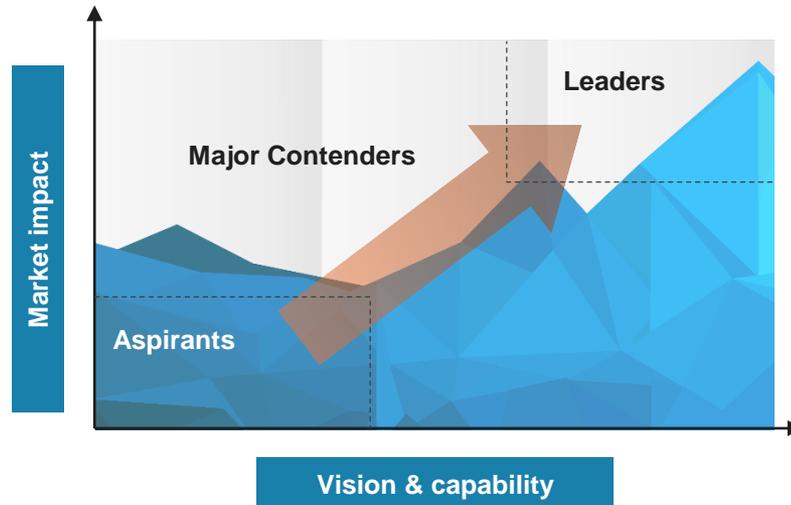
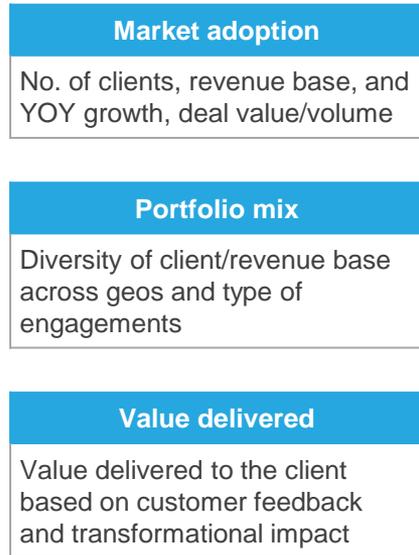
Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix

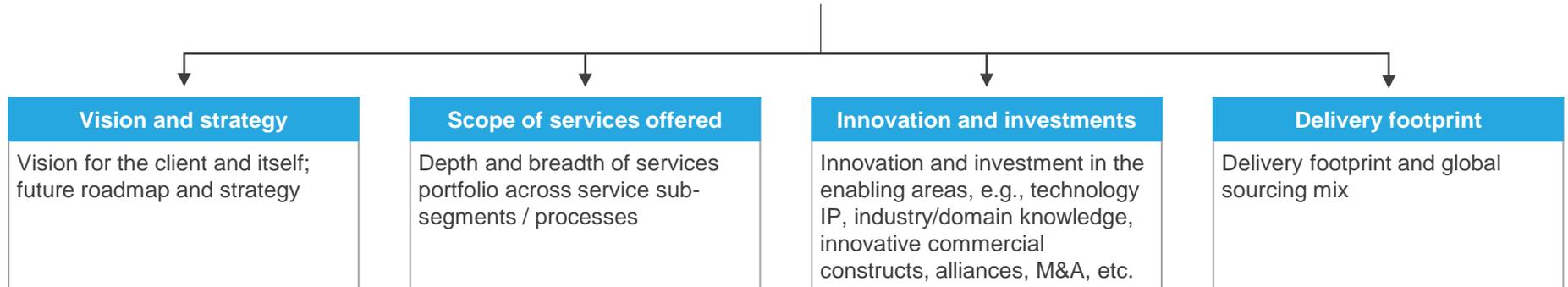


Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions



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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