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Everest Group PEAK Matrix® for Platform IT Services in Banking and Financial Service Provider 2022

Focus on Capgemini
January 2022

Everest Group
**PEΛK
M A T R I X** ®

Background of the research

The global Banking and Financial Services (BFS) firms are pivoting to a robust IT modernization and digital transformation approach in response to the immense challenges they are currently facing, such as rising cost pressures, changing customer and market expectations, monolithic architectures preventing faster product delivery, legacy systems hindering connectivity to third parties that would enable innovation, evolving regulatory frameworks, and accelerated competition from FinTechs and technology giants.

The need for modernizing the IT systems in the BFS industry has been accelerated by the COVID-19 pandemic, as the demand for digital services has increased significantly. The firms are thus adopting enterprise platforms, which enable this transformation journey and help create superior experiences, reduce latency, improve flexibility and agility, manage regulations, harness the value of data, and adopt next-generation technologies including migration to cloud.

Adoption of the platform-based technologies requires deep product understanding and technical expertise, which the service providers bring in for the BFS firms along with helping them create a structured approach towards platformification. The platform IT services in BFS market are growing at a rate of 13% and service providers are aggressively tapping into this demand theme by making signification investments to grow their partnerships and capabilities with leading vertical and horizontal platform vendors. They are focusing on building proprietary IP/accelerators and consulting frameworks, talent development, improving market messaging through thought leadership, bolstering competence through acquisitions, and establishing dedicated CoEs and labs.

In this research, the vision, capability, and market impact generated by 18 IT service providers for platform IT services specific to the BFS industry was studied.

The full report includes the profiles of the following 18 IT service providers featured on the Platform IT Services in BFS PEAK Matrix:

- **Leaders:** Accenture, Capgemini, Cognizant, HCL Technologies, and Infosys
- **Major Contenders:** Aspire Systems, Birlasoft, Deloitte, LTI, Luxoft – a DXC Technology Company, Mindtree, Mphasis, Tech Mahindra, and Virtusa
- **Aspirants:** IT Smart Systems, ITC Infotech, Quinnox, and UST

Scope of this report

Geography
Global

Service providers
18 leading platform IT service providers in BFS

Services
Platform IT Services in BFS

Platform IT Services in BFS PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Cognizant, HCL Technologies, and Infosys

- Leaders have managed to grow their revenue from platform IT services for BFS firms on the back of demand-side trends, such as focus on progressive cost takeout, need to enhance customer experience, regulatory and compliance pressures, accelerated front- to back-office modernization, and increased focus on data security
- They continue to enhance their partnership ecosystem and build a balanced portfolio across systems of records (core platforms), systems of integration (workflow platforms), digital experience and engagement platforms, and platforms for managing risk & compliance. Most of them hold the highest level of partnership status with key platforms across different LoBs
- The leaders are proactively investing in enhancing the platform services through next-generation technology and operations (AI/ML, cloud, automation, agile, DevOps) enablement, set-up of dedicated CoEs for in-focus platforms, talent development though training & certifications, acquisitions, and formation of innovative IPs/tools/accelerators
- Providers such as Accenture, HCL Technologies, Cognizant, and Capgemini work with the clients to align on a strategy, identify and choose the platforms, and develop an end-to-end solution while Infosys' platform lead FS strategy is enabled by both – homegrown and partner solutions stack
- Co-innovation with the clients in their digital or innovation labs/studios/centers, partnerships with FinTechs & RegTechs, joint Go-to-Market (GTM) with the platforms, and building on SaaS or BPaaS models are all part of the leaders' strategy for driving large-scale, complex, and high impact platform transformations

Major Contenders

Aspire Systems, Birlasoft, Deloitte, LTI, Luxoft – a DXC Technology Company, Mindtree, Mphasis, Tech Mahindra, and Virtusa

- Major Contenders consist of mid-sized and certain large providers that focus on global/regional markets
- They tend to form a platform-agnostic balanced portfolio; however, some of them have carved out an area of expertise such as DXC Technologies' focus toward capital markets sell-side platforms, Birlasoft's recognitions in workflow and digital experience platforms, LTI's inclination towards core modernization, and Aspire Systems engaging in digital banking implementations
- They have been able to successfully execute large and complex transformation projects; however, they are not seen as strategic partners having a cohesive portfolio and helping assess platforms

Aspirants

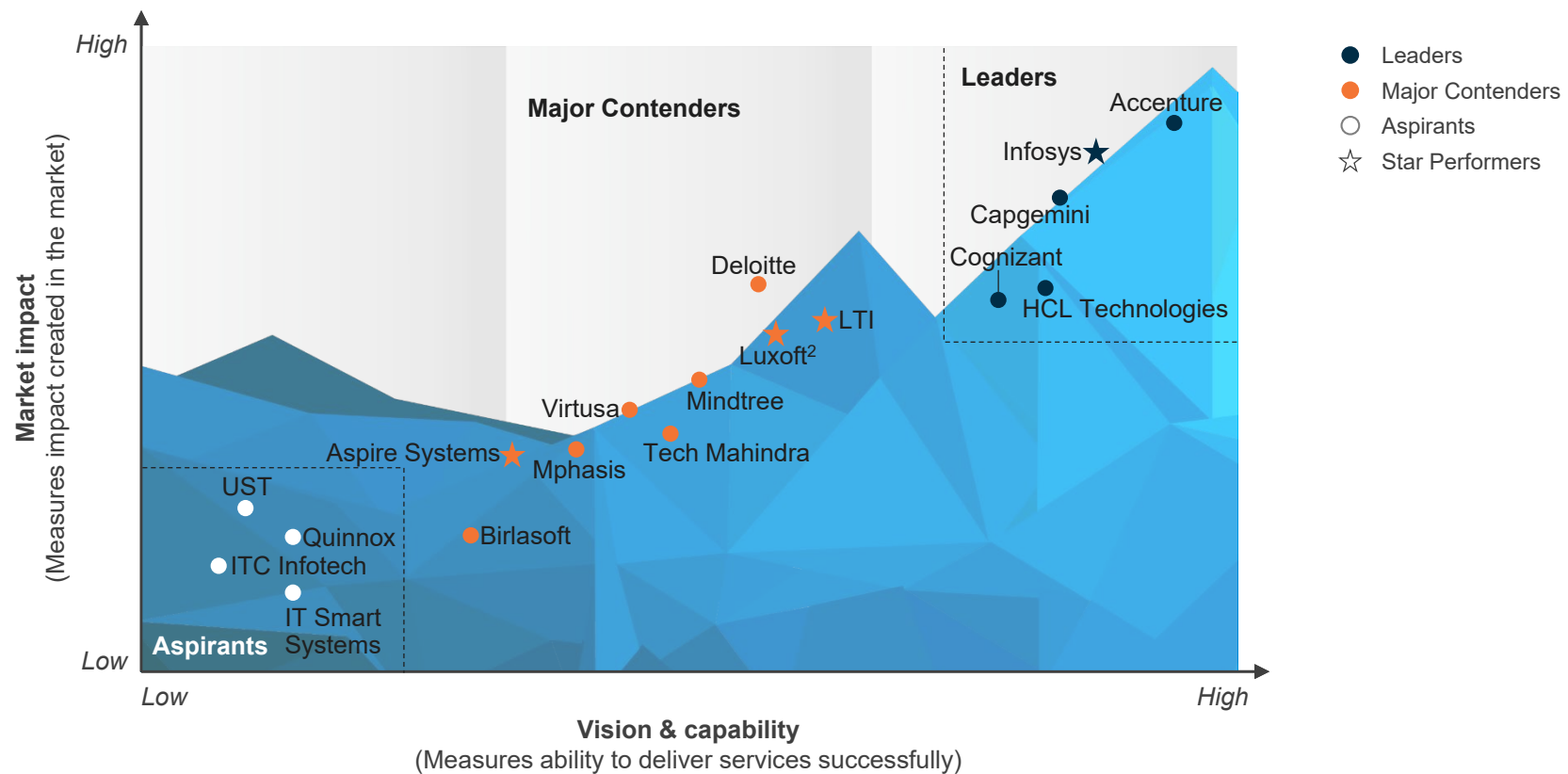IT Smart Systems, ITC Infotech, UST, and Quinnox

- Aspirants have built niche capabilities to cover specific platform(s), geography, or LoBs – IT Smart Systems stands out as a Backbase and IBM API Connect expert for the European market, while Quinnox is recognized as a niche quality assurance provider for core capital markets platforms such as Calypso and is also showcasing success with challenger banks
- They are investing in building partnerships with horizontal as well as vertical platform vendors to enhance their GTM strategy and building credible IP and frameworks for seamless migration/implementation of platforms; however, market awareness through cutting edge thought leadership and joint GTM and/or co-innovation with platform vendors will help them grow

Everest Group PEAK Matrix®
Platform IT Services in BFS PEAK Matrix® Assessment 2022 | Capgemini positioned as Leader

Everest Group Platform IT Services in BFS PEAK Matrix® Assessment 2022[1,2]

Legend:
- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Axes:
- Market impact (Measures impact created in the market) — Low to High
- Vision & capability (Measures ability to deliver services successfully) — Low to High

Plotted companies:
- Leaders: Accenture, Infosys, Capgemini, Cognizant, HCL Technologies
- Major Contenders: Deloitte, LTI, Luxoft[2], Mindtree, Virtusa, Tech Mahindra, Aspire Systems, Mphasis, Birlasoft
- Aspirants: UST, Quinnox, ITC Infotech, IT Smart Systems

1. Assessment for Deloitte, ITC Infotech, and UST excludes service provider inputs on this 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.
2. Luxoft, a DXC Technology Company.

Source: Everest Group (2022).

Capgemini | platform IT services in BFS profile (page 1 of 5)
Everest Group assessment – Leader

Measure of capability: ◔ Low ● High

Market impact				Vision & capability				
Market Adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services	Innovation & investments	Delivery Footprint	Overall
◕	◔	◔	◔	◕	◕	◕	◕	◕

Strengths

- Capgemini has an extensive footprint in the chosen geographies (Europe and the UK) and dedicated GTM(s) varying by segment, tier, and region

- It focuses on the high potential payment hub transformation projects by leveraging its advisory and system integration services, and payment engine/platforms-based CoEs

- It has a devoted scale-up qualification program to continuously assess FinTechs and integrate their best-in-class solutions to an existing partner platform specially for risk & compliance and customer experience

- It has made recent acquisitions to expand the cross-industry platform services capabilities in Asia Pacific and Australia – Multibook and Acclimation (SAP), WhiteSky Labs (MuleSoft), and RXP Services (Microsoft, ServiceNow, and Salesforce)

- Clients have appreciated Capgemini's ability to function as a strategic partner in helping assess the target operating model and platform product

Limitations

- Capgemini's platform IT services business for the BFS industry is concentrated in the European region, making it miss opportunities to replicate this growth momentum in other key markets such as North America, the UK, and Asia Pacific

- It has too much concentration on banking IT platform services and lags other leaders in its branded IP/solutions in the capital market-specific core platforms space

- Capgemini's nearshore and onshore delivery footprint for platform IT services for BFS lags that of peers, calling for investments in talent development

- Clients cite the need for Capgemini to better manage attrition, which has become a major problem for it specifically in the last one-two years. This has been accelerated by its overdependence on offshore locations (India) that are facing talent issues

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Capgemini | platform IT services in BFS profile (page 2 of 5)
Practice overview

	Data not available		Low (<15%)		Medium (15-30%)		High (>30%)

Company mission/vision statement

Capgemini is an end-to-end consulting, technology, and outsourcing provider that offers services right from the initial consulting all the way through to product implementations and post-live support.

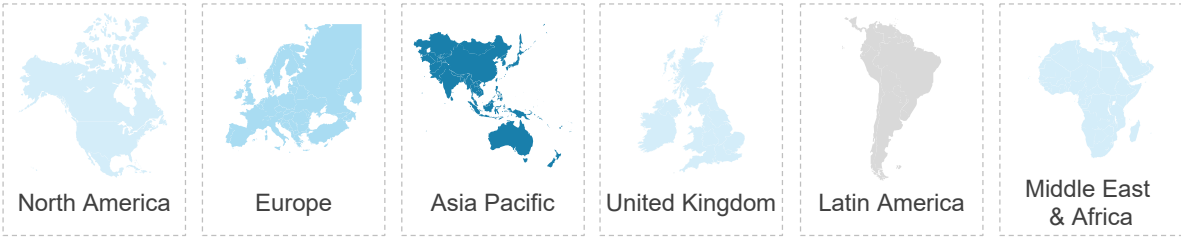**BFS platform IT services – revenue mix (CY 2020)**

<US$20 million	US$20-50 million	US$50-100 million	>US$100 million

Number of BFS platform IT services clients being served in CY 2020

<5	5-15	15-30	>30

Ranges for FTEs

	Data not available		Very Low (<100)		Low (100-500)		Medium (500-5,000)		High (>5,000)

North America | Europe | Asia Pacific | United Kingdom | Latin America | Middle East & Africa

BFS platform IT services – revenue mix (CY 2020)

By BFS platform type

Core BFS	Digital experience	Workflow management	Risk and compliance

By BFS line of business (LoB)

Banking (retail, SME, and commercial) and treasury		Capital markets - market intermediaries (stock exchanges, custodians, etc.)
Capital markets - buy-side (asset & wealth management, hedge funds, etc.)		Capital markets - sell-side (investment banking, brokerage, etc.)
Cards & payments	Lending	Others

By geography

North America	Latin America	Asia Pacific
Europe (excluding UK)	United Kingdom	Middle East & Africa

By buyer size

Small (annual client revenue <US$1 billion)	Very large (annual client revenue US$10-20 billion)	Large (annual client revenue US$5-10 billion)
Medium (annual client revenue US$1-5 billion)	Mega (annual client revenue >US$20 billion)	

By BFS platform IT services scope

Consulting services	Enhancement services	Implementation/ integration services
QA and testing services	Upgrade and migration services	Maintenance and support services

Source: Everest Group (2022)

Capgemini | platform IT services in BFS profile (page 3 of 5)
Key partnerships

NOT EXHAUSTIVE

Major BFS platform partnerships			
Partner	**Partnership tier**	**Number of trained resources** (<100, 100-250, 250-500, >500)	**Key differentiators for delivering services to BFS clients**
Azqore	Premier (Capgemini has 20% stake in Azqore)	<100	To accelerate the functional and technical development of its proprietary S2i platform, while expanding its offerings for customers to new services such as training and specialized consulting.
Finastra	Regional Alliance - MEA, APAC	250-500	Joint GTM, training and certification, and joint development opportunities. From a system integrator perspective, it helps in taking up a business rule set up and business configuration set up as a part of the payment engine.
Volante	Global Strategic Alliance Partner	<100	Joint GTM, training and certification, joint development opportunities. From system integrator perspective it helps us in we taking up business rule set up and business configuration set up part of payment engine.
Temenos	Global Strategic Alliance Partner	>500	Invested in the setting up of a dedicated CoE for Temenos services competency, and an innovation center for multiple Temenos applications such as Transact, Wealthsuite, Infinity, and Payments.
Murex	Global Strategic Alliance Partner	100-250	Aligned with Murex on market opportunities, dedicated Murex environments (Training & Sandbox), and Murex tools & accelerators for implementation and upgrades; enabled multiple Murex Train-the-Trainer certifications (3Ts).

Capgemini | platform IT services in BFS profile (page 4 of 5)
Investments

NOT EXHAUSTIVE

Major recent investments to enhance BFS platform IT services delivery capabilities			
Investment name	**Investment theme**	**Investment year**	**Details**
SAP	Platinum Resale Partner	1993	Has the highest number of SAP certifications in the industry with a dedicated SAP CoE and the key partnership of Rise with an SAP offering, including Signavio for Business Process Intelligence (BPI).
Pega	Global Strategic Consulting partner	2005	Created a dedicated CoE for Pega and collaborated with Pega on strategic application development. Built industry-leading solutions such as Merchant Onboarding, Customer Insight Into Action, and Bizlender 360.
ServiceNow	Elite Partner	2009	Invested in dedicated ServiceNow CoEs in Africa, India, Brazil, Poland, and the United States. Invested in Gold build to reduce implementation times and tools to streamline migrations.
FIS – OPF	Global Strategic Alliance Partner	2014	Created a dedicated CoE; continuously invested in developing various payment program implementation assets and accelerators tuned to a specific payment engine OPF; invested in internal training and partner certification program.
FIS	Global Strategic Alliance Partner	2014	Has a dedicated FIS CoE, and experience in implementing OPF. Has continuously invested in developing various payment program implementation assets and accelerators tuned to the specific payment engine OPF.
NICE Actimize	Global Strategic Alliance Partner	2015	Has experience with Actimize in the KYC/AML space, with a number of full-scale Actimize implementations including clients looking for cutomised solutions and RegTech partnerships. Its offerings include Actimize and span requirements management and testing maintenance.
Moody's Analytics	Global Strategic Alliance Partner	2019	Joint GTM, a dedicated CoE for Moody's analytics competency, and a joint CoE with Moody's set up was done, which helps in the upgrading to the latest Moody's Analytics version. Invested in the strategic proactive recruitment of highly skilled resources and in building data analytics tools & extensions using AI/ML to get more value out of the calculation outcomes of Moody's Analytics.
Fenergo	Global Strategic Alliance Partner	2016	Implemented Fenergo for clients in Europe, the UK, APAC, Australia, and North America; started a product collaboration with Fenergo to integrate smart RPA accelerators for Robotics Process Automation (RPA) on the Fenergo platform.
Adobe	Platinum Partner	2010	Investing in a global dedicated CoE, and the High-Velocity Marketing Framework and Migration Framework for web modernization have strengthened its value proposition on platform offerings. Established the Adobe CoE globally for providing focused solutions to insurance and financial services customers.
Azure	Global Strategic Alliance Partner	prior to 2015	Has executed multiple azure projects with clients in various areas related to azure, such as cloud assessments, cloud native design, cloud operating model, cloud migrations, public cloud automation aspects, cloud IDAM, and cloud regulatory aspects.

Capgemini | platform IT services in BFS profile (page 5 of 5)
Case studies

NOT EXHAUSTIVE

Case study 1	A multinational bank headquartered in the UK

Business challenge
A multinational bank wanted to improve their CLM offerings and was looking to integrate Fenergo with various upstream/ downstream systems such as Moody's, S&P, financial markets, core banking, trade, and security services.

Solution
Fenergo significantly helped the bank streamline their CLM and client onboarding processes, and make them uniform across several markets, thereby decreasing the operational complexities and saving costs.

Impact
- A uniform end-to-end onboarding process, covering client life cycle from initiation to due diligence
- Up to 70% reduction in onboarding times through improved process efficiency and customer interaction
- A consolidated view of the current service transaction & consolidated requests for multiple products in multiple jurisdictions
- Increased parallel processing, thereby contributing to the reduced processing time

Case study 2	One of the largest credit card service providers in the US

Business challenge
One of the largest credit card service providers in the US wanted to increase the performance of their digital marketing channels. Disconnected internal processes, lengthy marketing activation timelines, and disconnects between their marketing strategy and in-channel activation challenged the organization to make necessary changes.

Solution
- Used Adobe Engagement Manager (AEM) to analyze the client's marketing activation and properties in-depth, and to identify opportunities for personalization
- Adobe Target: delivered a measurement framework, set up multiple Adobe Workspace projects that include dashboards, reports, audiences, and segmentation

Impact
- Elevated an omnichannel user experience and personalized website with 200+ (Americans with Disabilities Act) ADA compliant AEM screens
- Delivered a roadmap that iteratively builds out marketing capabilities and accelerates value delivery

Case study 3	One of the largest global banks

Business challenge
One of the largest global banks wanted to uncover marketing opportunities to engage the client and maximize profitability and create customized client experiences based on an understanding of the client's interests and values.

Solution
- Implemented Salesforce hosted (Global Performance System (GPS) solution supporting research, equity, and FID businesses
- Usage of Capgemini accelerators such as the Wealth Advisor Desktop, Capgemini RapidMigrate Tool, Capgemini Auto Deployment Accelerator
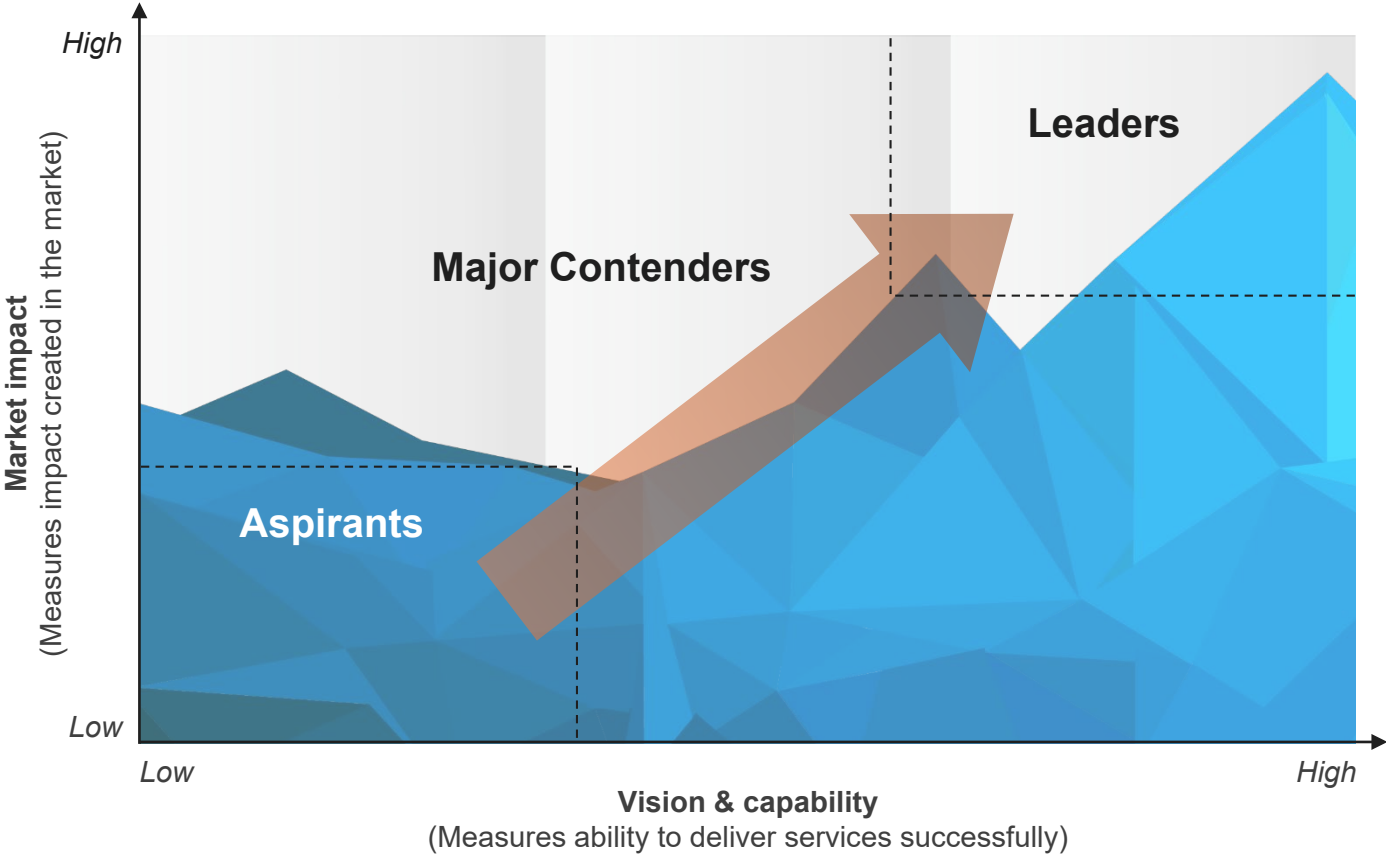
Impact
Created an 80% boost in report readership due to mass customization and analytics-driven reports. Enabled real-time collaboration between employees for sharing trusted information. Customized client experience delivery by hosting relevant research on the Salesforce site.

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
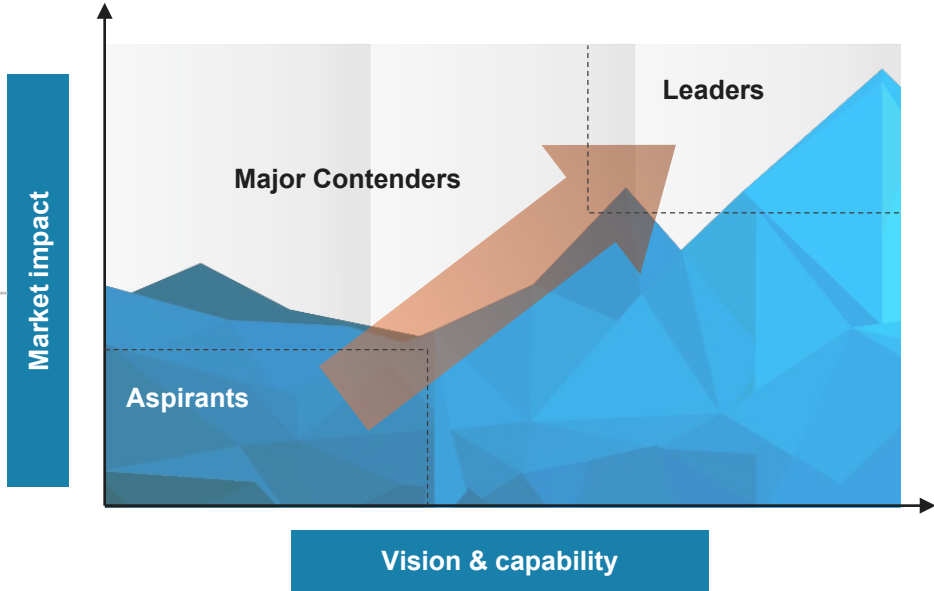
Market adoption

Number of clients, revenue base, YOY growth, and deal value/volume

Portfolio mix

Diversity of client/revenue base across geographies and type of engagements

Value delivered

Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability

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 subsegments/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

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

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With you on the journey

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