



Everest Group Lending IT Services PEAK Matrix® Assessment 2023

Focus on Capgemini
February 2024



Introduction

The lending industry is rapidly evolving; lenders are increasingly investing in technology to optimize operational efficiencies, leverage cognitive tools, and deploy digital solutions for an enhanced user experience, and cost reduction. Rising delinquencies, driven by slower wage growth, compared to expenses, emphasize the need for lenders to adopt user-friendly online tools for flexible payments. Incorporating advanced cognitive tools such as AI and predictive analytics is increasingly common to enhance automated approval rates and gain customer insights for improved marketing and sales strategies.

Lenders are leveraging cloud computing and alternate data to revolutionize underwriting and data management, while also introducing green mortgages and embedded lending options such as buy now, pay later (BNPL) to meet modern consumer demands, all within a framework of consolidating products for greater efficiency. Application programming interface (API)-driven lending ecosystems enable real-time connections with third parties, providing flexible customer experiences without costly in-house functionalities. This trend spans sectors, with mortgage lending focusing on technology spending and alternative products, and the auto financing sector moving toward subscription and shared ownership models. Industry-specific trends indicate a move toward streamlined online financing experiences and platform modernization, particularly in commercial and small and medium enterprises (SMEs) lending.

Providers are investing in partnerships with leading lending technology providers as well as emerging FinTechs, building solutions/accelerators to support lending clients in their transformation journeys, investing in Centers of Excellence (CoEs) / innovation labs to keep pace with emerging themes such as generative AI use cases in lending and leveraging alternative data for underwriting.

In this research, we present an assessment of 28 providers featured on the [Lending IT Services PEAK Matrix® Assessment 2023](#). Each provider has been assessed on various parameters such as its service focus, key solutions, domain investments, practice growth, partnerships, client feedback, and case studies. The assessment is based on Everest Group's annual RFI process for the calendar year 2023, interactions with leading IT Providers, client reference checks, and an ongoing analysis of the lending IT services market.

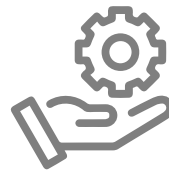
The full report includes the assessment of the following 28 leading Providers featured on the lending IT services PEAK Matrix®:

- **Leaders:** Accenture, Capgemini, Cognizant, HCLTech, Infosys, LTIMindtree, TCS, and Wipro
- **Major Contenders:** Apexon, Birlasoft, CGI, Coforge, Kyndryl, Maveric Systems, Mphasis, NTT DATA, Pennant Technologies, Persistent Systems, SoftServe, Sonata Software, Sopra Banking, Tech Mahindra, and Virtusa
- **Aspirants:** Cigniti, CloudKaptan, GAVS Technologies, Happiest Minds, and Incedo

Scope of this report



Geography
Global



Providers
28 IT Providers



Services
Lending IT services

Lending IT Services PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Cognizant, HCLTech, Infosys, LTIMindtree, TCS, and Wipro

- Leaders are strategic partners for their clients and work with multiple teams across the clients' lending verticals, co-innovating with third-party platform providers and FinTechs, and have a proven track record of delivering end-to-end solutions across the lending value chain
- They differentiate themselves by having a dedicated leadership for lending, and the long-term vision to tap into next-generation themes such as generative AI, using alternate data for underwriting, and hyper-personalization to drive revenue growth in emerging areas. Cognizant is focused on generative AI service offerings and working with lending clients on test use cases
- Leaders also have a strong global presence, broader client portfolio, innovative commercial models, ability to hire and upskill the best talent in the industry, extensive thought leadership publications, and co-innovation initiatives with clients, FinTechs, and platform providers by setting up research and innovation labs. Accenture has invested in innovation hubs globally, which has helped FinTechs to refine and test their value propositions on how to create value in the lending value chain

Major Contenders

Apexon, Birlasoft, CGI, Coforge, Kyndryl, Maveric Systems, Mphasis, NTT DATA, Pennant Technologies, Persistent Systems, SoftServe, Sonata Software, Sopra Banking, Tech Mahindra, and Virtusa

- Major Contenders have made strategic alliances with platform providers and hyperscalers to co-innovate and develop joint Go-to-markets (GTMs). Kyndryl has forged strategic alliances with major cloud providers such as AWS, GCP, and Microsoft Azure, as well as FinTechs including FIS, Fiserv, Tietoevry Banking, and Aura, to provide advanced services
- They have built proprietary solutions, accelerators, and frameworks around AI/ML, predictive analytics, and blockchain to improve efficiency in processes across the lending value chain. Maveric Systems has developed proprietary tools including automated test suites, predictive models for credit analytics, margin lending, and semantic data models, incorporating advanced technologies such as AI, distributed ledger technology (DLT), Blockchain, and IoT in lending processes

Aspirants

Cigniti, CloudKaptan, GAVS Technologies, Happiest Minds, and Incedo

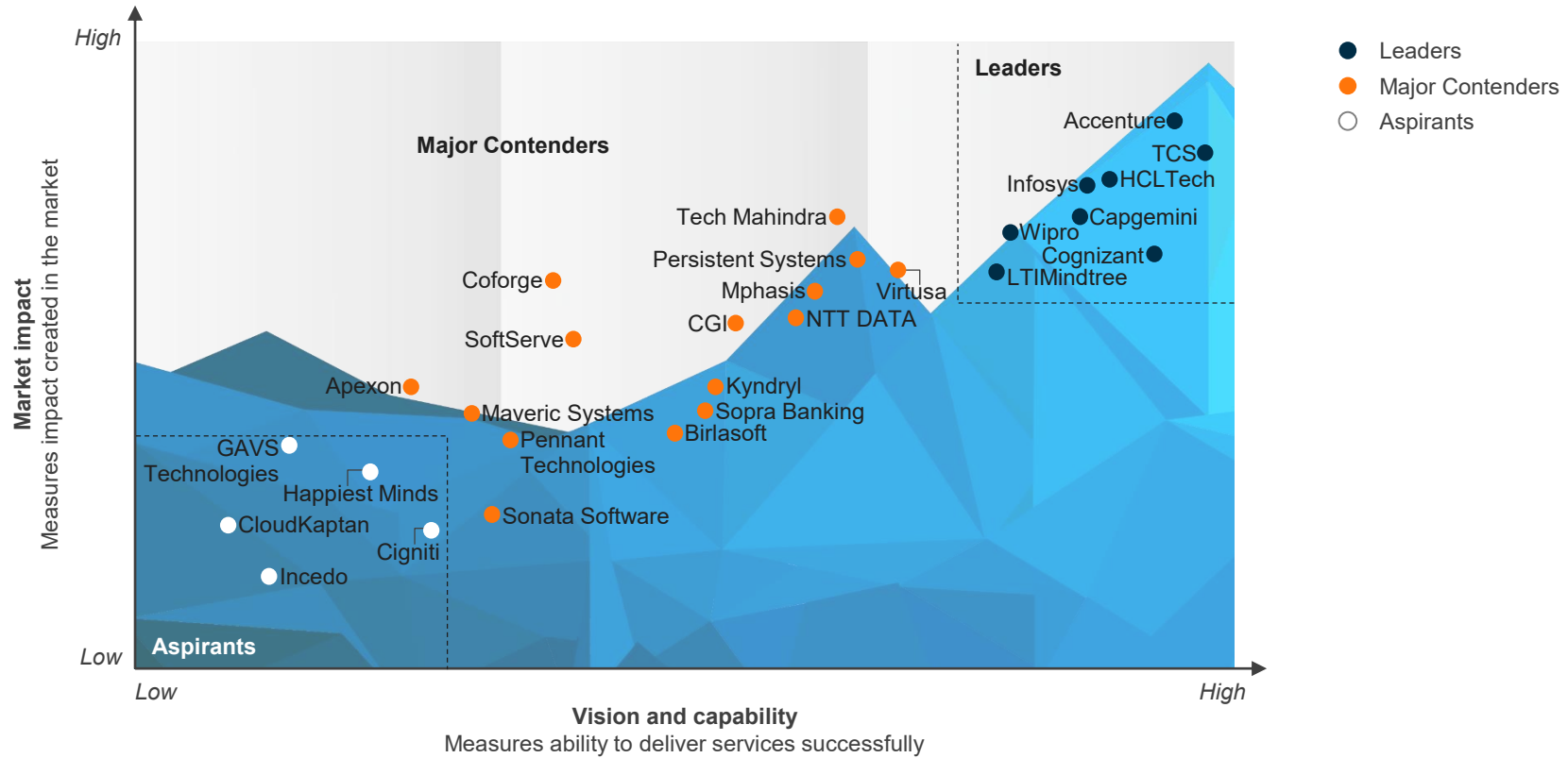
- Aspirants, with their targeted services scope, specific geography focus, and deep-domain focus and/or solutions in specific areas such as automating client onboarding, KYC processes, and agricultural lending provide them the positioning of a specialist in the respective space
- They are investing to develop their client and partnership portfolios to cover a wider range of solutions and services

Everest Group PEAK Matrix®

Lending IT Services PEAK Matrix® Assessment 2023 | Capgemini is positioned as a Leader



Everest Group Lending IT Services PEAK Matrix® Assessment 2023¹

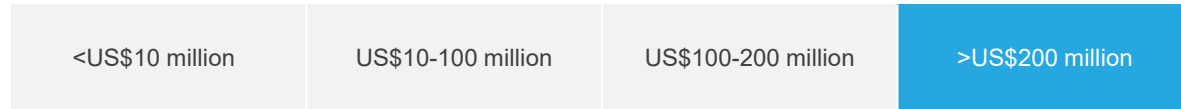


¹ Assessments CGI, and Incedo excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with lending buyers
Source: Everest Group (2023)

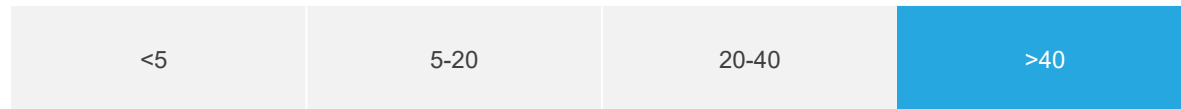
Capgemini profile (page 1 of 4)

Overview

Lending IT services revenue (CY 2022)



Number of active clients for lending IT services



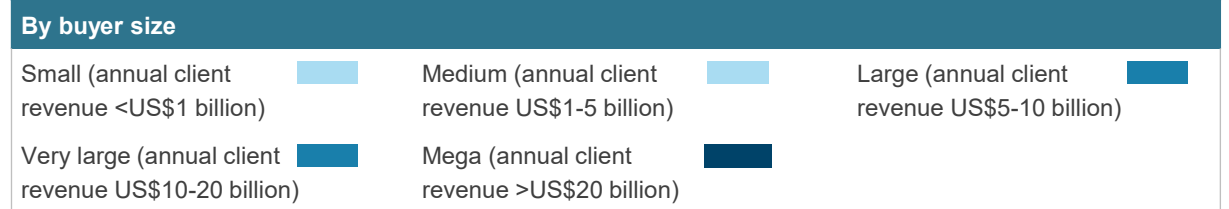
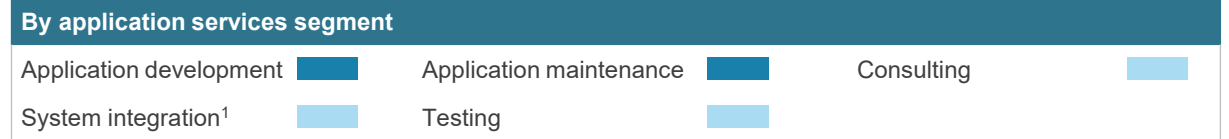
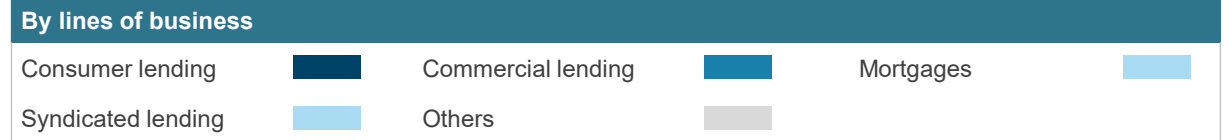
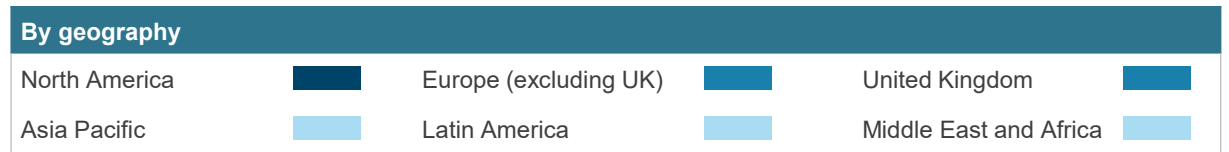
Proprietary IP/solutions/frameworks/accelerators/tools to deliver lending IT services

Name	Details
Lending Reference Architecture	Reference architecture helps to benchmark lender's existing processes and highlight the gaps. It also accelerates the design process by taking business-process led approach to define target operating model
Lending transformation with Pegasystems	An omnichannel, customer-focused loan and mortgage origination solution that incorporates Pegasystems' Dynamic Case Management and Credit Decision Hub to simplify process complexities
Early Warning System	Early Warning System (EWS) is focused on monitoring consumer and SME credit accounts. It delivers early markers on expected deterioration of the client's financial situation by utilizing internal data as well as external data
Cognitive Document Processing for lending	Cognitive Document Processing is an end-to-end solution that automates the ingestion, organization, and evaluation of documents rapidly, securely, and cost effectively

1 System integration includes package implementation

Legend: N/A (0%) Low (1-20%) Medium (20-40%) High (>40%)

Lending IT services revenue mix (CY 2022)



Capgemini profile (page 2 of 4)

Case studies

Case study 1

nCino implementation to digitalize credit process for small and medium enterprises

Business challenge

- The client currently used a third-party solution hosted externally to complete the lending application journey including all deal structuring and risk and fraud decisioning
- The new solution must provide a seamless application journey including automated and manual risk and fraud decisioning

Solution

- Implementation of nCino solution for loan origination process and integration with bank's systems using both real-time and batch interfaces
- Completely new integration architecture aligned to the data strategy providing up to date and accurate data for the origination and decisioning solutions

Impact

- 60% reduction in loan processing costs
- Improved data model and data lineage to source platforms

Case study 2

New automated system for mortgage processing at Skandiabanken

Business challenge

Skandiabanken, the banking arm of Skandia, wanted to launch LUX, the bank's newly transformed digital mortgage lending business. Skandia is an independent provider of long-term savings and investment products based in Sweden

Solution

Capgemini designed the mortgage solution using Pega Platform, the unified digital process automation (DPA) and case management platform from Pegasystems. LUX was created by Capgemini to optimize the business operations and customer experience of the mortgage offering. The implementation covers the full mortgage business of the bank, including all property types for existing and new customers

Impact

Made it possible for Skandiabanken to continue to provide attractive offers for mortgages in the Swedish market

Capgemini profile (page 3 of 4)

Ecosystem










Key partnerships/alliances/acquisitions/JVs leveraged to deliver lending IT services

Name	Type of investment (year)	Details of investment
Temenos	Partnership (2010)	Dedicated CoE for Temenos product suite to help banks implement, upgrade, maintain, and enhance solutions
Chappuis Halder & CIE	Acquisition (2022)	Acquisition to support the growth of Capgemini's strategy, business transformation, and sustainability services for CIB
Pega Systems	Partnership (2006)	Global elite partner for over three years and an overall partner for the past 18 years, specializing in the implementation and maintenance of customer engagement and business process management solutions
nCino	Partnership (2018)	Offer implementation services for nCino platform. Additionally, working with nCino to create new propositions for lending and leasing segments. Investments to scale up capabilities by training and certifying associates on nCino product

Capgemini profile (page 4 of 4)

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 offered	Innovation and investments	Delivery footprint	Overall
								

Strengths

- Capgemini’s global practice offers integrated, end-to-end lending IT services across multiple regions, combining lending domain expertise with technology specialists, allowing it to customize its solutions based on regional nuances
- It has strengthened its capabilities by forming strategic partnerships with key players such as nCino, Temenos, Finastra, and Microsoft
- Capgemini’s investments in proprietary solutions including the co-innovation of lending reference architecture and early warning systems with Temenos, further enhance its service offerings
- It has emphasized its focus on generative AI and working with lending clients on comprehensive test use cases such as improving pricing in the commercial lending
- Capgemini’s acquisition of Chappuis Halder has supported the growth in terms of strategy, business transformation, and sustainability services and bolstered its lending capabilities
- It has a dedicated CoE to serve lending clients addressing challenges throughout the value chain from origination to servicing and portfolio monitoring, with a focus on building connected solutions, developing reference architectures, and fostering talent growth

Limitations

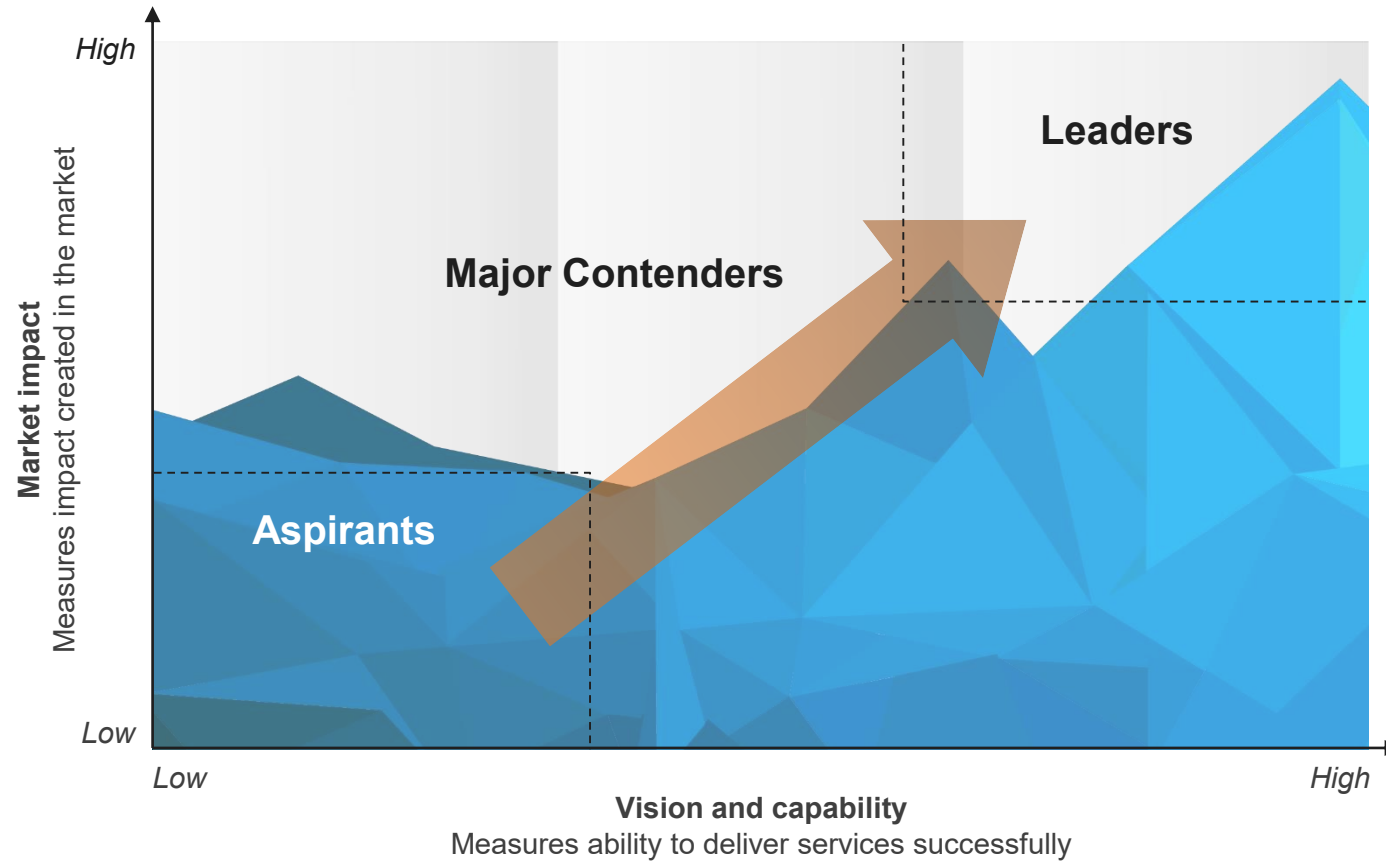
- A focus on large clients signals an opportunity for growth through tailored strategies for small and mid-sized enterprises
- A significant portion of its revenue comes from North America and Europe, indicating potential vulnerability to regional market fluctuations and a need for geographic diversification
- Clients highlight that Capgemini needs to enhance its experience with third-party platforms and its ability to customize its solutions to niche geographies such as Pega competence in Sweden
- Limited revenue generated from system integration and consulting compared to application development and maintenance

Appendix

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



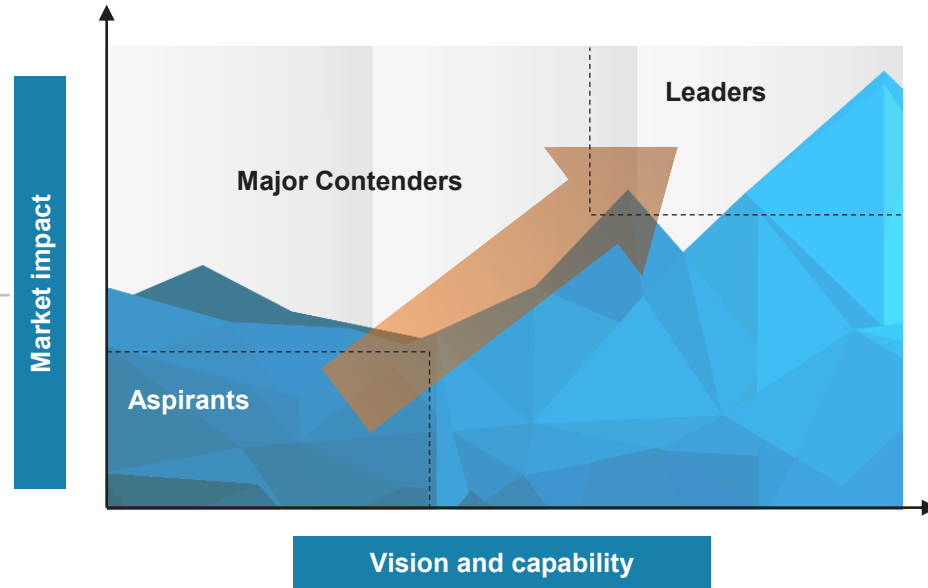
Everest Group PEAK Matrix



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



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 takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results 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 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 the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
 - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
 - In addition, it helps the provider/vendor organization gain brand visibility through being included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
 - Issue a press release declaring positioning; see our [citation policies](#)
 - Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
 - Use PEAK Matrix badges for 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 Everest Group; please contact your CD or [contact us](#)

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve enterprises' current and future needs. 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 and to serve enterprises' future expectations.



Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at www.everestgrp.com.

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