



Application Services in Global Banking – Services PEAK Matrix™ Assessment 2018: Spending Picks up as Need for Talent, Transformation, and Time to Market Intensifies

Banking and Financial Services (BFS) – IT Services

Market Report – September 2018: Complimentary Abstract / Table of Contents

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Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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Background, scope, and methodology for banking AS PEAK Matrix™ assessment 2018

- Pace of technology disruption, changing consumer preferences, and the need for banks to come up with new business models are disrupting the current banking landscape. Banks are moving away from being perceived as a physical structure that offers financial services/products to being an ambient fabric connecting people and businesses
- Banks are transitioning from a product-centric to a customer-centric model by redesigning the existing IT landscape. With technology becoming core to the banking business, the Information Technology Services (ITS) market is witnessing massive disruption
- In this research, we studied the vision and capability of 25 IT service providers for banking AS. We also evaluated the market impact generated by each IT service provider

Scope of this report



Industry

Banking (retail banking, commercial banking, cards & payments, and lending)



Market segment

ITS market – Third-party ITS transactions; excludes shared services or Global Capability Centers (GCC)



Geography

Global



Sources

- Everest Group's proprietary database of 1,200+ active, multi-year ITS contracts within banking
- Operational capability of 25+ banking ITS service providers updated through Request for Information (RFI)
- Service provider's demonstration of capabilities through briefings and discussions
- Interactions with the service provider's clients

Service providers covered in the analysis

accenture

AtoS

birlasoft
CK BIRLA GROUP

Capgemini

CGI

Cognizant

DXC.technology

epam

excelian
LUXOFF FINANCIAL SERVICES

genpact
Transformation Programs Here

GFT

HCL

HEXWARE

IBM

Infosys

ITC INFOTECH
Techno-Ready Solutions

LTI

Mphasis
Unleash the Next

NIIT
technologies
New Ideas. More Value.

NTT DATA
Global IT Innovator

SYNTEL
Consider IT Done

TATA CONSULTANCY SERVICES

Tech Mahindra

virtusa
Accelerating Business Outcomes

wipro

Overview and abbreviated summary of key messages

The report provides a comprehensive assessment of the service provider landscape in application services for banking and maps various providers on Everest Group's PEAK Matrix™. The report further examines the distinctive characteristics of different service provider clusters i.e., Leaders, Major Contenders, Aspirants, and recognizes the key implications of the rapidly changing landscape for banking enterprises and service providers.

Some of the findings in this report, among others, are:

PEAK Matrix characteristic for banking application services

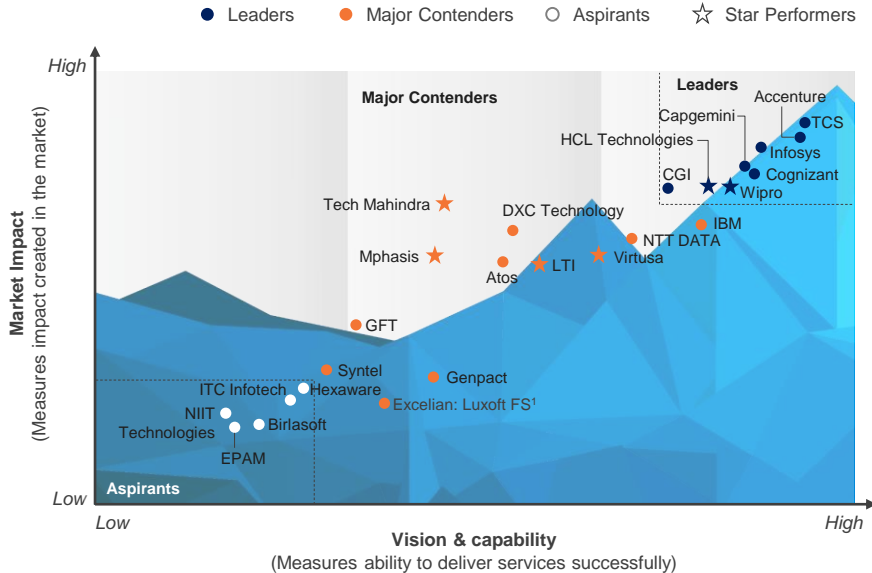
- Leaders, with a larger banking practice size, continued to be the preferred service providers for large-scale business transformation deals. Leaders have demonstrated capabilities to articulate better business outcomes through a consulting-led selling approach
- Major Contenders have built credibility in the market by bringing a mix of global and regional client focus, forming strategic alliances with key technology vendors, launching frameworks/accelerators on industry-leading product packages, and expanding their digital services portfolio
- Aspirants, with their limited coverage, are trying to differentiate themselves in the market by demonstrating capabilities in specific areas. They are investing to expand their breadth of solutions portfolio and enhance niche capabilities

Implications for buyers and service providers

- Banking enterprises need to build tighter integration between their business and IT, pivot their business model from being a product-centric to a customer-centric digital-first firm to counter increasing Big Tech threat, and partner with service providers in a co-innovation model to develop and deploy roadmap to strategically handle disruptive technologies
- Service providers need to articulate vision for bank-of-the-future offerings for banking enterprises, bring thought leadership and strategic thinking to position as a partner for change, and adopt co-innovation constructs to support banks in building an innovation ecosystem

This study offers a deep dive into the key aspects of the banking application services provider landscape

Everest Group PEAK Matrix™ for banking application services



1 Excelian: Luxoft Financial Services
 Note: Assessment for Accenture, Birlasoft, EPAM, IBM, ITC Infotech, Excelian: Luxoft FS, and NIIT Technologies excludes service provider inputs, and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with banking enterprises

Capability assessment

Illustrative example

Measure of capability: ● High ○ Low

Service provider	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
Service provider 1	High	High	High	High	High	High	High	High	High
Service provider 2	Low	High	High	High	High	High	High	High	High
Service provider 3	Low	High	High	High	High	High	High	High	High
Service provider 4	Low	High	High	High	High	High	High	High	High
Service provider 5	High	High	High	High	High	High	High	High	High
Service provider 6	High	High	High	High	High	High	High	High	High
Service provider 7	High	High	High	High	High	High	High	High	High
Service provider 8	High	High	High	High	High	High	High	High	High
Service provider 9	High	High	High	High	High	High	High	High	High

Everest Group's remarks on service providers

Illustrative example

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
High	High	High	High	High	High	High	High	High

Strengths

- Service provider 1, has a robust delivery presence in Asia Pacific with multiple delivery centers in India, Australia, the Philippines, and China, enabling it to service client requirements efficiently
- It has a good number of multi-country as well as single-country clients across the world

Areas of improvement

- Service provider 1 should increase offerings of value-added services such as employer branding, talent communities and workforce planning
- It should try to expand into larger multi-country deals and also scout for engagements in other Asia Pacific markets to strengthen its presence in the region

Research calendar – BFS IT Services

Published
 Planned
 Current release

Flagship reports

Release date

Capital Markets IT Annual Report Part 1 – Platformification Wave Disrupting Buy-Side	April 2018
Capital Markets IT Annual Report Part 2 – Data and Intelligence Transforming Customer Experiences for Sell-Side	April 2018
Capital Markets IT Annual Report Part 3 - Building Digital Market Infrastructures	April 2018
Digital Effectiveness in Retail Banking Focus on Banks in the UK and Europe	May 2018
Digital Effectiveness of Wealth Management Firms in North America – Harnessing the Power of AI and Data Analytics	July 2018
Banking ITS Report Card and Growth Outlook 2018	August 2018
Capita Markets ITS Report Card and Growth Outlook 2018	August 2018
Open Banking IT Services: Orchestrating Experiences in the Platform Economy – Services PEAK Matrix™ Assessment 2018	September 2018

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September 2018

Application Services in Capital Markets PEAK™ Matrix Assessment 2018	Q4 2018
Blockchain Services – PEAK™ Matrix Assessment 2018	Q4 2018

Thematic reports

Enterprise Digital Adoption in Banking and Financial Services Pinnacle Model™ Assessment 2018: Artificial Intelligence	
Enabled Transformation	March 2018
Maximizing Value From Open Banking	March 2018
Blockchain: Is It the Silver Bullet?	March 2018

Note: For a list of all of our published BFS IT Services reports, please refer to our [website page](#)

Additional BFS IT services research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

- 1. Open Banking IT Services: Orchestrating Experiences in the Platform Economy – Services PEAK Matrix™ Assessment 2018**
([EGR-2018-31-R-2777](#)); 2018. In this research, we assessed the vision & capability and market impact generated by 19 service providers for their open banking IT services capabilities. These providers were mapped on the Everest Group PEAK Matrix™, which is a composite index of a range of distinct metrics related to each provider’s vision & capability and market impact to identify Leaders, Major Contenders, and Aspirants.
- 2. Digital Effectiveness in Retail Banking | Focus on Banks in the UK and Europe: Identifying Digital Banking Leaders in the Open Banking Era**
([EGR-2018-31-R-2641](#)); 2018. In this research, we analyze the customer-facing digital investments for 20 European retail banks. These banks have been mapped on Everest Group’s Digital Effectiveness Assessment model, which is a composite index of a range of distinct metrics related to each bank’s capability maturity and the resultant business outcomes.
- 3. Banking ITS Report Card and Growth Outlook 2018**
([EGR-2017-31-R-2738](#)); 2018. This report analyzes 1200+ active banking IT services contracts to comment on the market size, growth, and demand characteristics for this market. The demand trends, across lines of business, geographies, digital themes, and application services themes, are presented using multi-year IT services deal analysis. This report also provides analyst estimates and supplier expectations of banking enterprise IT spending across lines of business, geographies, and application services subfunctions.

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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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