



## **Next-generation IT Infrastructure Services in BFS PEAK Matrix™ Assessment 2019: Hybrid IT for Migrating Core on Cloud**

Banking and Financial Services (BFS) – IT Services  
Market Report – June 2019: 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 next-generation IT infrastructure services in BFS PEAK Matrix™ assessment 2019

- Banks and capital market firms are increasingly facing challenges such as changing customer expectations, increasing regulations and compliance needs, emerging threat of challenger banks and FinTechs, and growing margin pressures, which are compelling them to move away from legacy systems and transform into agile organizations with a faster time-to-market
- Service providers are building next-generation IT infrastructure capabilities and forming extensive partner ecosystems to support enterprises in their transformation journeys and help them build modern IT infrastructure
- In this report, we study the vision and capabilities of 17 leading service providers with respect to their next-generation IT infrastructure services portfolio in Banking and Financial Services (BFS). We also evaluated the market impact of each service provider
- The service providers were positioned on Everest Group's proprietary PEAK Matrix™ to identify Leaders, Major Contenders, and Aspirants

## Scope of this report



### Industry

Banking and Financial Services (BFS)



### Market segment

ITS market – third-party ITS transactions, exclude shared services or Global Capability Centers (GCCs)



### Geography

Global



### Sources

- Everest Group's proprietary database of 1,200+ active, multi-year ITS contracts in banking and capital markets
- Operational capabilities of 20+ banking and capital markets ITS service providers updated through Requests for Information (RFIs)
- Service providers' demonstration of capabilities during briefings and discussions
- Interactions with service providers' clients

## Service providers covered in the analysis

accenture

Atos

Capgemini

CGI

Cognizant

DXC.technology

HCL

HEXWARE

IBM

Infosys

Mphasis  
The Next Applied

NTT DATA  
Global IT Innovator

TATA

TATA CONSULTANCY SERVICES

Tech  
Mahindra

USTGlobal

virtusa  
Accelerating Business Outcomes



# Overview and abbreviated summary of key messages

The report provides a comprehensive assessment of the service provider landscape in next-generation IT infrastructure services for BFS 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 BFS firms and service providers.

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

## PEAK Matrix characteristic for next-generation IT infrastructure services in BFS

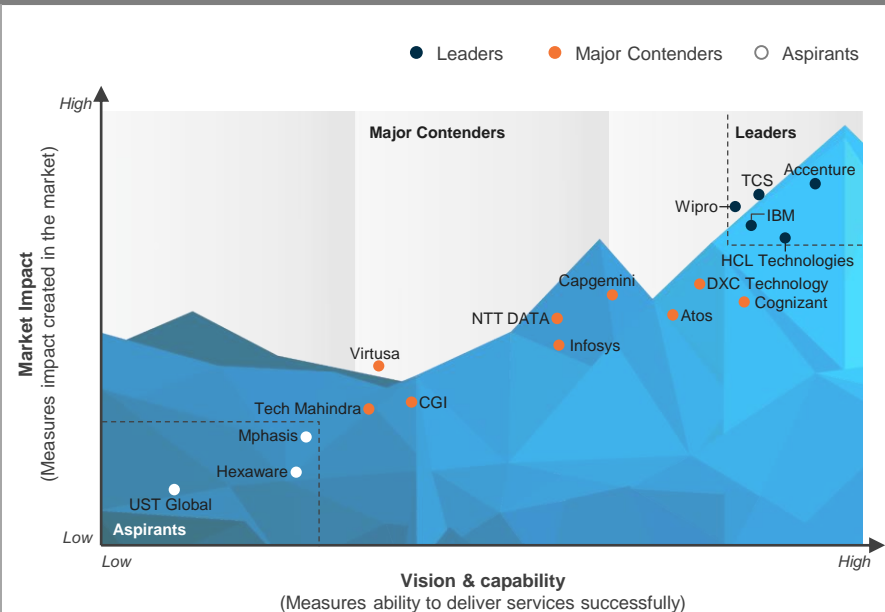
- Leaders articulated a BFS vertical aligned IT infrastructure story and demonstrated case studies for delivering business outcomes. They have investments in IP, certifications and training, and accelerators, as well as an established partner ecosystem and joint Go-To-Market (GTM) with leading vendors. They exhibit a consulting-led approach, complemented by their strong delivery footprint to drive large-scale transformation initiatives for banks
- Major Contenders offer a strong portfolio of horizontal capabilities in cloud enablement and digital workplace services. They continue to invest aggressively in building IP, partnership networks, and delivery capabilities for next-generation IT infrastructure services
- Aspirants are recognized for being the run partner to banks and excelling at client management skills. They are investing in building broader capabilities in cloud and workplace services, while enhancing the partner ecosystem to cater to and support banks in their infrastructure transformation journey

## Implications for buyers and service providers

- As BFS firms grapple with challenge of driving experience and cost-efficiency, meeting security, resiliency, and compliance needs, they should look to invest in next generation IT infrastructure themes such as hybrid cloud and digital workplace to innovate at speed and scale. They need to build cloud-native applications, moving workloads to containers and serverless environments, and creating microservices architecture enabled APIs to drive business transformation
- Service providers need to formulate BFS industry-focused IT infrastructure services GTM strategy that helps to address BFS business priorities. They should look to accelerate project delivery through transformation blueprints and industry-aligned proprietary solutions. There is a need to invest into the partner ecosystem to build breadth and depth of talent pool across multiple technologies

# This study provides a deep dive into key aspects of service provider landscape for next-generation IT infrastructure services in BFS; below are three charts to illustrate the depth of the report

## Assessment of Next-generation IT Infrastructure Services in BFS Service Providers



Note: Assessment for DXC Technology, IBM, NTT DATA, and TCS 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 banks and capital market firms  
 Source: Everest Group (2019)

## 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	●	○	●	●	●	○	●	●	○
Service provider 2	○	○	○	○	○	○	○	○	○
Service provider 3	○	○	○	○	○	○	○	○	○
Service provider 4	○	○	○	○	●	○	○	○	○
Service provider 5	○	○	○	○	○	○	○	○	○
Service provider 6	○	○	○	○	○	○	○	○	○
Service provider 7	○	○	○	○	○	○	○	○	○
Service provider 8	○	○	○	○	○	○	○	○	○
Service provider 9	○	○	○	○	○	○	○	○	○

## Everest Group's remarks on service providers

Illustrative example

Measure of capability: ● High ○ Low

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

### Strengths

- Service provider 1 has demonstrated BFS-focused IT infrastructure strategy, with a vision to shift banks from cloud-migrated to a cloud-first vision
- Investment in strategic partnerships with leading technology vendors and cloud service providers worldwide on a global scale have helped service provider 1 to differentiate among its peers

### Areas of improvement

- Service provider 1 has a business-led transformation agenda that overshadows the conversation around stand-alone IT transformation for BFS clients and alienates focused IT modernization and niche engagements
- While service provider 1 has a strong cloud offerings suite, there is room to improve its offerings in workplace transformation services

# Research calendar – BFS IT Services

Published
  Planned
  Current release

## Flagship BFS IT Services reports

### Release date

Enterprise Platform IT Services in BFS PEAK Matrix™ Assessment 2019: Modernization at Speed and Scale .....	June 2019
<b>Next-generation IT Infrastructure Services in BFS PEAK Matrix™ Assessment 2019: Hybrid IT for Migrating Core on Cloud .....</b>	<b>June 2019</b>
Banking Report Card 2019 – IT Outsourcing Transaction Trends .....	Q3 2019
Capital Market Report Card 2019 – IT Outsourcing Transaction Trends .....	Q3 2019
State of the Market – Capital Markets IT .....	Q3 2019
State of the Market – Banking IT .....	Q3 2019
Banking IT Services Profiles Compendium .....	Q3 2019
Capital Markets IT Services Profiles Compendium .....	Q3 2019
Banking Application and Digital Services – PEAK Matrix™ Assessment 2019 .....	Q3 2019
Capital Markets Application and Digital Services – PEAK Matrix™ Assessment 2019 .....	Q3 2019
Risk and Compliance IT Services In BFS – PEAK Matrix™ Assessment .....	Q4 2019

## Thematic BFS IT Services reports

Future Proofing Credit Unions from the Digital Onslaught .....	February 2019
Guidebook for Blockchain Adoption in Banking and Financial Services: A Compilation of Insights from 130+ Projects .....	March 2019
Delivering Efficiency Gains for Service Delivery in Banking: Focus on DevOps .....	Q3 2019
BigTech Wars – Public Cloud in BFS .....	Q3 2019
BigTech Wars – Customer Experience Platforms in BFS .....	Q3 2019

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



# Additional BFS research references

The following documents are recommended for additional insight on 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. Application Services in Capital Markets – Services PEAK Matrix™ Assessment 2019: Data, Cloud, and Platform Investments to Fuel Innovation and Optimize Costs** ([EGR-2018-31-R-2852](#)); 2019. In this report, we assessed the vision & capability and market impact generated by 27 IT service providers for their capital markets' IT application 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. Application Services in Global Banking – Services PEAK Matrix™ Assessment 2018: Spending Picks Up as Need for Talent, Transformation, and Time to Market Intensifies** ([EGR-2018-31-R-2784](#)); 2018. In this research, we analyzed the capabilities of 25 leading IT application service providers, specific to the global banking sector. 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.
- 3. Cloud Enablement Services PEAK Matrix™ Assessment 2019 and Market Trends: An Enterprise Primer for Adopting (or Intelligently Ignoring!) Cloud Native** ([EGR-2018-29-R-2850](#)); 2019: In this report, we presented detailed profiles and assessments of 24 IT service providers featured on the cloud enablement services PEAK Matrix™, based on the provider's cloud enablement services vision and strategy, scope of services offered, innovation & investments, and delivery capabilities. The report also provides an overview of the cloud services market, demystifies cloud-native complexities, and establishes an enterprise primer for adopting cloud-native.

For more information on this and other research published by Everest Group, please contact us:

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

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