

Application and Digital Services in Capital Markets – Service Provider Compendium 2021

December 2020: 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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This report is based on four key sources of proprietary information

- Proprietary database of IT services contracts of major IT service providers with application and digital services in scope of work (updated annually) for capital markets
- The database tracks the following elements of each contract:
 - Buyer details including size and signing region
 - Contract details including service provider, contract type, TCV & ACV, service provider FTEs, start & end dates, duration, and delivery locations
 - Scope details including share of individual buyer locations being served in each contract, Line of Business (LOB) served, and pricing model employed
- Proprietary database of application and digital service providers in Capital Markets industry (updated annually)
- The database tracks the following for each service provider:
 - Revenue and number of FTEs
 - FTE split by different lines of business
 - Investments in innovation and partnerships
 - Revenue split by region
 - Location and size of delivery centers
 - Technology solutions developed
- **Service provider briefings**
 - Vision and strategy
 - Annual performance and future outlook
 - Key strengths and improvement areas
 - Emerging areas of investment
- **Buyer reference interviews, ongoing buyer surveys, and interactions**
 - Drivers and challenges for adopting capital markets applications and digital services
 - Assessment of service provider performance
 - Emerging priorities
 - Lessons learnt and best practices

Service providers assessed¹



¹ Assessment for Endava and Quinnox 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
The source of all content is Everest Group unless otherwise specified

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information we collect that is contract specific will only be presented back to the industry in an aggregated fashion

Background of the research

While historically, global capital markets firms have been slow in addressing digital disruption, the COVID-19 pandemic has drastically accelerated their plan for organization-wide digital transformation. Muted growth outlook, a complex regulatory landscape, and the need to manage business resiliency during the pandemic were some of the key challenges that capital markets enterprises focused on at the beginning of the year. They addressed these concerns by enabling secure ways for employees to work remotely, digitalizing sales and distribution channels to effectively serve customers, and managing brand and customer trust.

As global markets have started recovering, capital markets firms are focusing on the next normal by investing in data migration, cloud, platform modernization, and machine learning to deliver enhanced customer experience. IT service providers are ramping up service offerings, redesigning their capital markets practice strategies, and leveraging ecosystem talent to respond to the evolving demand themes.

In this report, we have presented detailed profiles of 25 leading application and digital service providers in capital markets. These service providers were positioned on Everest Group's proprietary PEAK Matrix® to identify Leaders, Major Contenders, Aspirants, and Star Performers.

Scope of this report:



Geography
Global



Service providers

Accenture, Atos, Birlasoft, Capgemini, Coforge, Cognizant, DXC Technology, Endava, EPAM, Genpact, GFT, HCL Technologies, Incedo, Infosys, LTI, Mindtree, Mphasis, NSEIT, NTT DATA, Quinnox, TCS, Tech Mahindra, Virtusa, Wipro, and Zensar Technologies



Services

Application and digital services in capital markets

The report has detailed profiles of 25 leading IT service providers that provide application and digital services in capital markets

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Company 1 | application and digital services in capital markets profile (page 1 of 4)

Overview

Vision for ADS in capital markets practice: To be a leader in enabling capital markets firms transform themselves into next-generation digital organizations delivering fluid experiences across all customer touchpoints through a combination of data, AI/ RPA, cloud

ADS in capital markets revenue

<US\$200 million	US\$200-500 million	US\$500 million-US\$1 billion	>US\$1 billion
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Application and digital services in capital markets revenue mix

By lines of business

Asset management	Custody	Investment banking
Brokerage	Fund administration	Others

By services scope

Application development	Consulting	System integration ¹
Application maintenance	Testing	

By buyer size

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

1 System integration includes package implementation
2 AR/VR, business intelligence and data warehouse, IoT, etc.
3 Capital markets ADS FTEs

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Company 1 | application and digital services in capital markets profile (page 2 of 4)

Client success stories

Case study 1 Designing and engineering an intelligent data platform for a leading custody and asset management firm

Business challenge
The client was building a full stack middle- and back-office data management platform to provide the bank's clients a dynamic, customizable, and scalable self-service platform for all their data needs. The bank encountered challenges in evolving the design from private to public cloud environment. Besides time constraint due to regulatory pressure, it was also facing challenges associated to data monetization and pricing model

Solution
Service provider designed and engineered an intelligent data platform with front to back 360° automated lineage and traceability; helped with data operations, automation, and ML solutions. The platform was deployed on a global scale public cloud environment. It brought in practices across bi-temporal data management, near real-time processing, risk & regulatory, and governance works

Impact

- Onboarded more than 40 institutional FS clients on the platform, monetized data assets, and generated revenue streams
- Scalable data platform capable of extension to front-office services, producing first of its kind front-, middle-, and back-office data marketplace

Case study 2 Front-office modernization for a large US-based wealth manager

Business challenge
The client had front-office application opening, and research on complex, few of them were on mainframes as performance, poor user experience, supporting the systems

Solution
Service provider used reverse engine systems and modernized them into APIs using Springboot framework or provider partnered with the customer to deploy on-premise applications on migrated to cloud

Impact

- Improved client experience and retention
- Improved adaptability to mobile devices
- Achieved significant performance in the maintenance process

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Company 1 | application and digital services in capital markets profile (page 3 of 4)

Key offerings and investments

Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver application and digital services in capital markets

Name	Details
Solution 1	A managed security services system that has IAM, cloud security, etc
Solution 2	AI platform that provides cognitive services to build automation solutions
Solution 3	A highly automated industrialized capability that brings together an in single delivery model; it accelerates cloud journey by five times with 10x cost reduction
Solution 4	Integrated QA delivery platforms that leverage intelligent automation
Solution 5	Smart analytics-based tool that integrates with different data sources, and provides real-time dashboards for monitoring and reporting

NOT EXHAUSTIVE

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Company 1 | application and digital services in capital markets profile (page 4 of 4)

Everest Group assessment – Leader

Measure of capability: ● High ● Low

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

Key partnerships/alliances/M&As/JVs leveraged to deliver application and digital services in capital markets

Name	Type of investment (year)	Details of investment
Company 1	Acquisition (2020)	To combine offerings to address customer needs
Company 2	Acquisition (2020)	To complement its Apprio – Sales & Marketing
Company 3	Partnership (2020)	To jointly build solutions and enhance capabilities
Company 4	Venture investment (2018)	To simplify the time needed to design and develop new solutions
Company 5	Venture investment (2017)	To ensure data resiliency for up to 99.999% availability, MongoDB, Hadoop, and Vertica

Source: Everest Group (2020)

Strengths

- Investments in building capital markets-specific use cases on service provider's platform 1, development of partnership ecosystem, and acquisitions to strengthen its capabilities in design services have helped Service provider to fuel growth in capital markets
- As-a-Service models for middle and back office services, Robotic Process Automation (RPA) and AI-driven offerings to build cognitive solutions, and an integrated offering for infrastructure, application, and operations service have resonated well with its capital markets clients
- Proactive investments in innovative talent building initiatives, such as initiative 1 to facilitate crowdsourcing, have enabled service provider to quickly onboard and ensure availability of talent with the right technical expertise
- Clients have appreciated service provider's design thinking-led approach, flexibility in engagements, and delivery commitment

Areas of improvement

- Service provider needs to proactively bring innovation in its engagements and drive industry-specific thought leadership to position itself as a strategic partner for the clients
- Service provider should invest in expanding its partnership ecosystem and strengthening capabilities across capital markets-specific third-party products and platforms
- It needs to invest more in domain-centric talent development and improve its domain advisory capabilities to better compete with peers
- Some clients have expressed concern about high attrition in offshore locations and inconsistent experience across different teams
- Service provider lags behind peers in terms of investments and growth in the APAC market

Research calendar

Banking & Financial Services IT Services

■ Published ■ Planned ■ Current release

Flagship ITS | Banking & Financial Services reports

Release date

Application and Digital Services in Banking – Services Peak Matrix® Assessment 2020: IT Modernization to Enable Digital	November 2019
Application and Digital Services in Capital Markets – Services PEAK Matrix® Assessment 2020: Beating the Slowdown with Data	December 2019
Open Banking IT Services: Moving Beyond Compliance to a Platform-based Operating Model of Ecosystem Orchestration and Value Creation – Services PEAK Matrix® Assessment 2020	May 2020
BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020: Building Cloud-based Data Infrastructure for Intelligent Real-time Controls	June 2020
Open Banking IT Services Service Provider Compendium 2020	June 2020
Risk and Compliance IT Services in BFS Service Provider Compendium 2020	June 2020
Capital Markets State of the Market Report 2020: Automation, Data, and Cloud Trends for Buy-side Firms	July 2020
Banking IT Services State of the Market Report 2020: Hyper-segmentation Strategy Enabled by Digital Capability Platforms and Data Exchanges	July 2020
Lending Technology: Assessing Loan Origination System Vendors – The “One Lending” Model for Journey to the Cloud	September 2020
Application and Digital Services in Capital Markets PEAK Matrix® Assessment 2021	November 2020
Application and Digital Services in Capital Markets Service Provider Compendium 2021	December 2020

Thematic ITS | Banking & Financial Services reports

Release date

Financial Risk Management Platforms Assessment and Vendor Profiles	March 2020
Assessing the Trade Life Cycle Management Technology Platform Landscape	March 2020
State of the Market for Third-Party Enterprise Platforms in Banking and Financial Services: Ecosystem Collaboration for Modernization at Speed and Scale	April 2020
BigTechs in BFSI Industry: The Theory of Co-existence for Market Expansion	August 2020

Note: For a list of all of our published ITS | Banking & Financial Services reports, please refer to our [website page](#)



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