Guidewire Services PEAK Matrix® Assessment 2020 – Setting the Stage for Core on Cloud

Insurance IT Services
Market Report – May 2020: Complimentary Abstract / Table of Contents

EGR-2020-41-CA-3720

Our research offerings for global services

- Market Vista™
  Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

Application Services	Human Resources
BPS | Banking & Financial Services	ITS | Banking & Financial Services
BPS | Healthcare & Life Sciences	ITS | Healthcare
BPS | Insurance	**ITS | Insurance**
Catalyst™	IT Services Executive Insights™
Cloud & Infrastructure	ITS | Life Sciences
Customer Experience Management Services	Locations Insider™
Data & Analytics	PricePoint™
Digital Services	Procurement
Engineering Services	Recruitment & Talent Acquisition
Enterprise Platform Services	Service Optimization Technologies
Finance & Accounting	

Membership information

- This report is included in the following research program(s)
  – Insurance IT Services
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model® reports
- PriceBook
- Virtual Roundtables
- Workshops

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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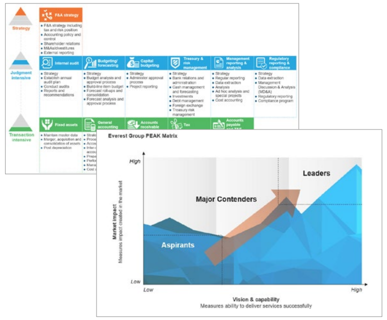
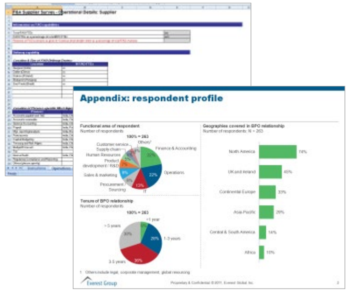
Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

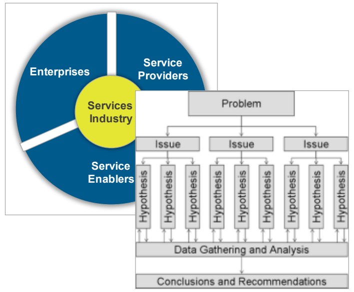
1 Robust definitions and frameworks
Line of business and value chain-specific coverage, SUPER experience framework, and Insurer of the Future framework



2 Primary sources of information
Annual contractual and operational RFIs, service provider briefings and buyer interviews, and web-based surveys



3 Diverse set of market touchpoints
Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership



4 Fact-based research
Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers

- Annual RFI process and interaction with leading IT service providers
- Year-round tracking of 25+ IT service providers
- Large repository of existing insurance IT services-focused research
- Dedicated team for insurance IT services research
- Over 25 years' experience of advising clients on global services decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

This report is based on two key sources of proprietary information, along with a diverse set of market touchpoints with key industry stakeholders

- Proprietary database of insurance IT services contracts of major IT service providers with Guidewire services in scope of work (updated annually)
- 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 IT service providers (updated annually)
- The database tracks the following for each service provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different lines of business
  - 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 Guidewire services
  - Assessment of service provider performance
  - Emerging priorities
  - Lessons learnt and best practices

Service providers assessed

4impact Group, Accenture, Blackcomb, Capgemini, Cognizant, Deloitte, EY, Hexaware, GFT, IKOR, Infosys, LTI, PwC, Sollers Consulting, Tata Consultancy Services, Zensar Technologies

Note 1: Assessment for 4impact, Deloitte, EY, and Sollers Consulting 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 insurance buyers. For these companies, Everest Group's data for assessment may be less complete

Note 2: Certain service providers have been deprioritized due to lack of recognition in the Guidewire PartnerConnect ecosystem. For selection of service providers for this assessment, one critical aspect we looked into was an update or enhancement in Guidewire services capabilities or evidences of any new deals/clients in 2019. We have excluded service providers for whom no such evidences were available in the public domain

Note 3: The source of all content is Everest Group unless otherwise specified

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

Background of the research

Core modernization has become a strategic mandate for insurers to enable business transformation. P&C insurers are breaking free from the limitations of legacy core and driving improved operational efficiency, agility and scalability, and front-to-back experiences by taking a platforms-based approach to core modernization. Guidewire has become the core platform of choice for many P&C insurers to help them navigate this transformation journey. They are looking to partner with service providers with a strong understanding of the insurance domain, technical expertise in working with the Guidewire product suite, and sufficient cloud expertise to push toward moving Guidewire on cloud. The Guidewire services market clocked a hefty growth rate of 16-18% in 2019 and, going forward, the demand is expected to stay strong as the need for modernization to enable digital experiences rise.

IT service providers are responding to the demand of P&C insurers by developing a scalable talent pool of certified resources across multiple Guidewire products, building Guidewire-specific solutions/tools/accelerators, and crafting a cloud strategy with Guidewire at the center. Many service providers are enhancing, extending, and complementing the capabilities of Guidewire products by weaving digital services offerings on top of the products and investing in Guidewire-focused CoEs, partnerships, and specializations. Service providers that can position themselves as strategic partners in the Guidewire transformation journey of P&C insurers by offering an integrated value proposition comprising consulting and roadmap support as well as cost-effective downstream implementation capabilities will be better positioned to capitalize on the demand opportunity.

In this report, we studied the vision and capability of, and the market impact generated by 16 leading service providers that provide Guidewire services. These service providers were positioned on Everest Group's proprietary PEAK Matrix® to identify Leaders, Major Contenders, and Aspirants

Scope of this report

- **Services:** Guidewire services
- **Geography:** Global
- **Service providers:** 16 leading Guidewire services providers

Our definition for Guidewire services includes all IT services that P&C insurers require to implement, upgrade, migrate, enhance, and maintain Guidewire products

Consulting	Guidewire implementation	Upgrade and migration services	Product enhancement services	Maintenance and support services
Supporting clients across product selection, feasibility assessments, roadmap creation, strategy, change management, etc.	Supporting clients across requirements gathering, technical and functional design, data conversion, workload integration system and process configuration, and deployment	Supporting clients with upgrades of Guidewire versions, data migration, and cloud migration	Supporting clients with L2 and L3 customization features and value-add features through bespoke development, API integration, etc.	Supporting clients across helpdesk, incident management, service request management, issue resolution, service governance, and documentation

Overview and abbreviated summary of key messages

The report provides a comprehensive assessment of the service provider landscape for Guidewire services 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 Guidewire services buyers and service providers.

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

Implications for buyers and service providers

- P&C insurers need to cultivate an agile, fail-fast culture to drive innovation and compete with digital native challengers, to do so they must build a comprehensive change strategy to engage stakeholders throughout the transformation process to speed up user adoption and engage with vendors in a partnership model, making them accountable for specific outcomes
- Service providers need to proactively invest in building a talent pool of certified resources across multiple Guidewire products to offer a more holistic services portfolio and refining proprietary tools/accelerators/frameworks to meet the time-to-market and cost priorities of insurers while weaving Guidewire capabilities with broader digital services offerings to position as a partner for serving end-to-end transformation needs

Guidewire services market and growth

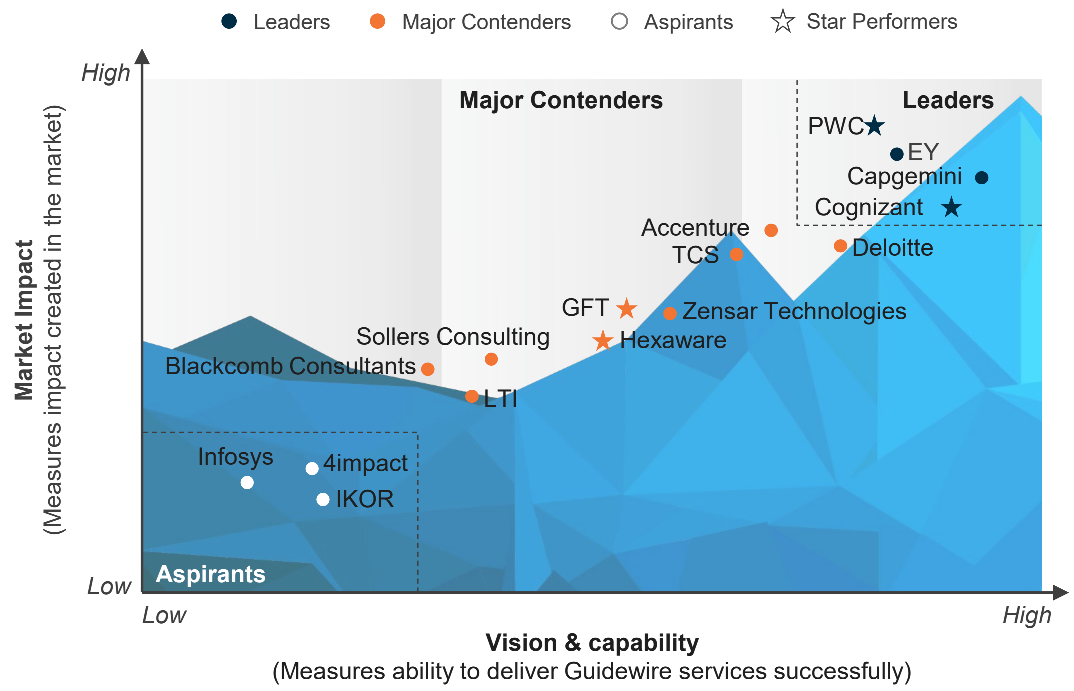
- The Guidewire services market grew at 16-18%, driven by a wave of upgrades and full-suite implementations
- North America holds the lion's share of the market, with Europe growing faster than market average
- Half of the service providers assessed in this study saw over 20% growth in their Guidewire services portfolio

Guidewire services PEAK Matrix characteristics

- Leaders served as strategic partners to insurers in their journey to build a modern, consolidated core systems landscape. Leaders differentiated themselves with their long-term partnership with Guidewire, vast industry experience, consulting heritage, and large number of regional/product-specific specializations
- Major Contenders have made significant investments to bolster their Guidewire services portfolio by scaling talent pool through Guidewire CoEs, trainings, and certifications. Acquisitions and partnerships with niche Guidewire consulting firms was a prominent theme among Major Contenders
- Aspirants have positioned themselves as regional specialists that focus on select segments of the Guidewire services value chain

This study offers three distinct chapters providing a deep dive into key aspects of the Guidewire services market; below are four charts to illustrate the depth of the report

Assessment of Guidewire Services Providers



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Note 2: Analysis for GFT and Zensar Technologies is based on their capabilities post the acquisition of V-NEO and Cynosure, respectively

Source: Everest Group (2020)

Capability assessment

Illustrative example

Measure of capability: High / Low

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

Illustrative example

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

Strengths

- Service provider 1 differentiates via its offerings for automated testing, API architectures, managed cloud services, and DevOps & CI/CD tooling
- Partnerships with cloud technology leaders (such as AWS and Microsoft Azure) and digital experience platform vendors (such as Kony and Sitecore) allow Service provider 1 to offer a more holistic services portfolio to insurers

Areas of improvement

- Service provider 1's scale of investments in building domain-specific tools/accelerators and certified talent lags similar-sized peers, limiting its ability to win large engagements
- Articulation of value delivered across its Guidewire services engagements needs to focus on business outcomes, rather than primarily emphasizing on the technical details

Research calendar – Insurance IT Services

Published | Planned | Current release

Flagship Insurance IT Services reports	Release date
Life & Annuities (L&A) Insurance Application and Digital Services PEAK Matrix® 2020 – Conflated Growth and Efficiency Agendas	December 2019
Property & Casualty (P&C) Insurance Application and Digital Services PEAK Matrix® 2020 – Coverage, Channels, and Commercial Model Innovation	December 2019
Guidewire Services – PEAK Matrix® Assessment 2020	**May 2020**
Guidewire Services – Service Provider Compendium 2020	Q2 2020
L&A Insurance – State of the Market 2020	Q2 2020
P&C Insurance – State of the Market 2020	Q2 2020
IT Enablement Services PEAK Matrix® Assessment for Insurance Business Model Innovation 2020	Q3 2020
IT Enablement Services for Insurance Business Model Innovation – Service Provider Compendium 2020	Q3 2020

Thematic Insurance IT Services reports	
Guidebook for Blockchain Adoption in Insurance: A Compilation of Insights from 30+ Projects	May 2019
Assessing Digital Experience Platforms in Insurance and Vendor Profiles 2020 – Building SUPER Insurance Experiences to Drive Differentiation and Growth	April 2020
IFRS 17 – Enablers for Seamless Regulatory Transition	April 2020
Making a Business Case for Modernizing Core Systems for the US Retirements Industry: Value Beyond Cost Savings From a Cloud-enabled Recordkeeping System	Q2 2020
State of Cloud Adoption in Insurance	Q2 2020
Claims Management of the Future – Focus on P&C Insurance	Q2 2020
Policy Servicing of the Future – Focus on L&A Insurance	Q2 2020

Note: For a list of all our published Insurance IT Services reports, please refer to our website page

Additional Insurance IT Services research references

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

1. **Assessing Digital Experience Platforms in Insurance and Vendor Profiles 2020 – Building SUPER Insurance Experiences to Drive Differentiation and Growth** (EGR-2020-41-R-3690); 2020. In this research, we deep dive into the rise of DXPs in the insurance landscape, assess the DXP market, and present a detailed comparison of 13 leading technology players on their capabilities to meet insurer needs. Our assessment is based on Everest Group's proprietary transaction intelligence database, public disclosures, and discussions with enterprises, technology vendors, and service providers.

2. **Guidebook for Insurers to Solve the IFRS 17 Reporting Puzzle** (EGR-2020-41-R-3697); 2020. In this research, we provide a comprehensive system-readiness checklist for insurers and analyze 12 leading IFRS 17 technology platform vendors, focusing on their capabilities across accounting, actuarial, and data management. The new reporting standard, IFRS 17, was finalized in May 2017 and is now expected to be introduced on January 1, 2023. Our assessment is based on Everest Group's proprietary transaction intelligence database, public disclosures, and discussions with enterprises, technology vendors, and service providers.

3. **Property & Casualty (P&C) Insurance Application and Digital Services PEAK Matrix® 2020 – Coverage, Channels, and Commercial Model Innovation** (EGR-2019-41-R-3481); 2019. In this report, Everest Group studied the vision, capability, and market impact of 22 leading service providers with respect to their IT application and digital services portfolio in P&C insurance sector. The service providers were positioned on Everest Group's proprietary PEAK Matrix® to identify Leaders, Major Contenders, Aspirants, and Star Performers

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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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