

Insurance Business Model Innovation Enablement Services PEAK Matrix[®] Assessment 2021 – Pathways to Drive Competitive Advantage Amidst Uncertainties

November 2020: Complimentary Abstract / Table of Contents



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- 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 of the research

Insurance industry is simultaneously facing a serious risk of disruption and stands on the precipice of critical transformation. A mix of challenges for insurers around evolving consumer expectations, demand stress, decade-high combined ratios, competitive pressure, and an uncertain macro-economic outlook, triggered by the COVID-19 pandemic, has propelled insurers to relook at their operating models. They have realized the need to implement business model innovation strategies to build future resiliency and agility.

Insurers are focusing on innovating their business models on four fronts to tackle the industry disruption and set themselves up for future success – offer risk protection services and solutions for the new digital economy, shift value proposition from a product partner to a services partner with focus on enabling compelling consumer experiences, transforming risk and pricing models to cover previously unforeseeable risks, and exploring new ways of reaching consumers through channel innovation programs. They are taking a bi-modal approach across business and IT transformation to achieve these intended outcomes. Service providers can assist insurance carriers to stitch together their business-led transformation and IT-led modernization storylines to successfully implement business model innovation and help them achieve business-oriented outcomes and improve the experience for consumers. To support insurers in this transformation journey, service providers are moving beyond the digital enablement value proposition and are looking to develop strong innovation credentials, high levels of strategic thinking, and full-stack services offerings combined with deep insurance domain expertise.

In this research, we present an assessment and detailed profiles of 16 leading IT service providers featured on the Insurance Business Model Innovation Enablement Services PEAK Matrix®. Each service provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's RFI process, interactions with leading IT services providers, client reference checks, and an ongoing analysis of the insurance IT services market.

This report includes the profiles of the following 16 leading IT service providers featured on the Insurance Business Model Innovation Enablement Services PEAK Matrix®:

- **Leaders:** Capgemini, Coforge, Cognizant, HCL Technologies, LTI, and Wipro
- **Major Contenders:** DXC Technology, Mindtree, Mphasis, TCS, Tech Mahindra, Virtusa, and Zensar Technologies
- **Aspirants:** Birlasoft, RapidValue, and Trianz

Scope of this report:



Geography
Global



Service providers
16 leading IT service providers



Services
Insurance business
model innovation
enablement services

Overview and abbreviated summary of key messages

In this report, we present an assessment and detailed profiles of 16 leading IT service providers featured on the Insurance Business Model Innovation Enablement Services 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 insurance buyers and service providers on insurance business model enablement services.

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

Insurance Business Model Innovation Enablement Services PEAK Matrix® characteristics

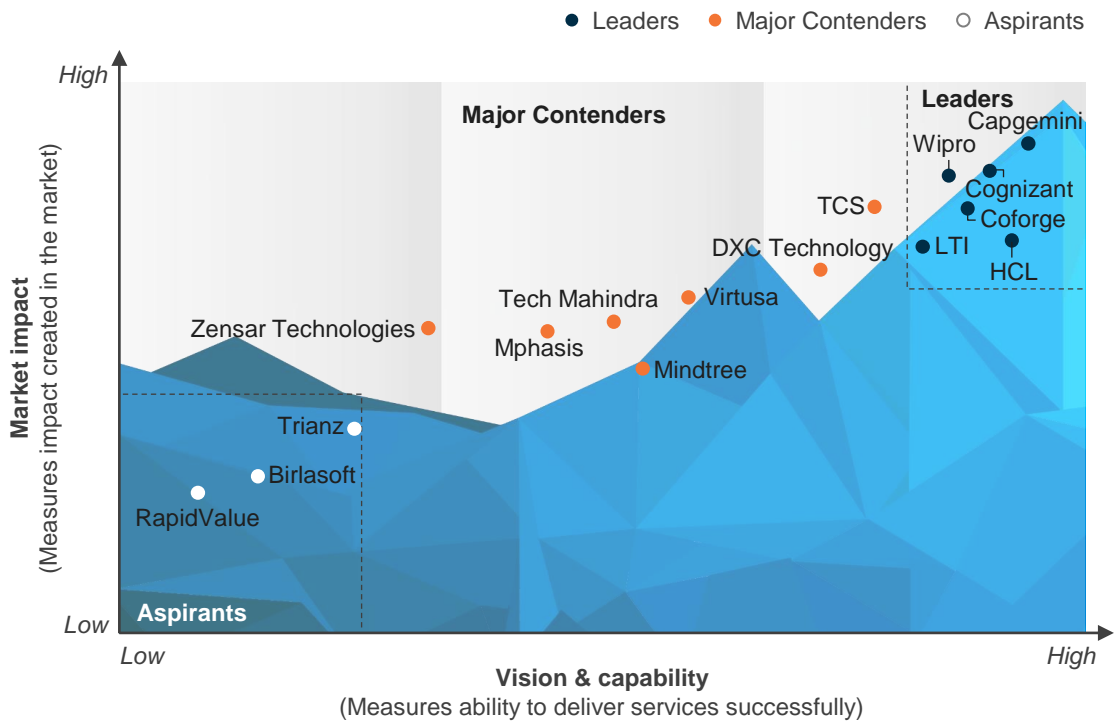
- Leaders served as strategic partners to insurers in their journey to enable business model innovation for them. Leaders differentiated themselves with their business transformation-first approach to drive operating model changes, strong thought capital on coverage, services, pricing, and channel innovation, and mature investments on building focused capabilities to become innovation service partners of choice for insurers
- Major Contenders have adopted GTM strategies centered around platform-led modernization or focused solution development on top of core industry platforms to address specific insurer requirements around business model innovation while continuing to bolster their innovation credentials through meaningful investments
- Aspirants have demonstrated a niche focus on enabling specific business model innovation themes for insurance clients

Implications for buyers and service providers

- Insurers need to articulate the vision and objectives of business model transformation program by looking to reimagine their products, services, pricing, and channel strategy to become more resilient to disruptive industry forces and explore pathways to drive competitive advantage. Building a comprehensive strategy centered around the bi-modal approaches of business-led transformation and IT-led modernization will help carriers achieve innovation in their business operating models
- Service providers need to shape carrier's vision on business model innovation themes and support them in crafting cogent innovation strategies and executing the transformation roadmaps. Ability to adopt a business-first lens to transformation, demonstrate rapid prototyping capabilities, and willingness to engage via flexible commercial constructs will position service providers better to capitalize on this growth opportunity

This study offers five distinct chapters providing a deep dive into key aspects of insurance business model innovation services market; below are three charts to illustrate the depth of the report

Insurance Business Model Innovation Enablement Services PEAK Matrix® Assessment 2021



Note 1: Only the IT service providers who have participated in this assessment have been featured in the PEAK Matrix®
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 service 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 has demonstrated success proof points in enabling business model innovation for insurance clients across coverage, services, and pricing innovation
- Service provider's proposition-led transformation story tied to insurance business drivers to enable new business models bears a strong resonance in insurers' minds

Areas of improvement

- Market perception on service provider's ability to shape vision and strategic thinking on new business model themes for insurance clients is limited
- Share of insurance business model innovation enablement projects focused on P&C clients is suboptimal; it needs to capitalize on the greater innovation appetite with P&C carriers to drive better growth rates

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 – Setting the Stage for Core on Cloud	May 2020
Guidewire Services – Service Provider Compendium 2020	June 2020
L&A Insurance State of the Market – Platform-first Model to Simplify and Rationalize Systems for Rapid Cost Take-out	June 2020
P&C Insurance State of the Market – Underwriting for the Next Normal	July 2020
Insurance Business Model Innovation Enablement Services PEAK Matrix® Assessment 2021 – Pathways to Drive Competitive Advantage Amidst Uncertainties	November 2020
Insurance Business Model Innovation Enablement Services – Service Provider Compendium 2020	Q4 2020

Thematic insurance IT services reports

	Release date
Wipro Bets Big on Healthcare Through the HealthPlan Services Acquisition	May 2019
Digital Experience Platforms (DXP) in Insurance	April 2020
Guidebook for Insurers to Solve the IFRS 17 Reporting Puzzle	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	May 2020
State of Cloud Adoption in Insurance	Q4 2020
Claims Management of the Future – Focus on P&C Insurance	Q4 2020

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