

Temenos IT Services PEAK Matrix® Assessment 2022

December 2021: Complimentary Abstract / Table of Contents



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Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: service providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

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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
- 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 focused on Temenos services
- The database tracks the following for each service provider:
 - Revenue and number of FTEs
 - FTE split by different LoBs
 - 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 outlook
 - Key strengths and improvement areas
 - Emerging areas of investment
- **Buyer reference interviews, ongoing buyer surveys, and interactions**
 - Drivers and challenges for adopting Temenos IT services
 - Assessment of service providers' performance
 - Emerging priorities
 - Lessons learned and best practices

Service providers assessed¹



¹ Assessment for Inlaks, NDC Tech, OneAston, Software Group (SG Newtech), and Techmill 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 contract-specific information collected will only be presented back to the industry in an aggregated fashion.

Background of the research

- Global banks have leveraged Temenos as a preferred platform for areas such as core banking, payments, and wealth management. The system integration market for Temenos is experiencing an uptick in demand as banks are moving from legacy to platform-based model at an accelerated pace. Temenos and its partner ecosystem are also investing in building cloud-native Software-as-a-Service (SaaS) architecture along with other digital banking technologies such as microservices and blockchain
- The strategic acquisitions of digital banking platforms, such as Avoka and Kony, have led to a rising demand in digital banking services and an exponential growth of 55% in SaaS-based revenues for the product. The system integration market for SaaS-based Temenos products is also growing in high double digits
- Temenos is also pushing for creating an end-to-end digital banking solution. It is leveraging latest technologies such as APIs, microservices, and open APIs to help banks of all sizes in their core transformation journey, wealth management, and payments. It has also partnered with Salesforce and built hyper-personalized experience across channels to enhance Infinity's digital experience management in line with market demands. Infinity and Wealth Suite are seeing a rise in system integration demand from market with a continued drive for Transact-related IT services
- North America has become the fastest growing region for Temenos IT services, gaining over Continental Europe, and the UK and Ireland (UK&I) region
- Small- and mid-sized banks prefer the Temenos package as it allows them to be agile and nimble, leading to launch of new products and services easily

This report includes the profiles of the following 12 IT service providers featured on the Temenos IT Services PEAK Matrix®:

- **Leaders:** Capgemini, Cognizant, LTI Syncordis, and Tech Mahindra
- **Major Contenders:** Aspire Systems, Luxoft – a DXC Technology Company, Maveric Systems, NDCTech, and Techmill
- **Aspirants:** Inlaks, OneAston, and Software Group (SG NewTech)

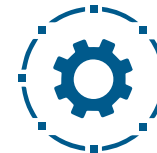
Scope of this report:



Geography
Global

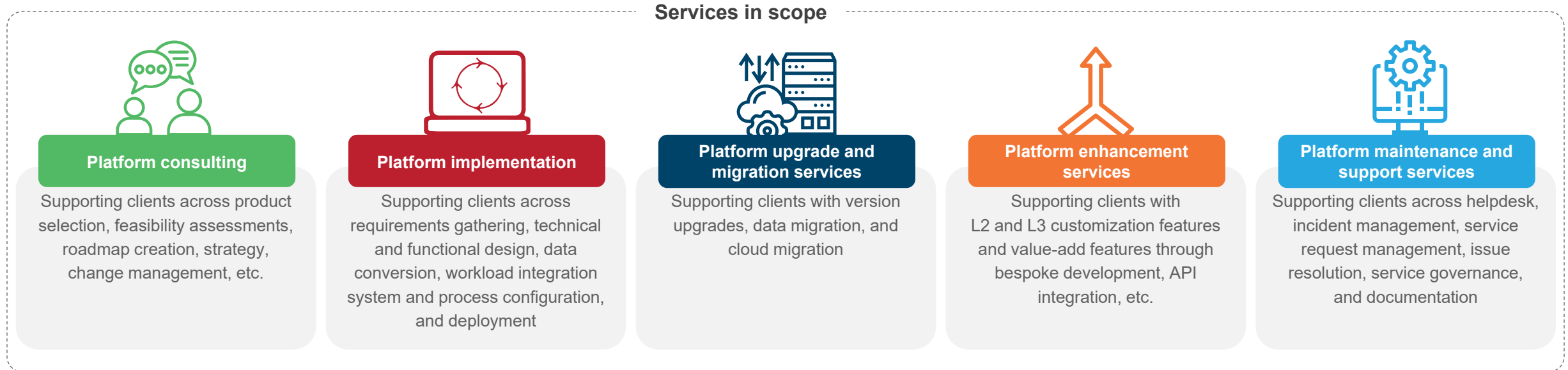


Service providers
12 leading Temenos IT service providers



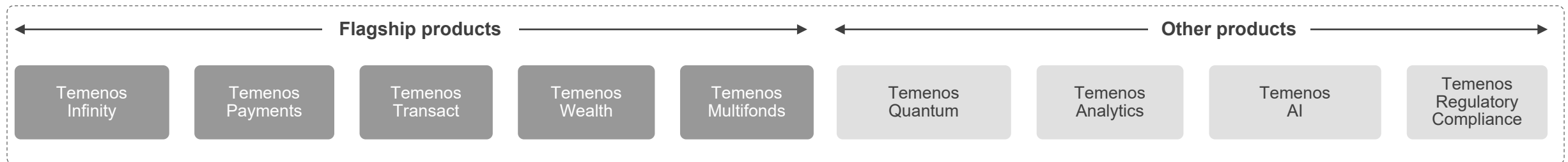
Services
Temenos IT Services

Definition and scope of Temenos IT services PEAK Matrix® Assessment 2022



Scope of this assessment includes the entire suite of Temenos products:

ILLUSTRATIVE



Overview and abbreviated summary of key messages

This report examines the global Temenos IT service providers landscape and its impact on the Temenos IT services market. This report uses Everest Group's proprietary PEAK Matrix® framework to evaluate Temenos service provider's capabilities across two key dimensions – market impact and vision & capability. It also includes competitive landscape; an assessment of the service provider's key strengths, limitations, and Temenos services capabilities.

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

Growth in demand of Temenos products

- There is an increasing demand for cloud and as-a-service offerings from large as well as the growing market of small and mid-tier banks that has further pushed the demand for Temenos suite of products
- Uptick in demand for specialized services for core transformation and digital banking around Temenos has helped service providers to register a strong growth in this market

Emerging service provider trends

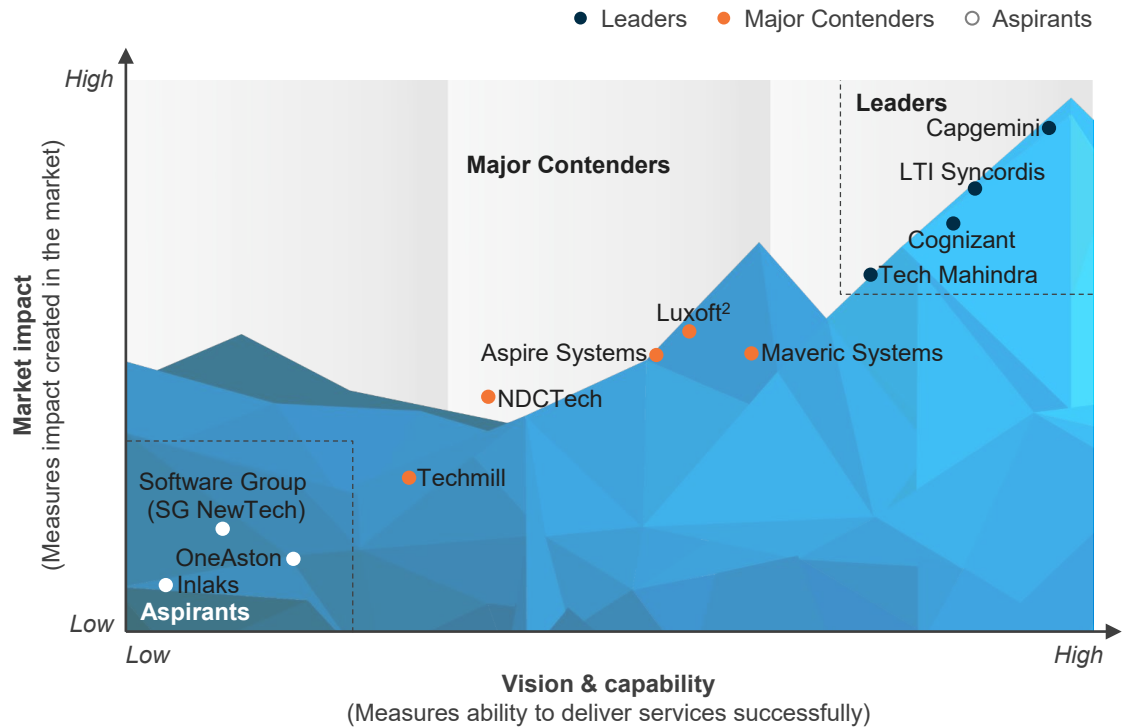
- Leaders are trusted strategic partners in business transformation and have done large-scale Temenos-focused transformations across the globe. They are investing in developing proprietary IP, adding capabilities to Temenos products, and training certified resources for end-to-end digital banking services
- Major Contenders have developed a regional specialization with a 360-degree relationship in the market to help clients in building solutions and Temenos in covering gaps in services
- Aspirants are investing in becoming leaders in niche products such as Transact, Temenos AAA at regional level in Asia and Africa

Insights on competitive landscape

- Temenos IT service providers can be categorized into Leaders, Major Contenders, and Aspirants on a capability-market-share matrix
- Capgemini, Cognizant, LTI Syncordis, and Tech Mahindra are the current leaders in the Temenos IT market. However, several service providers are emerging as major contenders

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

Temenos IT Services PEAK Matrix® Assessment 2022¹



1 Assessment for NDCTech, Techmill, Inlaks, OneAston, and Software Group (SG NewTech) 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.

2 Luxoft, A DXC Technology Company.

Source: Everest Group (2021).

Capability assessment

Illustrative example

Measure of capability: ☐ Low ● High

Service provider	Market impact				Vision & capability					
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services	Innovation & 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 technology providers

Illustrative example

Measure of capability: ☐ Low ● High

Market impact				Vision & capability					
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Technology capability	Flexibility and ease of deployment	Engagement and commercial model	Support and partnership ecosystem	Overall
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Strengths

- A rich partnership landscape and focus on specific customer segments such as credit unions and mid-sized banks in North America have enabled market success
- Embedded explainable AI (XAI) platform and ML capabilities in the platform create seamless customer journeys and automate manual processes

Limitations

- Lags peers on its investments in thought leadership to enhance its market messaging for the lending platform, especially consumer lending
- Real-time risk management is not inbuilt as part of the origination platform and is provided as a separate modular solution in the overall banking suite

Research calendar

Banking & Financial Services IT Services

Published Planned Current release

Flagship reports

Release date

Application and Digital Services in Capital Markets – PEAK Matrix® Assessment 2021	December 2020
Healthy Rebound in BFS IT Services Spend – Growth Themes and Cautions	March 2021
Modernizing Data, Applications, and Infrastructure for the Next Phase of the Payments Revolution – State of the Market Report 2021	April 2021
Application and Digital Services in Banking – PEAK Matrix® Assessment 2021	June 2021
Application and Digital Services in Banking – Service Provider Profile Compendium 2021	August 2021
Consumer Loan Origination Systems – Products PEAK Matrix® Assessment 2022	December 2021
Platforms IT Services in BFS - PEAK Matrix® Assessment 2022	December 2021
Finastra IT Services PEAK Matrix® Assessment 2022	December 2021
Temenos IT Services PEAK Matrix® Assessment 2022	December 2021

Thematic reports

Release date

Consumer Lending on the Cloud	April 2021
Cloud in Capital Markets – the Backbone of Digital Financial Infrastructures	May 2021
Deconstructing the digital assets revolution - what can financial institution learn from the meteoric rise of Coinbase	June 2021
BFSI Enterprise Adoption Guide for Low-Code/No-Code Technology – Market Trends and Provider Landscape	July 2021
Decoding the Sustainability Opportunity in BFSI: Deep Dive into the Environmental, Social, and Governance (ESG) Data & Analytics and Technology Provider Landscape	July 2021
Sustainability in Financial Services – the Next Big Opportunity in Data, Technology, and Services	December 2021

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