

Enterprise Pulse on Third-party Platforms Services in BFS: Fostering Innovation and Deriving Value During a Talent Crunch

September 2022: Complimentary Abstract / Table of Contents



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Background of the research

- As the global Banking and Financial Services (BFS) industry faces looming recession, enterprises are looking at IT modernization and digital transformation as ways to navigate the profitability challenges, rising competition, and rapidly changing customer demand themes within a changing regulatory landscape
- BFS enterprises are increasingly realizing that to move to a modern, scalable, and composable architecture, a platforms-based model will be needed in the long run. Platform adoption can enable their transformation journey and help create superior customer experiences, improve flexibility and agility, manage regulations, and adopt next-generation technologies to compete with new-age FinTechs and neo-banks
- However, enterprises' expectations have moved beyond just platforms IT services; they expect service providers to play the role of a strategic partner in engagements
- In this research, we present:
 - A summary of BFS enterprises' views on the capabilities of various service providers in delivering third-party platform IT services in BFS
 - Enterprises' views on the service provider's strengths and limitations
- The assessment is based on 25+ enterprise interviews and surveys conducted in 2021 with BFS enterprises globally as part of the PEAK Matrix® assessments across Platform IT Services in BFS, Finastra IT services, and Temenos IT services. These enterprises were nominated as reference clients by different service providers and studied across Everest Group's multiple PEAK Matrix® evaluations

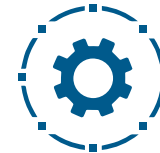
Scope of this report



Geography
Global



Industry
Banking and financial services

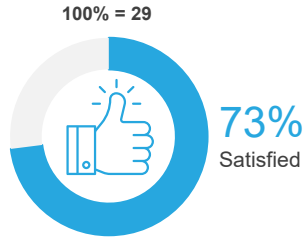


Services
Banking IT services

This study offers a distinct chapter providing enterprises' feedback on service providers' capabilities in providing third-party platform IT services in BFS; below are three charts to illustrate the depth of the report

BFS enterprises satisfaction with service providers in delivering platform IT services

Enterprises' overall satisfaction with service providers¹
Percentage



BFS PLATFORMS

- Enterprises were satisfied with service provider's ability to bring in technical expertise and act as a strategic partner in the engagement
- However, they believe there is still scope of improvement in domain nuancing

FINASTRA

- Service providers were able to bring the right Subject Matter Experts (SMEs) for Finastra in the engagement
- Enterprises reported attrition as a key challenge resulting in delayed delivery of the project
- Only one in two enterprises were satisfied with their service provider's capabilities in delivering Finastra IT services

TEMENOS

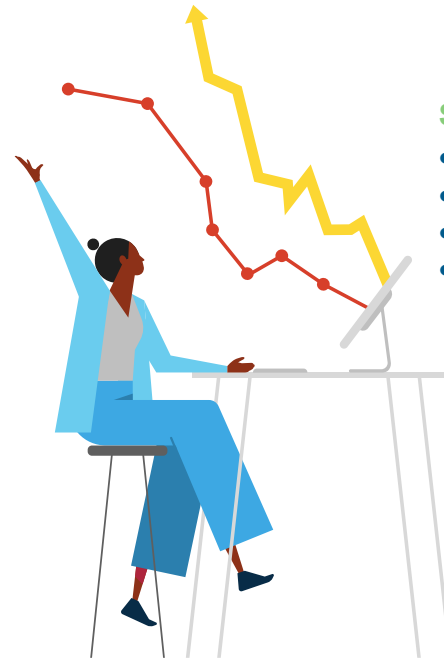
- Enterprises acknowledged that while flexibility was demonstrated during the engagement, post-implementation support services were not up to the mark
- This symbolizes lack of relevant talent in the market to provide adequate support
- Only one in three enterprises were satisfied with their service provider in delivering Temenos IT services

¹ Satisfied: a satisfaction rating of eight or above; Not satisfied: a satisfaction rating below eight (out of 10)

BFS enterprises' future priorities for their platforms estate

CATEGORY	FUTURE PRIORITIES			
Process efficiency	Large-scale automation	Implementation of efficiency metrics	Consolidate number of applications	Agile development
Enterprise transformation	Cloud transformation	Agile DevOps strategy	Expand partnership ecosystem with FinTech	
LoB-focused modernization	Payments focused data strategy	Modernization of trade finance platform		

Aggregated market perspective on service providers' strengths and limitations for platforms IT services in BFS



Strengths

- Technical expertise
- Flexibility and responsiveness
- Client centricity
- Pricing and commercial constructs

Limitations

- Value addition & innovation
- Domain expertise
- Talent management
- Post-implementation support



Research calendar

Banking and Financial Services Information Technology

Published Planned Current release

Reports title	Release date
Application and Digital Services in Banking – Service Provider Profile Compendium 2021	August 2021
Consumer Loan Origination Systems – Products PEAK Matrix® Assessment 2022	January 2022
Consumer Loan Origination Systems – Service Provider Profile Compendium 2022	January 2022
Platforms IT Services in BFS – PEAK Matrix® Assessment 2022	January 2022
Temenos IT Services PEAK Matrix® Assessment 2022	January 2022
Finastra IT Services PEAK Matrix® Assessment 2022	January 2022
Temenos IT Services – Service Provider Compendium 2022	February 2022
Finastra IT Services – Service Provider Compendium 2022	February 2022
Platform IT Services in BFS – Service Provider Compendium 2022	February 2022
Introducing the Rubik’s Cube Supplier Segmentation Approach: Navigating the Talent Crisis by Engaging Specialist IT Service Providers	June 2022
Enterprise Pulse on Third-party Platforms Services in BFS: Fostering Innovation and Deriving Value During a Talent Crunch	September 2022
Wealth Management Products PEAK Matrix® Assessment 2022	Q2 2022
Wealth Management Products Technology Provider Compendium	Q2 2022
Capital Markets Technology and IT Services – State of The Market Report	Q2 2022
FinTech-Led Innovation in BFS – Financial Crimes & Compliance (FCC)	Q2 2022
Future of Treasury: Modernization Through Platform, APIs, and Cloud Market Report	Q3 2022

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