

# Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2023

December 2022: Complimentary Abstract / Table of Contents



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- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
- ▶ Talent Excellence GBS
- ▶ Talent Excellence ITS
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Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

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## This report is based on multiple key sources of proprietary information

- Proprietary database of IT services contracts of major IT providers with workplace 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 provider, contract type, TCV & ACV, 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 providers (updated annually)
- The database tracks the following for each provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different LoBs
  - Revenue split by region
  - Location and size of delivery centers
  - Technology solutions developed
- 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 workplace services
  - Assessment of providers’ performance
  - Emerging priorities
  - Lessons learnt and best practices adopted

### Providers assessed<sup>1,2</sup>



1 Assessments for Accenture, Atos, Birlasoft, Deloitte, DXC Technology, EY, Happiest Minds, IBM, KPMG, NSEIT, PwC, and Zensar 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**

2 The analysis of LTI and Mindtree are based on their capabilities before merger

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

## Introduction

- Banking and Financial Services (BFS) firms are undergoing regulatory changes across cybersecurity, KYC/AML, ESG, crypto, climate risk, enterprise risk, financial crime, and financial risk management
- BFS firms face challenges in transforming Risk and Compliance (R&C) functions because of their legacy IT systems that act as roadblocks in using modern technologies such as AI/ML for analytics-driven risk assessment and regulatory reporting
- ESG is no longer merely a compliance task for enterprises as they look to undertake a massive transformation and bring in widespread changes across the organization. Enterprises are looking to evaluate how climate and social factors impact their pillars of risk, track ESG impact on their financial products, and create new services that drive sustainable outcomes
- Service providers are investing in partnerships with technology vendors and building solutions to help BFS firms better manage their risk and compliance function. They are augmenting their service capabilities by investing in tools, accelerators, CoEs, and talent to strengthen their advisory and implementation practices for risk & compliance in BFS

In this research, we present an assessment and detailed profiles of 26 leading service providers featured on the risk & compliances in BFS IT services PEAK Matrix®. Each 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 annual RFI process for calendar year 2022, interactions with leading IT service providers, client reference checks, and an ongoing analysis of the risk & compliance IT services market.

**This report includes the profiles of the following 26 leading service providers featured on the Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2023:**

- **Leaders:** Accenture, Capgemini, Cognizant, HCLTech, IBM, Infosys, NTT DATA, TCS, and Wipro
- **Major Contenders:** Atos, Deloitte, DXC Technology, EY, Hitachi Vantara, KPMG, LTI, Maveric Systems, Mindtree, Mphasis, PwC, Tech Mahindra, and Virtusa
- **Aspirants:** Birlasoft, Happiest Minds, NSEIT, and Zensar

### Scope of this report



**Geography**  
Global



**Providers**  
26 IT service providers



**Services**  
Risk & compliance in  
BFS IT services



# This assessment report for IT services is provided to BFS enterprises for achieving their risk and regulatory compliance objectives and helping them tackle broad issues

## Risk and regulatory compliance strategy and consulting



Custom application development and maintenance



Package/platform implementation/integration



Data management



Visualization and reporting



Application testing<sup>1</sup>

## Digital technologies to help BFS firms manage end-to-end risk and compliance objectives



Data management



Risk analytics



Automation



Artificial intelligence



Cloud



Blockchain



In-memory computing

## Various elements of risk & compliance functions in BFS



Data management and protection



Fraud detection and investigation



Identity and access management



Cybersecurity



KYC/AML



Regulatory compliance management



Risk management



**Sustainability risk<sup>1</sup>**

Special focus area as part of this assessment. We have assessed each service provider's strategy, vision, case studies, and investments planned in solutions/talent/partnerships, etc., to cater to this growing demand theme

<sup>1</sup> Includes stress testing of compliance and risk assessment algorithms



## Overview and abbreviated summary of key messages

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

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

### Changing market dynamics

- Banking and Financial Services (BFS) firms are undergoing regulatory changes across cybersecurity, KYC/AML, ESG, crypto, climate risk, enterprise risk, financial crime, and financial risk management
- ESG is no longer merely a compliance task for enterprises as they look to undertake a massive transformation and bring in widespread changes across the organization. Enterprises are looking to evaluate how climate and social factors impact their pillars of risk, track ESG impact on their financial products, and create new services that drive sustainable outcomes

### Emerging service provider trends

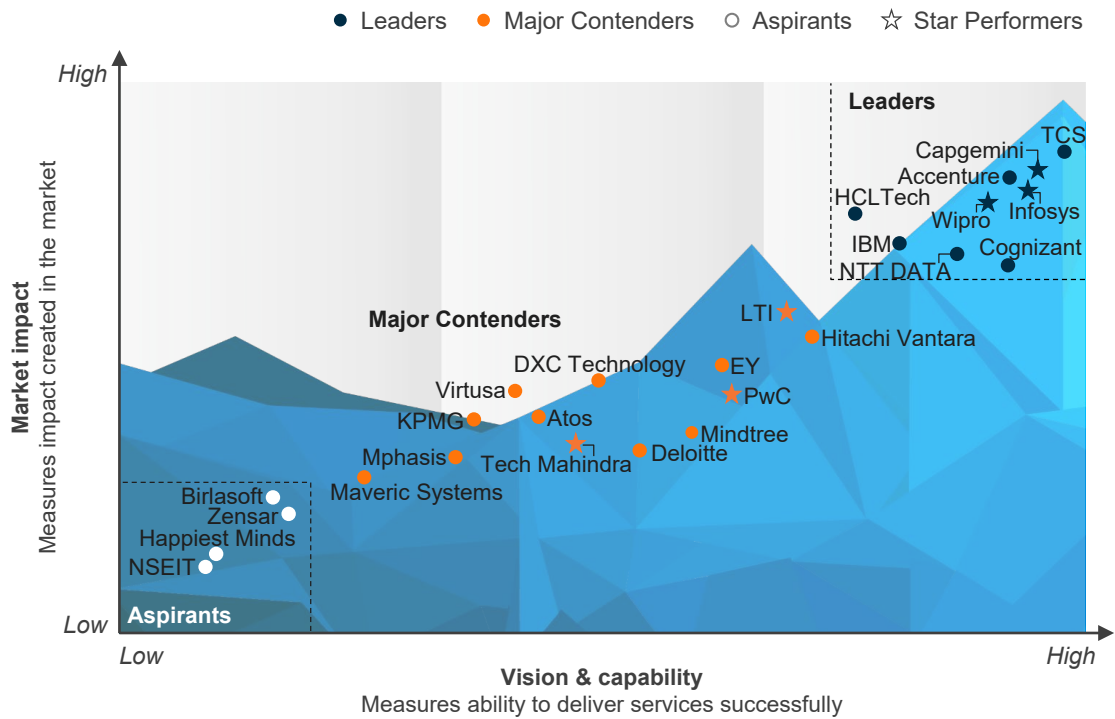
- Leaders are trusted partners in addressing risk & compliance challenges for BFS enterprises and have a proven track record of delivering end-to-end solutions across the risk and compliance value chain
- Major Contenders have mature services offerings for BFS enterprises across risk & regulatory compliance. They have grown their partnerships with platforms and consulting firms in niche areas of risk, analytics, financial crime, and regulatory reporting
- Aspirants, with their limited services scope, cater to specific geographies and offer point solutions in niche areas of compliance and identity and access management

### Insights on competitive landscape

- BFS Risk & Compliance IT service providers can be categorized into Leaders, Major Contenders, and Aspirants on a capability-market-impact PEAK Matrix®
- Accenture, Capgemini, Cognizant, HCLTech, Infosys, IBM, NTT DATA, TCS, and Wipro are the current leaders in the BFS risk & compliance IT service provider market. However, several service providers have emerged as major contenders

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

Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2022<sup>1,2</sup>



Capability assessment

Illustrative example

Measure of capability: 🟡 Low ● High

Providers	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
Provider 1	🟡	🟡	●	●	●	🟡	🟡	🟡	🟡
Provider 2	🟡	🟡	●	●	🟡	🟡	●	🟡	🟡
Provider 3	🟡	●	●	●	●	🟡	🟡	🟡	●
Provider 4	🟡	🟡	●	●	●	●	●	🟡	●
Provider 5	●	●	●	●	●	●	🟡	🟡	●
Provider 6	●	🟡	●	●	●	🟡	🟡	●	●
Provider 7	●	🟡	●	●	●	●	●	●	●
Provider 8	●	🟡	●	●	●	🟡	🟡	●	●
Provider 9	●	🟡	●	●	●	🟡	●	●	●

Everest Group's remarks IT Service Providers

Illustrative example

Measure of capability: 🟡 Low ● High

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**

- 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

1 Assessments for Accenture, Atos, Birlasoft, Deloitte, DXC Technology, EY, Happiest Minds, IBM, KPMG, NSEIT, PwC, and Zensar exclude service provider inputs on this study and are 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 Assessment for LTI is based on its capabilities before its merger with Mindtree

Source: Everest Group (2022)

## Research calendar

### Banking and Financial Services Information Technology

Published
  Planned
  Current release

Reports title	Release date
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
Banking IT Services State of the Market Report 2022	August 2022
Enterprise Pulse on Third-party Platforms Services in BFS: Fostering Innovation and Deriving Value During a Talent Crunch	September 2022
Future of Investment Banking – Data and Digital Driving Disruption and Disintermediation	October 2022
Wealth Management Products PEAK Matrix® Assessment 2023	November 2022
Future of Treasury – Adopting Platforms, APIs, and Cloud for Real-time and Digital Functioning	November 2022
Capital Markets Technology and IT Services – State of The Market Report	November 2022
<b>Risk &amp; Compliance in BFS IT Services PEAK Matrix® Assessment 2023</b>	<b>December 2022</b>

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