Private Equity (PE) IT Services PEAK Matrix® Assessment 2024

July 2024: Complimentary Abstract / Table of Contents

Banking and Financial Services Information Technology

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- Intelligent Document Processing
- Interactive Experience (IX) Services
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- IT Talent Excellence
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- Life Sciences Commercial Technologies
- Life Sciences Information Technology
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- Marketing Services
- Market Vista™
- Microsoft Azure
- Microsoft Business Application Services
- Modern Application Development (MAD)
- Mortgage Operations
- Multi-country Payroll
- Network Services and 5G
- Oracle Services
- Outsourcing Excellence
- Payer and Provider Business Process
- Payer and Provider Information Technology
- Price Genius – AMS Solution and Pricing Tool
- Pricing Analytics as a Service
- Process Intelligence
- Process Orchestration
- Procurement and Supply Chain
- Recruitment
- Retail and CPG IT Services
- Retirement Technologies
- Revenue Cycle Management
- Rewards and Recognition
- SAP Services
- Service Optimization Technologies
- Software Product Engineering Services
- Supply Chain Management (SCM) Services
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Contents

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Contents

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

01 Robust definitions and frameworks

Function-specific pyramid, Total Value Equation (TVE), PEAK Matrix®, and market maturity

02 Primary sources of information

Annual contractual and operational RFIs, provider briefings and buyer interviews, web-based surveys

03 Diverse set of market touchpoints

Ongoing interactions across key stakeholders, input from a mix of perspectives and interests

04 Fact-based research

Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and providers

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Proprietary contractual database of Banking and Financial Services (BFS) IT services contracts (updated annually)

Year-round tracking of 30+ BFSI IT providers

Large repository of existing research in BFSI technology and IT services

Over 30 years of experience advising clients on strategic IT, business services, engineering services, and sourcing

Executive-level relationships with buyers, providers, technology providers, and industry associations

This report is based on two key sources of proprietary information

- Proprietary contract-based database, which tracks the following elements of each contract:
  - Buyer details including size and signing region
  - Contract details including provider, contract type, TCV and ACV, provider FTEs, start and 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 provider database, which tracks the following elements of each provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split LoB
  - 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 of and challenges to adopting services
  - Assessment of provider performance
  - Emerging priorities
  - Lessons learned and best practices

Providers assessed[1,2]

accenture, Apexon, cognizant, Deloitte., endava, epam, EY, GFT, Infosys, KPMG, Mphasis, NESS, Persistent, pwc, rackspace technology, Tech Mahindra, zensar

1 Assessments for Accenture, Endava, EPAM, GFT, KPMG and Tech Mahindra excludes provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with insurance buyers
2 Assessments for EY and PwC includes partial inputs from the service providers and are based on Everest Group's estimates that leverage Everest Group's proprietary data assets, services providers' public disclosures, and interaction with buyers
Source: Everest Group (2024)

Introduction

As the digital landscape continues to evolve, IT services are becoming an indispensable element for private equity firms and their portfolio companies seeking to drive value creation and operational excellence. The transition from traditional IT management to a strategic, value-driven approach is critical in this sector. Private equity firms recognize the potential of robust IT services to enhance portfolio performance, streamline operations, and achieve competitive advantages. Advanced technologies such as Artificial Intelligence (AI), Machine Learning (ML), data analytics, and cloud computing are at the forefront of this transformation, enabling more informed decision-making and operational efficiency.

However, realizing the full potential of IT services in private equity requires a strategic assessment of technological infrastructure, a clear understanding of value propositions, and meticulous management of integration risks. Adopting a proactive approach to IT service management ensures that private equity firms not only stay ahead of the technological curve but also foster sustainable growth and scalability within their portfolio companies.

In this research, we present an assessment of 17 services providers featured on the Private Equity 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 the calendar year 2024, interactions with leading private equity IT service providers, client reference checks, and an ongoing analysis of the sustainability services market.

This report includes the profiles of the following 17 leading service providers featured on the Private Equity IT Services PEAK Matrix:

- **Leaders:** Accenture, Deloitte, EY, Infosys, Persistent Systems, and PwC
- **Major Contenders:** Apexon, Cognizant, KPMG, Mphasis, Ness Digital Engineering, and Rackspace
- **Aspirants:** Endava, EPAM, GFT, Tech Mahindra, and Zensar Technologies

Scope of this report

Geography: Global

Industry: Market activity and investments of 17 leading private equity IT service providers

Services: Private equity IT services

Overview and abbreviated summary of key messages

The report examines the private equity IT service provider landscape. This report uses Everest Group's proprietary PEAK Matrix® framework to evaluate private equity IT service providers capabilities across two key dimensions – market impact and vision & capability. It also provides a competitive view on multiple dimensions, market size and growth, and analyst point of view on the key strengths and limitations of assessed providers in delivering capital markets IT services

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

Private equity market

- While the global IT services market has been growing at a modest pace, typically in the low single digits, private capital-backed firms are significantly ramping up their outsourcing activities.
- This strategy is driving high growth in the IT services sector, even amid global macroeconomic slowdowns and unique challenges faced by the private equity industry

Priorities of private equity firms

- PE firms are prioritizing optimizing the working capital management for portfolio companies, particularly due to the current period of rising interest rates, as it provides greater financial autonomy and stability
- From an investment standpoint, firms with efficient working capital management are more attractive. They demonstrate disciplined financial management, which is a key indicator of a firm's overall health and long-term viability

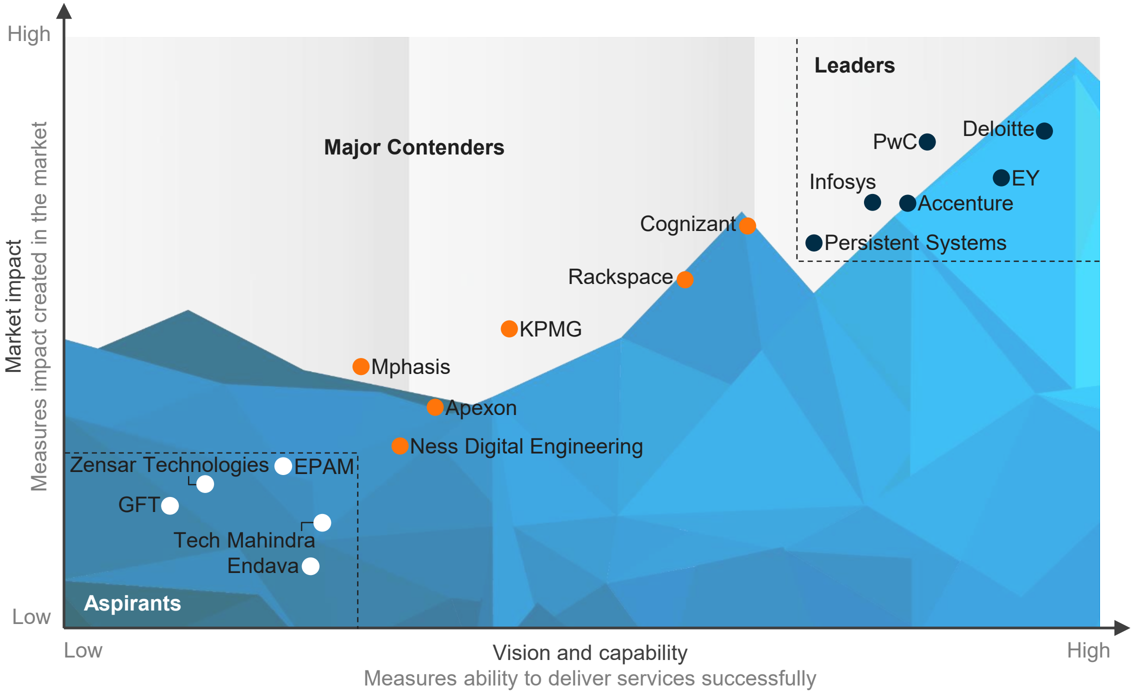
Service provider landscape

- Private equity IT services providers can be categorized into leaders, major contenders, and aspirants on a vision & capability-market impact matrix
- Leaders are highly proactive in taking their innovations and next-generation service offerings to private equity clients and their portfolio companies to help them scale their business with emerging technology
- Major Contenders are in the process of bolstering their private equity vision by setting up dedicated private equity practice and practice leaders, focusing on the underlying role of technology and platforms to orchestrate scalable private equity services
- Aspirants are focused largely on serving portfolio companies than private equity firms directly

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

Everest Group PEAK Matrix® Assessment 2024

Everest Group Private Equity (PE) IT Services PEAK Matrix® Assessment 2024[1,2]



1 Assessments for Accenture, Endava, EPAM, GFT, KPMG, and Tech Mahindra excludes provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with insurance buyers
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Source: Everest Group (2024)

Capability assessment

Illustrative example

Measure of capability: Low High

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

Everest Group's remarks on providers

Illustrative example

Measure of capability: Low High

Market impact: Market adoption	Market impact: Portfolio mix	Market impact: Value delivered	Market impact: Overall	Vision and capability: Vision and strategy	Vision and capability: Scope of services offered	Vision and capability: Innovation and investments	Vision and capability: Delivery footprint	Vision and capability: Overall

Strengths

- Dedicated private equity IT services practice and Leaders serving the private equity firms and their portfolio companies across the deal life cycle
- Leverages capabilities of services lines such as application development and cloud along with industry segments such as financial services, retail, and manufacturing to provide IT services to PE firms and their portcos

Limitations

- Peers are ahead of provider with their success stories on solutions and services developed for next-generation private equity themes such as sustainability and risk assessment
- Lags peers in having a well-defined investment roadmap to expand its offerings into more business domains such as due diligence, deal evaluation, and exit analysis

Research calendar

Banking and Financial Services Information Technology

Published Current release Planned

Reports title	Release date
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 2022	November 2022
Asset and Wealth Management IT Services PEAK Matrix® Assessment 2023	June 2023
Digital Experience Platforms (DXP) in Asset and Wealth Management (AWM) Products PEAK Matrix® Assessment 2023	June 2023
Payments IT Services PEAK Matrix® Assessment 2023	July 2023
Payments IT Services – Provider Compendium 2023	October 2023
Lending IT Services PEAK Matrix® Assessment 2023	December 2023
Lending IT Services – Provider Compendium 2024	March 2024
Exploring Generative AI's Role in Reshaping the Future for BFSI Enterprises	April 2024
Evolving Horizons – A Comprehensive Exploration of Transformative Trends in the APAC BFS Industry	May 2024
Capital Markets IT Services PEAK Matrix® Assessment 2024	June 2024
Open Banking IT Services PEAK Matrix® Assessment 2024	July 2024
Private Equity IT Services PEAK Matrix® Assessment 2024	July 2024
Consumer Loan Origination Systems (LOS) – Products PEAK Matrix® Assessment 2024	Q3 2024
Wealth Management Products PEAK Matrix® Assessment 2024	Q3 2024
Core Banking Technology Top 50 2024	Q3 2024

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