



Application and Digital Services in Banking – Services PEAK Matrix Assessment 2020: IT Modernization to Enable Digital

Banking and Financial Services (BFS) – IT Services
Market Report – December 2019: Complimentary Abstract / Table of Contents

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Custom research capabilities

- 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, scope, and methodology for Application and Digital Services (ADS) in banking – Services PEAK Matrix™ assessment 2020

- The role of banks as a physical entity providing financial services/products is changing to becoming an ecosystem enabler. The rapid onslaught of digital technologies has transformed banks from being financial services providers powered by technology to becoming technology firms offering financial services
- Banks, on their journey in pivoting into FinTech firms are tackling issues related to legacy systems, regulations, the rise of digital-native competitors, and the evolving digital needs of customers
- The biggest challenge facing the industry currently is the shortage of technology skills in the market. IT service providers are investing heavily in not just building banking-focused IP/solutions but also investing in engineering talent
- In this research, we studied the vision and capability of 27 IT service providers for banking ADS. We also evaluated the market impact generated by each IT service provider

Scope of this report



Industry

Banking (retail banking, commercial banking, cards & payments, and lending)



Market segment

ITS market – Third-party ITS transactions; excludes shared services or Global Capability Centers (GCC)



Geography

Global



Sources

- Everest Group's proprietary database of 1,200+ active, multi-year ITS contracts within banking
- Operational capability of 20+ banking ITS service providers updated through Request for Information (RFI)
- Service provider's demonstration of capabilities through briefings and discussions
- Interactions with the service provider's clients

Service providers covered in the analysis



Overview and abbreviated summary of key messages

The report provides a comprehensive assessment of the service provider landscape in application and digital services for banking and maps various providers on Everest Group's 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 banking enterprises and service providers.

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

PEAK Matrix™ characteristic for ADS in banking

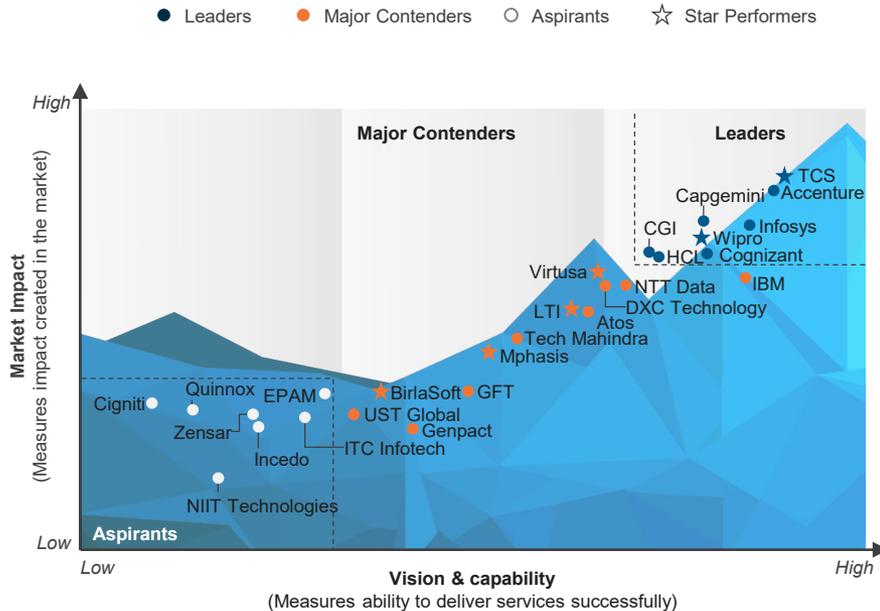
- An analysis of 27 IT service providers for ADS in banking leveraging Everest Group's PEAK Matrix™ Assessment framework highlights the following three categories:
 - Leaders: Accenture, Capgemini, CGI, Cognizant, HCL Technologies, Infosys, TCS, and Wipro
 - Major Contenders: Atos, Birlasoft, DXC Technology, Genpact, GFT, IBM, LTI, Mphasis, NTT DATA, Tech Mahindra, Virtusa, and UST Global
 - Aspirants: Cigniti, EPAM, Incedo, ITC Infotech, NIIT Technologies, Quinnox, and Zensar Technologies

Service provider delivery capability

- Leaders are investing in expanding the scope of services offered to their banking clients across areas key growth areas such as design and consulting, open banking, third-party platform system integration (SI), and consulting
- Major Contenders are investing in building point solutions to tackle specific areas such as core modernization and fraud management
- Aspirants have traditionally focused on providing niche services or serving specific domain areas. They are now expanding the set of offerings by investing in areas such as automation, platforms, and Machine Learning (ML)

This study offers a deep dive into the key aspects of the banking application and digital services provider landscape

Everest Group PEAK Matrix™ for Banking Application and Digital Services



Note: Assessment for EPAM, DXC Technology, Genpact, ITC Infotech, and NIIT Technologies; excludes service provider inputs, and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with banking enterprises. For these companies, Everest Group's data for assessment may be less complete.

Source: Everest Group (2019)

Capability assessment

Illustrative example

Measure of capability: ● High ○ Low

Service provider	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	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	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
●	●	●	○	●	○	●	○	○

Strengths

- Service provider 1, has a robust delivery presence in Asia Pacific with multiple delivery centers in India, Australia, the Philippines, and China, enabling it to service client requirements efficiently
- It has a good number of multi-country as well as single-country clients across the world

Areas of improvement

- Service provider 1 should increase offerings of value-added services such as employer branding, talent communities and workforce planning
- It should try to expand into larger multi-country deals and also scout for engagements in other Asia Pacific markets to strengthen its presence in the region

Research calendar – BFS IT Services

Published
 Planned
 Current release

Flagship reports	Release date
Enterprise IT Platform Services in BFS – PEAK Matrix™ Assessment 2019	June 2019
Next-generation Infrastructure IT Services in BFS – PEAK Matrix™ Assessment 2019	June 2019
BFS IT Service Provider Compendium and Capability Snapshot 2019	September 2019
Application and Digital Services in Banking – Services Peak Matrix™ Assessment 2020	December 2019
Application and Digital Services in Capital Markets – Services PEAK Matrix™ Assessment 2020	Q4 2019
State of the Market – Capital Markets IT	Q1 2020
State of the Market – Banking IT	Q1 2020

Thematic reports	
Future Proofing Credit Unions from the Digital Onslaught	February 2019
State of Blockchain Adoption in BFS	March 2019
BigTech Wars – Risk Management Platforms in BFS	Q1 2020
BigTech Wars – Trade Lifecycle Management	Q1 2020

Note: For a list of all of our published BFS IT Services reports, please refer to our [website page](#)

Additional BFS IT services research references

The following documents are recommended for additional insights into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **BFS IT Service Provider Compendium and Capability Snapshot 2019** ([EGR-2019-31-R-3335](#)); 2019. In this research we cover comprehensive profiles of 25 BFS IT service providers to capture their service offerings, scale of operations, technology solutions, infrastructure services solutions, risk management & regulatory reporting support, and delivery locations, along with Everest Group's provider assessment.
2. **Handbook on Building SUPER Banking Experiences** ([EGR-2018-31-R-2849](#)); 2018. In this research, we study the experience-centric investments of 40 global banks. Banking is increasingly being embedded in customer activities as it is an enabler. The role of banks has been evolving as they become lifestyle experience orchestrators. Banks are focusing on the power of the three Es – experience, efficiency, and ecosystem – to enable their transformation journey.
3. **Application Services in Global Banking – Services PEAK Matrix™ Assessment 2018: Spending Picks up as the Need for Talent, Transformation, and Time to Market Intensifies** ([EGR-2018-31-R-2784](#)); 2018. In this research, we analyzed the capabilities of 25 leading IT application service providers specific to the global banking sector. These providers have been mapped on the Everest Group PEAK Matrix™, which is a composite index of a range of distinct metrics related to each provider's vision & capability and market impact.

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