



## **BFS Risk and Compliance IT Services PEAK Matrix<sup>®</sup> Assessment 2020: Building Cloud-based Data Infrastructure for Intelligent Real-time Controls**

Banking & Financial Services (BFS) - IT Services (ITS)  
Market Report – June 2020: Complimentary Abstract / Table of Contents

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# Our research methodology leverages proprietary datasets, primary sources of information, and diverse market touchpoints to deliver fact-based intelligence

- Proprietary database of IT services contracts of major IT service providers with BFS Risk and Compliance IT 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 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 (updated annually)
- The database tracks the following for each service provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different lines of business
  - Revenue split by region
  - Location and size of delivery centers
  - Technology solutions developed

- **Service 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 BFS Risk and Compliance IT services
  - Assessment of service provider performance
  - Emerging priorities
  - Lessons learnt and best practices

## Service providers assessed<sup>1</sup>



<sup>1</sup> Assessments for Accenture, Atos, CGI, Deloitte, DXC Technology, EY, IBM, KPMG, PwC, Synechron, and Tech Mahindra excludes service provider inputs on this particular 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

Note: 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

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- Banking and Financial Services (BFS) firms are witnessing regulatory changes across cybersecurity, data privacy, enterprise risk, financial crime, and financial risk management. The industry has not witnessed such drastic changes since the Volker reforms and Dodd Frank Act, post the 2008 economic crisis. As the BFS industry deals with the pandemic induced crisis, enterprises need to prepare a resilient, scalable, agile, and flexible risk management and regulatory reporting architecture that can adapt to the needs of the post-COVID 19 world
- Firms face challenges in transforming their risk and compliance functions because of legacy IT systems and infrastructure, that act as roadblocks in using modern technologies such as AI- and big data analytics-driven risk assessment and leveraging real-time insights to manage and control risk scenarios
- Service providers are investing in building solutions and partnerships with technology vendors to help BFS firms better manage their risk and compliance function. This is accomplished by leveraging API-driven data warehouse, agile risk assessment models, and cloud-based platforms. Consulting-led change management across IT and operations is enabling service providers to help clients achieve the desired business outcomes from their risk and compliance transformation initiatives

In this report, we studied the vision and capability of, and the market impact generated by 26 leading service providers that provide BFS Risk and Compliance IT services. These service providers were positioned on Everest Group's proprietary PEAK Matrix® to identify Leaders, Major Contenders, Aspirants and Star Performers

## Scope of this report

- **Services:** Risk and Compliance IT Services
- **Industry:** Banking and Financial Services (BFS)
- **Geography:** Global
- **Service providers:** Accenture, Atos, Birlasoft, Capgemini, CGI, Cognizant, Deloitte, DXC Technology, EY, Happiest Minds, HCL Technologies, IBM, Infosys, KPMG, LTI, Mphasis, NSEIT, NTT DATA, PwC, Sopra Steria, Synechron, TCS, Tech Mahindra, Virtusa, Wipro, and Zensar Technologies

# Overview and abbreviated summary of key messages

This report examines the global 2020 BFS risk and compliance IT service provider landscape and its impact on the BFS risk and compliance IT services market. It focuses on service provider position and growth in the BFS risk and compliance IT services market, changing market dynamics and emerging BFS risk and compliance trends, and assessment of service provider delivery capabilities. It also identifies the key implications of the research findings for buyers and service providers.

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

## BFS risk and compliance IT services market and growth

- The BFS risk and compliance ITS market has grown at a CAGR of 5.3% in the last two years, driven by tightening regulations, rising enforcements, emerging risks, and the advent of digital and cognitive risk and compliance technologies
- New regulatory changes such as IFRS 9 reporting standards, CECL, CCAR, LIBOR transition, and ever-changing ambit of Basel III standards have made it crucial for BFS firms to have an API-based consolidated data warehouse and nimble solutions for risk assessment and reporting

## BFS risk and compliance IT services PEAK Matrix® characteristics

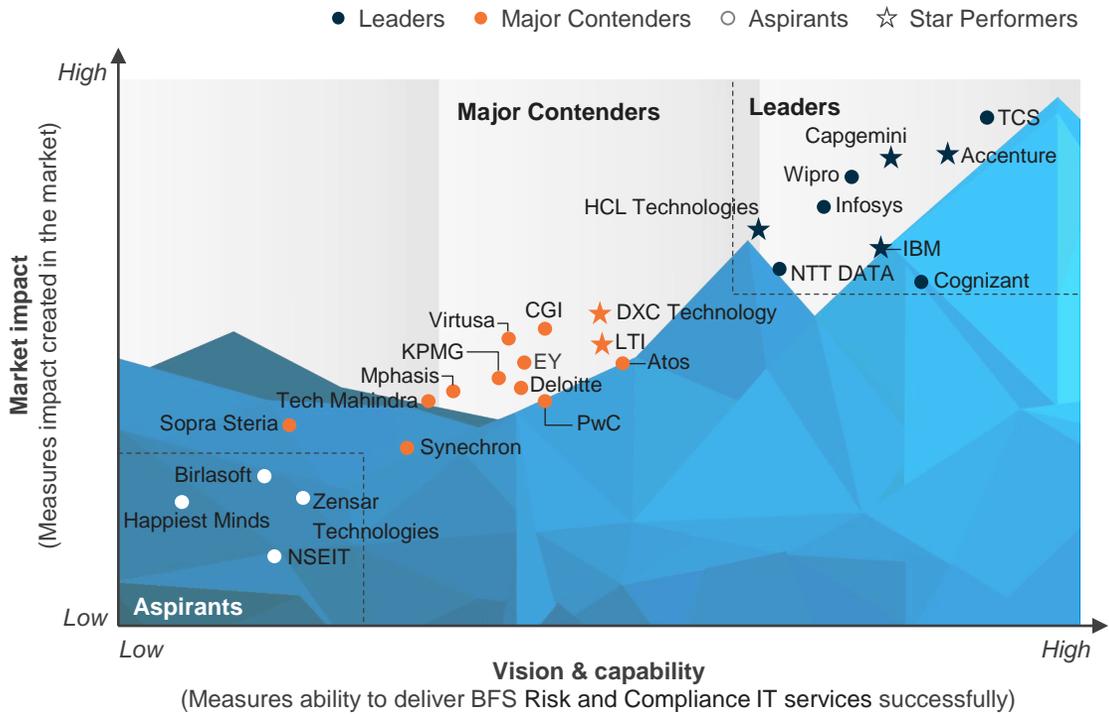
- The analysis of 26 IT service providers for BFS risk and compliance IT services leveraging Everest Group's PEAK Matrix highlights the following three categories:
  - **Leaders:** Accenture, Capgemini, Cognizant, HCL Technologies, IBM, Infosys, NTT DATA, TCS, and Wipro
  - **Major Contenders:** Atos, CGI, Deloitte, DXC Technology, EY, KPMG, LTI, Mphasis, PwC, Sopra Steria, Synechron, Tech Mahindra, and Virtusa
  - **Aspirants:** Birlasoft, Happiest Minds, NSEIT, and Zensar Technologies

## Service provider delivery capability

- BFS risk and compliance IT service providers can be categorized into Leaders, Major Contenders, and Aspirants
- Leaders are providing a differentiated customer value proposition for comprehensive digital transformation across data management, risk assessment, visualization, and reporting. They are investing in talent, products, platforms, and partnerships to win enterprise mindshare
- Major Contenders are focusing on selective risk areas and value chain elements by investing in building point solutions for various regulations and compliance needs, coupled with competitive pricing to add greater number of small digital deals
- Aspirants are trying to differentiate themselves in the market by investing in tools and frameworks to enhance niche capabilities across the BFS risk and compliance IT services landscape. They have created point solutions for specific enterprise needs for a smaller number of geographies

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

## Everest Group BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020



1: Assessments for Accenture, Atos, CGI, Deloitte, DXC Technology, EY, IBM, KPMG, PwC, Synechron, and Tech Mahindra excludes service provider inputs on this particular 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

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## Capability assessment

Illustrative example

Measure of capability: ● High ○ Low

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

Illustrative example

Measure of capability: ● High ○ Low

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

- Investments in building a comprehensive platform by utilizing open source technologies to design, develop, build, and launch a PSD2-compliant system has become a key differentiator for service provider 1 in Europe and the UK
- Training and upskilling the talent in a client proximity model has helped service provider 1 differentiate itself in Risk and Compliance deals with a high digital component

### Areas of improvement

- Penetration in geographies witnessing emergence of Risk and Compliance adoption by financial institutions, such as Asia Pacific, Middle East, and Africa lags peers
- Invest in building thought capital for adoption of open API ecosystem by financial institutions beyond banking such as insurance providers, asset managers, and wealth managers to strengthen its market messaging as a strategic partner

# Research calendar – BFS IT services

Published
  Planned
  Current release

## Flagship BFS IT services reports

Release date

Application and Digital Services in Banking – Services Peak Matrix™ Assessment 2020: IT Modernization to Enable Digital .....	November 2019
Application and Digital Services in Capital Markets – Services PEAK Matrix™ Assessment 2020: Beating the Slowdown with Data .....	December 2019
Open Banking IT Services: Moving Beyond Compliance to a Platform-based Operating Model of Ecosystem Orchestration and Value Creation – Services PEAK Matrix® Assessment 2020 .....	May 2020
<b>BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020: Building Cloud-based Data Infrastructure for Intelligent Real-time Controls .....</b>	<b>June 2020</b>
Open Banking IT Services Service Provider Compendium 2020 .....	Q2 2020
Risk and Compliance IT Services in BFS Service Provider Compendium 2020 .....	Q2 2020
Banking IT Services – State of the Market Report 2020 .....	Q2 2020
Capital Markets IT Services – State of the Market Report 2020 .....	Q3 2020
Lending Technology State of the Market Report 2020 .....	Q3 2020
BFS IT Services – Deal Trends Report 2020 .....	Q3 2020

## Thematic BFS IT services reports

Establishing a Strategic Business Case for IT Automation in BFS .....	November 2019
Financial Risk Management Platforms Assessment and Vendor Profiles .....	March 2020
Assessing the Trade Life Cycle Management Technology Platform Landscape .....	March 2020
State of the Market for Third-Party Enterprise Platforms in Banking and Financial Services: Ecosystem Collaboration for Modernization at Speed and Scale .....	April 2020
Role of BigTechs in BFSI Industry .....	Q2 2020

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

## Additional BFS IT services research references

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

- 1. Financial Risk Management Platforms Assessment and Vendor Profiles 2020 – Cloud-enabled Modern Data Infrastructure for Intelligent Real-time Risk Management** ([EGR-2020-31-R-3632](#)); 2020. In this research, we analyze 10 leading FRM technology platform vendors, focusing on their vision, capabilities, investments, and market impact. Our assessment is based on Everest Group's proprietary transaction intelligence database, public disclosures, and discussions with enterprises, technology vendors, and service providers
- 2. Application and Digital Services in Capital Markets – Services PEAK Matrix™ Assessment 2020: Beating the Slowdown with Data** ([EGR-2019-31-R-3459](#)); 2019. In this research, we analyzed the capabilities of 27 leading IT application service providers specific to the global capital markets sector. These providers were 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
- 3. Application and Digital Services in Banking – Services PEAK Matrix™ Assessment 2020: IT Modernization to Enable Digital** ([EGR-2019-31-R-3448](#)); 2019. In this research, we analyzed the capabilities of 27 leading IT application service providers specific to the global capital markets sector. These providers were 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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