



# **Application and Digital Services in Capital Markets – Services PEAK Matrix™ Assessment 2020: Beating the Slowdown with Data**

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 ADS in capital markets – Services PEAK Matrix™ assessment 2020

- Global capital markets firms have been stepping up their technology purchases and upgrades, in order to increase efficiency from operations, develop new services, or raise the service quality as they wrestle with the signs of a global slowdown. These firms are looking at data and digital initiatives to help them drive growth by launching new products, tapping into new customer segments, and experimenting with new business models
- These enterprises have been embracing co-innovation with FinTechs and technologies such as Artificial Intelligence (AI), Robotic Process Automation (RPA), distributed ledgers, and cloud to innovate across their growth, efficiency, and risk and compliance mandates
- In this research, we studied the vision and capability of 29 IT service providers for capital markets Applications and Digital Services (ADS). We also evaluated the market impact generated by each IT service provider

## Scope of this report



### Industry

Capital markets  
(Investment banking, asset management, custody and fund administration, and brokerage)



### 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 800+ active, multi-year ITS contracts within capital markets
- Operational capability of 20+ capital markets IT 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 IT service provider landscape in application and digital services for capital markets firms and maps various IT service 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 capital markets enterprises and IT service providers.

## PEAK Matrix™ characteristic for ADS in capital markets

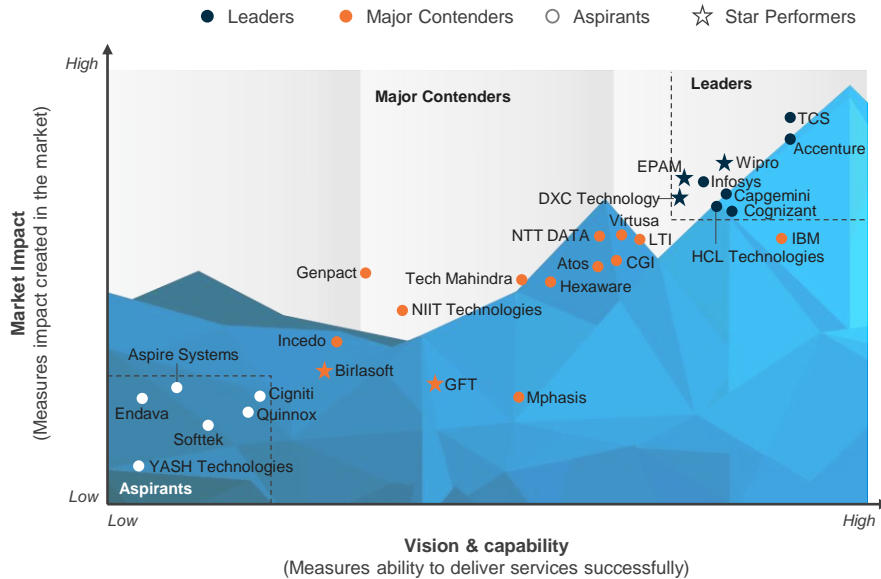
- The analysis of 29 IT service providers for ADS in capital markets leveraging Everest Group's PEAK Matrix™ highlights the following three categories:
  - Leaders: Accenture, Capgemini, Cognizant, DXC Technology, EPAM, HCL Technologies, Infosys, TCS, and Wipro
  - Major Contenders: Atos, Birlasoft, CGI, Genpact, GFT, Hexaware, IBM, Incedo, LTI, Mphasis, NIIT Technologies, NTT DATA, Tech Mahindra, and Virtusa
  - Aspirants: Aspire Systems, Cigniti, Endava, Quinnox, Softtek, and YASH Technologies

## Service provider delivery capability

- Consolidation in the ITS market continues with DXC Technology and Atos exploring inorganic growth by acquiring Luxoft and Syntel respectively
- Leaders are providing a differentiated customer value proposition for end-to-end digital transformation. They are investing in talent, products, an platforms, and partnerships to win enterprise mindshare
- Major Contenders are focusing on selective digital themes and value chain elements by forging alliances with specific technology vendors coupled with competitive pricing to add greater number of small-sized digital deals
- Aspirants are trying to differentiate themselves in the market by investing in tools and frameworks to enhance niche capabilities across the ADS landscape. They have created point-solutions for specific

# This study offers a deep dive into the key aspects across application and digital services in global capital markets segments

## Assessment of IT Service Providers for ADS in Capital Markets



Note: Assessment for Aspire Systems, Birlasoft, DXC Technology, Endava, Genpact, Softek, and YASH Technologies; 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

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        |
| <b>Application and Digital Services in Capital Markets – Services PEAK Matrix™ Assessment 2020:<br/>Beating the Slowdown with Data .....</b> | <b>December 2019</b> |
| 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. **Capital Markets ITS Report Card and Growth Outlook 2018** ([EGR-2017-31-R-2738](#)); 2018. This report analyzes 1200+ active capital markets IT services contracts to comment on the market size, growth, and demand characteristics for this market. The demand trends, across lines of business, geographies, digital themes, and application services themes, are presented using multi-year IT services deal analysis. This report also provides analyst estimates and supplier expectations of FS enterprise IT spending across lines of business, geographies, and application services subfunction
3. **Application Services in Global Capital Markets – Services PEAK Matrix™ Assessment 2019: Data, Cloud, and Platform Investments to Fuel Innovation and Optimize Costs** ([EGR-2018-31-R-2784](#)); 2018. 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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