



BFS Risk and Compliance IT Services PEAK Matrix[®] Assessment 2020: Building Cloud-based Data Infrastructure for Intelligent Real-time Controls

Banking & Financial Services (BFS) - IT Services (ITS)
Market Report – June 2020

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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 assessed¹



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

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

- 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

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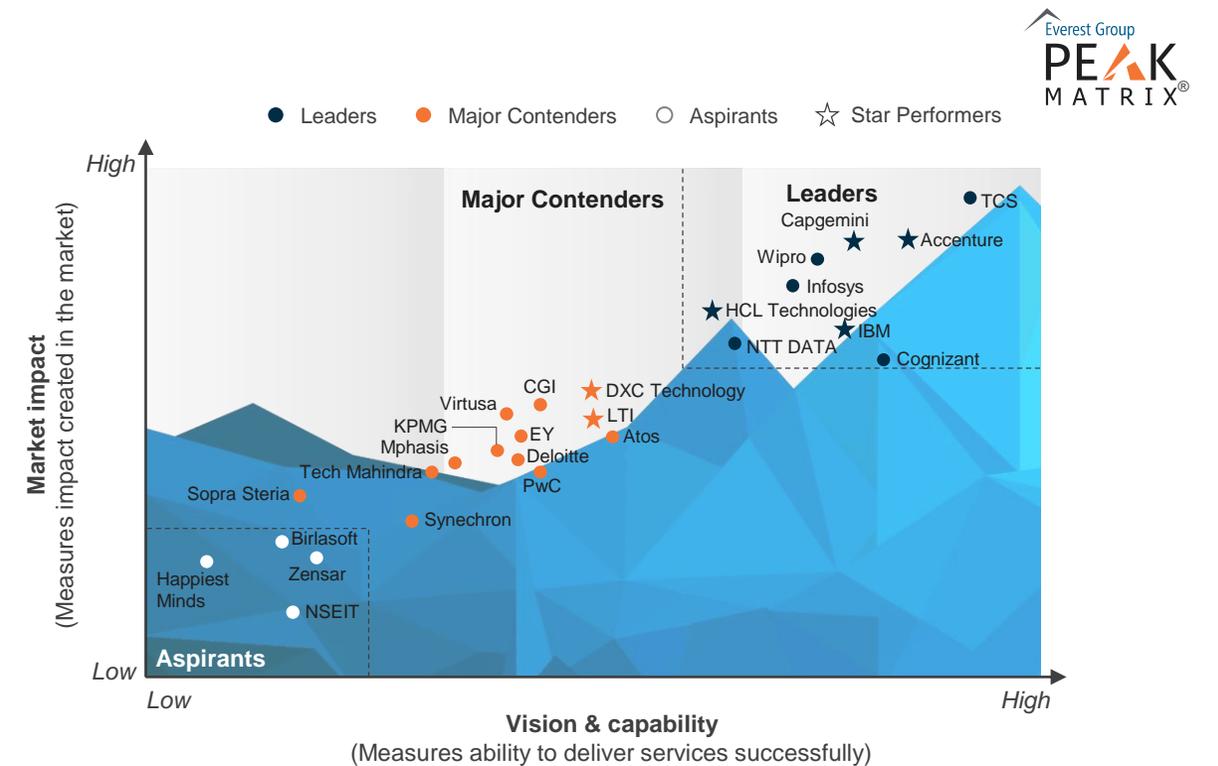
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Summary of assessment

Key messages

- The analysis of 26 IT service providers for risk and compliance IT services in BFS 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
- Everest Group identified six service providers as the **"Risk and Compliance IT Services in BFS 2020 Star Performers"** – Accenture, Capgemini, DXC Technology, HCL Technologies, IBM, and LTI
- The risk and compliance ITS market continues to witness significant growth and BFS firms are infusing a data- and insights-led approach to managing their risk and compliance function
- IT service providers are investing in building capabilities to provide end-to-end services to BFS clients comprising system-gap analysis, platform selection and implementation, and transformation road mapping. Service providers are achieving this by forging alliances and acquiring firms with specific technology or service capability, as in the case of Accenture's acquisition of Parker Fitzgerald to bolster its consulting services, and Capgemini's acquisition of Leidos Cyber to provide its clients with enhanced cybersecurity services
- 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 risk and compliance IT services landscape. They have created point solutions for specific enterprise needs for a smaller number of geographies

BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020



Note : PEAK Matrix specific to risk and compliance IT services in BFS. 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

Source: Everest Group (2020)

Summary of key messages | risk and regulatory compliance trends



Stable 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

Post-pandemic business continuity: With increasing uncertainty in the post-pandemic world and macroeconomic factors becoming more unstable, financial services firms are looking for real-time risk assessment and management

Tightening regulations: BFS firms are gearing up to tackle major regulatory changes such as LIBOR transition, BASEL III, MiFID II, FRTB, and other data privacy regulations such as CCPA and GDPR

Risk and compliance for competitive advantage: Risk and compliance is being looked at as a business differentiator as real-time and in-depth risk assessment and analysis are helping BFS leaders take the right business decisions

Automation for cost reduction: BFS firms are managing the rising cost of performing operations such as Consumer Due Diligence (CDD) and Know Your Customer (KYC) by adopting automated and cloud-enabled solutions

Expansion of IT services capabilities by consulting and audit firms: These firms are ramping up capabilities beyond consulting and audit to win market share for IT services, with analytics and security being key focus areas

Implications for enterprises



Simplifying core risk functions and automating operations will increase efficiency and enable superior customer experience

BFS enterprises must invest in building a consolidated data exchange, that taps into internal and external data, to enhance ease of accessibility for high-quality data across different risk management functions

Build a risk team with multi-functional skills, where data scientist and mathematicians collaborate with risk managers for better business decisions

Explore use of cognitive technologies to improve the accuracy of risk assessment and identify complex patterns in large risk data sets. Continue to keep an eye on innovation in modern computing technologies such as quantum computing

Drive transparency by sharing data through APIs or open platforms with regulators and audit bodies and use APIs exposed by third parties to access data needed for risk assessment and regulatory reporting

In a post-pandemic world, risk and compliance leaders in BFS firms will need to reassess their investment priorities to balance enhancing longer-term resiliency of their systems for future crisis situations as well as meeting near-term compliance objectives

Implications for service providers



Build thought capital in collaboration with third-party solution providers to educate the market on the importance of leveraging data-driven risk and compliance solutions that imbibe modern technologies such as cognitive and cloud computing

Invest in building internal solutions and platforms for risk and compliance management to help BFS firms accelerate their transformation journeys

Service providers must invest in training and certifications of resources across business operations along with leading platforms to win larger deals encompassing both IT and operations services components

Invest in co-innovation with RegTechs to empower clients to use new data sources, AI- and big data analytics-driven risk modeling and stress testing, and interactive dashboarding

Acquisitions can help firms to bolster their services and solutions around emerging risks such as cybersecurity and data security, or to bolster their consulting-led go-to-market strategy for new regulations

Devise a Lines of Business (LOB)- specific, geography-driven, and advisory-led GTM strategy to win engagements across new regulations and emerging risks

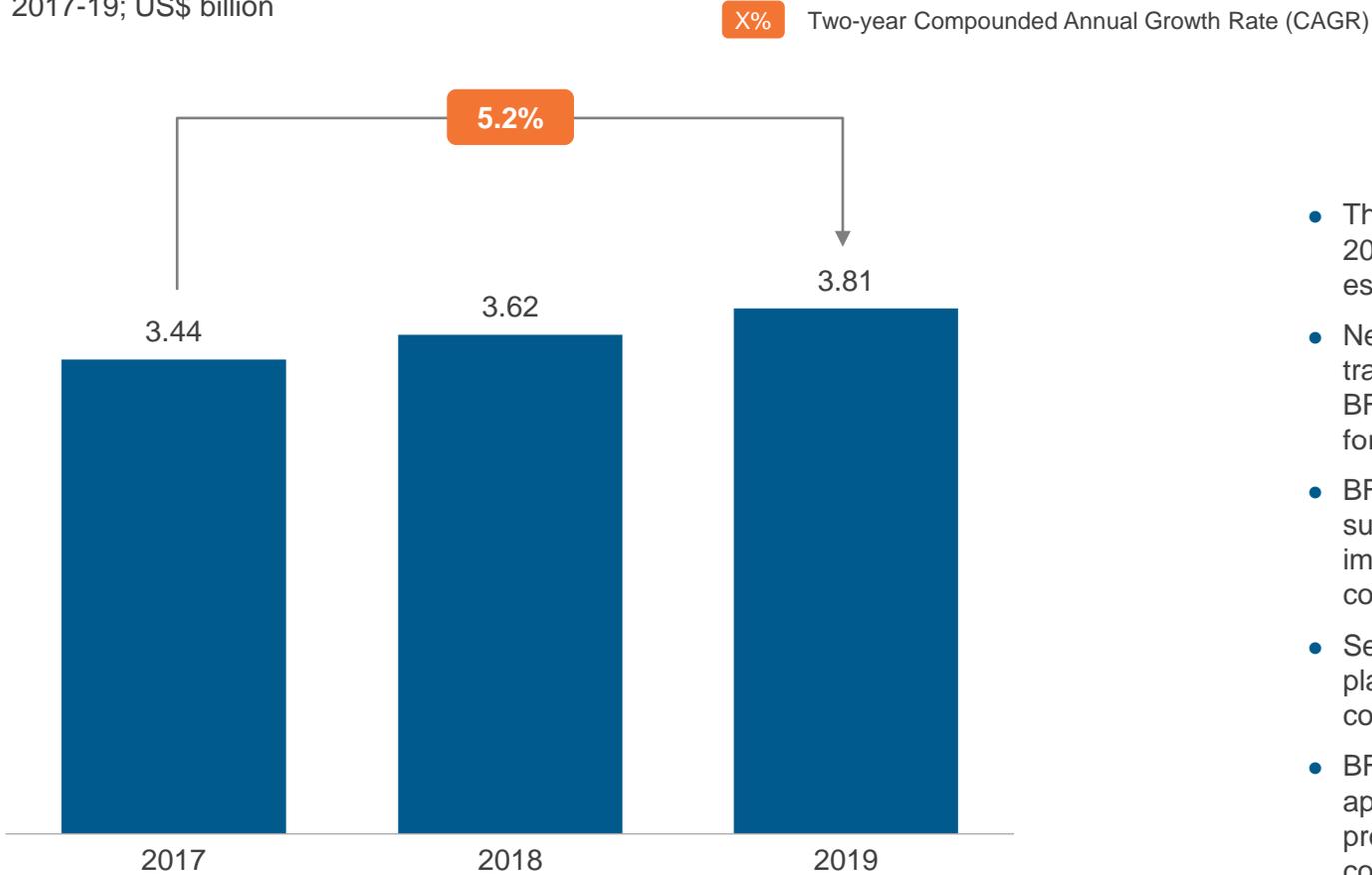
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Risk and compliance IT services market continues to grow as BFS firms invest in comprehensive data management, risk assessment, and reporting solutions

Risk and compliance IT services in BFS market
2017-19; US\$ billion

EVEREST GROUP ESTIMATES

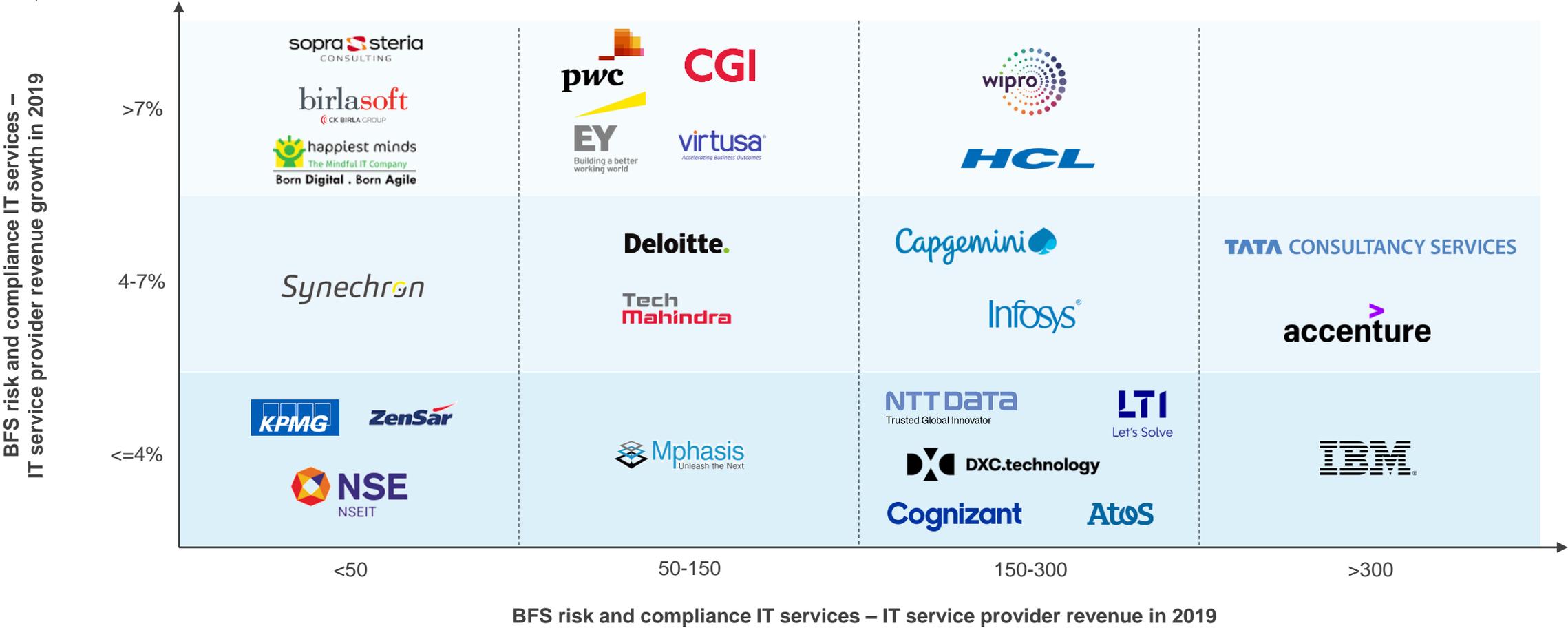


- The BFS risk and compliance IT services market witnessed around 5.3% growth in 2019, as BFS firms continued to face increasing regulatory pressure, new risks, escalating cost of compliance, and rising regulatory enforcements
- New regulatory changes such as IFRS 9 reporting standards, CECL, CCAR, LIBOR 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 service providers are offering a wide range of services such as consulting, solution development, third-party solution selection and implementation, and testing and maintenance to help manage enterprises' risk and compliance needs
- Service providers are developing higher value services including data management, platform implementation, cybersecurity, and analytics in order to provide end-to-end coverage of risk and compliance needs of BFS firms
- BFS firms are gearing up for post-pandemic revaluation of their books and risk appetite as governments look to ease lending, liquidity, and financing in order to provide effective stimuli to the economy. This will increase the demand for risk and compliance IT services with quick turnaround times

Source: Everest Group (2020)

From 2018-19, 9 of the top 26 IT service providers grew their BFS risk and compliance IT services revenue by more than 7%

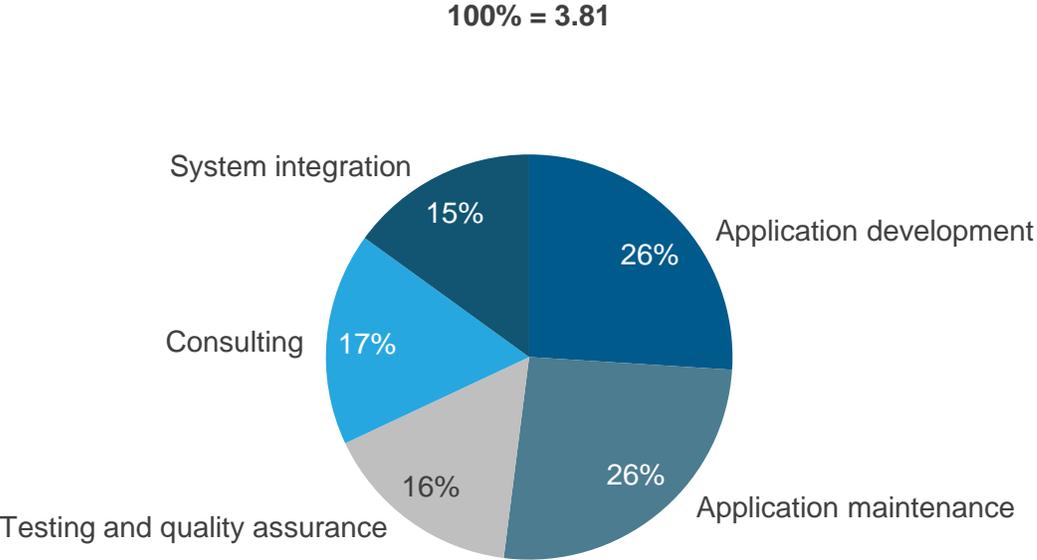
IT service provider revenue and growth rate in BFS risk and compliance IT services¹
2019; US\$ million



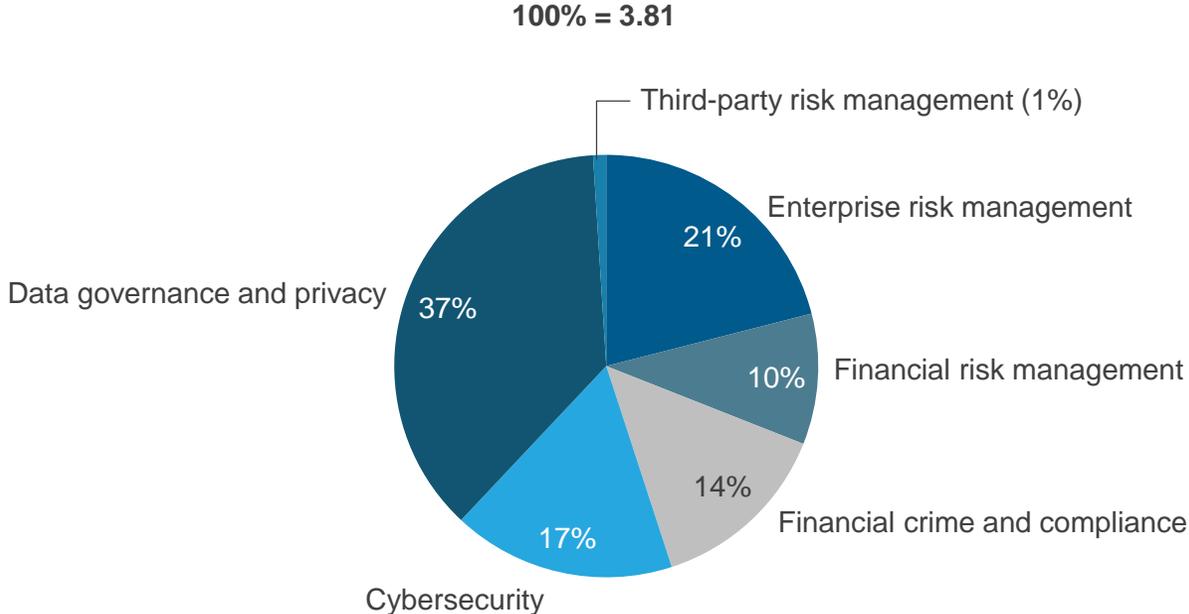
¹ Based on Everest Group estimates
Source: Everest Group (2020)

Growth in global risk and compliance in the BFS IT services market is driven by regulations for cybersecurity and data privacy

Analysis of risk and compliance in BFS IT services by scope of services¹
2019; US\$ billion

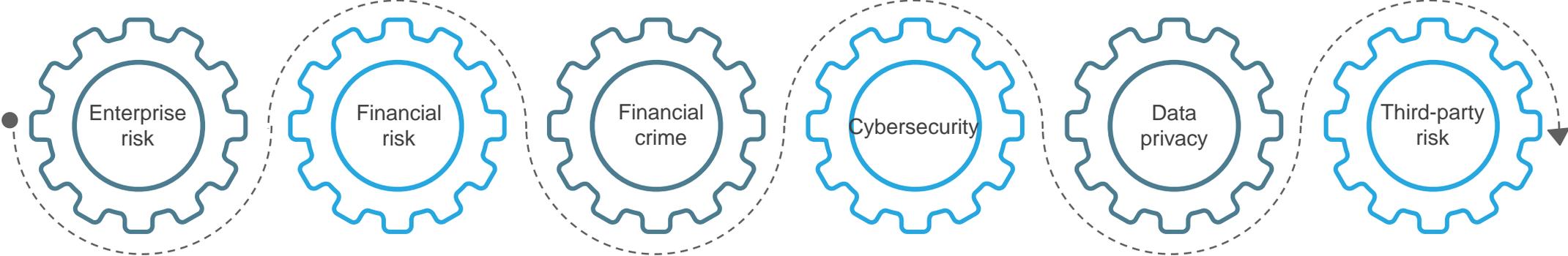


Analysis of risk and compliance in BFS IT services by risk theme¹
2019; US\$ billion



- The risk and compliance IT services market in BFS is witnessing growth, driven by regulations such as GDPR and CCPA across data security and privacy and changing standards including BASEL III, IFRS, LIBOR, and FATF regulations across financial risk management, financial crime and compliance, and enterprise risk management
- BFS firms are increasingly looking to leverage consulting services as the regulatory pressure, fines, losses, and complexity of IT stack and solutions increase. This enables service providers to not just provide the right solution or digital service, but chart out a long-term risk and compliance technology transformation strategy in order to provide flexible and agile IT infrastructure and digital platforms for risk and compliance management across different LOBs

Digital investments are helping BFS enterprises achieve desired business outcomes and gain competitive advantage from their risk and compliance initiatives



Technology priorities

- Monitoring through analytics, AI, ML, and NLP
- Utilizing API-enabled data lake that houses data related to all risk operations
- Investing in cloud technology to scale up risk monitoring during times of high volatility

- SaaS-based risk assessment solution
- Using big data analytics, backed by statistical methods for risk rating
- Incorporating third-party data such as credit bureau rating

- Investment in AI- and ML-backed fraud management solutions
- Develop new solutions such as blockchain-based KYC repository
- Using voice and device analytics

- Firm-wide consolidation of identity and access management systems across LOBs
- Cyber resilience using machine learning and security analytics to store and analyze huge amounts of security data

- Machine learning is helping FS firms understand critical data fields and systems where a breach can occur
- Automation for monitoring breach of data privacy regulations
- Intuitive and centralized dashboard for oversight

- Invest in third-party solutions that provide intelligent document (tax, legal papers, and contracts) ingestion and digitization
- Real-time monitoring using dashboards to check for contract breaches

Business priorities

- Breaking silos associated with GRC functions
- Align people, processes, and systems in managing risks
- Developing a flexible framework to incorporate regulatory changes

- Require real-time risk data for quick decision-making
- Need to provide in-depth reports to regulators in real-time
- Reduce dependence on manual processes

- Reduce number of false positives
- Mitigate fraud losses and fines, especially via digital modes of payment
- Consolidated view of all internal and external crimes and frauds

- Enable firms to launch digital products and adopt experience enhancement initiatives such as social media-linked financial services without fear of cyber breach
- Provide the capability to recover with minimum damage if an attack occurs

- Maintain the right balance between regulations such as GDPR and PSD2
- Real-time monitoring using dashboards to check for contract breaches

- Identifying, assessing, managing, and reporting on risks of third-party relationships
- Ability to maintain the confidentiality and integrity of the bank's information and systems

CFOs and risk & compliance teams in organizations that invested in digital capabilities were better prepared to handle the COVID-19 pandemic vis-à-vis peers

Chief Financial Officer (CFO), Chief Compliance Officer (CCO),
and Chief Risk Officer (CRO)

Key challenges due to Covid-19 (direct and indirect impact)



- **Deterioration of credit quality**
- **Market volatility and liquidity shifts causing:**
 - Issues with price discovery
 - Unexpected shifts in asset valuations impacting asset impairment and/or loss of collateral coverage
 - Impact on risk weighted assets due to higher counterparty risk
- **Adapting to tax system changes and ongoing guidelines:**
 - As employee location changes, so does state and federal tax implication in a few cases
 - Changes in operating strategy might lead to tax implications
- **Risk monitoring and reporting**
 - Assumptions in models could be negated due to the ongoing economic crisis
 - Increase in frauds

Implications



- **Near-term:**
 - Identify alternative data/models to reduce dependency on assumptions (or data from vendor) that got negated due to crisis
 - Early warning disclosures
 - Disclosures for Covid-19 impact based on GAAP and SEC guidelines
 - Divert resources from risk & compliance change initiatives to manage the situation
- **Medium-term:**
 - Enhance risk controls and policies
 - Data modernization to be prepared better with analytics to manage real-time risk management for reporting/decisions during future crises

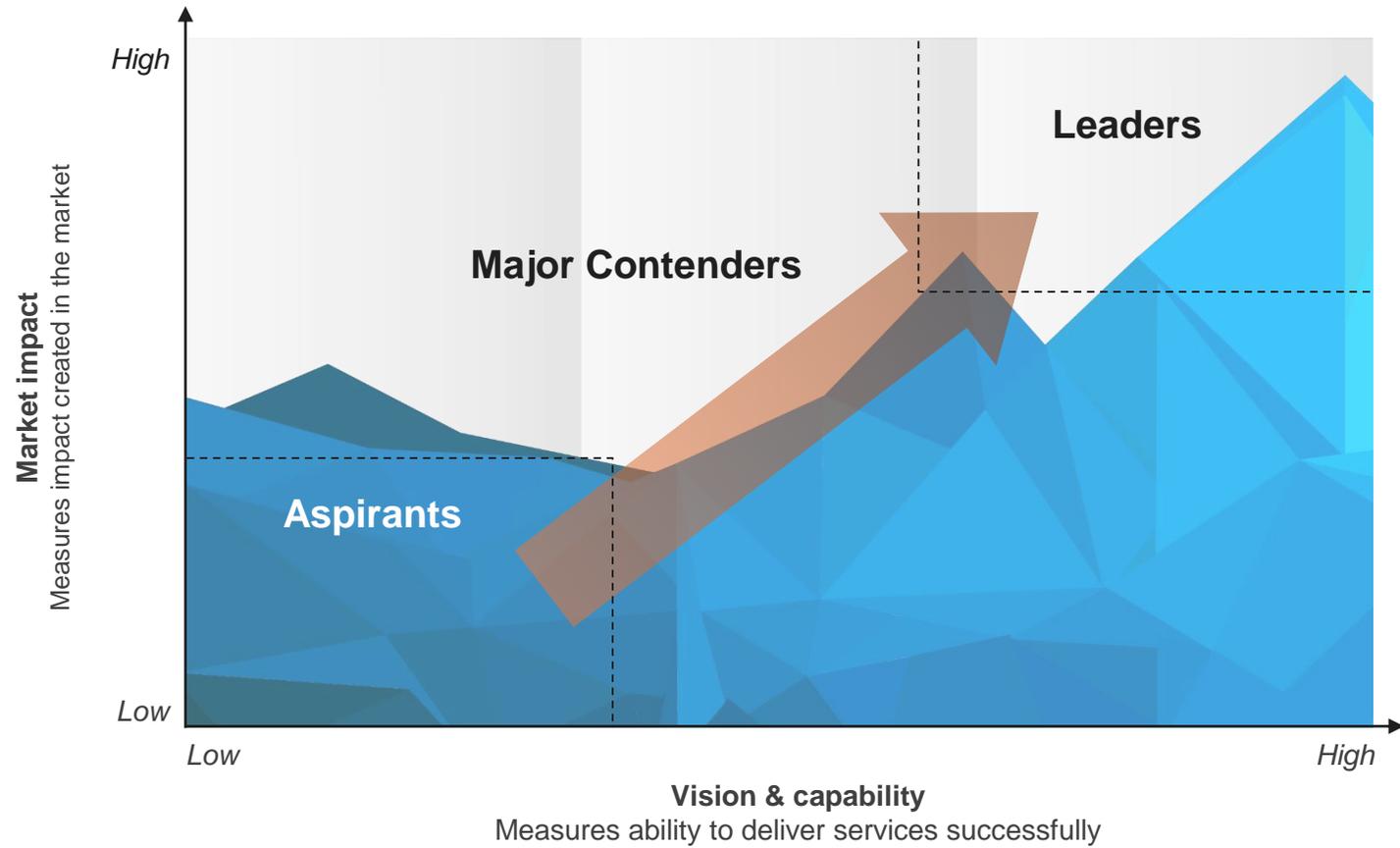
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Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability



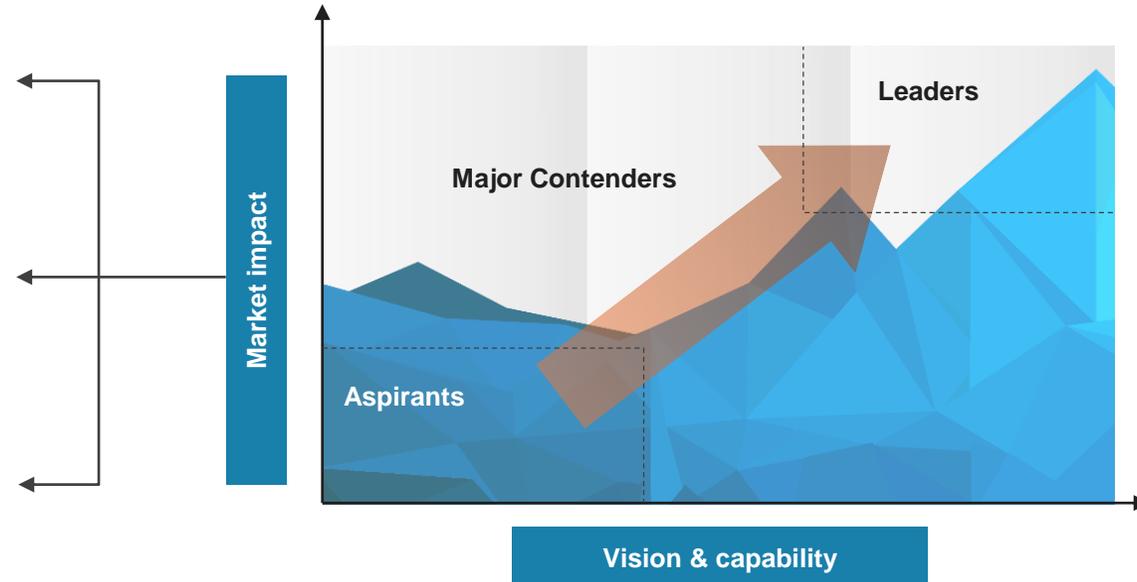
Everest Group PEAK Matrix



Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

- Market adoption**
No. of clients, revenue base, YOY growth, and deal value/volume
- Portfolio mix**
Diversity of client/revenue base across geographies and type of engagements
- Value delivered**
Value delivered to the client based on customer feedback and transformational impact



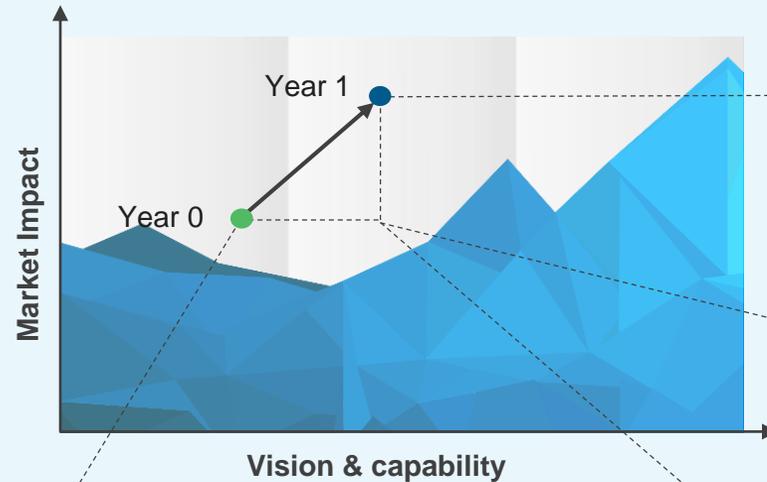
Measures ability to deliver services successfully. This is captured through four subdimensions

- Vision and strategy**
Vision for the client and itself; future roadmap and strategy
- Scope of services offered**
Depth and breadth of services portfolio across service subsegments/processes
- Innovation and investments**
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, and M&A
- Delivery footprint**
Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix



In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:

- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:

- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology-/domain-specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:

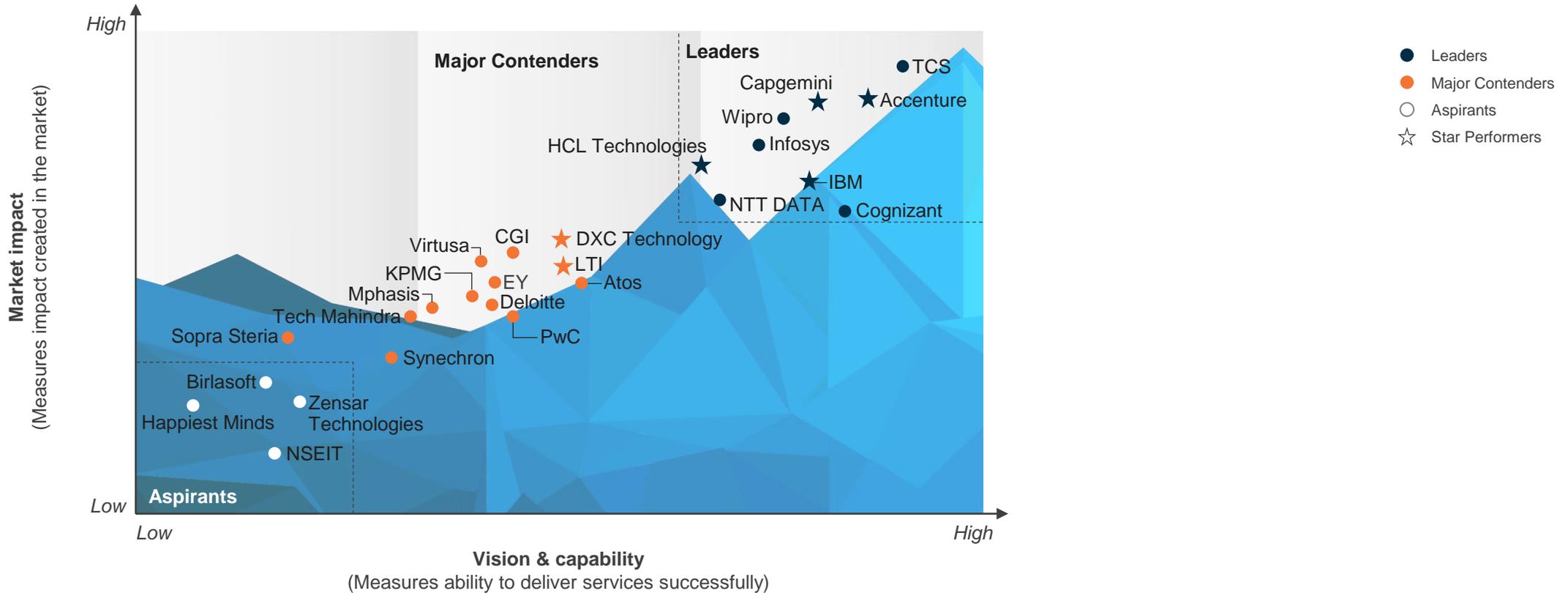
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement **in** performance in both market success and capability advancement

The Star Performers title relates to YOY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

Everest Group PEAK Matrix®

BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020

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



Note : PEAK Matrix specific to risk and compliance IT services in BFS. Assessments for Accenture, Atos, CGI, Deloitte, DXC Technology, EY, IBM, KPMG, PwC, Synchroon, 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

Source: Everest Group (2020)

BFS Risk and Compliance IT services PEAK Matrix® characteristics

Leaders:

Accenture, Capgemini, Cognizant, HCL Technologies, IBM, Infosys, NTT DATA, TCS, and Wipro

- Leaders are characterized by their wide scope of offerings including regulatory consulting, risk architecture & modeling, validation, application development & maintenance, and Systems Integration (SI) across GRC, financial risk management, financial crime mitigation, cybersecurity, data privacy, and reporting
- They have a well laid-out strategy to train and certify talent across major third-party platforms and provide a combined IT and operations services
- They have a well-defined partnership ecosystem with major third-party platform providers across the risk and compliance landscape; a joint market attack strategy with these vendors is helping them win large deals across different geographies
- In order to keep pace with the market dynamics, Leaders continue to invest in new services capabilities such as cloud-based offerings, cross-functional domain and analytics experts, solution accelerators, proprietary solutions, and innovation centers

Major Contenders:

Atos, CGI, Deloitte, DXC Technology, EY, KPMG, LTI, Mphasis, PwC, Sopra Steria, Synchron, Tech Mahindra, and Virtusa

- Major Contenders includes a mix of global and regional players; these players have built meaningful capabilities to build pockets of sustainable differentiation
- They have created differentiated capabilities across specific areas such as market risk, credit risk, cybersecurity, and data privacy. Major Contenders are making continued investments in developing internal IP and bolstering partnerships in order to plug their capability gaps
- DXC Technology and LTI stand out among Major Contenders due to the breadth and depth of their solutions portfolio, proprietary platforms, capabilities across the stack (built in-house or through acquisitions), and the ability to combine offerings with next-generation technologies such as cognitive computing
- Large audit and consulting firms are moving downstream in their risk advisory projects to provide IT services support for managing the risk and compliance function as clients ask for end-to-end partners from roadmap to implementation and day-to-day operations

Aspirants:

Birlasoft, Happiest Minds, NSEIT, and Zensar Technologies

- Aspirants typically cover specific risk segments across BFS lines of business or deliver depth of services on one of the services themes such as analytics, system integration, or cybersecurity
- Aspirants are in a good position to challenge the market on specific elements in the risk & compliance value chain. They can leverage small scale to their advantage by positioning themselves as a service provider of choice for clients who seek a nimble partner that can work intimately with their risk and compliance teams

Everest Group has identified six service providers as the 2020 Star Performers (page 1 of 2)

Risk and compliance IT services Star Performers

Distinguishing features of market success in 2020

Distinguishing features of capability advances in 2020

Change in PEAK Matrix® positioning for BFS risk and compliance IT services



- Accenture has witnessed significant deal wins, especially with consulting-led engagements
- Acquisition of Parker Fitzgerald helped expand into new logos
- Won cloud-driven risk and compliance transformation engagements

- With increased investments across training and certification, it has distinguished its capabilities across financial crime, credit, and market risk management
- Strong investments in building data privacy solutions and frameworks have helped them company bolster its risk and compliance solutions

Moved from being a Major Contender to a Leader



- Witnessed significant growth due to combined go-to-market efforts with major third-party solution providers in risk and compliance
- Has won multiple deals across geographies with notable wins across North America, Europe, and APAC

- Strong partnerships with solution providers and RegTech firms have allowed it to cover all major risk and compliance areas such as financial crime and financial risk management

Strengthened its position as a Leader



- With the acquisition of Luxoft, it has been able to win multiple deals across Europe and the US due to Luxoft's strong risk and compliance consulting-led practice and engineering capabilities

- Developed differentiated solutions for KYC, AML, and financial crime by leveraging AI, ML, and big data analytics
- Has developed a strong managed services play across cybersecurity and data privacy for BFS clients

Strengthened its position as a Major Contender

Source: Everest Group (2020)

Everest Group has identified six service providers as the 2020 Star Performers (page 2 of 2)

Risk and compliance IT services Star Performers



Distinguishing features of market success in 2020

- Exhibited double-digit growth rate in risk and compliance IT services
- Expanded market share due to marquee wins and investments in platforms

Distinguishing features of capability advances in 2020

- Invested in developing internal solutions and services across data management, risk analytics, and compliance management
- Bolstered the partnership ecosystem to provide end-to-end services across various dynamic regulations such as CECL and CCAR

Change in PEAK Matrix® positioning for BFS risk and compliance IT services

Moved from being a Major Contender to a Leader



Has witnessed strong growth in number of clients, driven by robust solution and service offerings across financial risk and crime

- Developed strong solutions such as IBM OpenPages for integrated risk management and IBM Safer Payment to help mitigate payment frauds
- Has differentiated offerings by strong investments in data management, AI-driven risk assessment, and visualization

Moved from being a Major Contender to a Leader



Has won various deals across regulatory compliance and reporting due to strong market messaging for its internal IPs and solutions including BCBS 239, CCAR, CECL, CCPA, and GDPR

- Investments in training resources across major platforms have helped it enhance domain capabilities
- Co-innovation labs and experience centers, have enabled it to effectively showcase solutions to clients and drive new solution development efforts

Strengthened its position as a Major Contender

Source: Everest Group (2020)

Summary dashboard | market impact and vision & capability assessment of providers for BFS risk and compliance IT services 2020

Leaders

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
Accenture									
Capgemini									
Cognizant									
HCL Technologies									
IBM									
Infosys									
NTT DATA									
TCS									
Wipro									

Summary dashboard | market impact and vision & capability assessment of providers for BFS risk and compliance IT services 2020

Major Contenders

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
Atos									
CGI									
Deloitte									
DXC Technology									
EY									
KPMG									
LTI									
Mphasis									
PWC									
Sopra Steria									

Summary dashboard | market impact and vision & capability assessment of providers for BFS risk and compliance IT services 2020

Major Contenders

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
Synechron									
Tech Mahindra									
Virtusa									

Summary dashboard | market impact and vision & capability assessment of providers for BFS risk and compliance IT services 2020

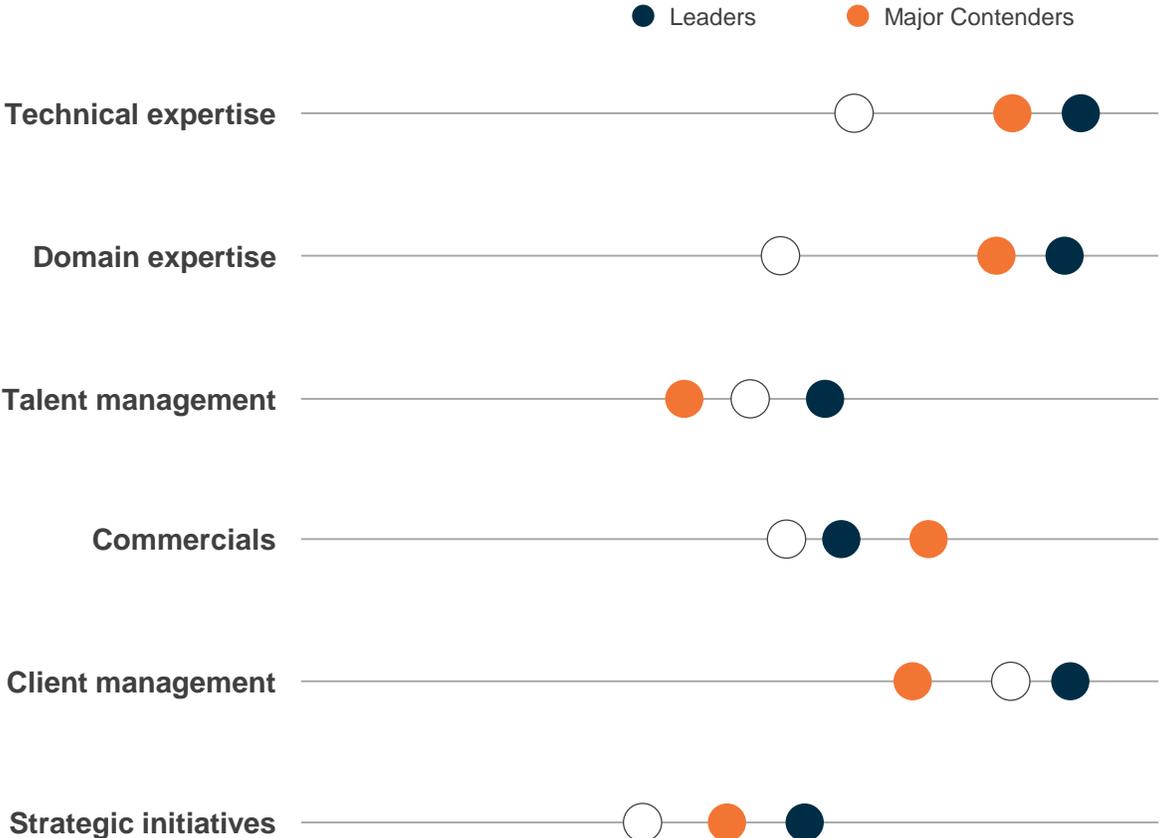
Aspirants

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
Birlasoft									
Happiest Minds									
NSEIT									
Zensar Technologies									

Service providers have demonstrated high levels of client intimacy, domain knowledge, and technical expertise

Buyer satisfaction scores, 2019



- Leaders and Major Contenders have been rated higher by their clients on technical and domain expertise, as they are able to provide breadth and depth of technology skills, that is complemented with significant investments in building risk and compliance domain expertise
- Talent management has been a major concern for all service providers as attrition and availability of suitable talent for application development, maintenance, testing, and most importantly consulting for major risk and new regulations hinder the project roadmap, strategy, and time-to-market. However, Leaders have been able to differentiate themselves through investments in certifications across major regulations and platforms
- Leaders have been recognized as a partner of choice for end-to-end risk and compliance IT transformation from data management, platform selection/implementation, risk modeling, visualization, and reporting. This is due to their ability to offer thought leadership and consulting capabilities to educate clients on the best practices gained from previous engagements
- Aspirants, with their limited client portfolio, have fared well in managing the clients who seek a nimble and intimate partner
- Through their niche focus on selective LOBs and geographies, Major Contenders have narrowed the gap with Leaders in terms of technical and domain expertise

Source: Everest Group (2020)

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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

- Accenture has globally witnessed steady growth in revenue, driven by its consulting-led GTM strategy along with the acquisition of Parker Fitzgerald, a financial services risk assurance and advisory firm
- Industry-leading global delivery presence with high percentage of resources trained and certified on third-party risk and compliance platforms helped Accenture scale its risk and compliance IT services business
- Investments in solutions and frameworks for all major regulatory changes including Money Market Fund Reform, GDPR, IFRS 9, MiFID II, and BCBS 239 have helped it cover a wide spectrum of client demand themes
- Comprehensive partnership ecosystem with major vendors across GRC, cybersecurity, financial risk, fraud, and anti-money laundering
- Extensive thought leadership helps shape client's risk and compliance agenda and awareness of Accenture's offerings

Areas of improvement

- Lacks targeted solution and service offerings for BFS clients of different sizes
- With increased emphasis on consulting-led services, Accenture is losing wallet share across smaller engagements involving testing and maintenance pieces of work within risk and compliance for BFS firms
- Clients need Accenture to enhance data management capabilities to expand its risk analytics expertise
- Lags peers in demonstrating success proof-points across major geographies for cloud-enablement of client's risk and compliance functions
- Silos in risk and compliance operations and digital engineering teams are preventing Accenture to offer an integrated as-a-service value proposition to BFS clients

Capgemini

Everest Group assessment – Leader and Star Performer

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

- Capgemini has witnessed steady growth in the last two years due to a strong partner ecosystem across GRC, financial crime, and cyber and data security, and expansion in its North American BFS risk and compliance business
- Joint go-to-market strategy with third-party solution providers such as AxiomSL, Metricstream, SAS, and Moody's Analytics has helped Capgemini increase bookings in the last 18 to 24 months
- Capgemini has bolstered its service offerings in cybersecurity by the acquisition of Leidos Cyber
- Investments to train and certify its resources for financial crime themes such as AML and KYC have helped win engagements in this space
- Differentiated solutions such as cognitive document processing, layered with domain ontology, helped drive better time-to-market for clients and address pain points around process inefficiencies

Areas of improvement

- Variance in depth of risk and compliance domain expertise across LOBs is a deal loss theme
- Lower scale of onshore risk and compliance domain experts in Europe is leading to slower growth vis-à-vis peers
- Cloud-enablement of risk and compliance function is an area where Capgemini seems to be trailing in success proof-points
- Lags peers in completeness of internal tools and solutions for financial risk management including credit market risk and GRC
- Lacks an integrated IT and operations offering for risk and compliance; this is a fast-growing area where peers are taking an as-a-service offering to the market

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

- Cognizant has a wide portfolio of in-house IP/solutions catering to different risk and compliance demand themes such as CCPA and CCAR
- Investments in creating a consulting framework for LIBOR transition in partnership with Unqork and Kira Systems helped win deals for this high-demand regulatory change theme
- Forged partnerships with players such as One Trust and Big ID to provide CCPA and GDPR compliance to their US and European BFS clients
- Has been able to utilize its long and deep ties with FS clients to win deals in financial crime management
- Clients have appreciated Cognizant's strong data management capabilities and agile delivery for visualization and reporting system implementation services

Areas of improvement

- Cognizant lags peers in coverage of capital markets risk and compliance demand themes such as MiFID II and FRTB
- Limited success proof-points for large-scale multi-tower risk and compliance transformation engagements beyond the North American market
- Partial coverage of third-party risk and compliance platforms seems to be stemming from limited partnerships with vendors in this space. This prevents it from advising clients on best of breed solutions for their specific needs
- Cognizant has not kept pace with peers on scale of investments in building financial services-compliant cloud services/solutions or developing internal IPs and solutions for cybersecurity needs of BFS firms
- Clients expect better attrition management to drive persistent engagements

HCL Technologies

Everest Group assessment – Leader and Star Performer

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

- HCL technologies expanded its partner ecosystem across all the major risk and compliance themes such as regulatory reporting and financial crime and compliance, which helped win multiple engagements in 2019
- Clients have appreciated HCL Technologies' strong capability in advisory and product selection for enterprise risk management and financial crime management
- It has developed strong risk data management services to help BFS firms comply with BCB 239 data quality standards for regulatory reporting
- Continues to invest in talent development by getting resources certified across major GRC platforms such as RSA Archer
- Scale of engineering talent and platforms experience positions HCL strongly to support clients in building modern risk management platforms using open source technologies
- HCL has been open to experimenting with innovative commercial models such as utility models for managing the risk and compliance needs of BFS customers

Areas of improvement

- Although HCL Technologies witnessed healthy growth in BFS risk and compliance IT services business, it had limited large-scale risk and compliance wins in the North American market
- It has limited internally developed IP/solutions for credit and capital analysis and reporting regulations such as CCAR and CECL
- Clients want it to proactively bring ideas and points of views on driving innovation in managing their risk and compliance functions
- Though HCL brings a breadth of risk and compliance capabilities, there are gaps in alignment of the risk and compliance domain expertise across LOBs
- Clients have cited internal knowledge transfer for transformation projects as a challenge when dealing with attrition in projects

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

- IBM's acquisition of Promontory Financial Group helped scale risk and compliance domain expertise and advisory services
- As part of its hybrid cloud strategy and acquisition of Red Hat, IBM is aggressively taking to market its financial services-ready compliant cloud offerings and is investing in building an extended ecosystem of partners
- It has strong AI- and ML-driven solutions for AML and KYC for all lines-of businesses across banking and capital markets
- Existing IP/solutions for analytics-based credit, market, and liquidity risk management built on IBM Cognos are widely adopted by banking clients
- It has created proprietary frameworks for BCBS 239 compliance across data consolidation, quality, and governance for FS clients
- Due to its consulting-led approach including system gap analysis, solution selection, and road mapping, IBM has been able to win deals for LIBOR transition

Areas of improvement

- Heavily dependent on internal product-led go-to-market strategy, it lags peers in third-party platform partnerships across GRC, financial crime, and financial risk management
- Lacks a comprehensive training and certification strategy for its resources on major risk platforms such as RSA, ServiceNow, and Metricstream that build domain-aligned experts
- Mid-size and small BFS firms do not align with IBM's transformation-centric value proposition and messaging on risk and compliance offerings. There is a need to create a well-defined value-proposition for clients of different sizes and align it with their demand themes
- Clients expect higher agility and nimbleness in IBM's response to meeting their evolving demand themes, especially the ability to scale up or down resource mix to meet fluctuations in demand patterns

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 cloud-enabled platforms for major risk and compliance areas such as financial risk management and enterprise risk management have helped Infosys win modernization engagements in this space
- Demonstrated a partner-led go-to-market strategy with players such as SAS, MetricStream, and RSA to serve a larger number of clients
- Clients have cited Infosys’s flexibility in offering innovative outcome-based pricing models
- Invested in emerging themes such as climate risk by developing a framework to measure the impact of climate-related risk factors on KPIs of banks
- Infosys has a consulting-led strategy for LIBOR transition, covering assessment of current exposure to LIBOR along with design, development, and implementation of new products

Areas of improvement

- Consulting and strategy engagements drive lower percentage of revenue as opposed to peers of similar scale
- Limited ability to provide clients with multiple options for third-party risk tools due to sparse partnership ecosystem in this space
- Attrition has been a consistent issue at an organization level and clients have cited a lag in ramping up of resources for projects
- Infosys lacks in training and upskilling talent within risk and compliance to cater to the market demand for integrated IT and operations offerings. Clients view this siloed skilling as a challenge in onshore and nearshore talent pools
- Clients believe that Infosys needs to bring best practices and share enterprise knowledge in existing engagements

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

- NTT DATA has a balanced portfolio across the IT services areas for risk and compliance in BFS including application development, maintenance, testing, consulting, and system integration
- Multiple acquisitions and integration of these over the past five years have helped NTT DATA scale its geographic reach as well as added niche capabilities around risk and compliance domain expertise, engineering talent, and risk analytics offerings
- Clients have appreciated quick turnaround for complex system integration projects at competitive rates
- Investments in building internal IPs have helped create solutions for risk data management, assessment, and reporting
- It has invested in training resources on major risk and compliance platforms such as RSA Archer and MetricStream

Areas of improvement

- Lags peers of similar scale in availability of onshore resources across North America and Europe for risk and compliance IT services
- Clients believe that NTT DATA needs to manage attrition better in order to ensure consistent teams for long-term engagements
- Not able to capture end-to-end risk and compliance transformation engagements, as several capabilities lie in silos within the organization and some within geographic boundaries. For example, NTT DATA has an opportunity to translate expertise for anti-money laundering operations into an end-to-end financial crime management solution for clients to structure transformation engagements in this space
- Existing clients cite limited understanding of the breadth of risk and compliance IT services capabilities that NTT DATA can offer and would require more proactive education on the work it does for other clients and bring its thinking and thought leadership to engagements

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

- TCS has created a focused go-to-market strategy for engaging with new buyer centers beyond CIOs in the risk and compliance space
- It has differentiated risk assessment offerings for clients across different lines of business including lending, payments, pre-trade, and post-trade processing
- Developed industry-leading thought capital on major risk and compliance themes such as LIBOR transition and role of AI in risk management
- Has created differentiation in the market with its innovative outcome-based pricing models and overall delivery excellence
- Clients have appreciated TCS's expertise in relationship management and agility in driving high engagement levels across risk and compliance projects
- Established a wide partnership ecosystem by including RegTech players with growing capabilities in transaction monitoring, compliance management, and identity management

Areas of improvement

- Limited proof-points on demonstrating platform-led transformation and consulting capabilities for product selection. This stems from lack of well-structured partnerships and joint GTM with third-party risk and compliance platforms and limited investments in building talent for these COTS platforms
- Lags peers in depth of partnership for financial risk management and cybersecurity technology vendors
- Limited expertise in asset and portfolio-level risk review capabilities and associated solutions and services
- Even though TCS has an extensive repository of in-house solution frameworks in compliance management and reporting, the proportion of success proof-points in implementing these for clients is low

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

- Wipro has created differentiated internal solutions for anti-money laundering, transaction monitoring, and fraud management by leveraging strong AI capabilities via the Holmes platform
- It has made sustained investments in expanding its partnership ecosystem across treasury risk management and forged alliances with RegTech firms such as Daric and Ayasdi to bolster its risk management platform capabilities
- Emerging focus on strategic geographies such as APAC, Middle East, and LATAM by partnering with local advisory firms is showing early signs of success
- Clients have appreciated Wipro's strong commitment to timelines and bringing senior executives to drive strategic alignment and ensure client focus
- Developed consulting frameworks for all major regulations such as GDPR, IFRS 9, MiFID II, AML, and BCBS 239

Areas of improvement

- Lags peers in onsite delivery strength, while similar-sized competitors are investing in building a regional talent factory and a pool of risk and compliance domain experts
- Clients expect Wipro to better manage attrition at their offshore locations to ensure a steady talent supply across its engagements
- Limited coverage on partnerships and internal solutions for capital markets- focused risk and compliance mandates is hampering Wipro's ability to gain mindshare with other BFS firms
- Clients have cited the need to bring in consulting and domain knowledge, as current resources are largely tech-focused

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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

- Atos has bolstered its offerings for KYC and AML post the acquisition of Syntel, and made inroads in the North American market
- Extensive delivery footprint in Europe helps position it as a transformation partner in the region
- Investments in partnerships for compliance and financial risk management with major players such as RSA, Metricstream, and AxiomSL have helped Atos build credibility in the market
- Investments in a consulting-led GTM strategy, complemented by internal tools for data privacy and cybersecurity, have facilitated scaling its risk and compliance IT services practice
- Thought leadership for cybersecurity and data privacy helps demonstrate domain knowledge across these themes and gain client mindshare

Areas of improvement

- Clients need Atos to improve its pricing differentiation, especially for onshore risk and compliance experts, as well as drive innovation in commercial models for risk and compliance IT services engagements
- Breadth of risk and compliance coverage lags peers, this is a roadblock for Atos to partner on end-to-end risk and compliance transformation engagements. Investments in building end-to-end capabilities such as risk architecture, modeling, risk data management, and validation should help in this regard
- Lack of geography-specific risk and compliance leadership at the intersection of lines of businesses is a key reason for slowing down of growth, especially in North America
- Lacks an overall training and certification strategy for its resources across major risk and compliance third-party platforms and other domain/compliance certifications
- There is significant scope for Atos to gain traction in high-growth areas such as regulatory reporting and financial risk management in the North American market

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 solution offerings, such as CGI HotScan360, “Protect the bank” framework for risk management, and solutions for Basel III, have strengthened CGI’s offerings in the risk and compliance space
- It has started to scale its AML and KYC capabilities by investing in internal capabilities as well as partnerships with third-party solution providers such as Oracle and SAS
- Continues to witness traction for risk reporting by leveraging its data management and business intelligence capabilities
- Existing product offerings in the payments and trade finance space, allow CGI to bundle risk reporting and compliance offerings

Areas of improvement

- Lags peers in the scale of talent and joint GTM partnerships with third-party risk and compliance platform vendors to capture market share for modernization initiatives
- CGI is losing market share to competitors as it lacks the desired scale of onshore and nearshore risk and compliance domain experts in Europe and North America
- Clients expect greater pricing and commercial model innovation in engagements
- Silos in geographic operations do not allow clients to view the entire breadth of capabilities that CGI has to offer
- Investments in next-generation technologies such as AI, blockchain, and cloud with a risk and compliance domain flavor are lagging, resulting in limited success proof-points

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

- Deloitte provides end-to-end operations, applications, data, and cloud-enablement offerings for finance, risk, and compliance needs of BFS firms
- Takes a consulting-led GTM to shape end-to-end risk and compliance transformation engagements of clients to become an integral part of the client’s extended team
- Has a dedicated IT practice called Deloitte Digital to provide services to BFS clients across their risk and compliance needs
- Has a strong partner-led market attack strategy for GRC solution implementation due to its alliance with RSA and ServiceNow
- It has developed thought capital in partnership with leading third-party solution providers such as NICE Actimize
- Thought leadership viewpoints and blogs showcase its deep understanding of financial services

Areas of improvement

- Deloitte lags peers in the breadth and scale of third-party platform partnerships and internal tools for GDPR and CCPA compliance, losing out on capturing a piece of this market
- Clients would like Deloitte to provide aggressive solutioning of risk and compliance initiatives by using AI, automation, cloud, and data and analytics
- Lags peers in talent investments in cross-functional talent pool that has breadth of IT services delivery capabilities and showcases depth in risk and compliance domain understanding for specific BFS lines of businesses
- Success proof-points for end-to-end risk and compliance transformation engagements are limited in the EMEA and APAC market, where there is potential to increase its market share
- Deloitte’s current positioning as a consulting and audit partner, makes it lose deals for system integration

DXC Technology

Everest Group assessment – Major Contender and Star Performer

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

- Acquisition of Luxoft, adds digital engineering and risk reporting and visualization capabilities to DXC Technology's arsenal. It has also helped DXC expand its nearshore delivery footprint in Europe
- Its risk and compliance GTM is structured around its core offerings of integrated GRC management framework and platform, warehousing and reporting factories, and risk data aggregation and risk reporting solution
- DXC Technology has a balanced portfolio of internal solutions for cybersecurity risk management, financial crime and AML, and data privacy for BFS firms
- Strong geography-specific market strategy has led to active clients across different regions
- Has invested in partnerships with AML and fraud management vendors such as NICE Actimize, and Fenergo along with players such as SAP and SAS for financial risk management

Areas of improvement

- Lags an integrated value proposition for its digital engineering, operations, technology products, and cybersecurity practice to provide a holistic end-to-end risk and compliance transformation offering for clients
- Peers are speeding ahead of DXC to build a pool of onshore risk and compliance domain consultants that can start with risk modeling, architecture, and regulatory consulting and then shape the downstream technology modernization agenda for BFS firms
- Limited breadth and depth of internal solutions/tools/accelerators to help BFS enterprises speed up their adoption of third-party risk and compliance solutions
- Clients perceive DXC primarily as an infrastructure provider for GRC implementation
- Growth in the North America BFS business for risk and compliance transformation engagements slowed down in 2019

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

- EY has built a broad partnership ecosystem for supporting risk and compliance initiatives of BFS firms, by investing in talent and joint GTM with vendors such as ServiceNow, RSA, SAS, and NICE Actimize
- It has deep domain expertise for AML and fraud management advisory
- Achieved significant growth in analytics and data security offerings by combining its risk and compliance domain expertise and analytics and cybersecurity technology capabilities
- Clients appreciate the breadth and depth of thought leadership across risk and compliance themes, especially regulatory reporting and cybersecurity
- Experienced growth in the APAC and MEA market in 2019 for its risk and compliance offerings

Areas of improvement

- Lacks scale of partnerships with third-party solution providers for financial risk management
- Perceived by clients as an advisory and consulting partner and is missing out on tapping into the system integration and modernization market
- Clients face consistency issues in quality of subcontractors used for risk and compliance system integration projects
- Lags peers in providing end-to-end data management and modernization services to banks
- Clients would like to look beyond the thought leadership around usage of modern technologies such as cloud and cognitive computing in the risk and compliance function validated with solutions or working prototypes
- Peers demonstrate deep understanding of clients’ existing data and technology landscape and engineering talent to differentiate vis-à-vis EY

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 scaling capabilities for risk and compliance advisory, cybersecurity, and analytics led to deal wins in the BFS market
- KPMG also accelerated its investments in building solutions for digital forensics, emerging technology risks, and dynamic risk assessment to expand on top of its existing risk consulting and advisory engagements
- Strengthened its cybersecurity IT services in partnership with Microsoft Sentinel by launching a combined solution to help firms improve their security monitoring and incident response capabilities
- Demonstration of domain expertise and thought leadership via blogs and viewpoints is a key investments themes for KPMG to drive its GTM efforts
- KPMG has also expanded its automation expertise to help BFS firms drive efficiency and remove manual steps in their risk and compliance operations

Areas of improvement

- Growth in North America and Europe BFS risk and compliance IT services slowed down in 2019
- Lacks scale of partnerships with third-party technology platform vendors across the risk and compliance landscape
- KPMG has pockets of risk and compliance capabilities in geographic silos that need to be integrated to create a powerful value proposition
- Peers demonstrate deep understanding of clients’ existing data and technology landscape and engineering talent to differentiate vis-à-vis EY
- Potential to develop BFS-centric market messaging for Astrus solution and provide customer due diligence IT services to increase market share in the BFS industry
- Perceived by clients as an advisory and consulting partner and is missing out on tapping into the system integration and modernization market

LTI

Everest Group assessment – Major Contender and Star Performer

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

- LTI has built a comprehensive partnership ecosystem for legacy simplification, data, and operations transformation with RegTech players like Celonis, SUADE, Actico, and Solidatus
- Developed solutions for GDPR, CCPA, and other regulatory reporting needs by leveraging its in-house Mosaic technology platform
- Acquisition of Powerup has bolstered existing offering of CloudEnsure.io to detect security and compliance violations in real-time
- Demonstrated proof points of risk and regulatory reporting engagements for CCAR, FDIC, and BASEL III
- Robust suite of BCBS 239 advisory offerings has helped win data governance and compliance engagements
- Invested in setting up innovation labs and acquiring talent with experience across financial services industry to bolster its strength in domain-heavy regulations such as LIBOR

Areas of improvement

- LTI lags peers in providing capital markets-specific compliance solutions for regulations such as FRTB and MiFID II
- Current positioning of third-party risk and data privacy solution as industry-agnostic solutions is hampering LTI's ability to gain mindshare with BFS clients
- Lacks integrated IT and operations offerings for risk and compliance; this is a fast-growing area with the emergence of as-a-service offerings
- Lags peers in training and certifying resources across third-party platforms such as NICE Actimize and MetricStream. This may be due to a limited partnership ecosystem with third-party platforms

Mphasis

Everest Group assessment – Major Contender

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

- Mphasis has invested in creating risk-specific IPs such as NextAngles, NextSTEP, and SmartAlerts along with reusable frameworks for GDPR and CCPA compliance
- Continued focus on smaller pockets of work across niche areas such as CCAR has helped win engagements and positioned it as a consultative partner for BFS clients
- Invested in repurposing DeepInsights solutions to manage and rate credit and market risk for BFS clients
- Built a strong alliance ecosystem and set up CoEs for financial crime and anti-money laundering with players such as NICE Actimize, Oracle, and OpenRisk
- Mphasis has demonstrated flexibility to move to mature deployment models by sharing risk and rewards with its clients

Areas of improvement

- Mphasis lacks a consulting-led go-to-market strategy, which reduces its footprint in risk and compliance areas such as data privacy and regulatory reporting that require comprehensive system gap analysis, product selection, and roadmap creation
- Needs to optimize its onshore-offshore resource mix in order to win more deals in risk and compliance. Multiple risk and compliance engagements require heavy presence of onshore resources
- Lags peers of similar size in partnerships for financial risk, GRC, and cybersecurity
- High concentration of revenue from North America; has scope to expand presence in other high-growth geographies including APAC and Continental Europe

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

- PwC has industry-leading breadth of coverage for risk and compliance needs of banking and financial services firms
- It has invested in building capabilities and skilling talent across emerging risks, cybersecurity, data privacy, and risk analytics offerings. The talent development effort extends for third-party platform vendors for system integration as well as domain-specific trainings in partnership with associations such as ACAMS
- PwC has a well-defined RegTech offering that allows BFS enterprises end-to-end from conducting a landscape assessment to engagement strategy as well as solution testing and implementation support
- Has distinguished itself for providing industry-leading thought capital around technological impact of major regulatory changes

Areas of improvement

- PwC will need to plug gaps in its data management offerings to not just be a risk analytics partner but also an end-to-end data modernization partner for clients
- Another technology capability area to address is cloud enablement services, as risk and compliance executives in BFS firms have charted their roadmap to build a cloud adoption journey and PwC will need to bulk up capabilities in this space to support the modernization of risk and compliance functions
- Its market messaging is focused largely on risk and compliance strategy and advisory, which alienates clients looking for IT modernization partners
- Scale of digital engineering talent that is cross-skilled on risk and compliance domain will be needed for PwC to differentiate in this highly competitive space
- Peers differentiate on pricing, commercial model, and solution aggressiveness
- Clients find dissonance in the quality of talent during initial advisory and downstream implementation due to higher usage of contractors

Sopra Steria

Everest Group assessment – Major Contender

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

- Sopra Steria has created a well-balanced portfolio of platforms for GRC, financial risk, and financial crime management
- It has made significant investments in new technologies such as AI, ML, and big data to develop solutions for KYC, Basel III, credit risk management, and third-party risk management
- The firm has strong brand recognition and presence across Europe; it aims to replicate its success in the UK market as well
- Demonstrated proof points in risk and regulatory reporting for flagship European banks by leveraging products like ANADEFI and ANACREDIT
- Clients have appreciated Sopra Steria’s win-win mindset and collective engagement in critical projects

Areas of improvement

- Sopra Steria has limited investments in developing solutions and partnerships for big-ticket regulatory compliance themes such as LIBOR transition and CCAR stress testing
- Lags peers in a comprehensive strategy for getting resources trained and certified for various risk and compliance themes
- Clients have cited the need for pricing model adaptation for risk and compliance engagements
- Current positioning of a software vendor needs to be revisited to position Sopra Steria as a technology and services firm if it wants to capture the IT services market for risk and compliance activities and considered by other third-party technology vendors as a credible partner to work together for consulting and system integration activities

Synechron

Everest Group assessment – Major Contender

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

- Synechron had launched a series of accelerators focused on solving regulatory challenges as part of its RegTech accelerator program in 2018. This has enabled it to take focused solutions and messaging around solving specific risk and compliance needs of BFS customers
- It adopts an advisory and consulting-led GTM model for financial risk management. This includes capabilities for data management, risk modeling, and risks system architecture
- Has demonstrated success in implementation of third-party products risk management modules, this includes a treasury management system from vendors such as Murex, Calypso, and Summit
- Investments in an innovation lab allows Synechron to demonstrate its thinking and solution prototype to clients and facilitate joint problem-solving
- It is increasingly showcasing its thought leadership on emerging risk and compliance demand themes

Areas of improvement

- Limited onshore presence in the UK and Europe has hampered its growth in these regions for financial crime and AML engagements as well as limited the sales push for its RegTech accelerator offerings
- Synechron lacks expertise to offer integrated IT and operations capabilities for its RegTech accelerator offerings
- Clients perceive it as a staff augmentation and talent provider, this is a roadblock for Synechron to win large engagements and run annuity programs in the BFS risk and compliance market
- Limited risk and compliance offerings in the lending and payments market infrastructure and buy-side lines of businesses. Coverage of sell-side is partial
- Lacks proof-points on helping clients drive data modernization and cloud transformation for their risk and compliance function

Tech Mahindra

Everest Group assessment – Major Contender

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

- Tech Mahindra takes an integrated technology and operations value proposition to market as part of its risk-as-a-service offering, propelled by Sofgen and Target acquisitions
- It has deep domain expertise across payments, fraud management, and compliance needs of clients. Other areas of expertise include KYC, transaction monitoring, and fraud analytics
- Strategic partnership with Prometeia has helped Tech Mahindra expand enterprise risk management capabilities in Europe
- Investments in building in-house framework for LIBOR transition have helped bolster its value proposition in regulatory reporting and compliance

Areas of improvement

- In order to position itself as an end-to-end partner for risk and compliance transformation, Tech Mahindra needs to enhance its risk advisory, data architecture, and risk modeling capabilities
- BFS risk and compliance IT services offerings lack an LOB and geographic focus to drive alignment with specific needs of BFS firms
- Industry-agnostic messaging on cyber-risk assessment and data privacy and security services offerings leaves scope for Tech Mahindra to take a BFS industry-specific value proposition and messaging to market
- Lags peers in the breadth and depth of expertise on third-party technology vendors focused on the risk and compliance market in BFS

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

- Virtusa has witnessed double-digit growth in the last 24 months due to its investments in building internal solutions for AML, KYC, trade surveillance, and sanction screening using new technologies such as big data analytics and machine learning
- It has developed a consulting-led market strategy for financial crime and fraud management, which helps differentiate it against its peers
- Investments in launching new solutions for KYC and risk scoring such as KYCC, ACRiS, and Risk Model validation have bolstered its solution portfolio
- Partnerships with players such as SAS, Talend, and Snowflake to provide analytics-driven data governance and privacy solutions for BFS clients are showing signs of success
- Launched internal audits and control management services in 2019 to take on RSA Archer and MetrcStream engagements

Areas of improvement

- Partnership ecosystem for GRC, cybersecurity, and financial risk management space is sparse and will limit Virtusa's growth in the next 18-24 months
- Lacks an overall training and certification strategy for its resources across major risk and compliance third-party platforms
- There is significant scope for Virtusa to define a go-to-market strategy to gain mindshare with BFS clients within the risk and compliance space
- Needs an integrated IT and operations play for risk and compliance. This stems from lack of resources with domain certifications such as ACAMS
- Onshore risk advisory talent investments need attention to scale its front-end roadmapping and model-building advisory business to shape downstream IT implementation deals
- Cross-skilling data and analytics talent in risk and compliance will help ease supply-side constraints

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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

- Birlasoft has made strategic investments in certifying resources across financial risk management, GRC management, and AML themes to build domain expertise
- Demonstrated proof points in delivering risk and compliance services across various lines-of-businesses including payments, lending, commercial finance, custodians, and post-trade processing
- Invested in certifying resources across Certified in Risk and Information Systems Control (CRISC), KYC, and AML – IIBF
- Strong expertise in industry platforms such as Actimize, Fircosoft, Lexis Nexis, and MetricStream has helped win deals in this space
- Clients have appreciated Birlasoft's technology expertise and project management capabilities across risk and compliance engagements

Areas of improvement

- Limited risk and compliance advisory capabilities are hampering growth prospects for Birlasoft to forge downstream IT engagements and have a business-first conversation with clients
- Lags peers in garnering revenue from small and mid-sized banks across high- growth geographies such as Europe and APAC
- Clients believe that it needs to proactively pitch new ideas and improve onboarding of resources in engagements
- For the scale of Birlasoft's BFS risk and compliance practice, it needs to define a pocket of expertise vis-à-vis becoming an end-to-end partner to help create an expertise and challenger value proposition

Happiest Minds

Everest Group assessment – Aspirant

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

- Happiest Minds has invested in internal IP ComplianceVigil to support clients' needs across risk data management, analytics, and visualization
- Targeted investments in building frameworks and solutions such as IdentityVigil for BFS clients for identity and access management will help it capture share in the fast-growing cybersecurity market in BFS
- Clients have acknowledged and appreciated the investments made in acquiring and training new talent across digital services capabilities
- Invested in setting up dedicated CoEs and certifying resources for RSA Archer & ServiceNow
- It is seen by clients as a flexible partner providing the right set of resources and services as needed

Areas of improvement

- Happiest Minds lacks pre-existing internal IPs and solutions for financial crime, AML KYC, and customer due diligence
- Clients believe that Happiest Minds needs to better manage talent and attrition in order to continue delivering successful projects
- Lack of BFS-specific GTM for risk and compliance along with limited domain knowledge is restricting growth across risk segments
- Deal revenue mix is restricted to large annuity deals, while short-duration deals requiring system integration and configuration for regulatory changes are limited

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

- Acquisition of Aujas has strengthened NSEIT’s ability to deliver cybersecurity services and aided in winning large deals across APAC and the Middle East for BFS clients
- Has created distinguished capabilities for compliance workflow management by leveraging automation for complex capital markets clients
- Delivered successful projects for financial services firms, government organizations, and consortiums, showing strong capability to cater to different types of clients
- Successful creation of Elastic CoE at NSEIT has enhanced security analytics, application monitoring, and infrastructure monitoring capabilities
- Demonstrated credible proof points across third-party risk assessment for clients in APAC

Areas of improvement

- Limited talent base for application development and maintenance is hampering NSEIT’s ability to win more deals across the risk and compliance market
- Partial coverage of internal IP and third-party platforms across financial crime and financial risk management seems to be stemming from limited partnerships with vendors in this space. This hampers ramping up of its practice size
- No presence across any financial services regulations or high-growth areas is limiting NSEIT’s growth to make inroads into BFS accounts
- Limited delivery footprint and geographic spread is hindering NSEIT’s ability to win deals with a global scope

Zensar Technologies

Everest Group assessment – Aspirant

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

- Zensar’s partnership with Suade has made it one of the major implementation and maintenance partners to UK-based BFS firms for their regulatory reporting needs
- Built internal risk management IPs and accelerators such as ZenMatic, ZenVault, and Digital Assurance
- Trained resources in developing product expertise for risk management and assessment platforms such as RiskWatch and RiskPro
- Invested in training banking consultants across financial regulations such as BASEL III, Dodd Frank Act, and FATCA to enhance their domain knowledge
- Clients have appreciated collaboration and dedication of Zensar’s resources across risk and compliance engagements

Areas of improvement

- Zensar’s current scope of services is largely limited to maintenance and support activities, while there is a market demand for digital engineering and IT modernization services starting from consulting and road mapping to ongoing run support
- Lack of optimization of onshore-offshore ratios for resources is hampering its growth prospects in the US and Europe
- No exposure to risk and compliance services in capital markets limits Zensar’s capabilities to serve a wider range of clients
- Clients believe that it needs to improve onshore engagement levels to promote constructive discussions and not come across as BAU-centric

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Glossary of key terms used in this report

Term	Definition
API	Application Programming Interface
AML	Anti-Money Laundering refers to a set of procedures, laws, or regulations designed to stop the practice of generating income through illegal actions
BCBS	Basel Committee on Banking Supervision'
BFS	Banking and Financial Services
CCPA	California Consumer Privacy Act
CDD	Customer Due Diligence
FATF	Financial Action Task Force
FRTB	Fundamental Review of the Trading Book
LIBOR	London Inter-bank Offered Rate
MiFID	Markets in Financial Instruments Directive
SI	System Integrator

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
BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020: Building Cloud-based Data Infrastructure for Intelligent Real-time Controls	June 2020
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

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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