

Everest Group PEAK Matrix™ for Capital Markets BPO Service Providers

Focus on Wipro
October 2018



Introduction and scope

Everest Group recently released its report titled “[Capital Markets BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018](#).” This report analyzes the changing dynamics of the capital markets BPO landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 20+ service providers on the Everest Group PEAK Matrix™ for capital markets BPO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of capital markets BPO service providers based on their market impact and vision & capability advancement. Everest Group also identified three service providers as the “2018 Capital Markets BPO Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix Year-On-Year (YOY).

Based on the analysis, **Wipro emerged as a Leader**. This document focuses on **Wipro’s** capital markets BPO experience & capabilities and includes:

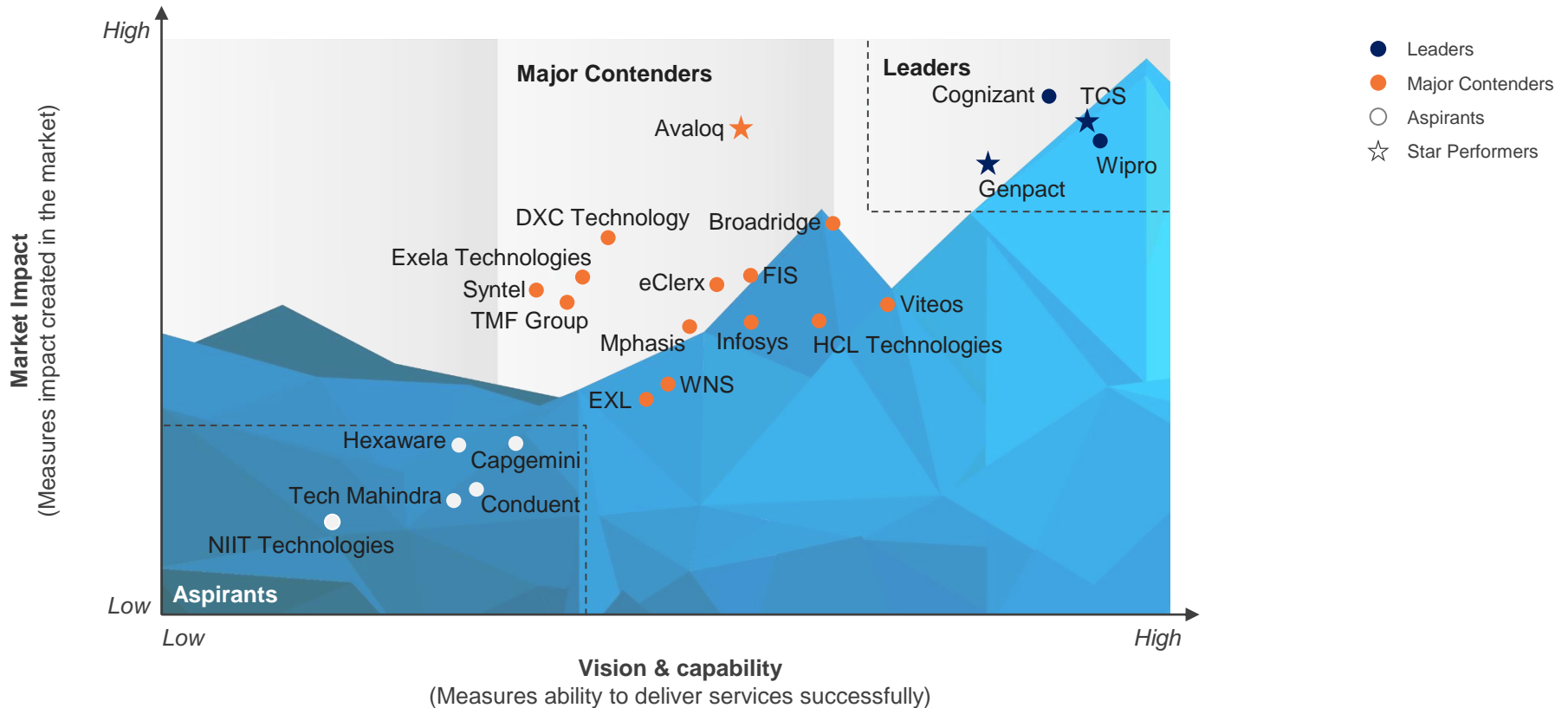
- Wipro’s position on the capital markets BPO PEAK Matrix
- Detailed capital markets BPO profile of Wipro

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Everest Group PEAK Matrix™

Capital Markets BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018 | Wipro positioned as Leader

Everest Group Capital Markets BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018



Note: Assessment for Capgemini, Conduent, eClerx, FIS, NIIT Technologies, TMF Group, and Viteos excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers

Overview

Company overview

Wipro Limited is a leading global information technology, consulting, and business process services company. It has over 160,000 dedicated employees serving clients across six continents. Wipro helps its clients adapt to the digital world through capabilities in cognitive computing, hyper-automation, robotics, cloud, analytics, and emerging technologies.

Key leaders

- Azim H. Premji, Chairman
- Abidali Neemuchwala, Chief Executive Officer & Member of the Board
- Nagendra Bandaru, Global Head, Digital Operations & Platforms (DO&P)
- Sandeep Kumar, Global Head, Institutional Financial Services, DO&P

Headquarters: Bangalore, India

Website: www.wipro.com

Suite of services

- Reference data management
- KYC and client onboarding
- Reconciliations
- Risk management
- Regulatory reporting
- Clearing and settlements
- Brokerage, clearing, and exchange fees processing
- Asset servicing (including corporate actions)
- Syndicated loans processing
- Middle-office functions
- Fund services
- Contract services & solutions

Capital markets BPO	2015	2016	2017
Revenue (US\$ million)	Not disclosed		
Number of FTEs	4,900	5,800	6,270
Number of clients	18	24	28

Recent acquisitions and partnerships

- **2018:** Strategic partnership with Alight Solutions, a leading technology-enabled health, wealth, HR, and finance solutions company
- **2017:** Platform partnerships with leading third-party provider within reconciliations, market data, tax compliance, and client lifecycle management
- **2016:** Acquired Appirio, a U.S.-based technology and professional services leader in cloud transformation practices
- **2015:** Acquired Designit, a global strategic design firm specializing in designing transformative product-service experiences
- **2015:** Partnership with GoldenSource, a provider of instrument data management solutions to the securities & investment banking industry

Recent developments

- **2017:** Partnered with leading platform provider for providing end-to-end client lifecycle management solution
- **2016:** Launched contract management service offering support to end-to-end contract management lifecycle
- **2015:** Launched Artificial Intelligence (AI) platform HOLMES™, leveraging it for its e-KYC solution

Location landscape



Key clients and capabilities

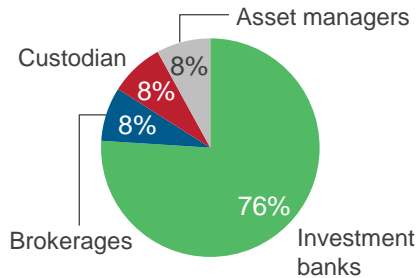
Key capital markets BPO engagements

Client name	Line of Business (LoB)	Region	Client since
A leading U.S.-headquartered global bank	Investment banking and wealth management	Asia-Pacific, Europe, and North America	2017
One of the top five U.S.-headquartered global investment banks	Investment banking	Asia-Pacific Middle East & Africa, and North America	2015
A leading European investment bank	Investment banking	Asia-Pacific, Europe, and North America	2013
A leading global transfer agency	Custody & fund administration	North America	2011
A premier global investment bank	Investment banking and wealth management	Asia-Pacific, United Kingdom, Latin America, and North America	2011
A global investment firm managing US\$120 billion in assets	Investment banking	North America	2009
A leading multinational European investment bank	Investment banking	Asia-Pacific, Europe, and North America	2008

Capital markets BPO FTE mix by segment

Number of FTEs

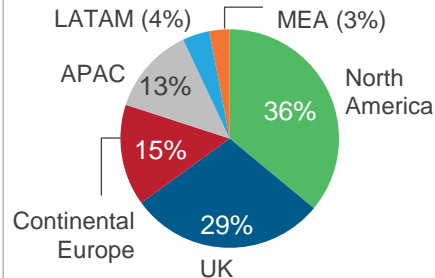
100% = 6,270



Capital markets BPO revenue mix by geography

Revenue in US\$ million

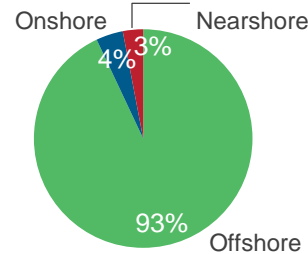
100% = Not Disclosed



Capital markets BPO FTE split by delivery location

Number of FTEs

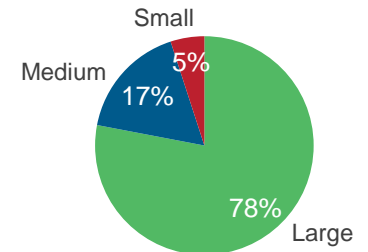
100% = 6,270



Capital markets BPO revenue mix by buyer size¹

Revenue in US\$ million

100% = Not disclosed



¹ Buyer size is defined as large (>US\$10 billion in revenue), medium (US\$5-10 billion in revenue), and small (<US\$5 billion in revenue)

Technology solutions/tools

Application	LoB	Year launched	Description	No. of BPO clients
Reconciliation solution	All	2018	Partnership with Duco for reconciliation platform solution to service complex reconciliations & exist alongside strategic reconciliation tools	Not disclosed
Market data solution	Wealth & asset management and custody	2018	Joint partnership with AIM to provide to buy-side industry solution for streamlined and scalable instrument, price, and corporate action data and Market Risk solution	Not disclosed
Data discovery platform	All	2016	An integrated solution for capturing & managing data and generating actionable insights through advanced analytics to offer price, performance, and time benefits	2
Robotic Process Automation (RPA) solution	All	2015	An RPA tool offering for capital markets customers to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses, and communicating with other digital systems	14
e-KYC HOLMES	Asset management and investment banking	2015	An in-house Artificial Intelligence (AI) platform to support remediation of KYC data and create scalable and compliant onboarding processes	2
SSI managed service solution	Asset management, brokerage, and investment banking	2015	A solution developed in partnership with iMeta to provide a “SSI Managed Service” to assure robust, streamlined process for maintaining data quality and SSI’s for client banks	1
Instrument data management solution	Asset management and investment banking	2015	A comprehensive catalog of instrument data management services on MDM platforms as an enterprise-wide utility in partnership with GoldenSource	1
Data Quality-as-a-service solution	Asset management and investment banking	2014	A solution to remediate and sustain data quality for critical domains relating to regulatory compliance, reporting, and capital allocation	3

Risk management & regulatory reporting

Risk management support	Details	No. of BPO clients
Credit risk	<ul style="list-style-type: none"> Provide credit risk engagement support for investment banks which includes – credit risk stress-testing, RWA computation, counter-party credit risk, and capital adequacy ratio computation 	4
Operations risk	<ul style="list-style-type: none"> Manage operational risk for capital markets clients with the help of proprietary methodologies and tools Support operations due diligence undertaken by investors before any new allocations. The primary focus is on operations risk, transparency, accuracy, and independent reporting 	22
Market risk	<ul style="list-style-type: none"> Provide market risk service to leading European investment banks to manage risk analytics, quantitative model validations, and stress testing Update and support client risk systems such as risk metrics, riskgura, and imagine 	12
Liquidity risk	<ul style="list-style-type: none"> Provide liquidity risk management support to an investment bank that includes liquidity risk stress testing, counter-party credit risk, and liquidity coverage ratio computation 	12
Regulatory risk	<ul style="list-style-type: none"> Provide regulatory risk management support to investment banks through key data quality projects executed including data profiling, data monitoring, and data remediation – FCA reporting code accuracy in entity master; remediating entities under MIFID category Undertake regulatory reporting for customers including tracking regulatory reporting thresholds required by SEC, CFTC, CIMA, and ESMA 	20

Regulatory reporting support	List of regulations	Description	No. of BPO clients
U.S. regulations	Financial & Regulatory Reporting; Dodd-Frank Act; FATCA; KYC and AML; U.S. SEC reports; Basel – Pillar I, II & III disclosures (covering credit, market, operations and liquidity risks, and pillar II risks)	Extraction of data from client applications, population of requisite reporting formats, report generation, report approvals, and uploads	5
UK regulations	Prudential Regulatory Authority (PRA)	Implementing regulatory reporting for investment banks as per the prescribed PRA guidelines	6

Wipro | Capital markets BPO profile (page 6 of 7)










Risk management & regulatory reporting

Regulatory reporting support	List of regulations	Description	No. of BPO clients
EU regulations	Markets in financial instruments directive; EMIR; KYC and AML; EU trade & transaction reporting	Extraction of data from client applications, population of requisite reporting formats, report generation, report approvals, and upload for clients that include large investment banks	6
Local regulations	Hong Kong monetary authority, MSA: Monetary Singapore Authority, RBI-Reserve Bank of India; Local regulatory reporting	Implementing regulatory reporting, as per the prescribed guidelines of HKMA and MSA, for investment banks for their branches based out of Singapore / Hong Kong / India	3

Wipro | Capital markets BPO profile (page 7 of 7)

Everest Group assessment – Leader

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

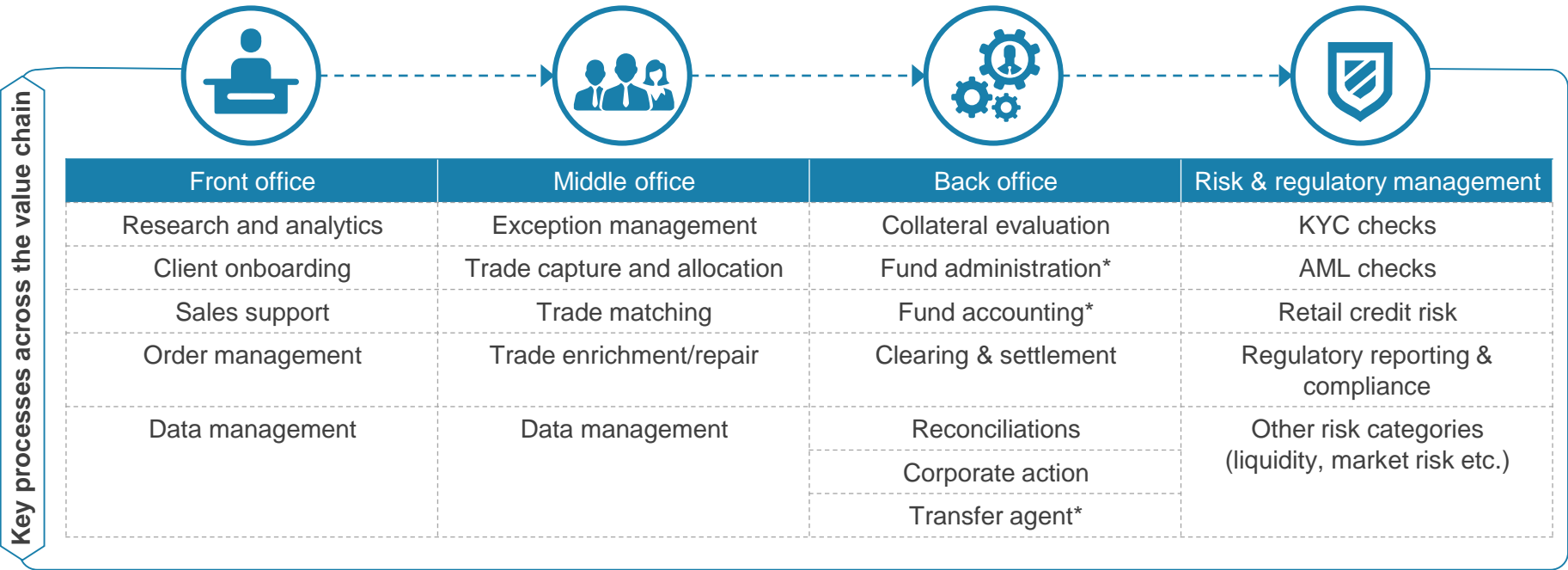
- Wipro's consistent growth through the addition of new members in its clientele has helped it retain the position of a Leader on the capital markets PEAK Matrix
- Wipro has covered most of the geographies in terms of its delivery footprint and it commands a good share of the market in all the geographies that it has a presence in
- Wipro has recently entered into several partnerships to enhance its service offerings overall. It has partnered with the London Stock Exchange Group to offer reconciliation-as-a-service; its partnership expansion with Adobe will help in enhancing the digital experience offered to its buyers
- Wipro has been working towards amplifying its risk and regulatory compliance offerings by building domain expertise in this field
- Wipro has been rated highly on its flexibility, proactiveness, overall delivery, and relationship management by the buyers

Areas of improvement

- Wipro, despite having all the necessary capabilities and scale, has a limited presence in the asset management, brokerage, and custodian LOBs. These segments present a significant growth opportunity for Wipro
- Wipro needs to formulate a strategy to penetrate the small and mid-sized buyer segments in future as these segments, combined together, present a tremendous untapped revenue potential

Appendix

Capital markets BPO by LoB | Definitions



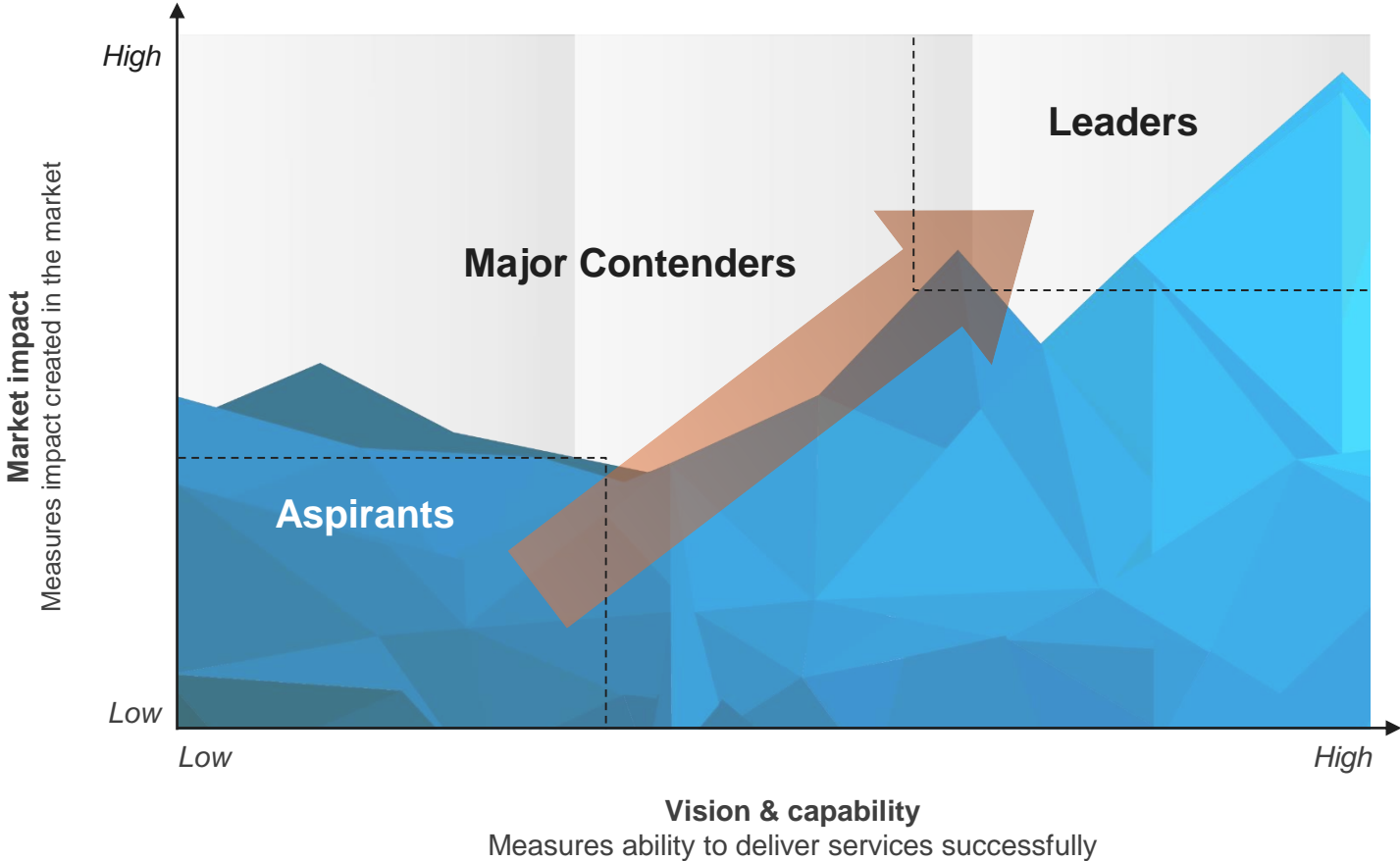
Buying segments



* Primarily undertaken by Asset managers and Custodians

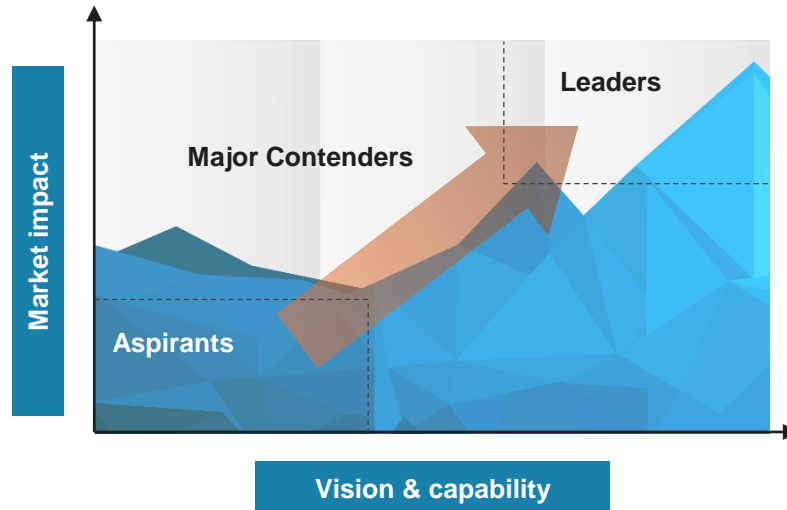
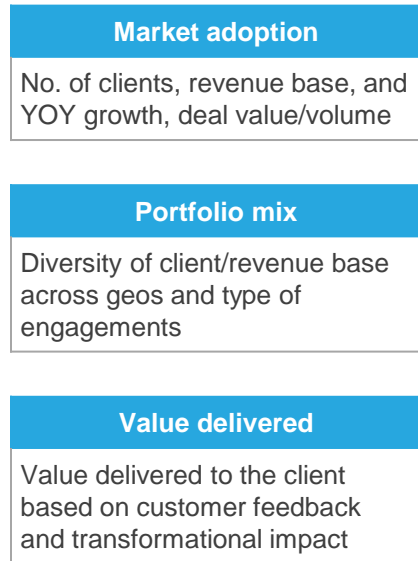
Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix

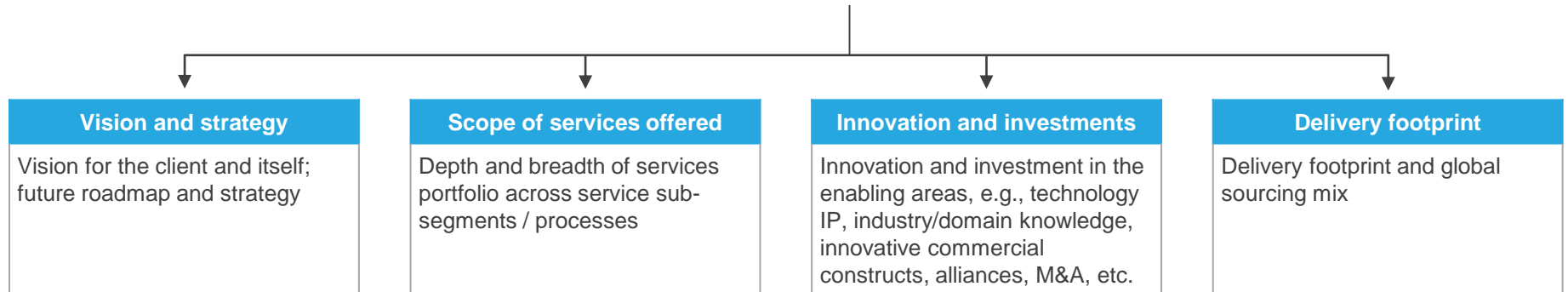


Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions



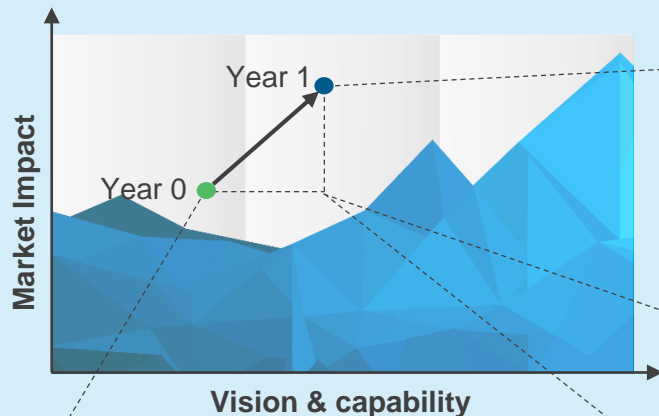
Measures ability to deliver services successfully. This is captured through four subdimensions



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 performance in both market success and capability advancement

Star Performers are identified by top quartile performance improvement on the X and Y axes for each segment

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

Does the PEAK Matrix™ assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?

No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender,” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status ?

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
 - Issue a press release declaring their positioning. See [citation policies](#)
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from Everest Group analysts could be disseminated to the media
 - Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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