Everest Group PEAK Matrix® for FCC Providers 2022

Focus on Wipro
September 2022

Background of the research

Financial Crime and Compliance (FCC) operations have been growing at a fast pace, as most Financial Institutions (FIs) are struggling to meet cost restrictions while trying to address regulatory challenges and the threat of financial crime associated with heavy penalties and a loss of reputation. The evolving regulations in the financial sector call for a dynamic regulatory compliance check, which is difficult for these institutions to manage globally. Enterprises are looking for support to meet the regulatory challenges as well as fight financial crime while managing costs. With the pandemic hitting the industry hard and with the looming threat of recession, agent availability has been severely impacted creating a golden window of opportunity for financial crime perpetrators. This further increased the demand for services and technology in FCC.

The growing requirement for FCC support and digital has opened opportunities for service providers to further augment their capabilities and add offerings for advisory, platform-led services, and advanced digital solutions. The demand to increase efficiency and productivity by reducing false positives and manual intervention remain of prime importance to buyers.

In this research, we present an assessment of 27 FCC operations service providers featured on the **FCC Operations – Services PEAK Matrix**®. The assessment is based on Everest Group's annual RFI process for the calendar year 2021, interactions with leading FCC operations services providers, client reference checks, and an ongoing analysis of the FCC operations market.

This report includes the profiles of the following 27 leading FCC operations service providers featured on the FCC operations – services PEAK Matrix:

- **Leaders:** Accenture, Genpact, Infosys, PwC, TCS, and Wipro
- **Major Contenders:** Atos Syntel, Cognizant, Deloitte, Exela Technologies, Exiger, EXL, EY, Guidehouse, HCL Technologies, IBM-Promontory, KPMG, Mphasis, NTT DATA, Sutherland Global Services, TaskUs, Teleperformance, and WNS
- **Aspirants:** Capgemini, DXC Technology, Tech Mahindra, and TMF Group

Scope of this report

Geography
Global

Providers
27

Services
Financial Crime & Compliance (FCC)

Everest Group®

FCC Operations – Services PEAK Matrix® characteristics

Everest Group classified 27 FCC operations service providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework to assess the absolute market success and overall capability of service providers.

Leaders:

There are six service providers in the Leaders category – Accenture, Genpact, Infosys, PwC, TCS, and Wipro.

Major Contenders:

The Major Contenders category has 17 service providers – Atos Syntel, Cognizant, Deloitte, Exela Technologies, Exiger, EXL, EY, Guidehouse, HCL Technologies, IBM-Promontory, KPMG, Mphasis, NTT DATA, Sutherland Global Services, TaskUs, Teleperformance, and WNS.
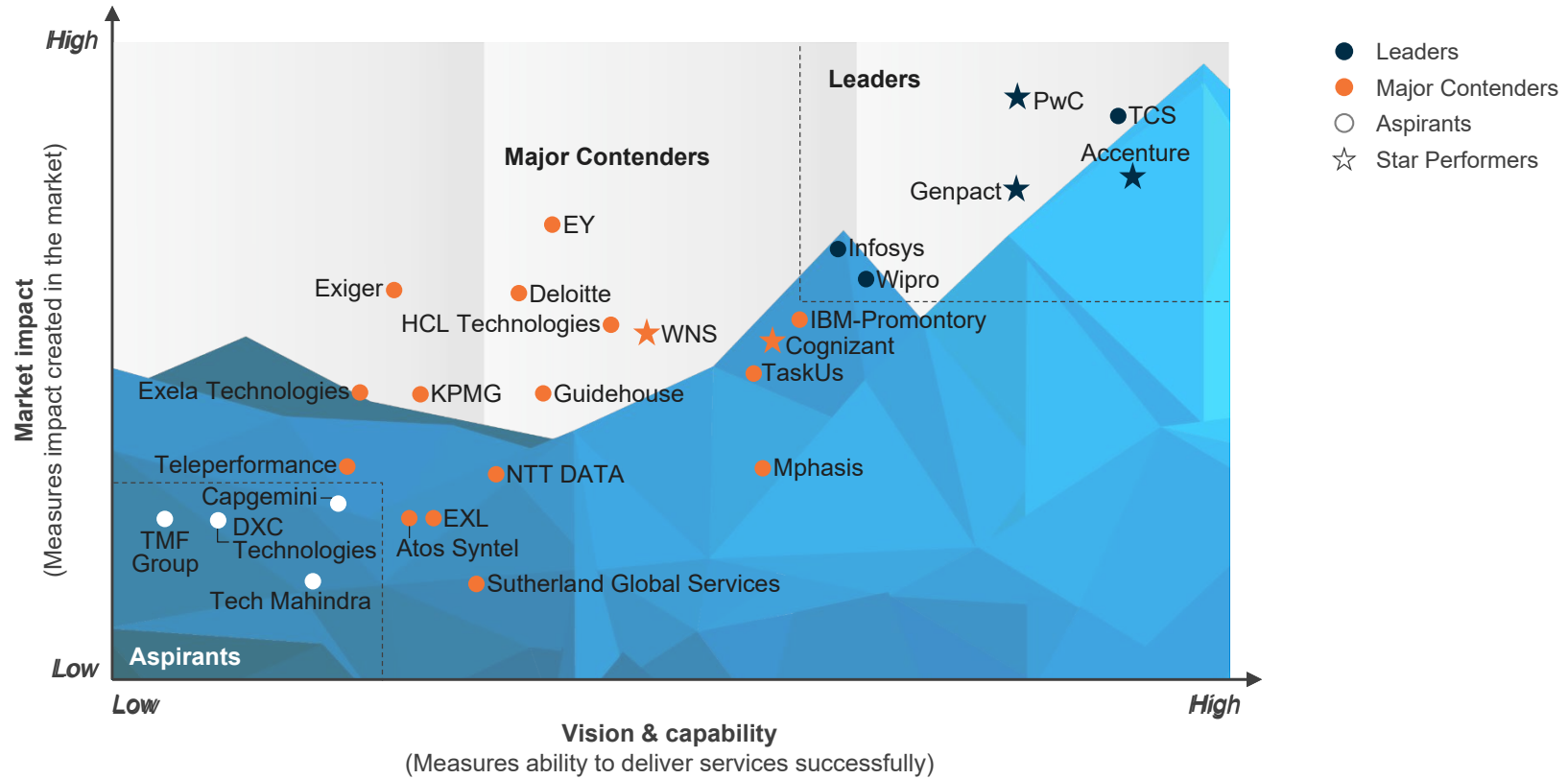
Aspirants:

Capgemini, DXC Technology, Tech Mahindra, and TMF Group are the four Aspirants on the PEAK Matrix® for FCC operations.

Everest Group®

Everest Group PEAK Matrix®
Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022 | Wipro positioned as Leader

Everest Group Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022[1]

Legend:
- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Chart axes: **Market impact** (Measures impact created in the market) on Y-axis, from Low to High. **Vision & capability** (Measures ability to deliver services successfully) on X-axis, from Low to High.

Plotted companies:
- **Leaders:** PwC, TCS, Accenture, Genpact, Infosys, Wipro
- **Major Contenders:** EY, Exiger, Deloitte, HCL Technologies, WNS, Exela Technologies, KPMG, Guidehouse, IBM-Promontory, Cognizant, TaskUs, NTT DATA, Mphasis, Teleperformance, EXL, Atos Syntel, Sutherland Global Services
- **Aspirants:** TMF Group, Capgemini, DXC Technologies, Tech Mahindra

1 Assessment for Atos Syntel, Capgemini, Deloitte, DXC Technology, EXL, Guidehouse, KPMG, NTT DATA, Sutherland Global Services, Teleperformance, and TMF Group excludes 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 (2022)

Wipro | FCC operations profile (page 1 of 4)
Overview

Company overview

Wipro is a global information technology, consulting, and business process services company that helps organizations to drive efficiencies and deliver better inputs. It helps its clients through the amalgamation of operations with technology to drive transformation and winning outcomes for the business.

Headquarters: Bangalore, India   **Website:** www.wipro.com

Key leaders

- **Thierry Delaporte**, Chief Executive Officer and Managing Director
- **Nagendra Bandaru**, President, Global Business Line, iCORE
- **Jasjit Singh Kang**, Global Head, Banking, Consumer and Institutional Financial Services
- **Rohit Sharma,** Practice Head, Health and Wealth Solutions

Suite of services

- Client acquisition
- Client onboarding
- KYC and due diligence
- Remediation
- Process reengineering
- Periodic refresh
- Transaction monitoring
- Account offboarding
- Regulatory reporting and risk management
- Business analysis, consulting, and transformation

Recent acquisitions and partnerships

- **2021:** partnered with Feedzait to provide enterprise-wide fraud platform implementation and data management
- **2021:** partnered with BAE Systems for transaction monitoring and case management
- **2021:** partnered with OWS for customer screening
- **2021:** partnered with Quantexa for entity resolution, transaction monitoring, and AML
- **2021:** partnered with Hawk AI for AML, fraud detection, embargo, and sanctions screening
- **2020:** partnered with Heliocor for KYC, screening, and transaction monitoring
- **2020:** partnered with Tookitaki for transaction monitoring
- **2020:** partnered with Featurespace for behavioral fraud and AML detection
- **2019:** partnered with DARIC for KYC, transaction monitoring, and entity resolution

Recent developments

- **2021:** developed Model Tuning Solution for transaction monitoring, AML, and reducing false positives
- **2021:** developed AI-powered automation for advanced document intelligence IDP for KYC and screening
- **2021:** developed pKYC solution for continuous monitoring of changes in the risk profile of clients instead of periodic reviews using public and proprietary data aggregators and a research ecosystem
- **2018:** developed HOLMES E-AML module supporting negative news analysis and sanctions screening
- **2018:** developed HOLMES analyst assist, it analyzes attributes / free text and using LSTM/SVMs provides probability scores with explanations to predict false positives in transaction monitoring

FCC Operations	2019[1]	2020[1]	2021[1]
Revenue (US$ million)	Undisclosed	Undisclosed	Undisclosed
Number of FTEs	2,530	3,520	4,362
Number of clients	20	22	30

1   12 months ending December 31 of any particular year, i.e., from January 1, YYYY to December 31, YYYY
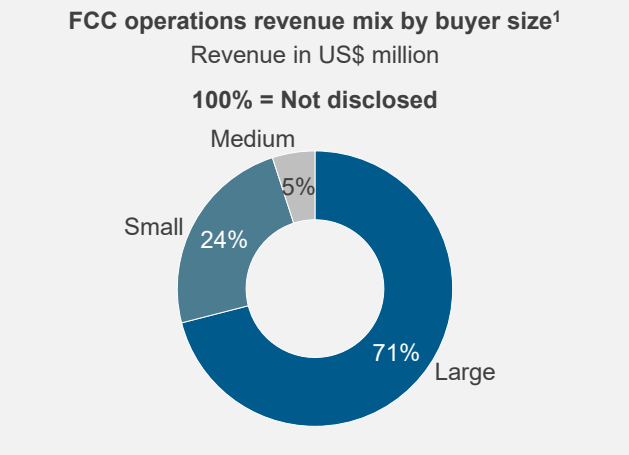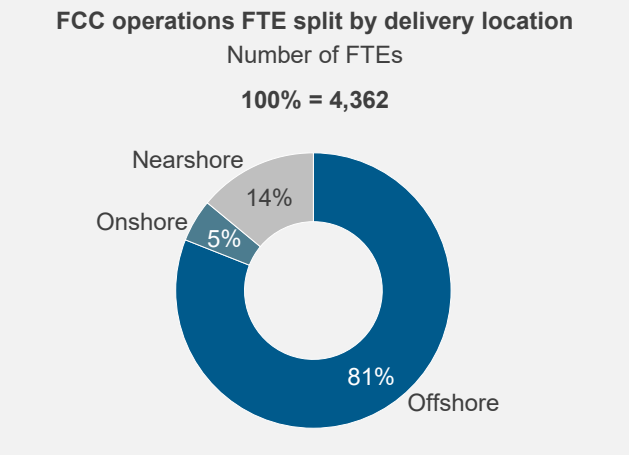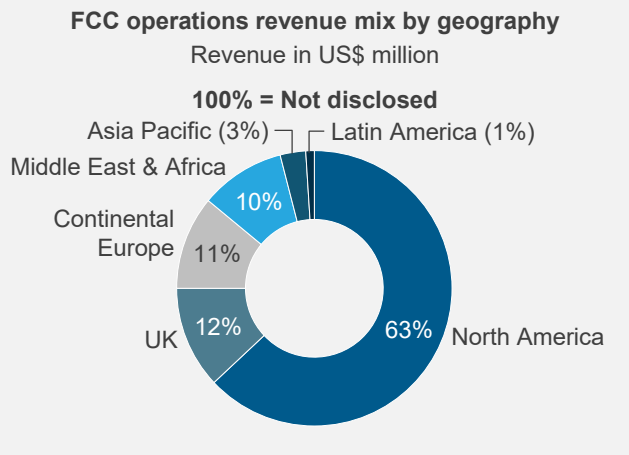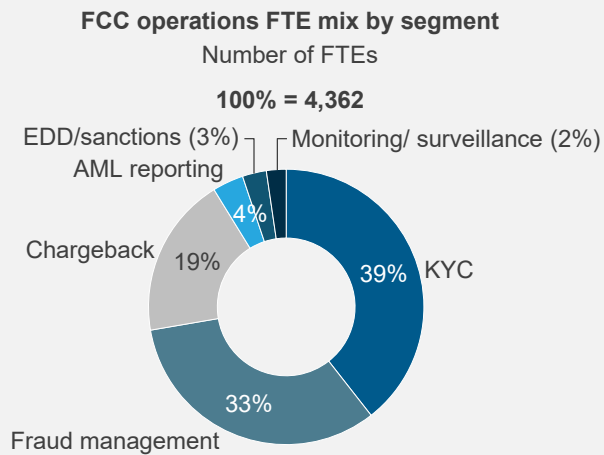
Wipro | FCC operations profile (page 2 of 4)
Key delivery locations

Wipro | FCC operations profile (page 3 of 4)
Capabilities and key clients

Key FCC operations engagements			
Client name	**LoB** (KYC, EDD/sanctions, monitoring/surveillance, AML reporting, fraud management, chargeback, or others)	**Region**	**Client since**
An American investment banking services company	KYC	North America	2021
An American financial technology and bank holding corporation	Monitoring, fraud management, and chargeback	North America	2020
A leading South African investment bank	KYC, AML reporting, and transaction monitoring	Africa	2016
A digital wallet platform and payment services company	fraud management and chargeback	Multiple	2014
An American multinational investment bank	KCC and EDD	Multiple	2008

FCC operations FTE mix by segment
Number of FTEs
100% = 4,362

EDD/sanctions (3%) — Monitoring/ surveillance (2%)
AML reporting
Chargeback 19%
4%
39% KYC
33%
Fraud management

FCC operations revenue mix by geography
Revenue in US$ million
100% = Not disclosed

Asia Pacific (3%) — Latin America (1%)
Middle East & Africa
Continental Europe
10%
11%
12%
63% North America
UK

FCC operations FTE split by delivery location
Number of FTEs
100% = 4,362

Nearshore
Onshore
14%
5%
81% Offshore

FCC operations revenue mix by buyer size[1]
Revenue in US$ million
100% = Not disclosed

Medium
5%
Small
24%
71% Large

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)

Wipro | FCC operations profile (page 4 of 4)
Technology solutions/tools

Application	LoB	Year launched	Description	No. of clients
Wipro model tuning solution	Transaction monitoring	2021	A statistical modeling / machine learning-based model tuning solution to optimize AML models and help in reducing false positives, identification of true positives and false negatives, effective alert scoring, triage, and timely filing of SAR.	Undisclosed
IDP	KYC and screening	2021	A tool for AI-powered automation for advanced document intelligence IDP for KYC and screening process to improve efficiency, ensure compliance, and reduce dependence on manual processing of unstructured data.	Undisclosed
pKYC	KYC and screening	2021	Establishes continuous monitoring of changes in the risk profile of clients instead of periodic reviews, using public and proprietary data aggregators and a research ecosystem.	3
E-AML	AML	2019	Helps in reducing the time taken by analysts to review negative news articles and sanctions screening. It uses advanced neural network techniques to discount non-material documents with aggregated score on four different parameters – relevance, relationship, sentiment, and overall context.	1
Analyst Assist (AA) – transaction monitoring	AML	2019	Provides probability scores with explanation to predict false positives. The AA tool learns from the feedback provided during the training and as per routine calibration, and improves its accuracy and precision score.	Undisclosed
WinTraC	AML and compliance	2016	It is a real-time trade surveillance platform for buy-side institutions, for real-time compliance.	2

Wipro
Everest Group assessment – Leader

Measure of capability: ◔ Low ● High

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 a balanced mix of FCC clients from across buyer segments and includes a good mix of banking and capital market clients

- Through heavy investments in technology partnerships with BAE Systems, Hawk AI, and Acuminor as well as its in-house model tuning solution, Wipro has kickstarted operations in AML. With this, it now offers FCC services across all LoBs

- It is also diversifying its client portfolio by capitalizing on the demand coming from non-traditional buyers in the light of the pandemic

- With the recent acquisition of Capco, Wipro has made inroads in the consulting domain

- Further, it also has multiple in-house solutions such as Base™ and Holmes as part of its FCC offerings
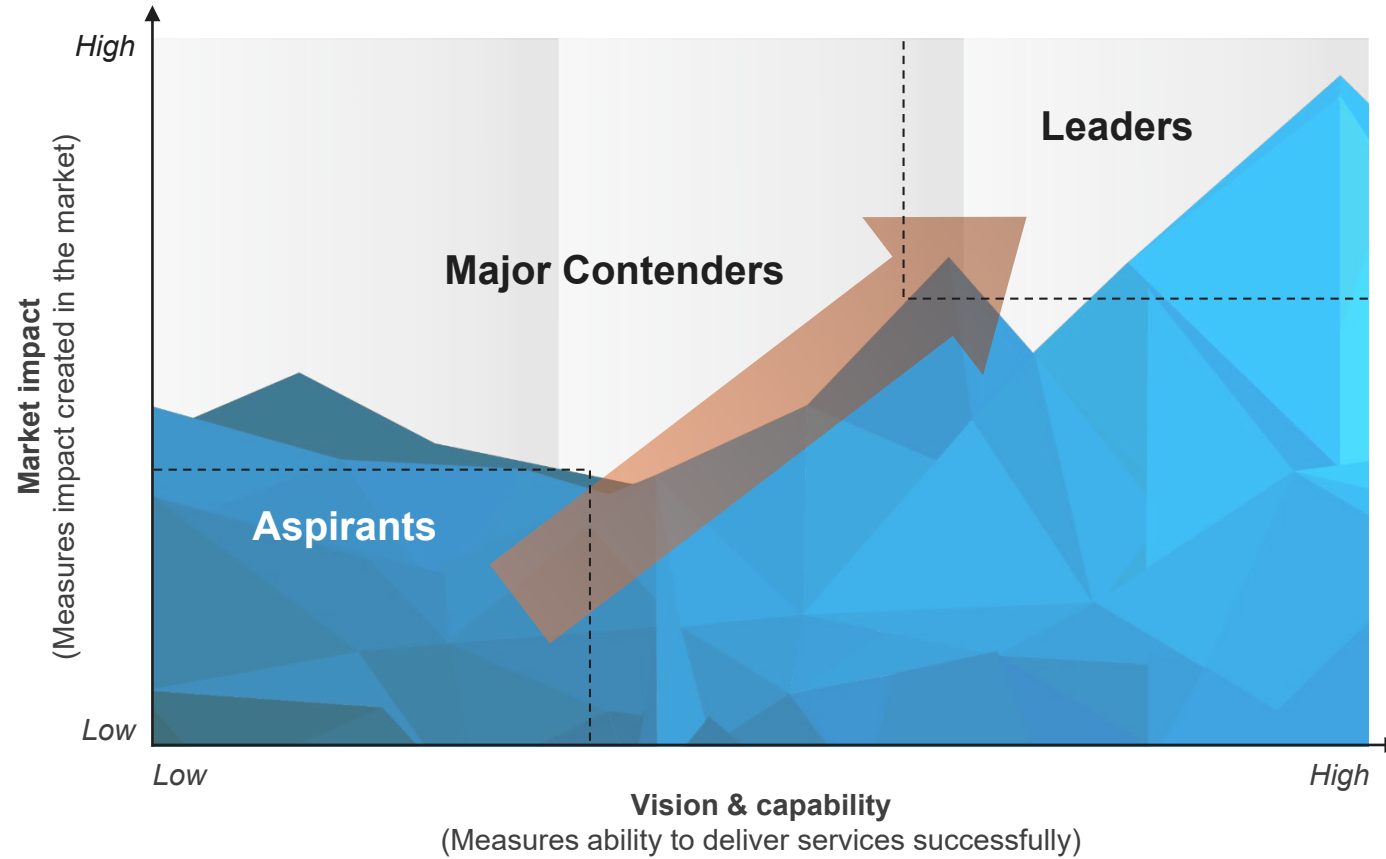
Limitations

- Apart from KYC and fraud management, the market adoption of Wipro's FCC offerings remains low when compared to peers

- Wipro's clientele is heavily concentrated in North America, with very little experience in emerging geographies such as Asia and Latin America

- As Wipro's portfolio is largely inclined toward large buyers, it has limited experience in engaging with small and midsize clients

- Wipro's legacy lies in catering to KYC and fraud management processes, it is yet to engage clients in AML and chargeback operations

- Its delivery presence is heavily skewed toward offshore centers, which could act as an impediment to future potential client engagements

Appendix

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

Everest Group PEAK Matrix

Leaders

Major Contenders

Aspirants

Market impact
(Measures impact created in the market)

High

Low

Low

High

Vision & capability
(Measures ability to deliver services successfully)

Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

Number 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

Market impact

Leaders

Major Contenders

Aspirants
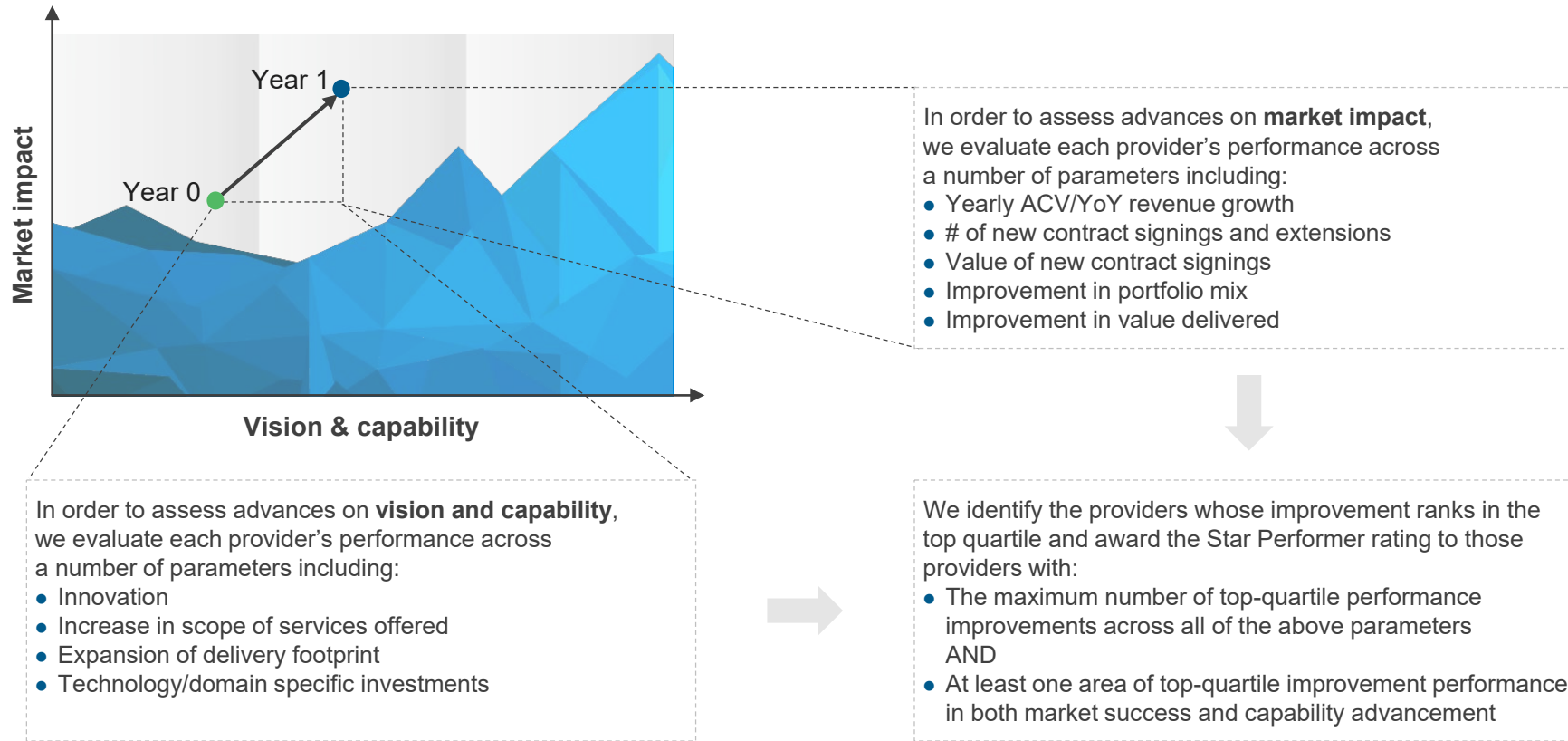
Vision & capability
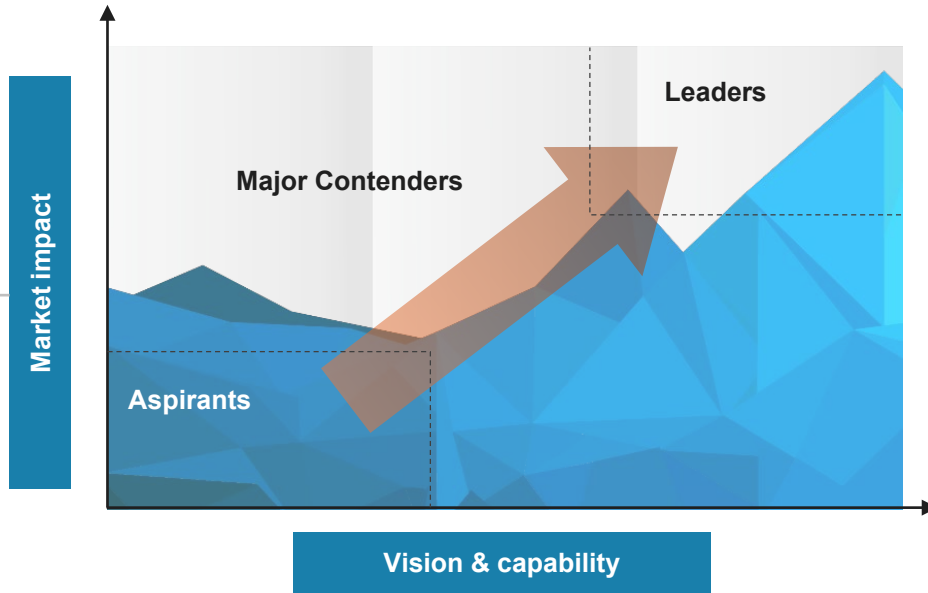
Measures ability to deliver services successfully. This is captured through four subdimensions

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, M&A, etc.

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 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 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 providers whose improvement ranks in the top quartile and award the Star Performer rating to those 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

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.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging 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 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 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

Everest Group®

With you on the journey

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