

Everest Group PEAK Matrix™ for FCC Operations Service Providers 2020

Focus on Wipro
October 2019



Background and methodology of the research


Background of the research


Financial Crime and Compliance (FCC) operations is a fast-growing segment within the overall banking BPS market. Most of the banks and Financial Institutions (FIs) are struggling to meet their cost restrictions while trying to address the regulatory challenges and the threat of financial crime associated with heavy penalties and 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.


The growing requirement for FCC support has opened up opportunities for service providers to further augment their capabilities and add offerings for fraud management and chargeback processes, in addition to the traditional Know Your Customer (KYC) and Anti Money Laundering (AML) offerings. The demand to increase efficiency and productivity by reducing false positives and manual intervention remain of prime importance to buyers. Service providers have the opportunity to incorporate digital elements into their solutions and add value to their services in a client relationship.

Scope and methodology

In this research, we analyze the global FCC operations service provider landscape. We focus on:

 **The relative positioning** of 21 service providers on **Everest Group's PEAK Matrix™** for FCC operations

 Analysis of service providers' **market share**

 Service provider **strengths and areas of improvement**

Introduction and scope

Everest Group recently released its report titled “[Financial Crime and Compliance \(FCC\) Operations Services PEAK Matrix™ Assessment and Service Provider Landscape 2020](#).” This report analyzes the landscape of the FCC operations services and assesses service providers across several key dimensions.

As part of this report, Everest Group classified 21 service providers on the Everest Group PEAK Matrix™ for FCC operations into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of FCC operations service providers based on their absolute market success and delivery capability.

Based on the analysis, **Wipro emerged as a Leader**. This document focuses on Wipro’s FCC operations experience as well as capabilities and includes:

- Wipro’s position on the FCC operations PEAK Matrix
- Detailed FCC operations 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 for FCC operations – summary

Everest Group classified 21 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 five service providers in the Leaders category – Accenture, Genpact, PwC, TCS, and Wipro

- **Major Contenders:**

The Major Contenders category has twelve service providers – Cognizant, Exela Technologies, EXL, HCL Technologies, Infosys, KPMG, Mphasis, Navigant, NTT Data, Sutherland Global Services, Teleperformance, and WNS

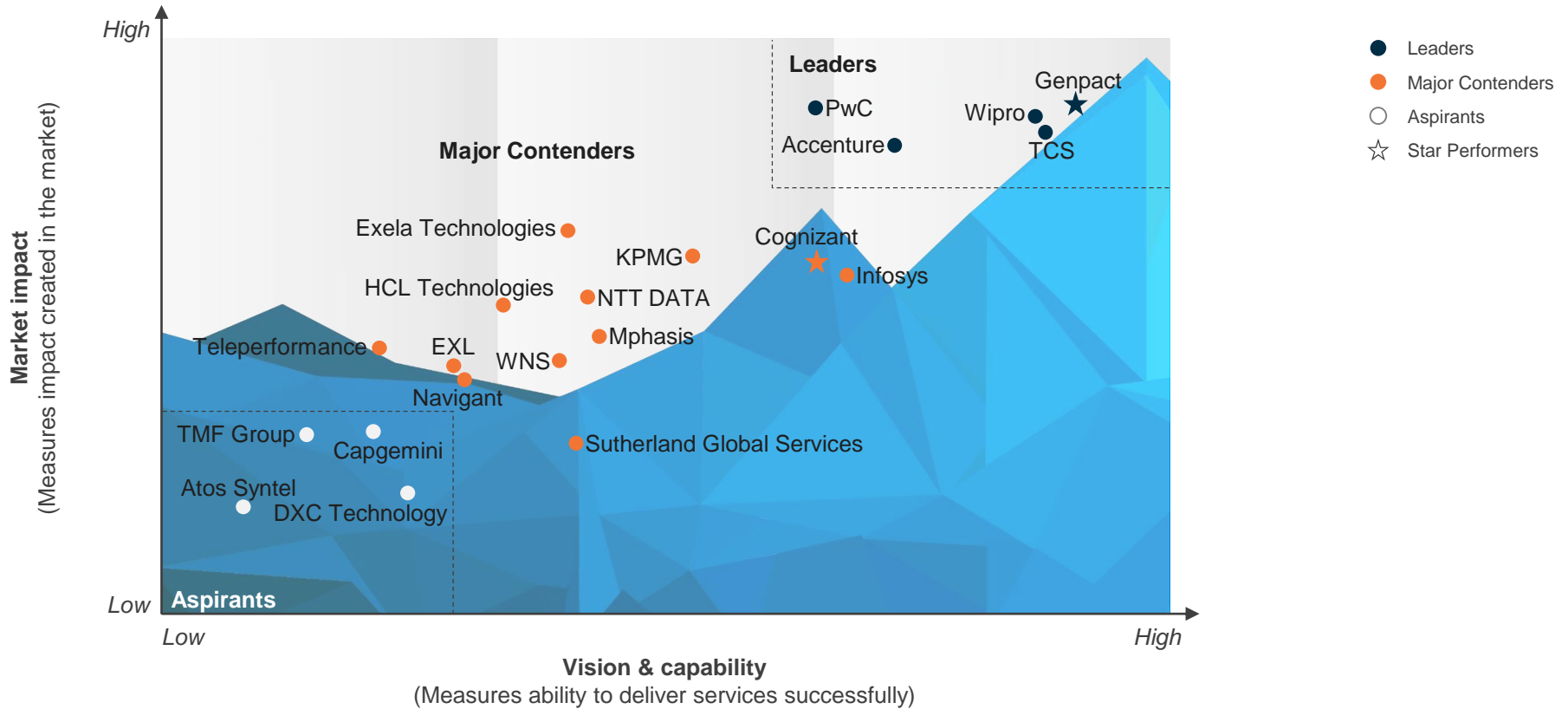
- **Aspirants:**

Atos Syntel, Capgemini, DXC Technology, and TMF Group are the Aspirants on the PEAK Matrix for FCC operations

Everest Group PEAK Matrix™

Financial Crime and Compliance (FCC) Operations Services PEAK Matrix™ Assessment 2020

Everest Group Financial Crime and Compliance (FCC) Operations Services PEAK Matrix™ Assessment 2020












Note: Assessment for Atos Syntel, Capgemini, DXC Technology, Exela Technologies, HCL Technologies, KPMG, Navigant, NTT Data, Sutherland Global Services, Teleperformance, and TMF Group excludes service provider inputs on this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers. For these companies, Everest Group's data for assessment may be less complete

Source: Everest Group (2019)

Wipro | FCC operations profile (page 1 of 5)

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 has developed significant and holistic capabilities around FCC operations. With a presence across all the processes as well as solutions to cater to them, it has seen good market success in recent years
- Wipro has developed multiple solutions such as Base)))™, Holmes, and e-KYC, which are digitally enabled and successfully deployed for multiple clients. Moreover, Wipro is continuously working on enhancing its technology offerings by developing new solutions as well as partnering with specialists such as Ayasdi, Emailage, and WinTrac
- Wipro has been able to add new logos to its FCC client list from different geographies in the last year and has invested in opening a new delivery center to cater to its growing client portfolio

Areas of improvement

- The market traction that Wipro has witnessed for its KYC and fraud management processes is not the same for its AML and chargeback processes. Initiatives to educate clients on its AML and chargeback capabilities will help it grow further in these areas as well
- Wipro is currently focusing on enhancing its technology capabilities, with multiple investments in developing new solutions and partnerships. However, investments made in developing its talent and enhancing its processes are not at par with investments made in technology
- Buyers feel that Wipro can further improve on its domain expertise in more complex processes and be more proactive to bring value to the client engagement

Overview

Company overview

Wipro is an IT services, consulting, and digital operations organization that delivers solutions to help its clients in their businesses. The company deals with cognitive computing, hyper-automation, robotics, cloud, analytics, and emerging technologies to help clients adapt to the digital world. The company delivers business outcomes through its industry experience and a 360-degree view of “Business through Technology”.

Key leaders

- Abidali Neemuchwala, CEO and Member of the Board
- Nagendra Bandaru, Global Head, Digital Operations & Platform (DO&P)
- Sandeep Kumar, Global Head, Institutional Financial Services
- Trupti Mukker, Global Head, Banking & Consumer Financial Services
- Manish Motiani, Global Head, Strategy, Solutions & GTM, Financial Services Operations

Headquarters: Bangalore, India

Website: www.wipro.com

Suite of services

- AML
- Analytics
- Chargeback
- Data quality-as-a-service
- Fraud management
- KYC and client on-boarding
- Regulatory reporting
- Remediation
- Risk management

FCC operations	2016 ¹	2017 ¹	2018 ¹
Revenue (US\$ million)	Not disclosed		
Number of FTEs	2,630	3,420	4,200
Number of clients	16	20	24

Recent acquisitions and partnerships

- **2018:** Partnered with Quantexa, a data analytics company that helps organizations fight against financial crime and derive customer insights
- **2018:** Partnered with Fenergo to leverage Client Lifecycle and KYC services
- **2017:** Partnered with a cyber intelligence insight firm to leverage early warning systems
- **2017:** Partnered with Avaamo, an AI-led process automation firm
- **2017:** Partnered with Ayaasdi to provide AI and ML solutions addressing AML and other critical regulatory functions

Recent developments

- **2018:** Developed an in-house solution HOLMES™ E-AML module, it supports negative news analysis and sanctions screening
- **2018:** Developed an in-house solution HOLMES™ Analyst Assist, it analyzes attributes / free text by using Long Short-Term Memory (LSTM) / Support-Vector Machines (SVMs) and provides probability scores with explanations to predict false positives in transaction monitoring

¹ 12 months ending December 31 of any particular year, i.e., from January 1, XXXX to December 31, XXXX

Key delivery locations



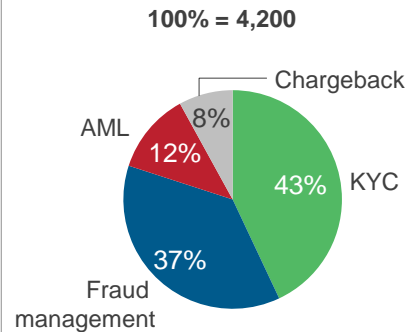
Wipro | FCC operations profile (page 4 of 5)

Key clients and capabilities

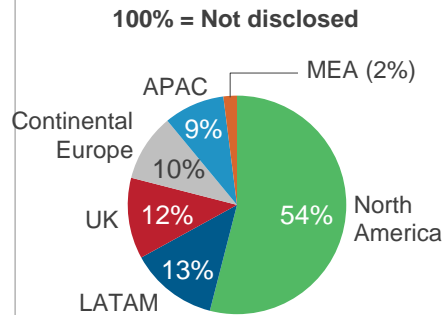
Key FCC operations engagements

Client name	LOB (KYC, AML, fraud management, and chargeback & recovery)	Region	Client since
One of the leading UK banks	KYC	Global	2016
One of the leading African investment banks	AML and fraud management	Global	2016
One of the leading US-headquartered global banks	KYC	North America, Middle East & Africa, and Asia Pacific	2015
One of the leading European investment banks	KYC	Global	2014
One of the leading card issuers in the US	Fraud management and chargeback	North America	2005

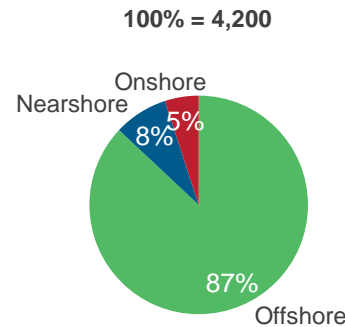
FCC operations FTE mix by segment
Number of FTEs



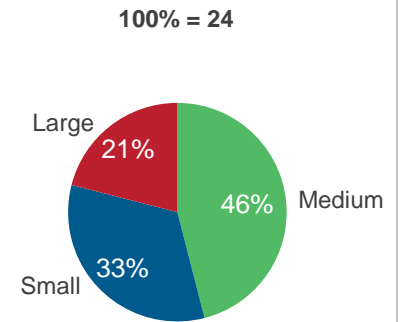
FCC operations revenue mix by geography
Revenue in US\$ million



FCC operations FTE split by delivery location
Number of FTEs



FCC operations revenue mix by buyer size¹
Number of clients



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 5 of 5)

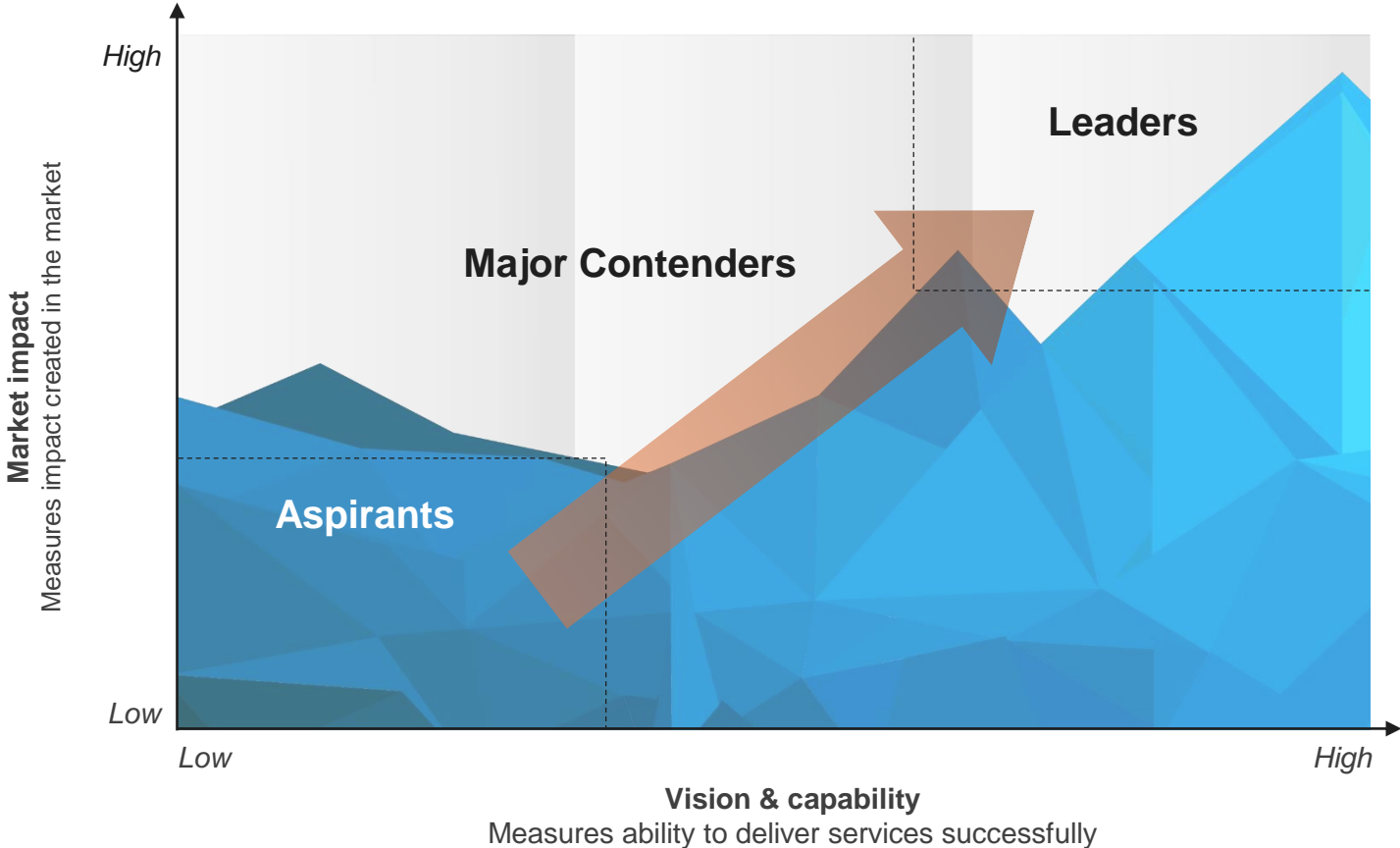
Technology solutions/tools

Application	LOB	Year launched	Description	No. of operations clients
E-AML	AML	2019	It reduces the time taken by analysts to review negative news articles and sanctions screening. The product uses neural network techniques to decrease non-material documents with aggregated score on four different parameters that are relevancy, relationship, sentiment, and overall context	1
Analyst Assist (AA) - transaction monitoring	AML	2019	It helps analyse attributes / free text using LSTM/SVM's probability scores with explanation to predict false positives. The AA tool learns from the feedback provided during the training, as well as per routine calibration, and improves its accuracy and precision score	Not disclosed
WinTraC	AML and compliance	2016	It is a real-time trade surveillance and compliance platform for buy side institutions	Not disclosed
HOLMES™ Anomaly Detection	AML and fraud management	2016	It helps detect fraud and process violations by correlating data feeds from multiple sources. It uses a combination of predefined rules and ML algorithms to identify outliers and leverages open source technology with a library of pre-built models that enable deployment	1
EKYC HOLMES™	KYC	2015	It enhances the KYC compliance and customer experience by reducing the manual effort through automation of identification and validation of customers, owners, and controllers	2

Appendix

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

Everest Group PEAK Matrix



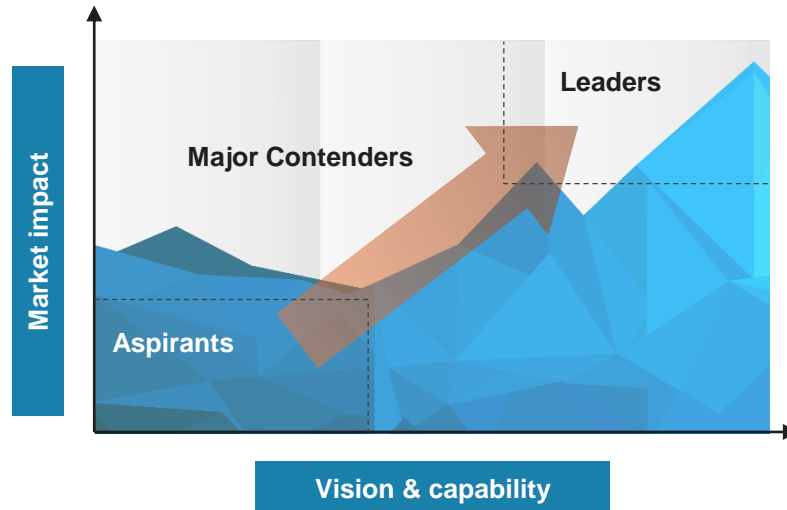
Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

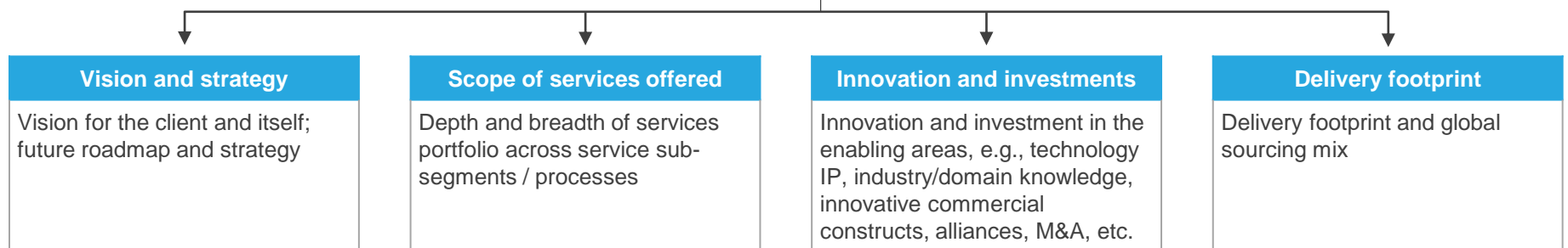
Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix
Diversity of client/revenue base across geos and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact



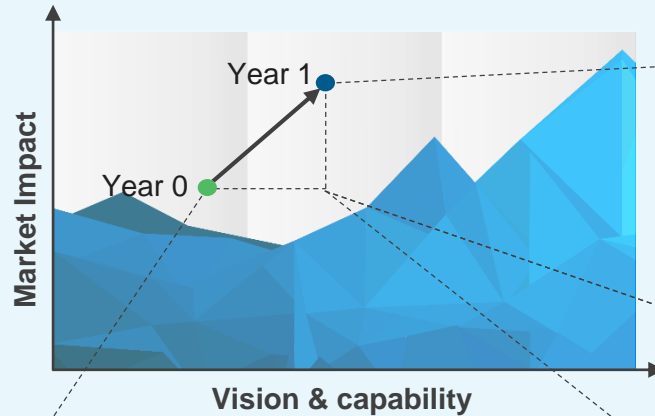
Measures ability to deliver services successfully. This is captured through four subdimensions



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

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.

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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