

# Everest Group PEAK Matrix<sup>®</sup> for BFS Risk and Compliance IT Service Providers 2020

Focus on Wipro  
June 2020

# Background of the research

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- 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 research, we studied the vision and capability of, and the market impact generated by 26 leading service providers that provide Risk and Compliance IT services to BFS firms. 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

# Introduction and scope

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Everest Group recently released its report titled [“BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020: Building Cloud-based Data Infrastructure for Intelligent Real-time Controls”](#). This report analyzes the changing dynamics of the BFS risk and compliance IT services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 26 service providers on the Everest Group PEAK Matrix® for BFS risk and compliance IT services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of BFS risk and compliance IT service providers based on their vision & capability and market impact. Everest Group also identified six service providers as the “2020 BFS Risk and Compliance IT Services Star Performers” based on the strongest forward movement demonstrated on the PEAK Matrix over time.

Based on the analysis, **Wipro emerged as a Leader**. This document focuses on **Wipro’s** BFS risk and compliance IT services experience and capabilities and includes:

- Wipro’s position on the BFS risk and compliance IT services PEAK Matrix
- Detailed BFS risk and compliance IT services 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.

# BFS Risk and Compliance IT services PEAK Matrix® 2020 characteristics

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## 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

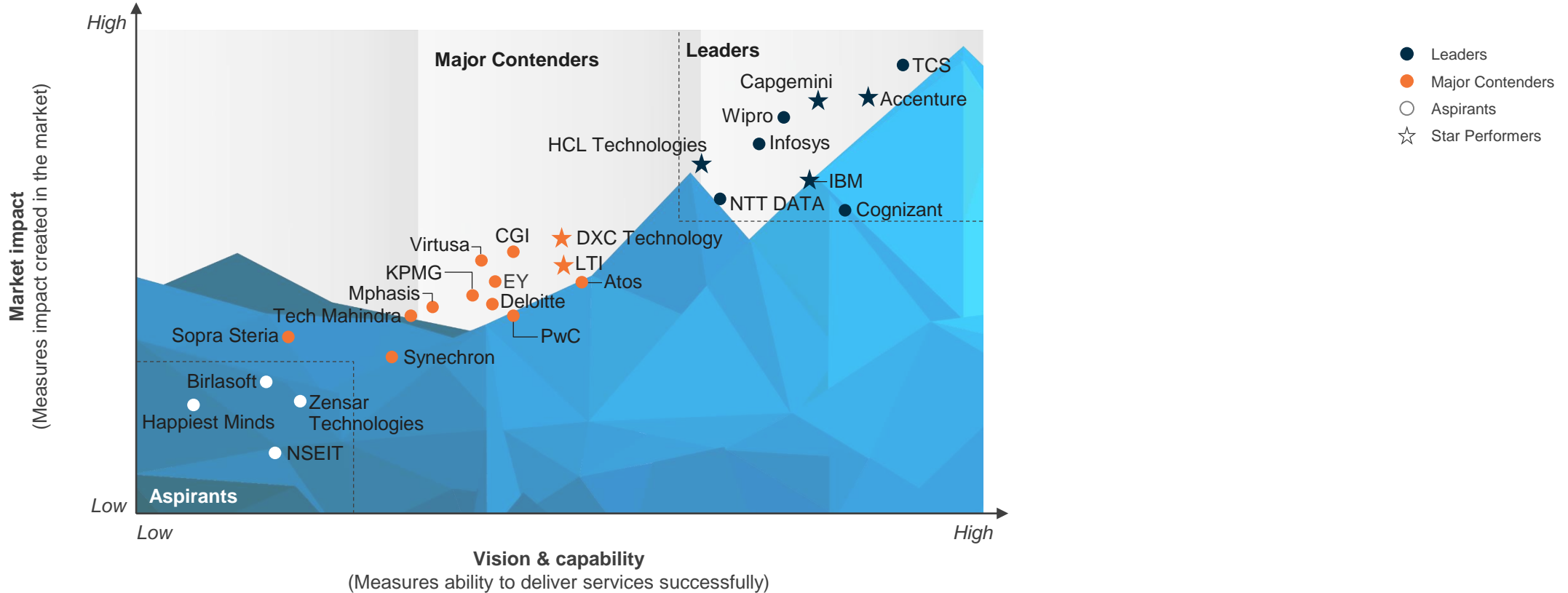
- Aspirants typically cover specific risk segments across BFS lines of business or deliver depth of services on one of the services themes such as analytics, system integration, or cybersecurity
- Aspirants are in a good position to challenge the market on specific elements in the risk & compliance value 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 PEAK Matrix®

## BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020 |

### Wipro positioned as a Leader

#### 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, Synchrotron, 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)

## Overview

**Vision for risk and compliance IT services practice:** To be a trusted partner for the new age BFS firms for better risk management and effective compliance, through integrated offerings for digitization and transformation of risk and regulatory compliance technology.

### Risk and compliance IT services revenue

<US\$20 million

US\$20-150 million

US\$150 - 350 million

>US\$350 million

### Number of active clients for risk and compliance IT services

<25

25-100

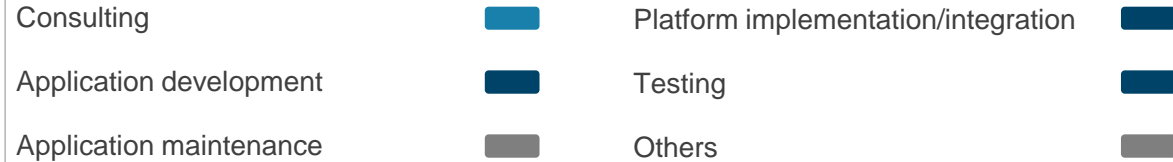
100-150

>150

### Risk and compliance IT services revenue mix in BFS:

High (>25%) Moderate (10-25%) Low (<10%)

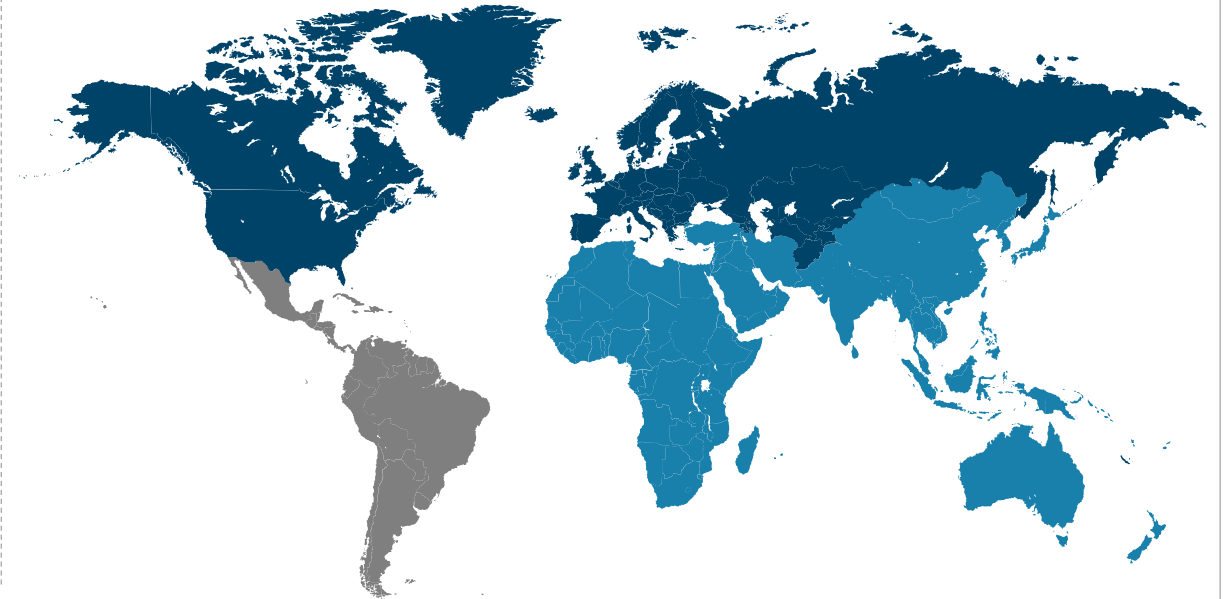
#### By services scope



#### By buyer size



#### By geography



Source: Everest Group (2020)

NOT EXHAUSTIVE

### Case study 1: Financial risk management support for a large European bank

Business challenge	<ul style="list-style-type: none"> <li>Multiple point solutions across risk, finance, treasury, and compliance functions created challenges in automation, digitization, and industrialisation of technology and bank</li> <li>Inability in transforming customer journey and digitization of banking services</li> </ul>
Solution	<ul style="list-style-type: none"> <li>Applied principle of “migrate and transform” instead of transform and migrate” to tailor-fit migration roadmap for 212 applications</li> <li>Categorized applications in different clusters for cloud enablement and digitization; supported selection of platforms that fit in the migration roadmap</li> </ul>
Impact	<ul style="list-style-type: none"> <li>Consolidation of point solutions and reduction in the number of applications by 80%</li> <li>Optimization of IT operations, resulting in ~50% cost savings</li> <li>Shift to a cloud-native regulatory reporting platform</li> </ul>

### Case study 2: Transforming fraud management technology for a top 10 global bank

Business challenge	<ul style="list-style-type: none"> <li>Multiple fraud monitoring point solutions, covering a part of portfolio, making it difficult to implement a uniform fraud monitoring policy</li> <li>Lack of advanced analytics capabilities to streamline and manage large number of false positives alerts</li> </ul>
Solution	<ul style="list-style-type: none"> <li>Leveraged Fraud Management Technology 3.0 framework to design and implement end-to-end monitoring solution</li> <li>Integrated all point solutions on Actimize Integrated Fraud Management (IFM) platform; integrated IFM with internal and external systems, data, and feedback loop to implement ML-based models and improve fraud detection</li> </ul>
Impact	<ul style="list-style-type: none"> <li>Optimization of fraud investigation operations and reduction in false positives by more than 40%</li> <li>Implementation of a configurable fraud monitoring platform allowed the bank to onboard transactional systems within a few weeks</li> </ul>

### Prevalence of case studies across business segments

■ High (>40%) 
 ■ Medium (25-40%) 
 ■ Low (<25%)



Source: Everest Group (2020)

## Key offerings and investments

NOT EXHAUSTIVE

### Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver risk and compliance IT services to BFS customers across following themes

Name	Details
Risk data aggregation	Provides pre-built, cost effective framework for data management and integration for risk data aggregation and data lineage-as-a-service; leverages ASG Rochade vendor tool to document and automate data lineage
Modeling and analytics	Integrated workbench for data ingestion (structured/unstructured), analytics, and visualization on cloud; helps to automate risk and compliance modeling and analytics, serving as a model validation solution for credit/market risk, IFRS 9, AML / financial crimes alert generation models
HOLMES E-KYC	Cognitive AI engine to enhance KYC compliance that helps to reduce manual effort and enhances customer experience by automating identification and validation of customers, owners, and controllers
Risk intelligence solution	Security intelligence platform to identify cyber risk, integrate incident data, abnormal events, internal and external risk factors, threat feeds and feeds from security management tools
Future technology 3.0 frameworks	Helps to build intelligent and cloud-enabled technology for risk management, compliance, regulatory reporting, and financial crimes management










### Key partnerships/alliances/ M&As/ JVs leveraged to deliver risk and compliance IT services to BFS customers

Name	Type of investment (Year)	Details of investment
SAS and Oracle – OFSAA	Partnership (2010, 2012)	To provide consulting and IT services in risk management, performance management, regulatory compliance, and financial crimes prevention
AxiomSL	Partnership (2013)	For enhanced capabilities in regulatory reporting and risk management
NICE Actimize and DARIC	Partnership (2014, 2018)	To strengthen platform capabilities in financial crimes prevention and financial markets compliance domain
MetricStream	Partnership (2015)	To provide consulting and IT services in the GRC space; premier partnership to simplify GRC for modern and digital-ready financial institutions
Wipro Ventures	Investment (2019)	Strategic investments into multiple specialist start-ups in the areas of cybersecurity (such as Vectra AI, Demisto and CyCognito)



## Everest Group assessment – Leader

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

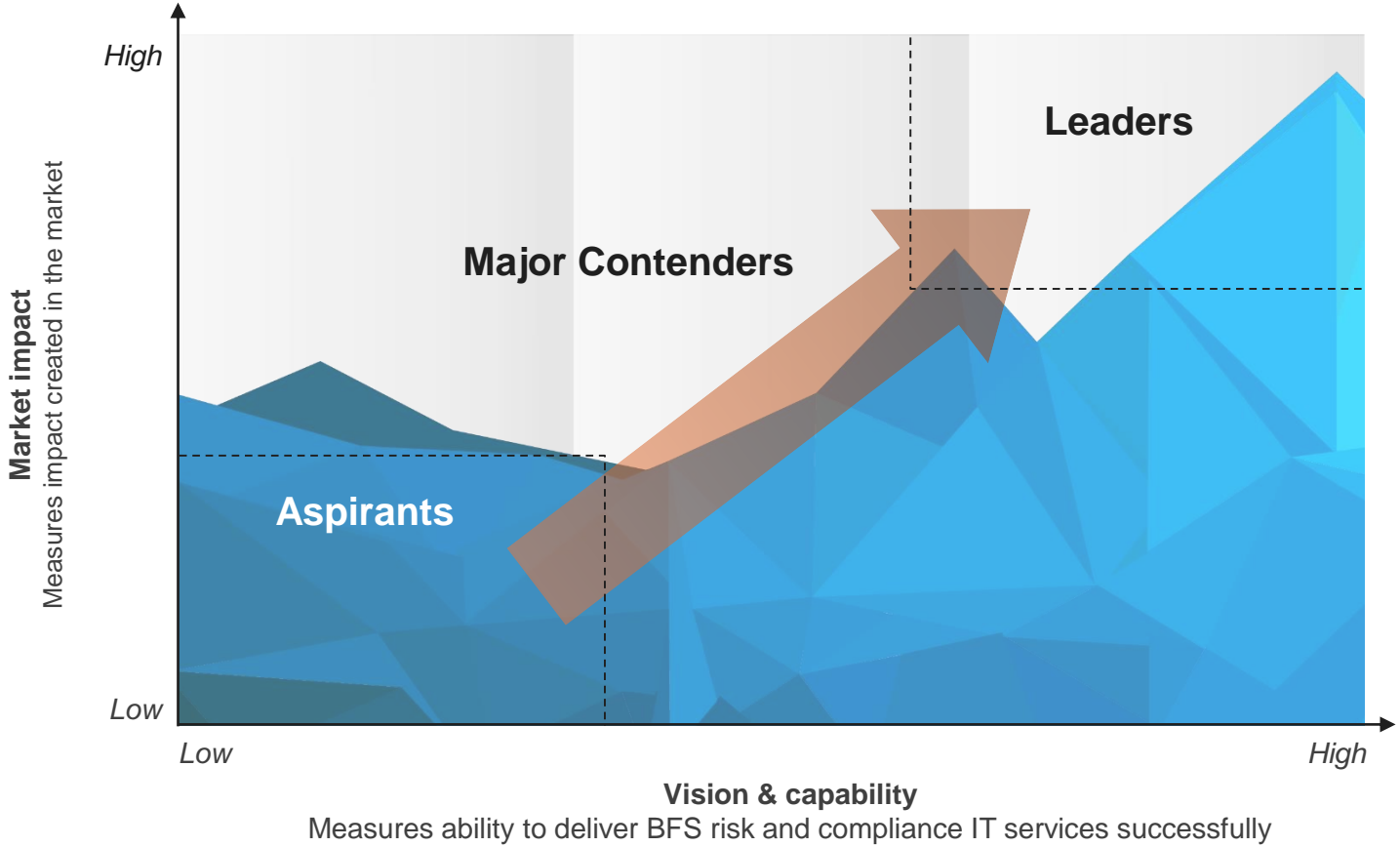
- Lags peers in onsite delivery strength, while similar-sized competitors are investing in building a regional talent factory and a pool of risk and compliance domain experts
- Clients expect Wipro to better manage attrition at their offshore locations to ensure a steady talent supply across its engagements
- 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

# Appendix

# Everest Group PEAK Matrix<sup>®</sup> is a proprietary framework for assessment of market impact and vision & capability



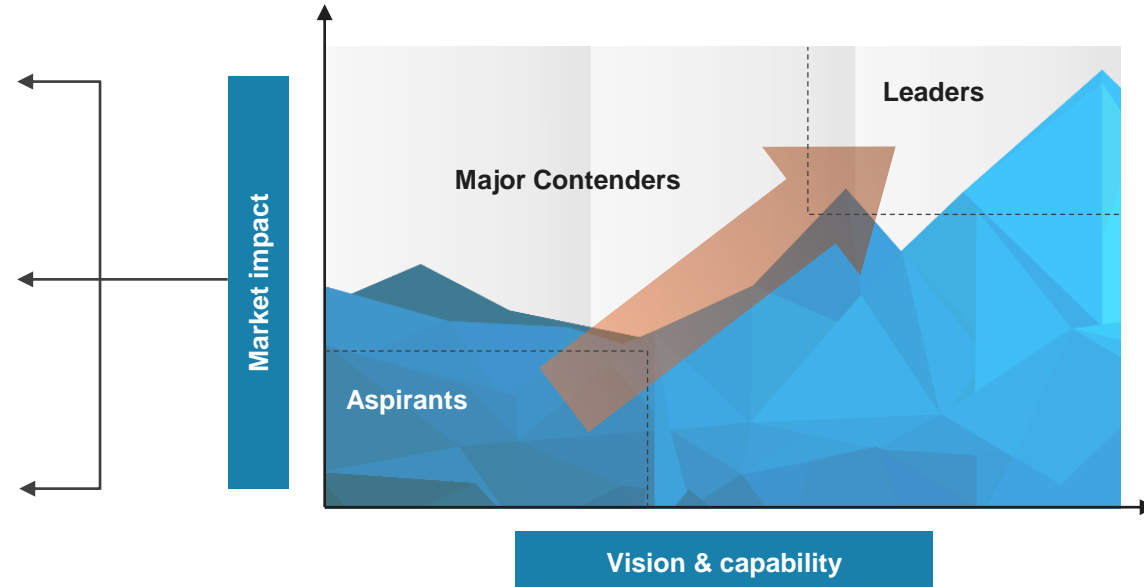
Everest Group PEAK Matrix



# 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 demonstrated through case studies



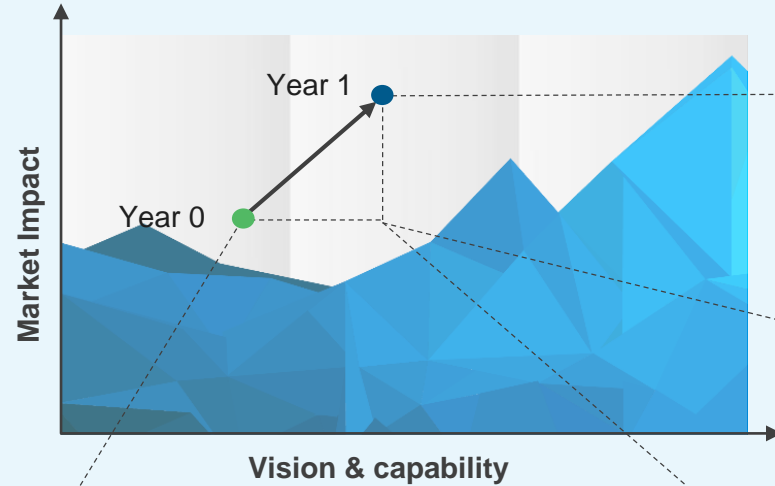
Measures ability to deliver services successfully. This is captured through four subdimensions

- 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 several 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.*

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## **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](http://www.everestgrp.com).

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