

Everest Group PEAK Matrix[®] for Application and Digital Service Providers in Capital Markets 2021

Focus on Accenture
February 2021



Background of the research

While historically, global capital markets firms have been slow in addressing digital disruption, the COVID-19 pandemic has drastically accelerated their plan for organization-wide digital transformation. Muted growth outlook, a complex regulatory landscape, and the need to manage business resiliency during the pandemic were some of the key challenges that capital markets enterprises focused on at the beginning of the year. They addressed these concerns by enabling secure ways for employees to work remotely, digitalizing sales and distribution channels to effectively serve customers, and managing brand and customer trust.

As global markets have started recovering, capital markets firms are focusing on the next normal by investing in data migration, cloud, platform modernization, and machine learning to deliver enhanced customer experience. IT service providers are ramping up service offerings, redesigning their capital markets practice strategies, and leveraging ecosystem talent to respond to the evolving demand themes.

In this research, we present an assessment of 25 Application and Digital Service (ADS) providers featured on the Application and Digital Services in Capital Markets PEAK Matrix®. The assessment is based on Everest Group's annual RFI process for calendar year 2020, interactions with leading application and digital services providers, client reference checks, and an ongoing analysis of the capital markets application and digital services market.

This report includes the profile of Accenture as featured on the Application and Digital Services in Capital Markets PEAK Matrix®

Scope of this report:



Geography
Global



Service providers
25 leading application and digital service providers in capital markets



Services
Application and digital services in capital markets

Application and digital services in capital markets PEAK Matrix® characteristics

Leaders:

Accenture, Capgemini, Cognizant, HCL Technologies, Infosys, LTI, TCS, and Wipro

- Leaders have focused on strengthening their partnership with cloud hyperscalers, such as AWS, Azure, and GCP and develop joint GTM strategy
- The majority of Leaders continue to invest in building an extensive partnership ecosystem with third-party platform providers in capital markets and developing IPs, frameworks, and accelerators around these platforms to fast-track the transformation journey for their clients
- Leaders are trying to position themselves as an end-to-end partner across the digital services spectrum (i.e., consult, build/design, and manage) across all business segments within capital markets to expand their wallet share with existing clients while enterprises are looking for vendor consolidation

Major Contenders:

Atos, Birlasoft, Coforge, DXC Technology, EPAM, Genpact, GFT, Incedo, Mindtree, Mphasis, NTT DATA, Tech Mahindra, and Virtusa

- Major Contenders cover a wide spectrum of service providers, from large providers with global capabilities to a set of mid-sized players with a regional focus
- Players such as EPAM, Genpact, Incedo, Mindtree, NTT DATA, and Tech Mahindra have been able to achieve a double-digit revenue growth in capital markets ADS practice in 2019
- Major Contenders have invested in building strategic alliances with cross-industry platform providers and technology vendors and built tools/accelerators for reduced time to market; players such as DXC Technology, NTT DATA, Virtusa, and Tech Mahindra have partnered well with industry-specific product/platforms vendors and developed domain-specific solutions
- While Major Contenders have been able to demonstrate their digital services capabilities, they need to drive capital markets-specific thought leaderships and innovations to drive conversations with capital markets clients

Aspirants:

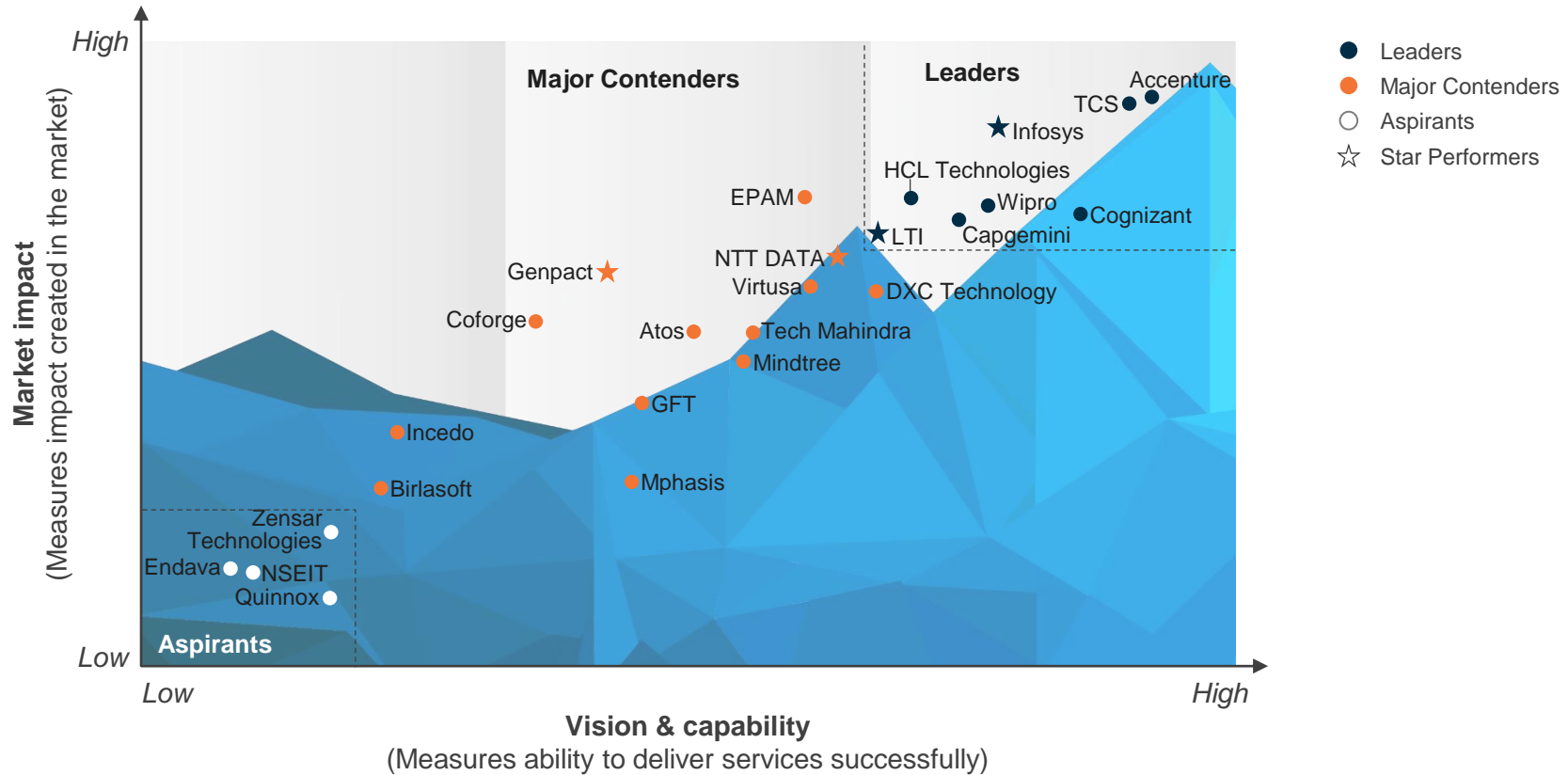
Endava, NSEIT, Quinnox, and Zensar Technologies

- Aspirants have demonstrated niche focus, either on a particular capital markets segment, geography, or functional capability
- Given their limited client portfolio, Aspirants have been able to demonstrate client intimacy and significant attention as well as leadership involvement
- Players such as NSEIT and Zensar Technologies are investing in building automation and data & analytics capabilities, while Endava is focusing on acquisitions to enhance its overall digital services offering

Everest Group PEAK Matrix®

Application and Digital Services in Capital Markets PEAK Matrix® Assessment 2021 | Accenture positioned as Leader

Everest Group Application and Digital Services in Capital Markets PEAK Matrix® Assessment 2021^{1,2}



1 PEAK Matrix specific to application and digital services in capital markets

2 Assessment for Endava and Quinnox excludes service provider inputs on this 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)

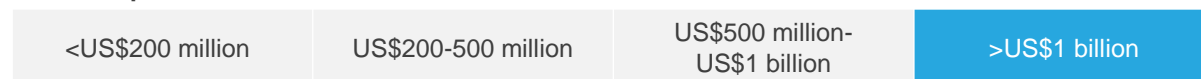
Accenture | application and digital services in capital markets profile (page 1 of 4)

Overview

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

Vision for ADS in capital markets practice: Creating durable and sustainable economic impact for clients by innovating and reshaping their cost base, driving digital and technology-led capabilities, and ensuring world-class customer servicing innovation.

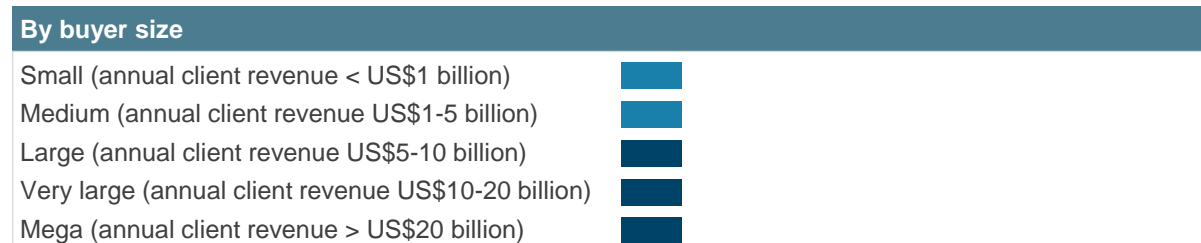
ADS in capital markets revenue



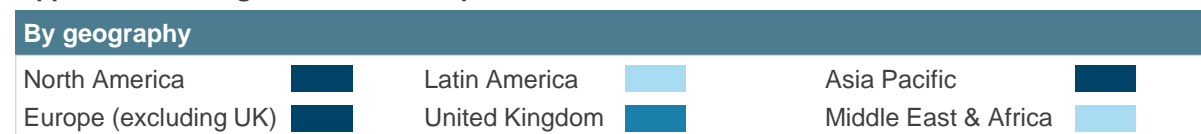
Number of active clients for ADS in capital markets



Application and digital services in capital markets revenue mix



Application and digital services in capital markets revenue mix



Delivery footprint		
Region	Key cities	No. of FTEs ³
North America	Toronto, Atlanta, Austin, Mexico City, and Montreal	Not disclosed
United Kingdom	Chesterfield, London, Warwick, and Newcastle	Not disclosed
Europe (excluding UK)	Paris, Lisbon, Venice, Barcelona, Prague, Milan, Madrid	Not disclosed
Asia Pacific	Delhi, Mumbai, Kuala Lumpur, Jakarta, and Shenzhen	Not disclosed
Latin America	Rio de Janeiro, São Paulo, Buenos Aires, and Rosario	Not disclosed
Middle East & Africa	Ebene, Casablanca, and Centurion	Not disclosed

1 System integration includes package implementation
 2 AR/VR, business intelligence and data warehouse, IoT, etc.
 3 Capital markets ADS FTEs

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Client success stories

Case study 1	Digital transformation for a leading investment management firm in APAC	Case study 2	Front-to-back market & treasury modernization for a multinational European financial institution	Case study 3	Post-trade transformation for a leading North American clearing & settlement services company
<p>Business challenge</p> <p>The client has a new technology mission and vision for 2021, focused on overhauling its current technology capabilities and infrastructure by building new capabilities, changing the ways of working, and setting the foundation for a collaborative global firm. The firm believes in realizing alpha generation through the implementation of various strategic platforms.</p> <p>Solution</p> <p>Accenture helped the client in its strategic platforms such as the core investment platform that overhauled the core investment processing platform to drive STP for faster and more accurate investments processing. It also designed the data and analytics tools and platforms, which defined the client's overall strategy and vision of being a data-driven firm. In addition, the company also developed an employee mobile application to facilitate seamless employee access to a wide range of corporate services and platforms.</p> <p>Impact</p> <ul style="list-style-type: none"> • Collaboration tools and platforms have enabled the client to remain productive during COVID-19 by way of remote working • Redesigned investment processing platform has driven more accurate investments • Data and analytic platforms have been driving new ways of working by providing business with cognitive automation to deliver the right insights for investment research and make better investment decisions to drive alpha generation 	<p>Business challenge</p> <p>A leading European financial services group was looking to modernize their markets and treasury systems across front office through back office to bring improved synergies across departments, have better regulatory preparedness, and optimize the cost of operation</p> <p>Solution</p> <p>Accenture helped transform the client's treasury and markets units by co-creating and implementing a new target operating model for market & treasury, back office, finance, product control, risk, IT, and compliance across all global locations. It utilized intelligent tooling for environment and configuration management (i.e., ReforMX and MXmon) and automation technology (MXTest) to support the way of working. It also transformed product delivery with DevOps, focusing heavily on continuous integration / continuous delivery practices in collaboration with Murex, using Murex proprietary tools to bring further improvements to quality, time-to-market, predictability, and flexibility. In addition, Accenture enabled the client's journey to the cloud for their risk system</p> <p>Impact</p> <ul style="list-style-type: none"> • Unified operating model supporting one global trading platform across all global locations with more than 250,000 transactions covering all asset classes now being processed for all functions on Murex • US\$13.4 million annual cost-savings have been realized, with a projected total of US\$63 million annual savings toward 2023 and four systems having been decommissioned 	<p>Business challenge</p> <p>The client was facing potential disruption through start-up innovators evolving at an exponential pace and also experienced increased client demand to further streamline and introduce operational efficiencies to explore the servicing of existing and new assets.</p> <p>Solution</p> <p>Accenture used Distributed Ledger Technology (DLT) performance benchmarking and evaluated the architectural capabilities of leading DLT platforms. It also architected a POC to demonstrate key concepts of accelerated settlements in public markets to solicit feedback from industry participants and defined a functional and technical architecture detailing the key requirements to build a prototype for accelerated settlements</p> <p>Impact</p> <p>DLT can process an entire trading day's volume at peak rates – 6,300 trades/sec or 115,000,000 trades/day and this technology is ready for a path to production consideration</p>			

Accenture | application and digital services in capital markets profile (page 3 of 4)

Key offerings and investments

NOT EXHAUSTIVE

Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver application and digital services in capital markets

Name	Details
Accenture post-trade processing platform	A solution that combines global BPO capabilities and capital markets expertise with leading post-trade processing technology. It is designed to help investment banks of different sizes reduce post-trade processing costs, adapt to new regulations, and improve performance through enhanced capabilities
Synapse	Solution that enables Virtual Reality (VR) delivery of scalable, multi-user, high-quality synthetic training; the application works with VR headsets as well as on desktop with reduced effectiveness and interactivity. It enables remote interaction in an immersive way for multiple purposes such as remote advisory and remote trading
Finastra loan IQ tools	A suite of 13 tools to accelerate Finastra loan IQ implementation and configuration, including customer risk AI and scheduled activity report monitoring
Murex acceleration Tools	A suite of 12 tools to accelerate Murex implementation and configuration, including application monitoring, DevOps, and trade anomaly identification
Orbium solution for Avaloq	Orbium helps wealth management clients to maximizes the impact of their digital investments across the business with a range of software solutions – Orcat, SecurEasy, FinCube, and TestMaster
Smart collateral	A solution based on disruptive ML and blockchain technologies that predicts future potential exposures and intelligently optimizes collateral allocation; primarily used for treasury and margin trading

Key partnerships/alliances/M&As/JVs leveraged to deliver application and digital services in capital markets

Name	Type of investment (year)	Details of investment
Fenergo	Partnership (2020)	Formed strategic partnership well-positioned to support clients through their front-to-back transformation with Fenergo’s digital Customer Life Cycle Management (CLM) products
Personetics	Partnership (2020)	Partnered to jointly deliver data-driven personalization for financial services clients
Blackrock Solutions	Partnership (2019)	Became a global implementation partner for Blackrock Solutions to help clients in their complex capital markets exposure and comprehensive investment management technology
Quantexa	Minority investment (2019)	Invested to accelerate the development of AI-powered entity resolution and network analytics technology; the collaboration will help clients across multiple industry use cases such as fighting financial crime and detecting money laundering in capital markets
InvestCloud	Partnership (2018)	Leveraged to provide implementation services for clients in North America and Europe

Source: Everest Group (2020)

Accenture | application and digital services in capital markets profile (page 4 of 4)

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

- Accenture has built long-standing partnerships with leading third-party platform vendors, such as Murex, Calypso, Avaloq, Temenos, BlackRock, and Broadridge, and developed accelerators and frameworks for smooth system integration services for these platforms
- Significant delivery footprint across geographies and continued focus on upskilling talent through e-learning and platform-specific certification programs have enabled Accenture in providing superior services to its clients
- The acquisition of Parker Fitzgerald and Orbium has helped the company in further strengthening its risk advisory and Avaloq-enabled business transformation services
- The company's internally developed tools and platforms, such as myIndustry, Synapse ICP, myNav, and myWizard, have helped clients accelerate their digital transformation journey through industry-specific cloud solutions, powered by analytics and AI

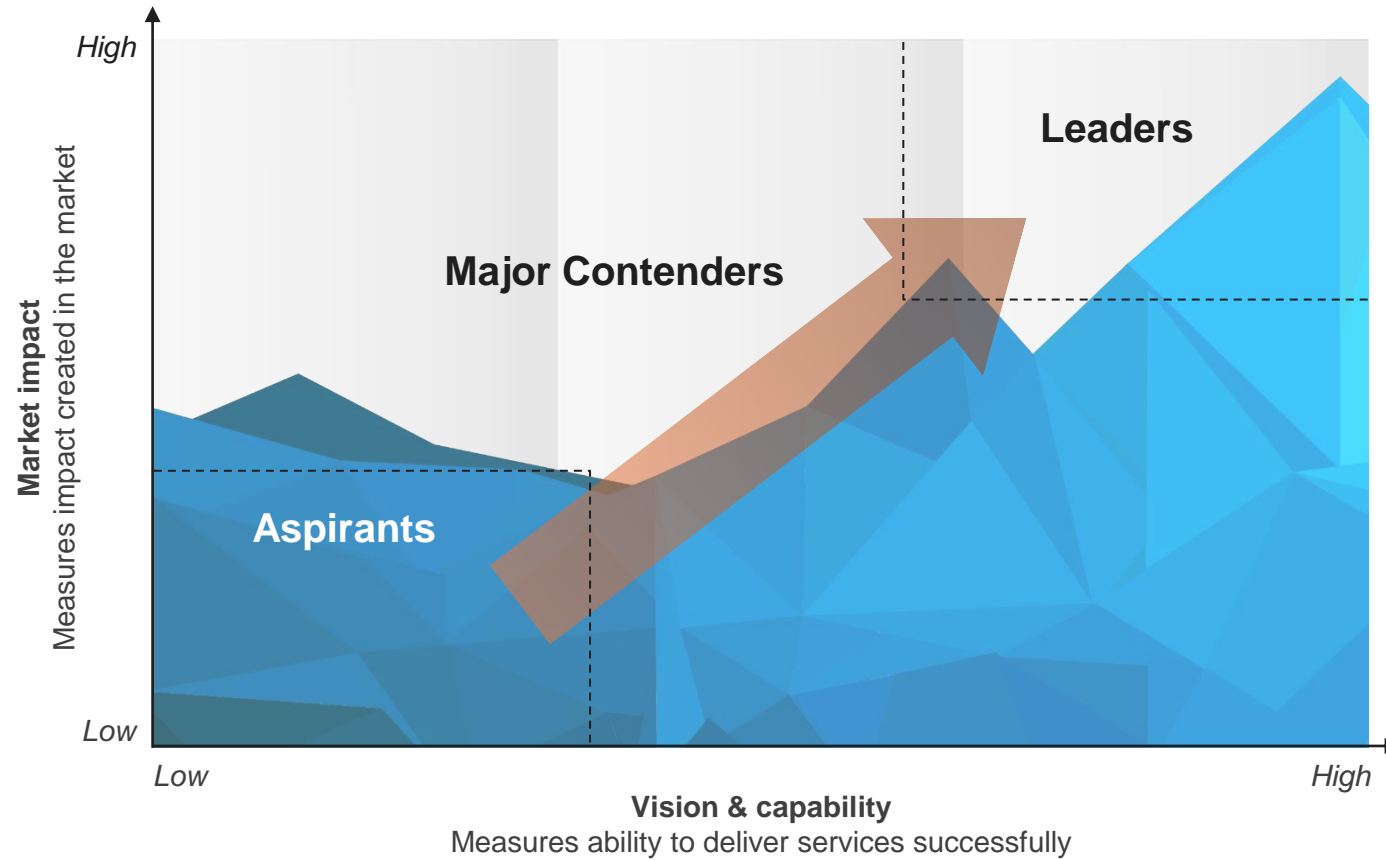
Areas of improvement

- Accenture needs to improve its flexibility in terms of pricing/commercials to maintain its position as one of the preferred vendors for its clients
- Accenture's market perception as a large-scale transformation partner has become a barrier for gaining wallet share in the small- and mid-tier market
- Clients expect Accenture to be more proactive in bringing experiences from other engagements, and offer additional business value beyond the agreed scope and SLA
- The company is increasingly not being considered for running large-scale applications environment, especially for support and maintenance as the firm is pivoting messaging and offerings toward digital technologies and transformation engagements

Appendix

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

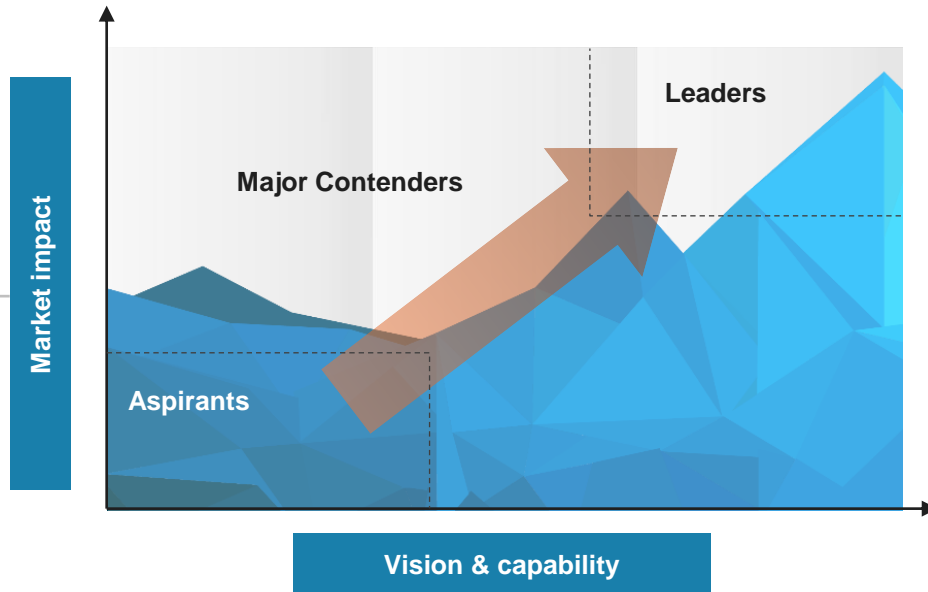
Everest Group PEAK Matrix



Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

- Market adoption**
Number of projects, client base, and YoY growth
- Portfolio mix**
Diversity of project/client 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

FAQs

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 marketplace, 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



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