

Everest Group PEAK Matrix® for Finastra IT Service Provider 2022

Focus on Accenture
January 2022



Background of the research

- Finastra has seen massive surge in demand since Misys and D+H joined hands in early 2017, owing to banks undertaking digital transformation initiatives to achieve resilient operating models and meet the ever-changing customer expectations. It has emerged as one of the largest BFS-focused core platform with a vast coverage of products across payments, treasury, risk and compliance, open banking, lending, and capital markets
- With traditional banks adopting platform-centric operating models, Finastra has been successful in differentiating itself from other product vendors by delivering componentized solutions and open platforms that can be on-premise/cloud and have microservice capabilities. It has also made significant investments in the form of acquisitions and strategic partnerships to broaden its capabilities in banking and capital markets
- There is an increasing shift in demand for Finastra products from Fusion Summit and Kondor to Fusion Global PAYplus (GPP) and Loan IQ
- The launch of Finastra’s developer portal and addition of multiple non-competing platform vendors to this portal has allowed banks to continuously explore the breadth of solutions and innovations that system integrators have built around the Finastra product suite that they can leverage as part of their transformation journeys

This report features the profile of Accenture as covered in the Finastra IT Services PEAK Matrix® assessment 2022

Scope of this report:



Geography
Global



Service providers
15 leading Finastra IT service providers in BFS



Services
Platform IT services in BFS

Finastra IT Services PEAK Matrix® characteristics

Leaders:

Accenture, Capgemini, Cognizant, HCL Technologies, and Infosys

- Leaders have significantly grown their Finastra IT services practice and emerged as preferred partners for select geographies and products, driven by their expertise in advisory, domain-specific thought leadership, and joint GTM strategies with Finastra
- Players, such as Accenture, Capgemini and Cognizant, have built a diverse portfolio of cloud-enabled and as-a-service proprietary offerings for Finastra products across banking, payments, risk, and trade
- Players, such as Infosys and HCL Technologies, have invested in leveraging their other product partners to build added capabilities on Finastra platforms and developing a talent base of certified Finastra engineers and consultants
- Leaders have a significant client base in North America, Europe, and Asia Pacific and are now focusing on winning large-scale digital transformation deals in high-growth markets of Middle East, Africa, and Latin America

Major Contenders:

Interswitch, Luxoft – A DXC Technology Company, NTT DATA, Synechron, TCM Partners, and Wipro

- Major Contenders cover a spectrum of service providers – from large players with global consulting and technology capabilities to mid- and small-sized payers with regional focus
- Small players, such as TCM Partners and Interswitch, have built meaningful capabilities and specializations for a few Finastra products in their local regions of Latin America and Africa respectively, where other system integrators have minimal presence
- Players, such as Luxoft and Synechron, have made significant investments in developing a rich talent pool of Finastra-certified experts and ex-Misys consultants to support their clients on large-scale transformations and become an end-to-end partner
- SIs, such as Wipro and NTT DATA, have built expertise in Finastra services through acquisitions of Finastra specialist firms with a strong presence in the regions they operate in

Aspirants:

Anabatic Technologies, Be, Neoflex, and Sophos Solutions

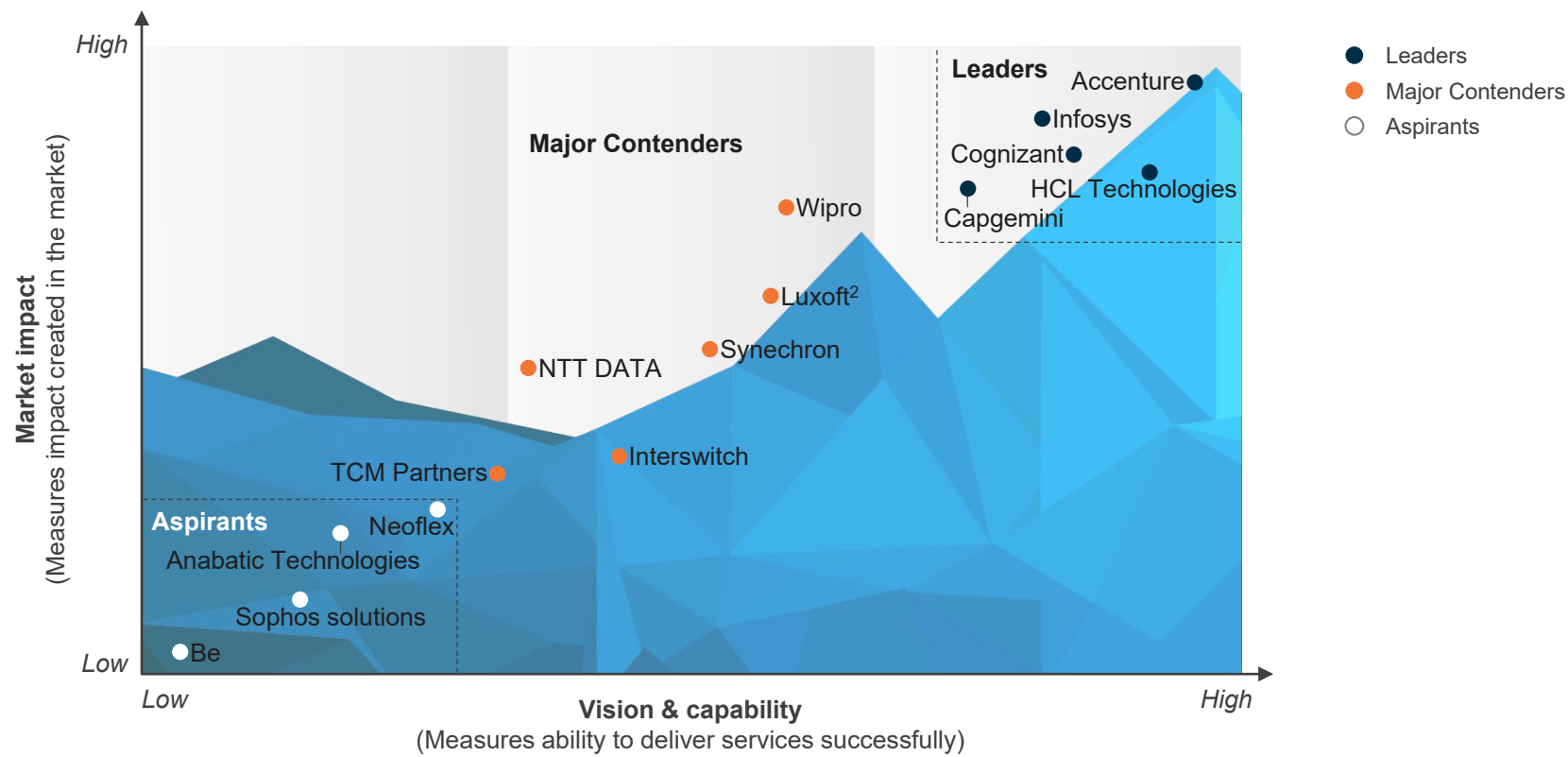
- They are either focused on a region(s) or vertical(s), or currently have a relatively small Finastra practice
- Players, such as Neoflex, are investing in becoming challengers to the Leaders and Major Contenders in specialized products such as Fusion Risk
- Aspirants are continuously investing in acquiring ex-Finastra/ex-Misys resources, local sales, and domain experts, to differentiate themselves from its peers and offer better client servicing

Everest Group PEAK Matrix®

Finastra IT Services PEAK Matrix® Assessment 2022 | Accenture positioned as Leader



Everest Group Finastra IT Services PEAK Matrix® Assessment 2022¹



¹ Assessments for Anabatic Technologies, Be, Interswitch, Luxoft, Neoflex, NTT DATA, Sophos Solutions, Synechron, TCM Partners, and Wipro excludes service provider inputs on this study and are based on Everest Group's research, which leverages 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.

² Luxoft, A DXC Technology Company

Source: Everest Group (2021).

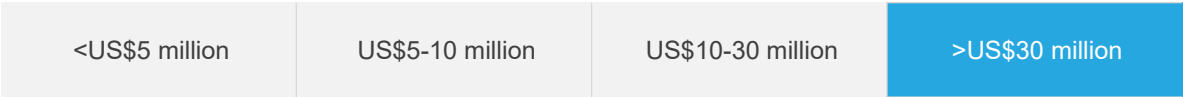
Accenture | Finastra IT services profile (page 1 of 5)

Practice overview¹

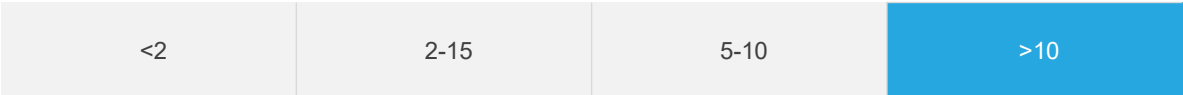
Company mission/vision statement

Accenture is focused on delivering Finastra-focused expertise for banking and financial services clients, including direct collaboration and partnerships with platform providers. Accenture continues to invest in strengthening its Finastra services value proposition through acquisitions and product innovations.

Finastra services – revenue mix (CY 2020)¹



Number of Finastra services clients being served in CY 2020



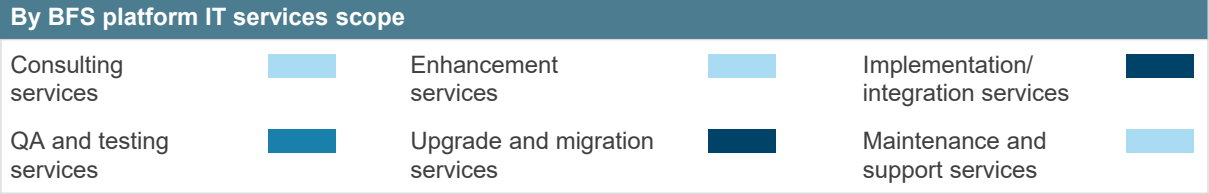
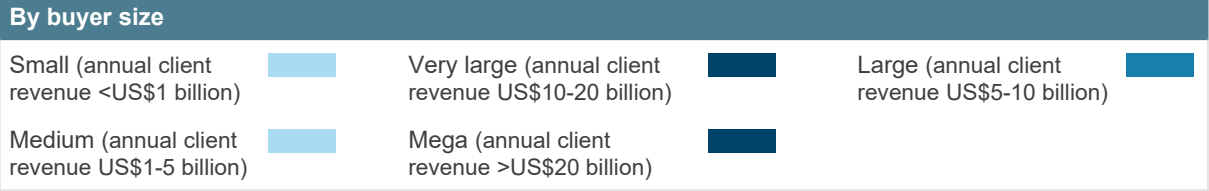
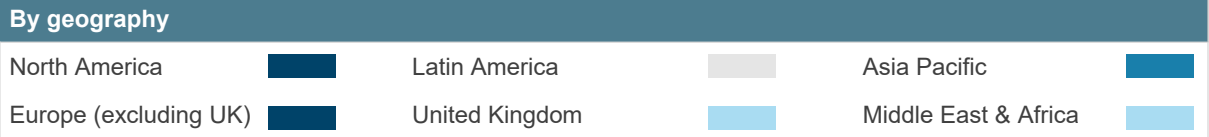
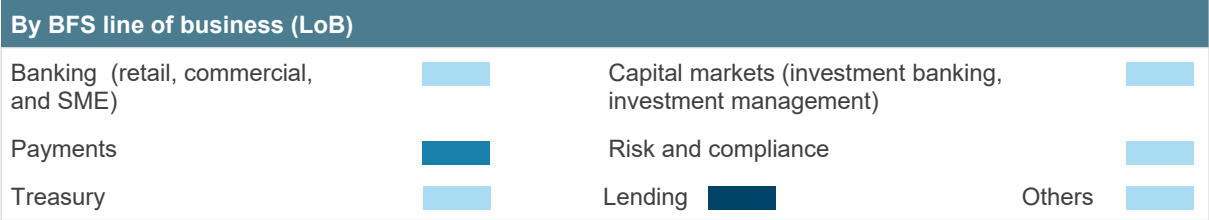
Ranges for FTEs

■ Data not available ■ Very Low (<50) ■ Low (50-100) ■ Medium (100-200) ■ High (>200)



■ Data not available ■ Low (<15%) ■ Medium (15-30%) ■ High (>30%)

BFS platform IT services – revenue mix (CY 2020)



Finastra partnership type (as of July 2021)



¹ Everest Group estimates

Accenture | Finastra IT services profile (page 2 of 5)

Case studies

NOT EXHAUSTIVE

Case study 1

An American multinational financial services company

Business challenge

As part of an enterprise-level wholesale lending transformation initiative, the client wanted to consolidate its lending platforms and convert its legacy Automated Financial Systems (AFS) portfolio onto Loan IQ. The volumes on the legacy system required that a repeatable, scalable solution be developed to replace the prior manual conversion methodology.

Solution

- Accenture’s role within the program provided expertise on automated Loan IQ system conversions, including portfolio selection, phasing approach, conversion methodology, data mapping, and data and financial reconciliations
- A documented conversion approach and methodology provides a solution that is automated, repeatable, and scalable; documented requirements for data mapping
- Partnered with the Loan IQ technology team on API testing and conversation sequencing planning
- Partnered with the Quality Assurance (QA) team on test strategy, execution, and issue resolution

Impact

- Facilitated a repeatable and scalable automated conversion methodology that will position the client to do perform multiple large scale automated conversions in a controlled fashion with minimal impact to operations, lines of business LoBs, controller, and interface partners
- Improved the ability to decommission legacy platform prior to scheduled sunset in 2021 and reduced technology spend on the legacy platform

Case study 2

A multinational financial services group

Business challenge

The client was suffering from years of underinvestment in modernization. This caused it to react slowly to industry challenges such as LIBOR transitioning, and it could not scale to keep up with other top banks in the industry. It was running on a customized legacy platform that lacked the key functions needed for regulatory reporting, resulting in high operating costs.

Solution

- The client needed an advisor to support and guide upgrade planning, upgrade delivery, and post upgrade deployment activities
- Accenture handled the project management and recommended the selection of Loan IQ for the upgrade to increase the bank’s overall flexibility
- Accenture supported the process configuration of the platform, integration, conversion, and testing
- It trained the bank resources on new features and functionalities, and supported post-production triage and remediation routines with Finastra

Impact

The upgrade provided the bank with a fast-mover advantage to introduce new pricing agreements and features and helped shape new standards as the market moves away from LIBOR-based pricing. Accenture provided a roadmap for future upgrades to continue to evolve functionality as the market refines industry standards and processes globally.

Accenture | Finastra IT services profile (page 3 of 5)

Investments and product-level details

NOT EXHAUSTIVE

Top investments to enhance Finastra services delivery capabilities	
Investment	Details
Lending-as-a-Service (LaaS) offering	Built an integrated end-to-end offering with Accenture Credit Services and business operations to expand on Finastra’s end-to-end lending capabilities for corporate lending.
Payments-as-a-Service (PaaS) offering	Developed and integrated an end-to-end offering with Accenture Payments practice to expand and offer out-of-the-box payments solutions.
Digital Treasury-as-a-Service offering	Built an out-of-the-box digital treasury offering leveraging Finastra's Treasury product suite.
Finastra co-innovation center and myIndustry Accenture	Developed an array of accelerators supporting the faster implementation of Finastra's products (over 20 accelerators across several product lines).
Co-investment into training	Joint credit pool created to support training activities, enabling continuous certification and qualification upgrades.
SME banking insights app	Created an app aimed at the CFOs of small and medium enterprise customers of banking clients to offer a wide range of analytics and insights as an additional value-add to core banking services.
Joint delivery methodology based upon Finastra's MAPS and Accenture's delivery methods	Joint delivery methodology to ensure that projects follow a streamlined delivery model.

Accenture | Finastra IT services profile (page 4 of 5)

Investments and product-level details¹










Number of engagements and certified FTEs across Finastra products (CY 2020)					
Finastra product	Number of engagements (>10, 5-10, 2-5, <2)	Number of certified FTEs (>100, 50-100, 25-50, <25)	Finastra product	Number of engagements (>10, 5-10, 2-5, <2)	Number of certified FTEs (>100, 50-100, 25-50, <25)
FusionBanking	>10	>100	CreditQuest	NA	NA
FusionCapital	2-5	50-100	Encore Suite	NA	NA
FusionRisk	NA	NA	LaserPro	NA	NA
FusionInvest	NA	NA	NetCapture	NA	NA
ActiveView	NA	NA	Others (GPP)	2-5	50-100

¹ Source: Everest Group Estimates (2021)

Accenture | Finastra IT services profile (page 5 of 5)

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

- Accenture has invested in building unique IPs and accelerators, such as a banking insights app on Finastra’s Fusion Fabric Cloud (FFC) and other as-a-service solutions, across payments, lending, treasury, and risk
- It has demonstrated exceptional capabilities in lending by not only winning the largest global Loan IQ deal but also the first Loan IQ project in mainland China
- It has created a broad Finastra services portfolio and strong global delivery capabilities inorganically, through specific acquisitions in this space
- Accenture’s investments to scale Finastra-certified resources, especially in lending and trade finance, have helped them win deals across the globe including high-growth markets such as Middle East and Africa
- Clients have appreciated the domain expertise Accenture brings to a project

Limitations

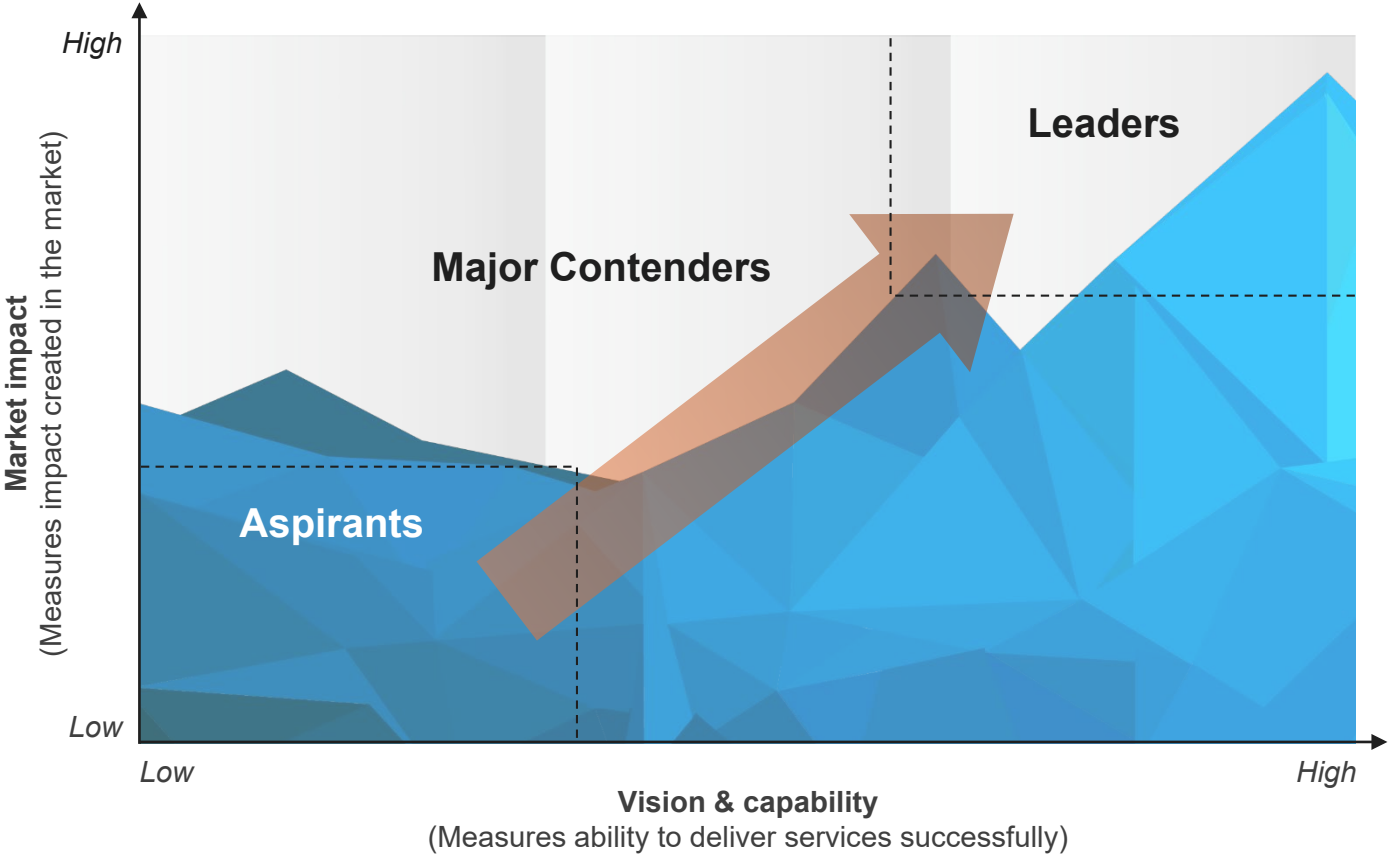
- Accenture is considered as a premium-priced player by the market, and, therefore, needs to align its pricing models for different segments of players in order to deliver value to all its clients
- There is a perception in the market that it lacks solutioning flexibility because of the push to embed its in-house IPs and platforms
- With Finastra pivoting its messaging toward promoting open banking in engagements, especially in Europe, Accenture lacks focus on leveraging its existing open banking expertise and partnerships to enhance offerings
- Accenture lags peers in weaving Finastra services capabilities with its broader digital solutions/services offerings and partner products to serve end-to-end transformation needs

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

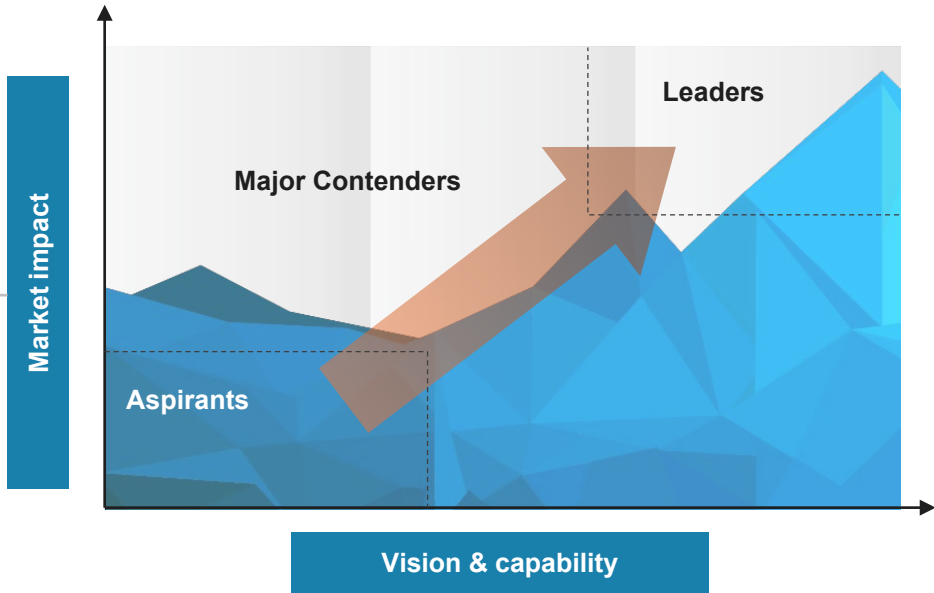
Number of clients, revenue base, YOY growth, and deal value/volume

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



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

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 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



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