Everest Group PEAK Matrix® for Application and Digital Services in Global Banking Service Providers 2021

Focus on Mindtree
July 2021
Evolving customer preferences, demand for digital and omnichannel experiences, and competition from FinTechs are impacting banks’ digital strategy and transformation initiatives. Moreover, COVID-19 has drastically accelerated their plans for organization-wide, end-to-end digitization and adoption of digital technologies for use cases such as digital customer onboarding, real-time payments, paperless underwriting, and real-time cash management.

Customer experience will continue to be the primary focus for banks; as demand themes observe a drastic shift, a platform-based operating model and efficient data exchange will be the foundation of a successful hyper-segmentation strategy. Cloud migration, and data value realization leveraging AI/ML and APIfication is set to take the center stage to lead the back- and middle-office cost optimization initiatives. Digital customer onboarding, workflow automation, and real-time regulatory checks will gain traction as customers’ preferences shift towards online banking. One of the biggest challenges the industry continues to face is the shortage of technology skills in the market. IT service providers are investing heavily in not just building banking-focused IP/solutions, but also investing in engineering talent to respond to the evolving demand themes.

In this research, we present an assessment of 27 Application and Digital Service (ADS) providers featured on the Application and Digital Services in Banking PEAK Matrix®. The assessment is based on Everest Group’s annual RFI process for calendar year 2021, interactions with leading application and digital services providers, client reference checks, and an ongoing analysis of the banking application and digital services market.

This report features the profile of Mindtree as covered in the Application and Digital Services in Banking PEAK Matrix® Assessment 2021 – Global
Leaders:

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

- Leaders have managed to grow their revenues, despite increase in insourcing by some of the large banks across the globe, by tapping the demand for digital services to drive accelerated cloud-based modernization of legacy technology as well data stack by banking enterprises.
- Players such as Accenture and Cognizant are partnering with global hyperscalers such as Google Cloud, AWS, and Azure to build banking industry-specific cloud solutions to provide a foundation to banks for creating modern, container- and microservices-based applications deployed on hybrid cloud environments.
- They are also investing in partnering with low-code no-code vendors such as Appian, Pega, and ServiceNow along with building their own proprietary low-code no-code technology.
- Players such as Infosys and HCL Technologies have invested in building low-code capabilities specifically targeted at banking clients to give them flexibility to build and customize their own applications.
- Some players such as TCS and Wipro have taken an acquisition-led growth strategy to enhance their talent footprint and delivery capabilities to enter new segments and geographies.

Major Contenders:

Aspire Systems, Atos, Birlasoft, DXC Technology, GFT, ITC Infotech, LTI, Mindtree, Mphasis, NTT DATA, Persistent Systems, Softtek, Tech Mahindra, Virtusa, and Zensar Technologies

- Major Contenders cover a wide spectrum of service providers from large players with global consulting and technology capabilities to mid-sized players with regional focus.
- Players such as Virtusa and LTI have built strong credibility in the market for Commercially Off-the-Shelf (COTS) product implementations and upgradation services.
- Large players such as Atos, DXC Technology, and NTT DATA have significantly invested in proprietary platform-based offering for tapping demand for modernization by mid-tier banking institutions.

Aspirants:

Apexon, Cigniti, Itransition, Maveric Systems, and Quinnox

- Aspirants have built niche capabilities to cover specific domains within banking with a niche focus on service areas such as application maintenance, testing automation, and software packages implementation.
- They have demonstrated credible customer success through innovative and commercial pricing and dedicated client attention.
- They are investing in building partnerships with horizontal as well as vertical platform vendors to enhance their GTM strategy and grow their revenues by winning new clients.
Everest Group PEAK Matrix®
Application and Digital Services in Banking PEAK Matrix® Assessment 2021 – Global | Mindtree positioned as Major Contender

Everest Group Application and Digital Services in Banking PEAK Matrix® Assessment 2021 – Global

1 Assessment for Maveric Systems 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 this company, Everest Group’s data for assessment may be less complete.

Source: Everest Group (2021)
### Vision for ADS in banking practice:
To be the digital transformation and engineering partner of choice in the banking industry, enabling global banking clients to outperform by taking an agile, collaborative approach to create customized, industry-specific solutions across the digital value chain, offering expertise in infrastructure and applications management.

### ADS in banking revenue

<table>
<thead>
<tr>
<th>Revenue Range</th>
<th>No. of FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;US$200 million</td>
<td>100-200</td>
</tr>
<tr>
<td>US$200-500 million</td>
<td>100-150</td>
</tr>
<tr>
<td>US$500 million-US$1 billion</td>
<td>700-800</td>
</tr>
<tr>
<td>&gt;US$1 billion</td>
<td>700-800</td>
</tr>
</tbody>
</table>

### Number of active clients for ADS in banking

<table>
<thead>
<tr>
<th>No. of Clients</th>
<th>No. of FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25</td>
<td>0-10</td>
</tr>
<tr>
<td>25-100</td>
<td>100-200</td>
</tr>
<tr>
<td>100-150</td>
<td>700-800</td>
</tr>
<tr>
<td>&gt;150</td>
<td>700-800</td>
</tr>
</tbody>
</table>

### Delivery footprint

<table>
<thead>
<tr>
<th>Region</th>
<th>Key Cities</th>
<th>No. of FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>Bangalore, Bhubaneswar, Chennai, Delhi, Hyderabad, Mumbai, Pune, Singapore, Malaysia, Melbourne, and Sydney</td>
<td>700-800</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>London</td>
<td>0-10</td>
</tr>
<tr>
<td>North America</td>
<td>Atlanta, Arizona, Austin, Charlotte, Dallas, Gainesville, Florida, Minneapolis, New York, New Jersey, Phoenix, San Jose, Santa Clara, Seattle, Boston</td>
<td>100-200</td>
</tr>
<tr>
<td>Europe (excluding UK)</td>
<td>Nurnberg Area</td>
<td>0-10</td>
</tr>
<tr>
<td>Latin America</td>
<td>Mexico City</td>
<td>0-10</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

1. System integration includes package implementation
2. AR/VR, blockchain, IoT, quantum computing, etc.
3. Banking ADS FTEs

### ADS in banking revenue mix

#### By lines of business

- Cards and payments
- Commercial banking
- Lending
- Retail banking
- Others

#### By geography

- North America
- Latin America
- Asia Pacific
- Europe (excluding UK)
- United Kingdom
- Middle East & Africa

#### By services scope

- Application development
- Application maintenance
- Consulting
- System integration
- Testing

#### By digital services segment

- AI and ML
- API
- Big data and analytics
- Others
- Cloud
- Mobility
- Social media

#### By buyer size

- Small (annual client revenue < US$1 billion)
- Medium (annual client revenue US$1-5 billion)
- Large (annual client revenue US$5-10 billion)
- Very large (annual client revenue US$10-20 billion)
- Mega (annual client revenue > US$20 billion)
Mindtree | application and digital services in banking profile – global (page 2 of 4)

Client success stories

Case study 1  Cloud native approach and technology modernization for a global consumer reporting agency

**Business challenge**
- Legacy systems that were difficult to scale
- High impact security breach resulted in loss of customers’ trust, regulatory proceedings, and brand image
- Incumbents not delivering thought leadership and value

**Solution**
- Legacy modernization, platform consolidation, and cloud migration
- Three-phase security transformation – build, mature, and lead, with security imbedded in the work ethos
- Rebuilt global decisioning, delivery, and analytical platforms in cloud; rebuild global data exchanges
- Rearchitected, and rationalized application portfolio for resilient uptime goals
- Developed compliance programs to obtain recertifications of key regulations

**Impact**
- Average feedback score of 8 out of 10 across the portfolios and value additions worth US$480,000 during the transition
- TCO reduction of 35-40% in four years
- Nearly 25% in product development expense, ~15% in technology costs, and ~35% in capex
- Application availability > 99.97%

Case study 2  Digital transformation for a large commercial bank

**Business challenge**
- Siloed operations impacting risk & regulatory reporting
- Silos of data marts and reporting databases
- Lack of information on inter-relationships across customers across systems, limited growth opportunities

**Solution**
- Developed a highly scalable enterprise warehouse using data model based on industry standards
- Conformed ETL architecture ETL logic to optimize the number of processes required to integrate data elements from 30 source systems for business reporting with detailed audit and traceability information
- Data validation was included as part of the data load processes

**Impact**
- Data consolidation across 50 countries and five business divisions
- Holistic view of customers across multiple verticals and holistic coverage of risks across all geographies and business segments
- Reliable and centralized environment for maintaining integrated information
- Data accuracy was 100%, 10% savings within the first year

Case study 3  Digital transformation for a US-based hi-tech commercial bank

**Business challenge**
- Online banking platform is not scalable
- Challenge in tracking the payments from source to destination
- Lack of benchmarking data to determine the risk adjusted return on capital, adherence to PSD2, EMIR
- Large number of legacy applications

**Solution**
- Facilitated customer segmentation strategy by creating interfaces between legacy corporate banking platform and the next-generation banking platform
- Development of first mobile banking platform facilitated on-the-go flexible banking experience
- Foreign currency trading enabled from online banking system
- Reengineered loan origination system and data warehousing
- Designed and developed an authentication mechanism that integrates the bank’s APIs with customer data

**Impact**
- 50% increase in transactional volume
- Automated and simplified loan approval process
- 90% increase in the client base, 80% increase in the user base
- Scalable and robust platform available for multi-country roll-outs. Reduced TCO and process standardization
- 45% increase in productivity in pricing deals
### Mindtree | application and digital services in banking profile – global (page 3 of 4)

#### Key offerings and investments

<table>
<thead>
<tr>
<th>Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver ADS services in banking</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
</tr>
<tr>
<td>Turbo lending (solution offering)</td>
</tr>
<tr>
<td>Merchant onboarding solution (solution offering)</td>
</tr>
<tr>
<td>Churn Analytics (solution offering)</td>
</tr>
<tr>
<td>AML Solution - Tookitaki (Partner led solution)</td>
</tr>
<tr>
<td>Smart Recon Management Solution - Tookitaki (Partner led solution)</td>
</tr>
<tr>
<td>Conversational AI (solution offering)</td>
</tr>
<tr>
<td>Backbase Digital Banking</td>
</tr>
<tr>
<td>Cognitive LIBOR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key partnerships/alliances/acquisitions/JVs leveraged to deliver ADS in banking</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
</tr>
<tr>
<td>Finastra</td>
</tr>
<tr>
<td>nCino</td>
</tr>
<tr>
<td>TookiTaki</td>
</tr>
<tr>
<td>Denodo</td>
</tr>
</tbody>
</table>
### Mindtree | application and digital services in banking profile – global (page 4 of 4)

**Everest Group assessment – Major Contender**

<table>
<thead>
<tr>
<th>Market impact</th>
<th>Vision &amp; capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market adoption</td>
<td>Vision and strategy</td>
</tr>
<tr>
<td>Portfolio mix</td>
<td>Scope of services</td>
</tr>
<tr>
<td>Value delivered</td>
<td>Innovation &amp; investments</td>
</tr>
<tr>
<td>Overall</td>
<td>Delivery Footprint</td>
</tr>
</tbody>
</table>

#### Strengths

- Partnerships with hyperscalers such as AWS and Microsoft and product vendors such as Salesforce and Liferay have led to growth in banking business through application transformation engagements.
- Investments in partnership with domain-specific platforms such as Finastra for payments and nCino for lending have strengthened its GTM strategy to win deals in this space.
- Long-standing partnership with Backbase has helped the company to win multiple deals in the front-office customer experience transformation space.
- Clients have appreciated its quality of resources and ability to leverage learnings from other engagements for providing tactical support.

#### Limitations

- Although it has high market penetration in North America, it faces concentration risk as it has achieved limited market success in Europe and Asia Pacific.
- Due to lack of investments in point solutions and specific domain consultants such as for payment and lending, it doesn’t have proof-points for engagements in these spaces.
- It should strengthen its UI/UX capabilities and invest more in offerings for customer experience enhancements to help clients with their digital technology initiatives.
- Lags behind its peers in terms of investments in proprietary solutions and frameworks built on banking-specific third-party platform vendors such as Temenos and Finastra for providing implementation services to banking enterprises.
Appendix
Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability
Services PEAK Matrix® evaluation dimensions

1. **Vision and strategy**
   - Vision for the client and itself; future roadmap and strategy

2. **Scope of services offered**
   - Depth and breadth of services portfolio across service subsegments/processes

3. **Innovation and investments**
   - Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

4. **Delivery footprint**
   - Delivery footprint and global sourcing mix

---

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

---

**Major Contenders**
- Vision & capability

**Leaders**
- Market adoption

**Aspirants**
- Portfolio mix

---

**Measures impact created in the market**
- Captured through three 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

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.
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.
Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our clients include leading global companies, service providers, and investors. Clients use our services to guide their journeys to achieve heightened operational and financial performance, accelerated value delivery, and high-impact business outcomes. Details and in-depth content are available at www.everestgrp.com.

Stay connected

Website
everestgrp.com

Social Media
@EverestGroup
@Everest Group
@Everest Group
@Everest Group

Blog
everestgrp.com/blog

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto
canada@everestgrp.com
+1-647-557-3475

This document is for informational purposes only, and it is being provided “as is” and “as available” without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed for legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.