



Everest Group Capital Markets IT Services PEAK Matrix[®] Assessment 2024

Focus on Cognizant
July 2024



Introduction

The Capital Markets (CM) industry is currently undergoing significant transformation, driven by the need to enhance operational efficiency and reduce costs. Firms are focusing on streamlining operations through the automation of processes and integration of new technologies, while strategically outsourcing non-core activities such as IT management and back-office functions.

There is a significant shift toward emerging technologies. Artificial Intelligence (AI) and Machine Learning (ML) are widely used for predictive analytics, automated trading, and personalized financial advice, with generative AI enhancing these applications. Blockchain is crucial for improving transaction transparency, reducing fraud, and quickening processing times.

There is a notable move toward sustainable investments, driven by increased investor awareness and demand for transparency. This is leading to a preference for portfolios aligned with Environmental, Social, and Governance (ESG) criteria, encouraging firms to deeply integrate sustainability into their investment strategies.

Regulatory bodies are intensifying their scrutiny, prompting firms to adopt agile adaptation strategies. Investments in Regulatory Technologies (RegTech) are increasing to

manage compliance efficiently across global regulations. Additionally, cybersecurity has become crucial, requiring firms to implement robust measures to protect sensitive data and secure digital transactions.

In the full report, we present an assessment of 27 leading IT service providers featured on the [Capital Markets IT Services PEAK Matrix® Assessment 2024](#). The assessment is based on Everest Group's annual RFI process for calendar year 2024, interactions with leading IT service providers, client reference checks, and an ongoing analysis of the Capital Markets IT services market.

This report includes the profiles of the following 27 leading IT services providers featured on the Capital Markets IT Services PEAK Matrix:

- **Leaders:** Accenture, Capgemini, Cognizant, HCLTech, Infosys, LTIMindtree, TCS, Wipro
- **Major Contenders:** Apexon, Birlasoft, Coforge, DXC Technology, EPAM Systems, Hitachi Digital Services, Kyndryl, Mphasis, Ness Digital Engineering, Nous Infosystems, NSEIT, Softserve, Tech Mahindra, Virtusa, Zensar
- **Aspirants:** Accolite Digital, Exadel, Stefanini Group, Xoriant

Scope of this report

Geography: Global

Industry: Market activity and investments of 27 leading IT services providers

Services: Capital markets IT services

Capital Markets IT Services PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Cognizant, HCLTech, Infosys, LTIMindtree, TCS, Wipro

- Leaders are strategic partners for their clients across the clients' capital market verticals, co-innovating with third-party platform providers and FinTechs, and have a proven track record of delivering end-to-end solutions across the CM value chain
- They differentiate themselves by having dedicated leadership for CM management, and the long-term vision to tap into next-generation themes such as ESG, generative AI, and hyper-personalization to drive revenue growth in emerging areas
- Leaders also have a strong global presence, broader client portfolio, innovative commercial models, ability to hire and upskill the best talent in the industry, extensive thought leadership publications, and co-innovation initiatives with clients, FinTechs, and platform providers by setting up research and innovation labs

Major Contenders

Apexon, Birlasoft, Coforge, DXC Technology, EPAM Systems, Hitachi Digital Services, Kyndryl, Mphasis, Ness Digital Engineering, Nous Infosystems, NSEIT, Softserve, Tech Mahindra, Virtusa, Zensar

- Major Contenders have expanded their scope of services from point solutions to enterprise-wide transformations. They have made strategic alliances with platform providers and hyperscalers to co-innovate and develop joint Go-to-Market (GTM) strategies
- Major Contenders have also built proprietary solutions, accelerators, and frameworks around ESG, AI/ML, generative AI, and quantum computing

Aspirants

Accolite Digital, Exadel, Stefanini Group, Xoriant

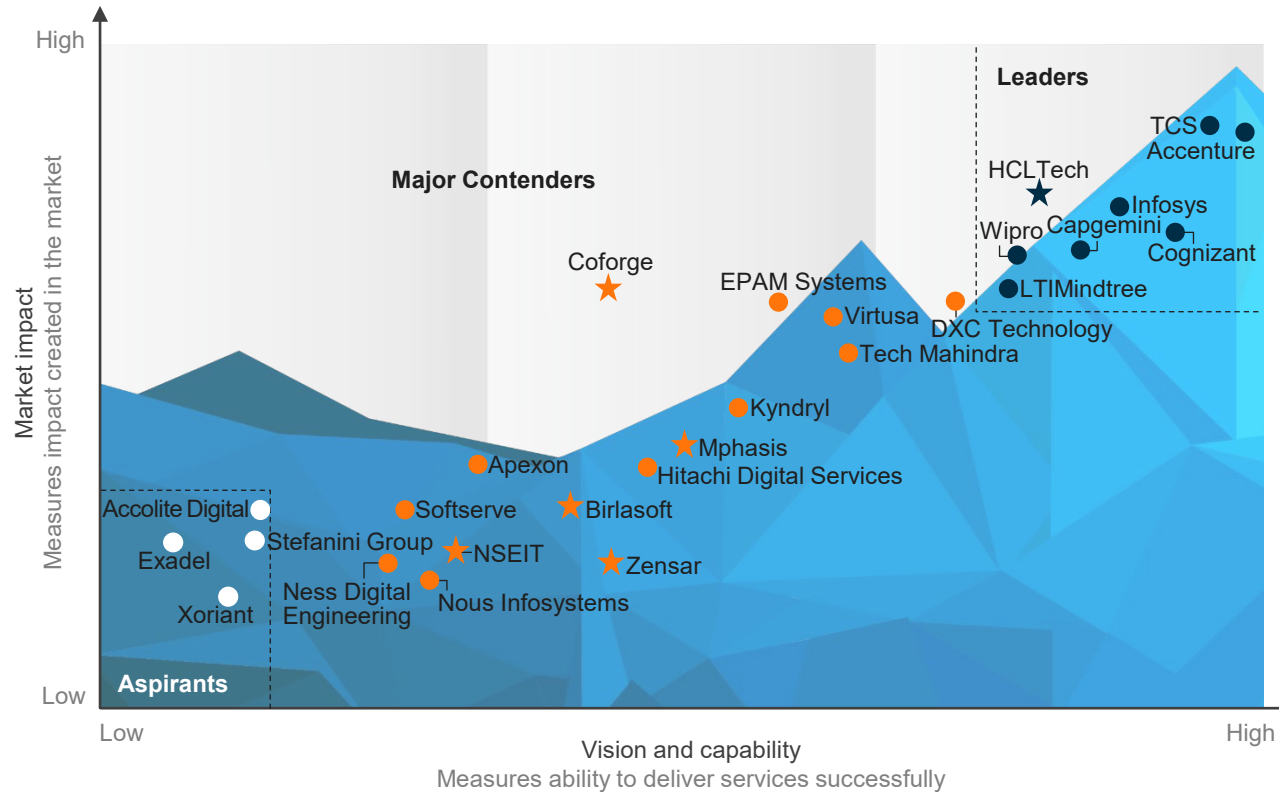
- Aspirants, with their targeted services scope, specific geography focus, and deep-domain focus and/or solutions in specific areas such as onboarding, reporting, digital engineering, and quality assurance provide them the positioning of a specialist in the respective space
- They are investing to develop their client and partnership portfolios to cover a wider range of solutions and services

Everest Group PEAK Matrix®

Capital Markets IT Services PEAK Matrix® Assessment 2024 | Cognizant is positioned as a Leader

Everest Group Capital Markets IT Services PEAK Matrix® Assessment 2024¹

- Leaders
- Major Contenders
- Aspirants
- ☆ Star Performers



¹ Assessments for Accolite Digital, Coforge, DXC Technology, Exadel and Softserve excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with buyers. For these companies, Everest Group's data for assessment may be less complete. Source: Everest Group (2024)

Cognizant profile (page 1 of 4)

Overview

Capital markets IT services vision

Cognizant aims to become the foremost technology services partner for its clients by leveraging its core capabilities while advancing its position in digital engineering, cloud solutions, as well as AI and analytics within the capital markets sector. Cognizant leverages its partnership ecosystem across the value chain to help its clients stay ahead

Overall revenue (CY 2023)

| | | | |
|------------------|---------------------|-------------------------------|--------------------------|
| <US\$200 million | US\$200-500 million | US\$500 million-US\$1 billion | >US\$1 billion |
|------------------|---------------------|-------------------------------|--------------------------|

Number of active clients (CY 2023)

| | | | |
|-----|--------|---------|----------------|
| <25 | 25-100 | 100-150 | >150 |
|-----|--------|---------|----------------|

Capital markets IT services revenue mix (CY 2023)

● N/A (0%) ● Low (1-20%) ● Medium (20-40%) ● High (>40%)

By geography

- North America
- United Kingdom
- Europe
- Asia Pacific
- Latin America
- Middle East and Africa

By IT services segment

- Application services
- Digital services
- Infrastructure services

By application services segment

- Application development
- Application maintenance
- Consulting
- System integration¹
- QA and testing

By lines of business

- AWM²
- Brokerages
- Custody
- Fund administration
- Investment banking
- Others³

By buyer size

- Small (annual client revenue <US\$ 5 billion)
- Medium (annual client revenue US\$5-10 billion)
- Large (annual client revenue US\$10- 20billion)
- Mega (annual client revenue >US\$20 billion)

¹ System integration includes package implementation
² Asset and wealth management and private equity
³ Market infrastructure and exchanges
 Source: Based on Everest Group's estimations (2024).

Cognizant profile (page 2 of 4)

Offerings

Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver the capital markets IT services

| Name | Details |
|--|---|
| Cognizant Neuro AI | It is an innovative enterprise solution aimed at expediting the adoption of generative AI technology. It prioritizes flexibility, security, scalability, and responsibility, offering a comprehensive value proposition for businesses seeking advanced AI capabilities. |
| Cognizant Skygrade | It specializes in modernizing organizations to cloud-native environments, offering assessment of legacy systems and efficient management of multi-cloud setups. They focus on optimizing application modernization, ensuring secure and streamlined operations in the cloud. |
| Cognizant Neuro IT operations | It offers real-time monitoring of technology environments, detecting and resolving issues to ensure uninterrupted user experience. Integrated within the Neuro suite ecosystem, alongside Neuro Business Processes, it forms a comprehensive solution for efficient operations and improved user support. |
| Cognizant Neuro Fund Administration Solution | It enables an intelligent and scalable solution to automate end-to-end fund administration operations and fund accounting to help manage increasing client deals, fund document volumes, and operational risks |
| Cognizant Flowsource | It is a generative AI-infused full-stack engineering platform that delivers a unified developer experience for software engineering for capital markets and other clients. |

Key partnerships/alliances/acquisitions/JVs leveraged to deliver the capital markets IT services

| Name | Type of investment (year) | Details of investment |
|-----------|---------------------------|---|
| Meritsoft | Acquisition (2019) | Cognizant has acquired Meritsoft to broaden its offerings in post-trade process automation. It helps financial institutions with a range of technology solutions that enable them to manage their post-trade processing and regulatory compliance requirements and achieve straight through processing. |
| Eagle | Partnership (Ongoing) | It invested on Eagle environment where the resources are enabled on Eagle modules and use the environment to build accelerators. It has expertise across Eagle Pace, Eagle Star, Eagle SRM, Eagle Performance, Eagle Pricing Center, Eagle Portal, Data Mart etc. |
| Gresham | Partnership (Ongoing) | Reconciliation Center of Excellence (CoE) setup over 12+ years. Global partnership with Gresham. Invested in trainings, assets, solutions around Gresham's Clareti Transaction Control (CTC) to provide end-to-end reconciliation operations and IT services |

Cognizant profile (page 3 of 4)

Case studies

[NOT EXHAUSTIVE]

CASE STUDY 1

Business consulting, BPO, ITO, and infrastructure services for a European financial institution

Business challenge

The client was looking for a provider of outsourcing services to help meet its lower costs / savings objectives, expecting ancillary services from the vendors that included compliance and audit assistance, business consulting (TOM), and IT-4-IT (e.g., obsolescence management).

Solution

Cognizant built a Target Operating Model to support strategic business direction. It executed a simplification of the IT architecture to increase the level of agility, automation (RPA), and standardization of the processes providing significant IT investments to build the foundations for a multi-client architecture.

Impact

- New KPIs to monitor service performance with high level of SLA attainment
- New efficiencies delivered through RPA
- New guiding principles of the control framework and governance for internal and external audit and regulatory compliance
- Hardened cybersecurity posture and reduction of vulnerabilities
- Committed volume-based savings

CASE STUDY 2

Acquisition integration and transformation for a multinational investment bank and financial services company

Business challenge

The client acquired a company and looked to Cognizant as a strategic integration partner. The client had parallel focus on the two other acquisitions, and required a partner with the knowledge base, scale, and expertise to independently manage the acquired companies' integration.

Solution

Cognizant applied a hybrid-agile methodology to integrate multiple bespoke applications across two ecosystems in a short period of time. This included integrating the ESPP platform into the platform, which involved both application integration, architecture refinement, and training and change management. Multiple legacy applications also required sunsetting to achieve the technology debt synergy goals. Cognizant leveraged its proprietary internal accelerators around quality assurance and developer experience to ensure a seamless transition, all while juggling RTO during Covid-19.










Impact

- Achieved all the acquisition synergy targets
- Enabled overall headcount reductions across both entities as it integrated multiplied technology stacks
- Cross-pollination of acquired companies' and client cultural DNA as part of change management
- Mitigated a production risk as legacy customers experienced a seamless transition

Cognizant profile (page 4 of 4)

Everest Group assessment – Leader

Measure of capability:  Low  High

| Market impact | | | | Vision and capability | | | | |
|---|---|---|--|---|---|---|---|---|
| Market adoption | Portfolio mix | Value delivered | Overall | Vision and strategy | Scope of services offered | Innovation and investments | Delivery footprint | Overall |
|  |  |  |  |  |  |  |  |  |

Strengths

- Adopted a three-pronged strategy of innovate, modernize, and optimize to tap into themes such as platformification and new product innovation leveraging new-age technologies, experience, and regulatory compliance
- Leverages its strong partnership ecosystem from hyperscalers, technology providers, and domain-specific platforms to drive innovation through joint GTMs across AWM, investment banking, brokerages, custody, and market infrastructure
- Infused acquisitions in its playbook to enhance its capabilities in digital engineering, data and AI. With Meritsoft, the firm has bolstered its offerings in IB and custody space
- Leverages its IP, frameworks, and accelerators to deliver solutions in the Temenos wealth suite, ESG analytics, generative AI, digital assets, post-trade automation, settlements, and fund administration
- Actively investing in market creation through thought leadership in emerging areas, participation in CEO roundtables, leveraging alliance partners and influencers, and involvement with industry associations
- Cognizant has a balanced portfolio across all client types within capital markets

Limitations

- Though Cognizant has accelerators and CoEs around digital innovation, AI, and blockchain it lags its peers in having capital markets-specific R&D and CoEs
- Clients see gap in Cognizant’s domain contextualization of client problems and have highlighted poor talent management as an area of improvement
- Some clients stated Cognizant to be rigid in its pricing constructs and needs to work upon engaging clients in innovative commercials
- Few clients have mentioned that it needs to be more proactive in getting innovative solutions and get better at dealing with ambiguity to become a strategic partner with the clients
- With a major amount of revenue coming from the North American region Cognizant is at concentration risk

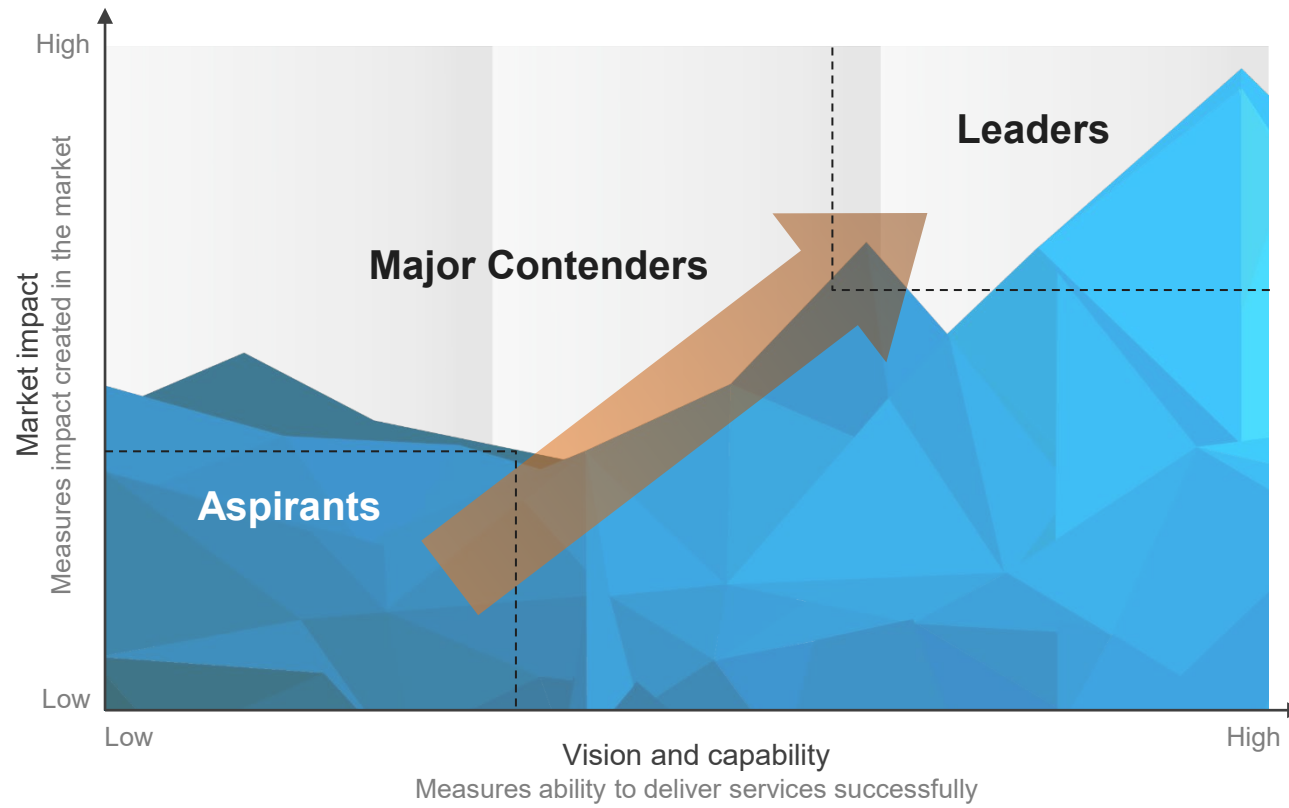
Appendix

PEAK Matrix® framework

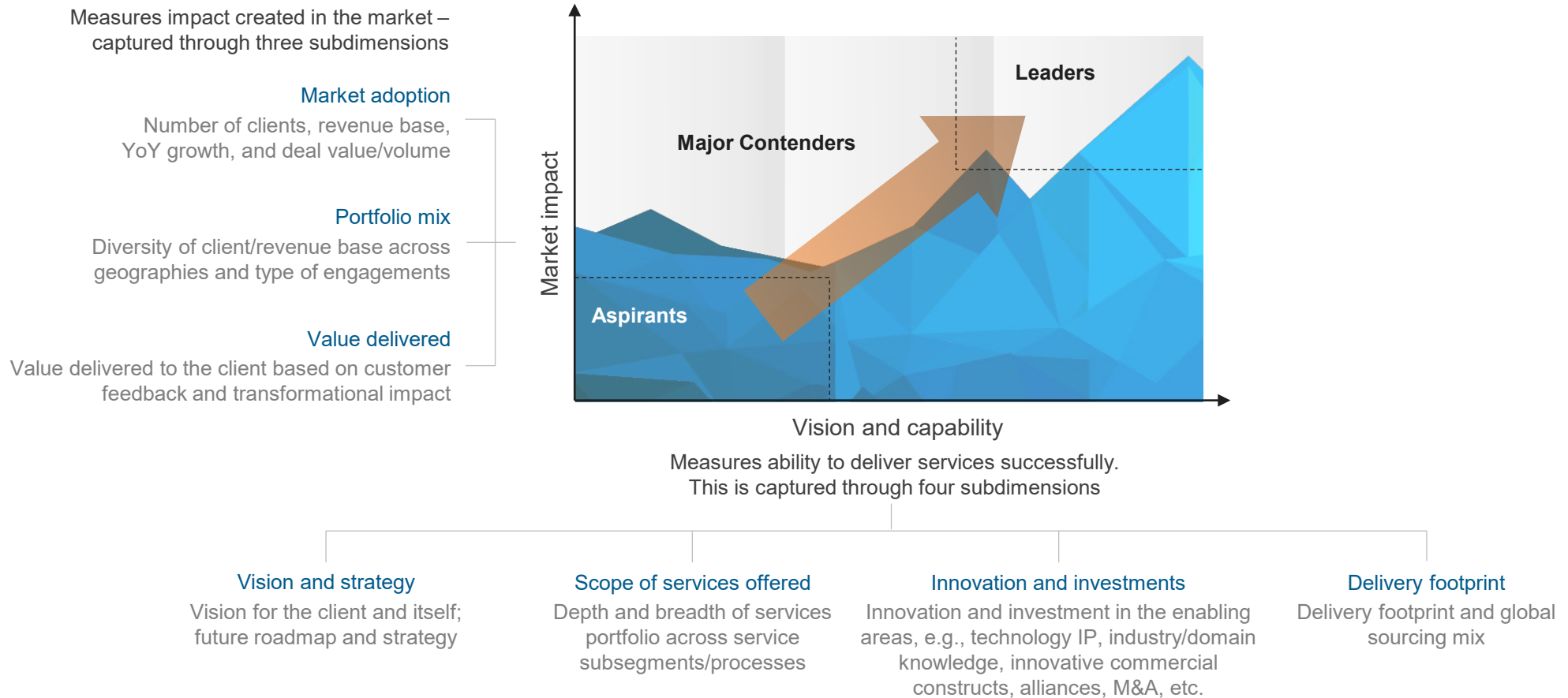
FAQs

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

Everest Group PEAK Matrix



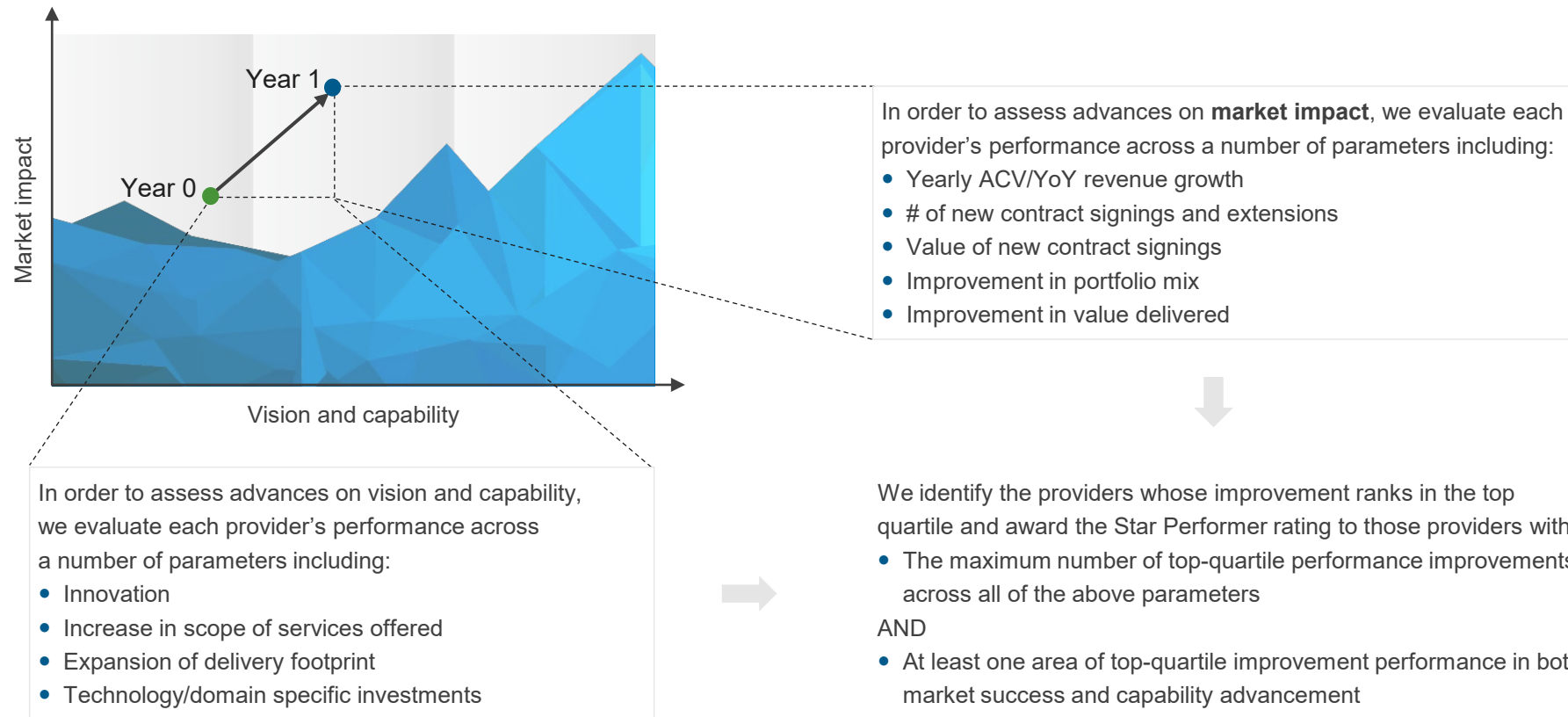
Services PEAK Matrix® evaluation dimensions



Everest Group confers the Star Performer 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



The Star Performer title relates to YoY performance for a given provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Q: Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

A: No. The PEAK Matrix highlights and positions only the best-in-class 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.

Q: What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A: A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

Q: What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

A: Enterprise participants receive summary of key findings from the PEAK Matrix assessment

For providers

- The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
- In addition, it helps the provider/vendor organization gain brand visibility through being included in our research reports

Q: What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?

A: Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:

- Issue a press release declaring positioning; see our citation policies
- Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
- Use PEAK Matrix badges for 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 Everest Group; please contact your CD or contact us

Q: Does the PEAK Matrix evaluation criteria change over a period of time?

A: PEAK Matrix assessments are designed to serve enterprises' current and future needs. 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 and to serve enterprises' future expectations.

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