



# Everest Group PEAK Matrix<sup>®</sup> for Risk & Compliance in BFS IT Service Provider 2023

**Focus on TCS**  
February 2023



## Introduction

- Banking and Financial Services (BFS) firms are undergoing regulatory changes across cybersecurity, KYC/AML, ESG, crypto, climate risk, enterprise risk, financial crime, and financial risk management
- BFS firms face challenges in transforming Risk and Compliance (R&C) functions because of their legacy IT systems that act as roadblocks in using modern technologies such as AI/ML for analytics-driven risk assessment and regulatory reporting
- ESG is no longer merely a compliance mandate for enterprises as they undertake a massive transformation and bring in widespread changes across the organization. Enterprises are looking to evaluate how climate and social factors impact their pillars of risk, track ESG impact on their financial products, and create new services that drive sustainable outcomes
- Service providers are investing in partnerships with technology vendors and building solutions to help BFS firms better manage their risk and compliance function. They are augmenting their services capabilities by investing in tools, accelerators, CoEs, and talent to strengthen their advisory and implementation practices for risk & compliance in BFS

In this research, we assess and provide detailed profiles of 26 leading service providers featured on the risk & compliances in BFS IT services PEAK Matrix®. Each provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for calendar year 2022, interactions with leading IT service providers, client reference checks, and an ongoing analysis of the risk & compliance IT services market.

**This report includes the profiles of the following 26 leading service providers featured on the [Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2023](#):**

- **Leaders:** Accenture, Capgemini, Cognizant, HCLTech, IBM, Infosys, NTT DATA, TCS, and Wipro
- **Major Contenders:** Atos, Deloitte, DXC Technology, EY, Hitachi Vantara, KPMG, LTI, Maveric Systems, Mindtree, Mphasis, PwC, Tech Mahindra, and Virtusa
- **Aspirants:** Birlasoft, Happiest Minds, NSEIT, and Zensar

### Scope of this report



**Geography**  
Global



**Providers**  
26 IT service providers



**Services**  
Risk & compliance in  
BFS IT services

## Risk & Compliance in BFS IT services PEAK Matrix® characteristics

### Leaders:

Accenture, Capgemini, Cognizant, HCLTech, Infosys, IBM, NTT DATA, TCS, and Wipro

- Leaders are trusted partners in addressing risk & compliance challenges for BFS enterprises and have a proven track record of delivering end-to-end solutions across the risk and compliance value chain
- They differentiate themselves by having a long-term vision in managing risk & compliance themes such as climate risk, sustainability, and cybersecurity, which are on top of the CXO agenda
- As large enterprises have taken initiatives to expand their business to digital assets, cryptocurrency, and metaverse, Leaders have proactively built solutions and are testing PoCs that addresses risk & compliance challenges in these areas
- Leaders also have a strong global presence, innovative commercial models, ability to hire and upskill the best talent in the industry, and co-innovation with clients by setting up research and innovation labs. Leaders proactively address data management and regulatory compliance challenges by leveraging AI/ML and cloud to build solutions that align with client needs

### Major Contenders:

Atos, Deloitte, DXC Technology, EY, Hitachi Vantara, KPMG, LTI, Maveric Systems, Mindtree, Mphasis, PwC, Tech Mahindra, and Virtusa

- Major Contenders have mature services offerings for BFS enterprises across risk & regulatory compliance. They have made significant headways in expanding their regulatory compliance offerings to Europe as BFS enterprises face challenges in meeting regulations
- They have grown their partnerships with platforms and consulting firms in niche areas of risk, analytics, financial crime, and regulatory reporting
- Major Contenders have also built proprietary solutions and frameworks around data lineage, data standardization, ESG, and AML/KYC standards

### Aspirants:

Birlasoft, Happiest Minds, NSEIT, and Zensar

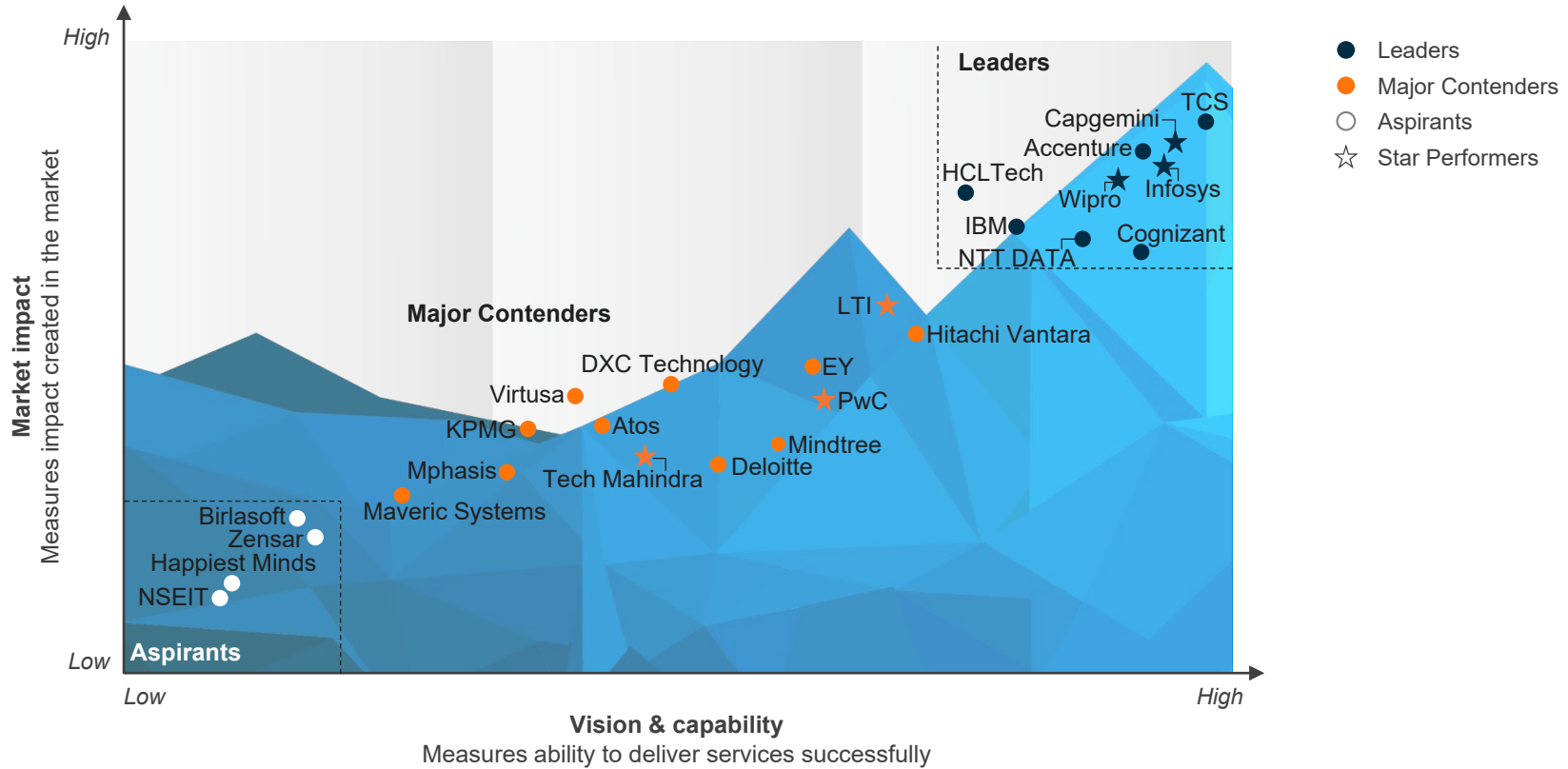
- Aspirants, with their limited services scope, cater to specific geographies and offer point solutions in niche areas of compliance and identity and access management
- They differentiate themselves by being highly responsive to client-specific needs in small scale transformation deals

# Everest Group PEAK Matrix®

## Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2022 | TCS positioned as Leader



### Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2022<sup>1,2</sup>



1 Assessment for Accenture, Atos, Birlasoft, Deloitte, DXC Technology, EY, Happiest Minds, IBM, KPMG, NSEIT, PwC, and Zensar 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

2 The analysis of LTI and Mindtree are based on their capabilities before merger

Source: Everest Group (2022)

# TCS | risk & compliance in BFS IT services profile (page 1 of 4)

## Overview

### Company overview

Tata Consultancy Services is an IT services, consulting, and business solutions organization that offers a consulting-led portfolio of business, technology, engineering services, and solutions. This is delivered through its Location Independent Agile™ delivery model.

### Key leaders

**Krithi Krithivasan**, President Banking, Financial Services, and Insurance

**Headquarters:** Mumbai, India  
**Website:** [www.tcs.com](http://www.tcs.com)

### Delivery footprint

Ranges for FTEs: <100, 100-500, 500-5,000, >5,000

| Region                | Key locations                                      | No. of FTEs |
|-----------------------|--|-------------|
| North America         | Toronto, Mexico City, San Antonio, and Cincinnati  | 500-5,000   |
| United Kingdom        | London and Kingswood                               | 500-5,000   |
| Europe (excluding UK) | Oslo, Frankfurt, Brussels, and Budapest            | 500-5,000   |
| Asia Pacific          | Chennai, Bangalore, Pune, Hyderabad, and Singapore | >5,000      |
| Latin America         | Lima and Ecuador                                   | 100-500     |
| Middle East & Africa  | N/A  | 100-500     |

NA (0%)
  Low (1-20%)
  Medium (20-40%)
  High (>40%)

### Risk & compliance IT services revenue mix in BFS by services scope

|  |  |                                  |  |                      |  |
|--|--|----------------------------------|--|----------------------|--|
| Consulting services                    | <span style="display: inline-block; width: 15px; height: 10px; background-color: #add8e6;"></span> | System integration services      | <span style="display: inline-block; width: 15px; height: 10px; background-color: #add8e6;"></span> | Maintenance services | <span style="display: inline-block; width: 15px; height: 10px; background-color: #008080;"></span> |
| Quality assurance and testing services | <span style="display: inline-block; width: 15px; height: 10px; background-color: #add8e6;"></span> | Application development services | <span style="display: inline-block; width: 15px; height: 10px; background-color: #008080;"></span> | Others               | <span style="display: inline-block; width: 15px; height: 10px; background-color: #cccccc;"></span> |

### Risk & compliance IT services revenue mix in BFS by geography

|               |  |                |  |                      |  |
|---------------|--|----------------|--|----------------------|--|
| North America | <span style="display: inline-block; width: 15px; height: 10px; background-color: #000080;"></span> | United Kingdom | <span style="display: inline-block; width: 15px; height: 10px; background-color: #008080;"></span> | Europe               | <span style="display: inline-block; width: 15px; height: 10px; background-color: #008080;"></span> |
| Asia Pacific  | <span style="display: inline-block; width: 15px; height: 10px; background-color: #add8e6;"></span> | Latin America  | <span style="display: inline-block; width: 15px; height: 10px; background-color: #add8e6;"></span> | Middle East & Africa | <span style="display: inline-block; width: 15px; height: 10px; background-color: #add8e6;"></span> |

### Risk & compliance IT services revenue mix in BFS by buyer size

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| Small (annual client revenue <US\$1 billion)         | <span style="display: inline-block; width: 15px; height: 10px; background-color: #add8e6;"></span> | Medium (annual client revenue US\$1-5 billion) | <span style="display: inline-block; width: 15px; height: 10px; background-color: #add8e6;"></span> | Large (annual client revenue US\$5-10 billion) | <span style="display: inline-block; width: 15px; height: 10px; background-color: #add8e6;"></span> |
| Very large (annual client revenue US\$10-20 billion) | <span style="display: inline-block; width: 15px; height: 10px; background-color: #008080;"></span> | Mega (annual client revenue >US\$20 billion)   | <span style="display: inline-block; width: 15px; height: 10px; background-color: #000080;"></span> |  |  |

### Number of active clients for risk & compliance in BFS IT services



### Revenue from risk & compliance in BFS IT services



Source: Everest Group (2022)

# TCS | risk & compliance in BFS IT services profile (page 2 of 4)

## Client success stories

NOT EXHAUSTIVE

|   |                          |
|---|--------------------------|
| <b>Case study 1</b>   | <b>A leading UK bank</b> |
| <b>Business challenge</b><br>The bank came under scrutiny due to shortcomings in its KYC/AML programs. It started the aggressive transformation of its KYC/AML systems and processes to make it future-proof and safe from criminals.   |                          |
| <b>Solution</b> <ul style="list-style-type: none"><li>• Implemented an AI-based smart IDV solution HooYu for KYB to digitally onboard SME clients</li><li>• Built an eCDD platform for CDD/EDD event triggers and automated EDR workflows</li><li>• Built an ML-based bespoke solution for false alert optimization</li><li>• Implemented ActOne for AI-based intelligent case management</li></ul> |                          |
| <b>Impact</b> <ul style="list-style-type: none"><li>• Faster onboarding of SME customers, from over seven days to below two days</li><li>• Dynamic review of customers, with near real-time EDD of high-risk customers</li><li>• False alert reduction by almost 40%</li></ul>  |                          |

|   |   |
|---|---|
| <b>Case study 2</b>   | <b>A large US financial institution</b> |
| <b>Business challenge</b><br>The client wanted to manage its climate risk impact and prepare for self-disclosures and regulatory reporting. It wanted to launch a new climate-aligned suite of products and create a net zero strategy.   |   |
| <b>Solution</b> <ul style="list-style-type: none"><li>• Leveraged TCS climate change framework and TCS IUX platform to calculate scope 1, scope 2, and limited scope 3 emissions</li><li>• Conducted impact assessment and designed a business strategy and roadmap for net zero</li></ul>  |   |
| <b>Impact</b> <ul style="list-style-type: none"><li>• Increase in customer loyalty leading to the increased share of wallet</li><li>• Enhanced brand value due to clear and transparent strategy and stockholder communication</li><li>• Accurate estimation of emissions, leading to a comprehensive net zero strategy</li></ul> |   |

Source: Everest Group (2022)

## TCS | risk & compliance in BFS IT services profile (page 3 of 4)

### Key offerings and investments

NOT EXHAUSTIVE

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

| Name   | Details  |
|--|--|
| Fraud risk and controls assessment framework                 | Enterprise-wide fraud risk and controls assessment framework for measuring inherent fraud risks across multiple dimensions, controls and their effectiveness, residual risks, and mitigations required                                     |
| Cyber – Identity Access Management (IAM) and cyber framework | TCS application onboarding framework helps customers adopt IAM, WAM, and PAM solutions. TCS IAM labs demonstrate solution features to customers, implement complex use cases, and develop/pilot new solutions according to business demand |
| EU taxonomy framework  | An assessment tool to identify taxonomy eligibility, technical screening assessment, alignment, and reporting  |
| Climate risk industry classification solution                | Advanced analytics-based solution for climate risk classification and to drive harmonization intelligence  |
| Climate risk compliance solution                             | Enables streamlined implementation toward climate risk obligations   |
| TCS data framework for ESG                                   | Multi-dimensional data model to support disclosure requirement for GRI, SASB, TCFD, and EU Taxonomy. Includes carbon emission prediction, sustainability disclosures, sustainability data management, and product life cycle assessment    |
| ESG integration solution                                     | A cloud-native (GCP/AWS/Azure) ESG integration solution leveraging cognitive technologies and AI/ML algorithms that enables a transparent view of ESG performance and impacts of assets  |

#### Key investments in partnerships/alliances/talent/certifications/CoEs/M&As/JVs, etc. to deliver risk & compliance IT services to BFS enterprises










| Name                             | Type of investment (year)      | Details of investment   |
|----------------------------------|--------------------------------|---|
| Partnership/Alliances            | 2021-22                        | Partnership with industry players in risk marketplace creation and service offerings, which includes Tower Watson, Metric Stream, S&P global, BAE systems, Vivid Economics, BDO, SAP, ServiceNow, NICE Actimize, Moody's Analytics, RSA, Quantexa, SAS, Numerix, Tookitaki, MCO, etc.   |
| Trainings and certifications     | 2021-22                        | Over 2,000+ associates upskilled in risk domain, risk full stack, risk data engineering, external risk, and compliance certifications. Includes internal risk and compliance certifications   |
| Labs and innovation centers      | 2021-22                        | TCS has been investing in creating a network of TCS Pace Port™ Hubs in all its major markets. These co-innovation and advanced research centers consist of TCS COIN™ accelerators, agile workspaces, academic research labs and digital libraries, innovation showcases, and rapid labs |
| Prudential Financial, Inc. (PFI) | Acquisition/Partnership (2021) | Established a new global delivery center in Ireland to provide Prudential with a range of business and technology services  |
| Postbank Systems (PBS)           | Acquisition (2020)             | To scale up TCS' existing business in Germany. PBS' services include infrastructure operations, application operations, management, and development, as well as business consulting for BFSI clients  |

Source: Everest Group (2022)

# TCS | risk & compliance in BFS IT services profile (page 4 of 4)

## 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

- TCS has created a long-term vision and strategy for its risk & compliance practice, and identified ESG, sustainability, and cybersecurity as high growth areas among its priorities
- Leads peers in ESG with a dedicated CoE, forward-looking vision, thought leadership, and GTM strategy. Offers over 14 sustainability services with proven client success
- Offers end-to-end risk & compliance IT services across a broad range of domains such as financial risk management, financial crimes compliance, non-financial risk management, and emerging risk themes such as climate/sustainability, cryptocurrency, and metaverse
- Made holistic investments with the right mix of in-house IP/frameworks/tools and alliances with RegTechs, FinTechs, and data platforms such as NICE Actimize, Quantexa, Calypso, Murex, Pega, and Moody's
- Has created differentiation in the market with innovative engagement models such as partnering and co-innovating with clients, flexible delivery, and commercial models
- Demonstrated success in delivering complex solutions for large BFS clients across ESG & sustainability, financial crimes management, governance, and regulatory compliance

### Limitations

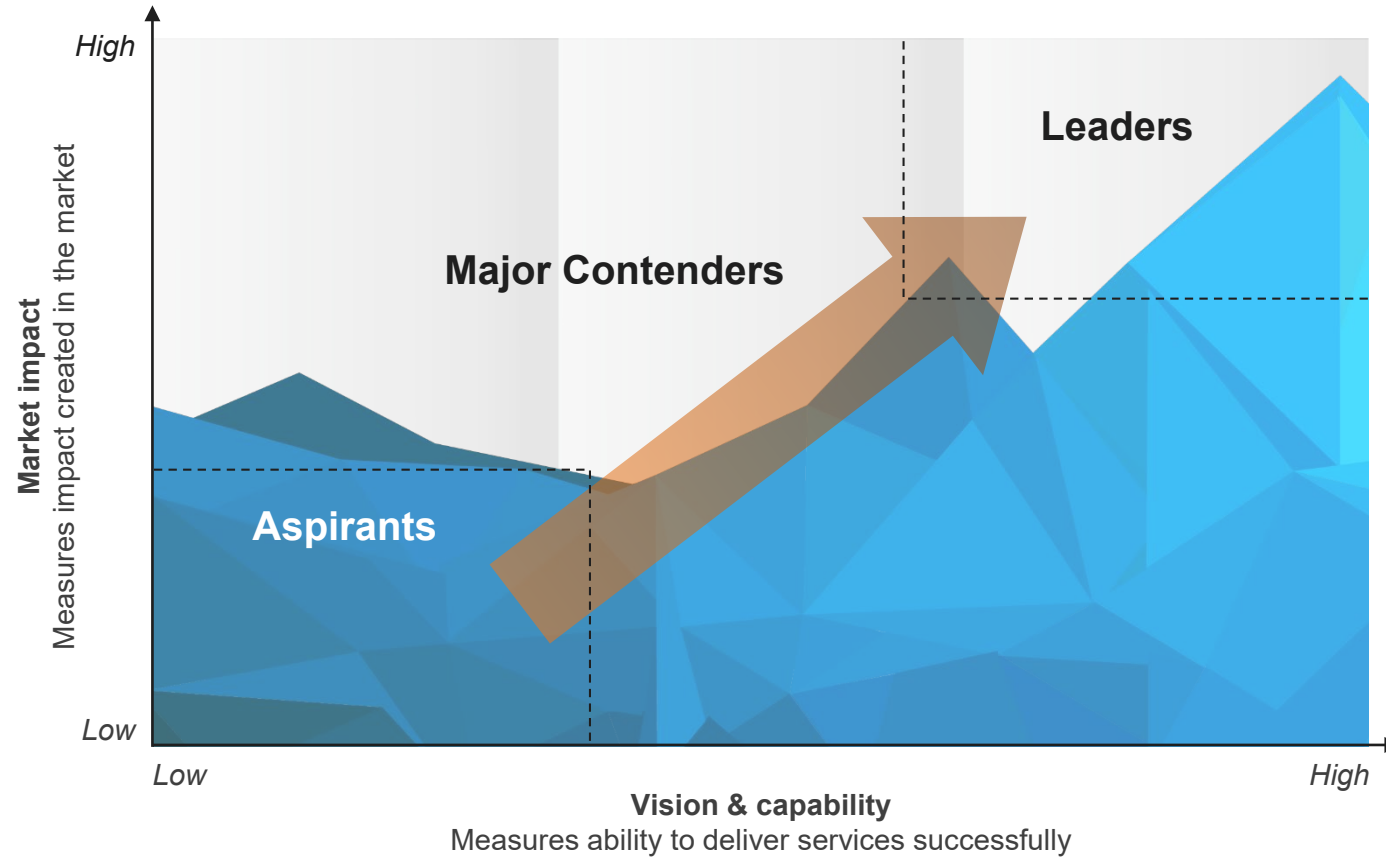
- Quality and quantity of talent poses a major constraint in the expansion of TCS in the risk & compliance IT services market
- Clients have stated that talent management and proactive communication on departures are areas TCS should work to improve
- Even though TCS has an extensive repository of in-house solution frameworks in compliance management and reporting, the proportion of success proof points in implementing these for clients is low
- Clients expect TCS to proactively bring in new and innovative ideas to the table and play the role of a strategic advisor



# Appendix

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

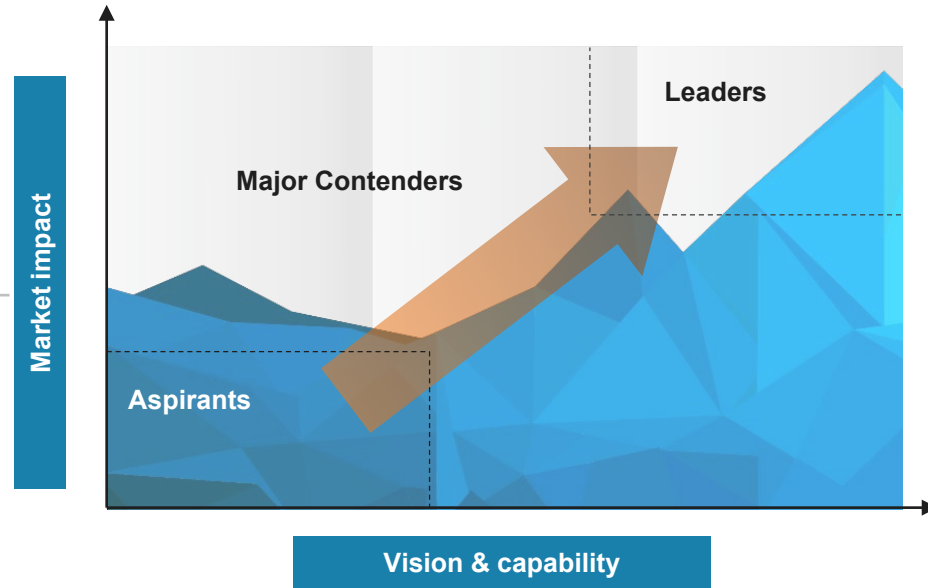
Everest Group PEAK Matrix



# Services PEAK Matrix® evaluation dimensions

Measures the 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



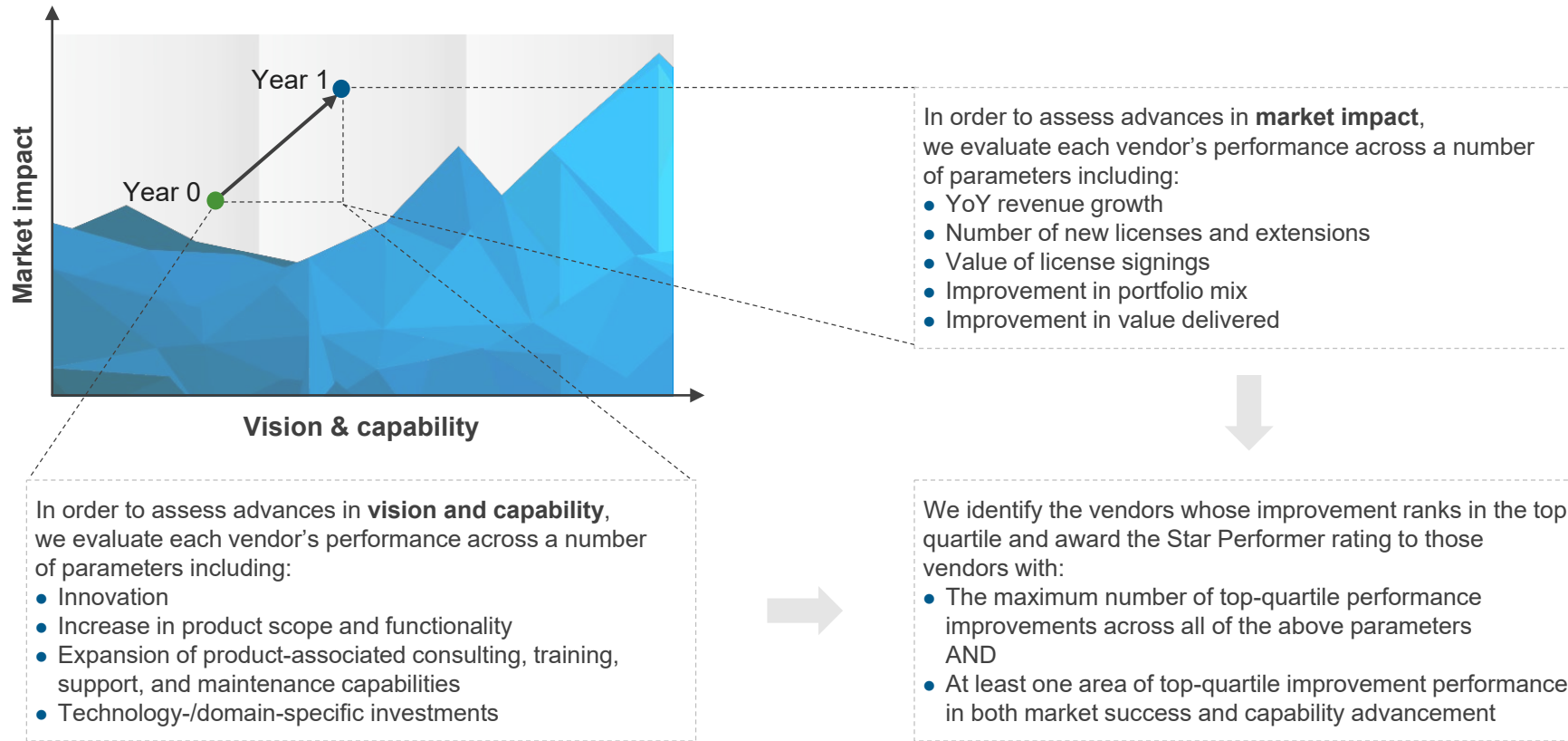
Measures the ability to deliver services successfully. This is captured through four subdimensions

- 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



*The Star Performers title relates to the YoY performance of 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 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.

### **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 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 the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?**

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.

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

- 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

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

- 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](#)

### **Does the PEAK Matrix evaluation criteria change over a period of time?**

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.



Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at [www.everestgrp.com](http://www.everestgrp.com).

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