Everest Group PEAK Matrix® for Guidewire Services Provider 2023

Focus on TCS

February 2023

Introduction

P&C insurers are increasingly looking to adopt third-party core platforms to address the limitations of legacy core systems and drive front-to-back office transformation to future-proof their IT estates. Guidewire has emerged as a preferred core platform for P&C insurers that were looking for a modern core to power superior front-office experiences. Additionally, Guidewire's push toward Guidewire cloud, coupled with its continued investments to build supporting data and digital capabilities, is pushing P&C insurers to leverage the broader offerings portfolio and maximize value from existing investments in the core.

IT service providers are responding by aligning their investments with Guidewire's vision and gaining partner-recognized specializations across various products and demand geographies. They are making significant investments to expand their Guidewire-certified talent pools, build accelerators/frameworks to address key concerns around on-budget and on-time implementations, and help insurers craft a cloud strategy built around Guidewire.

In this research, we assess 24 Guidewire service providers featured on the Guidewire Services PEAK Matrix®. Each provider profile provides a comprehensive picture of its strengths and limitations. The assessment is based on Everest Group's annual RFI process for calendar year 2021-22, interactions with leading Guidewire service providers, client reference checks, and an ongoing analysis of the Guidewire services market.

The full report includes the profile of **TCS** as featured on the Guidewire Services PEAK Matrix® Assessment 2022

Scope of this report

Geography
Global

Providers
24 leading Guidewire services providers

Services
Guidewire Services

Guidewire services PEAK Matrix® characteristics

Leaders:

Accenture, Capgemini, Cognizant, Deloitte, EY, PwC, and TCS

- Leaders comprise large-scale IT-heritage and consulting-heritage firms. These providers have positioned themselves as strategic partners for insurers and differentiated themselves with their extensive industry experience, the highest tier of Guidewire partnership status, a scaled resource pool of Guidewire-certified talent on the latest product versions, delivery footprint across all major onshore and nearshore locations, and multiple product-specific regional specializations
- Leaders show strong proof points in working with carriers across the Guidewire services value chain, from consulting and change management to product implementation and other related workstreams, such as upgrades, integrations, enhancement, and maintenance and support
- These firms have made proactive investments to align with Guidewire's strategic vision to push to a SaaS model and maximize value via integrations with broader data and digital capabilities

Major Contenders:

CGI, GFT, HTC Global Services, IKOR, Infosys, LTI, NXT Level Technologies, SBI Technology, Sollers Consulting, Tech Mahindra, ValueMomentum, Wipro, and Zensar Technologies

- Major Contenders comprise firms that have Advantage- or Select-level Guidewire partnerships. They position themselves as challengers in the Guidewire services space for midsized and large insurance firms, and clients appreciate them for their commercial flexibility in engagements
- Major Contenders have demonstrated credible value additions across Guidewire engagements via point solutions that are built on top of the Guidewire platform. These providers offer a rich repository of accelerators and frameworks to ensure on-time, on-budget implementations and cost-effective downstream services
- Several Major Contenders have a regional focus – for instance, IKOR, Business Agility, and Sollers Consulting are focused on the UK and Europe markets; ValueMomentum, NXT Level Technologies, and HTC Global Services are focused on North America, while SBI Technology focuses on the Latin America Guidewire services market

Aspirants:

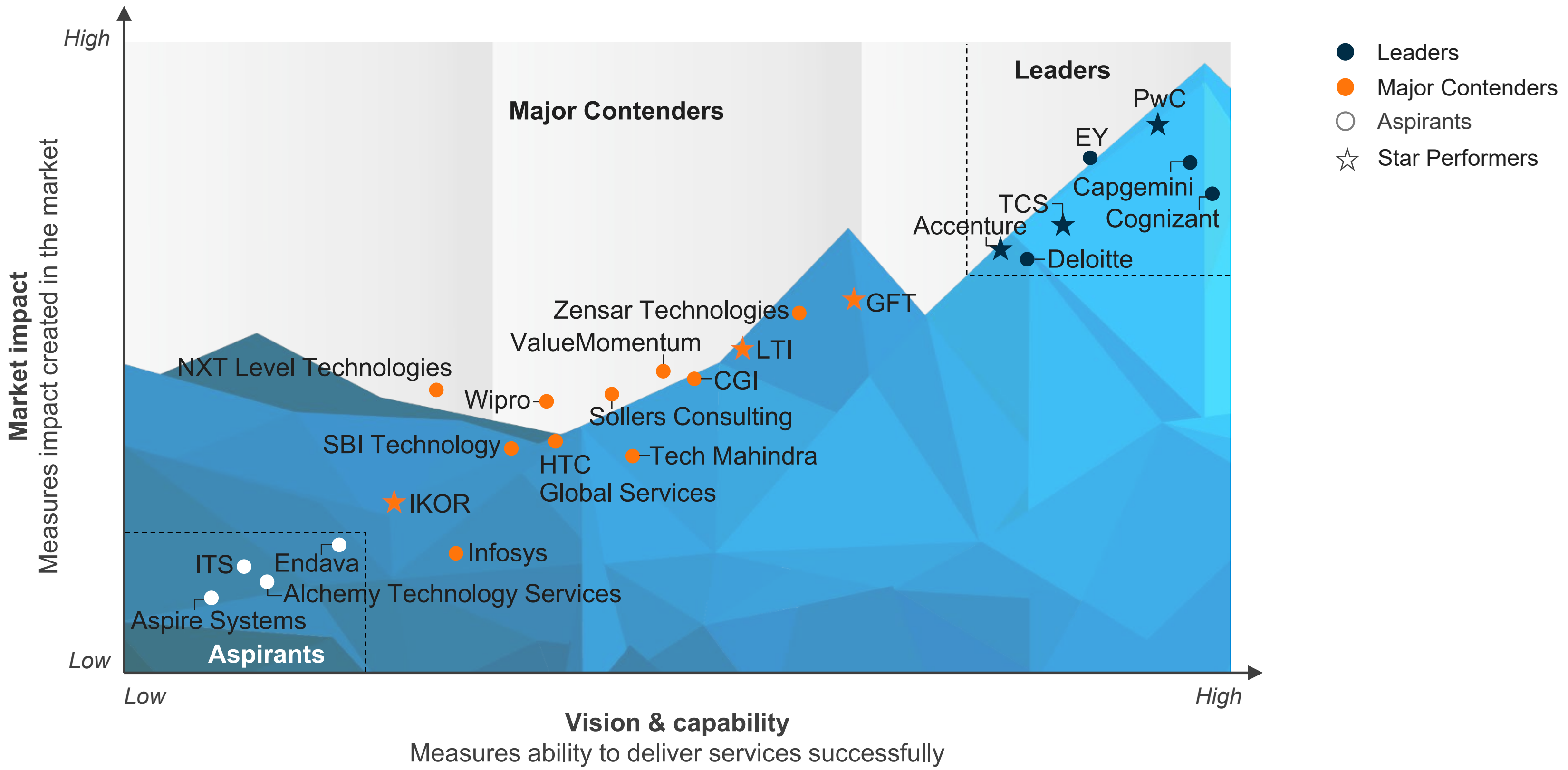
Alchemy Technology Services, Aspire Systems, Endava, and ITS

Aspirants comprise niche providers that focus on targeted demand segments – Alchemy Technology Services focuses on onshore delivery for small and midsized insurers in Europe and UK, Aspire Systems has found success with North American insurers for downstream services, Endava positions itself as a London market Guidewire services specialist, and ITS is positioned as an InsuranceNow specialist in the North American market

Everest Group PEAK Matrix®

Guidewire Services PEAK Matrix® Assessment 2022 | TCS positioned as Leader and Star Performer

Everest Group Guidewire Services PEAK Matrix® Assessment 2022[1, 2]



1 Assessment for Deloitte, Endava, EY, SBI Technology, and Sollers Consulting excludes service provider inputs, and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with insurance buyers. For these companies, Everest Group's data for assessment may be less complete

2 Analysis for LTI is based on its capabilities before its merger with Mindtree

Source: Everest Group (2022)

TCS | guidewire services profile (page 1 of 4)

Practice overview

Guidewire partnership status (as of January 2022)

Select	Guidewire specialization status	Insurance suite	Policy center	Billing center	Claim center	Insurance suite integration	Digital	DataHub	Cloud	Insurance now	Self-manage upgrades*	Premier go-to-market	Premier services engagement	Testing standards
Advantage	Americas		✓	✓		✓			✓		✓			✓
	Latin America										✓			✓
Global Premier	EMEA		✓		✓						✓			✓
	Asia Pacific										✓			✓

Guidewire services revenue (CY 2021)

<US$5 million	US$5-20 million	US$20-50 million	US$50-100 million	>US$100 million
				●

Guidewire services – revenue mix (CY 2021)

Low (<15%) Medium (15-30%) High (>30%)

Revenue by services scope		Revenue by insurance LoB		Revenue by buyer size		Revenue by geography	
Consulting services	Low	Personal lines	High	Small (annual revenue <US$1 billion)	Low	Americas	High
Implementation services	High	Commercial lines	High	Medium (annual revenue = US$1-5 billion)	Low	Latin America	Low
Upgrade and migration services	Low	Specialty lines	Low	Large (annual revenue = US$5-10 billion)	Low	Europe (excluding UK)	Medium
Enhancement services	Low			Very large (annual revenue = US$10-20 billion)	High	United Kingdom	Medium
QA and testing services	Medium			Mega (annual revenue >US$20 billion)	High	Asia Pacific	Low
Maintenance and support services	Medium					Middle East and Africa	Low

*Self-managed upgrades has been renamed to Technical Upgrades by Guidewire at the time of publishing this report

TCS | guidewire services profile (page 2 of 4)
Case studies and product-level details

Case study 1 | **Leading US-based P&C insurer**

Business challenge
Modernize and fully replace nine commercial PAS legacy systems; improve prospect qualification, self-service capabilities, and underwriting efficiency; and reduce maintenance costs and IT spend.

Solution
Implementation of PolicyCenter, Guidewire Rating, and Agency Portal; seamless integration with internal and external ecosystems; forms modernization with OpenText Exstream; policy data migration from datahub to Snowflake on AWS Cloud; automation-led transformation; and quality engineering.

Impact
Enabled auto renewal of over 75% of commercial policies, no touch policy migrations, ~15% increase in business growth, ~15% improvement in underwriting efficiency, and ~US$ 50 million reduction in IT spends.

Case study 2 | **Leading US-based P&C insurer**

Business challenge
Expand commercial auto product for a ridesharing app; enable offline FNOL to improve customer experience; and enhance claims data interchange, claim intake, document upload, security, and audit.

Solution
Used an MVP approach for middleware integration API development connecting the ridesharing app and ClaimCenter on Mule Cloud, implementation of ClaimCenter, and ecosystem integration. Enabled offline FNOL and automated data synchronization, and enhanced document upload using AWS S3 and SQS.

Impact
Auto insurance business with the ridesharing app expanded to 13 new markets in 12 states, with over 60% reduction in claim processing costs and a less-than-a-minute claim intake experience.

Number of guidewire services engagements (CY 2021)

<2	2-5	5-10	10-25	**>25**

Number of engagements and certified FTEs across core Guidewire products (CY 2021)

Core Guidewire products	Number of engagements (<2, 2-5, 5-10, >10)	Number of certified FTEs (<10, 10-25, 25-50, >50)
PolicyCenter	>10	>50
BillingCenter	>10	>50
ClaimCenter	>10	>50
InsuranceSuite	>10	>50
InsuranceNow	NA	NA
Guidewire Cloud	5-10	>50

Number of engagements across peripheral Guidewire products (CY 2021)

Peripheral Guidewire products	Number of engagements (<2, 2-5, 5-10, >10)
Guidewire Live	NA
Guidewire for Salesforce	NA
Cyence	NA
HazardHub	NA
Guidewire Solutions	NA

TCS | guidewire services profile (page 3 of 4)
Investments details

NOT EXHAUSTIVE

Top 10 investments to enhance Guidewire services delivery capabilities	
Investment	**Details**
Guidewire Competency Development	Trained & certified TCS associates on Guidewire Cloud, PolicyCenter, ClaimCenter, BillingCenter, InsuranceSuite, Digital, and DataHub
TCS' Guidewire innovation hub	Established the TCS Guidewire Innovation Lab at TCS Siruseri, Chennai facility to foster innovation
Guidewire Center of Excellence	Invested in a CoE for providing Guidewire-specific advisory services, offerings & solutions, research & innovation, and competency development
TCS Digital platform for Guidewire	Created an ecosystem of TCS' assets & accelerators that can be readily integrated with Guidewire platform to enhance the business value for end-users
Cognitive automation tools	Enabled automation in the areas of business rules testing, service APIs testing, and maintenance through Python Bots
Assets & accelerators	Built over 100+ accelerators across the Guidewire transformation journey to help insurance customers
Marketing & advertising	Made investments to enhance branding and positioning of the TCS Guidewire Practice including the sponsorship of Guidewire Connection Events
Local geography support	Made investments in local associates for supporting sales and delivery in geographies such LATAM, Hong Kong, Australia, Central Europe, and the Nordics

TCS | guidewire services profile (page 4 of 4)

Everest Group assessment – Leader and Star Performer

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

- Offshore-heavy presence with scaled agile delivery capabilities, vast experience in managing large-scale IT transformations for insurers, and a well-diversified client portfolio for Guidewire services positions TCS strongly in the marketplace
- Recent upgrade to Advantage partnership tier and highest number of new product-/region-specific specializations in the last 18-months has helped TCS to enhance its market positioning
- Meaningful investments to build tools and accelerators enabling cognitive automation and analytics decision support to drive messaging around business value maximization
- Clients have recognized TCS for string understanding of Guidewire products, operational flexibility, and collaborative approach to deepen client relationships

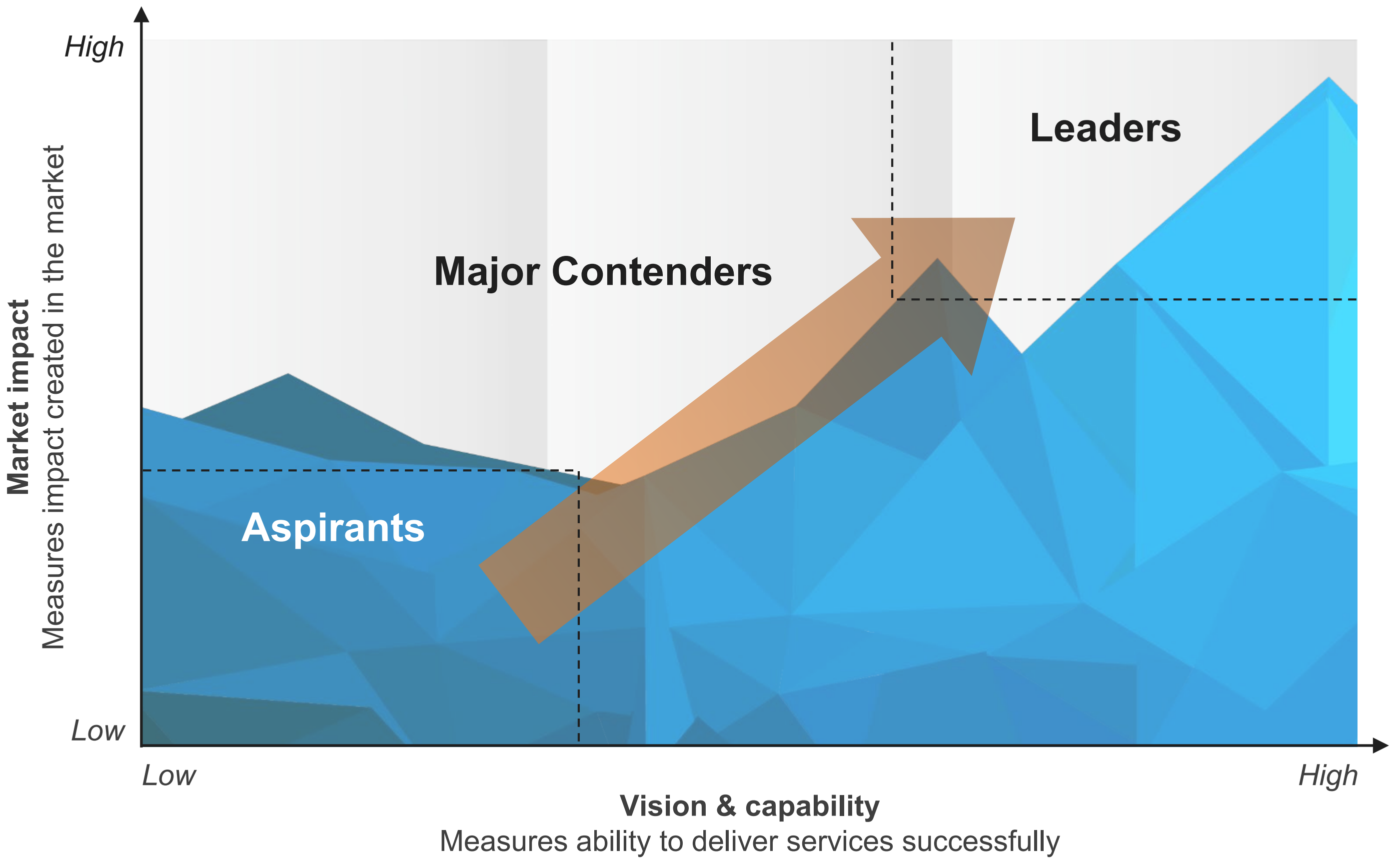
Limitations

- TCS lags other Leaders in terms of experience in managing engagements across Guidewire's data and digital products
- Clients have cited challenges around cultural alignment with offshore teams and skilled talent availability across Guidewire Digital Portals
- In a few accounts, clients have expressed concerns with TCS not taking a critical approach and proactiveness to suggest better alternatives across additional asks & recommendations

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

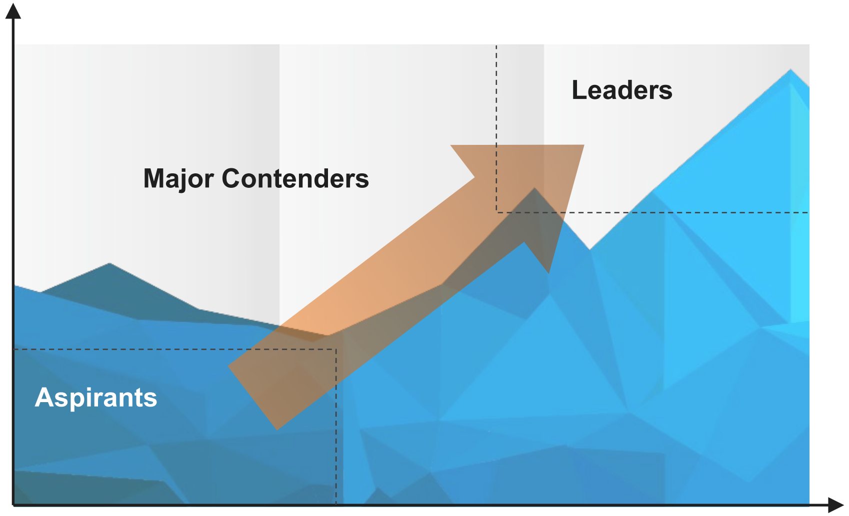
Portfolio mix

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

Market impact



Vision & capability

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.

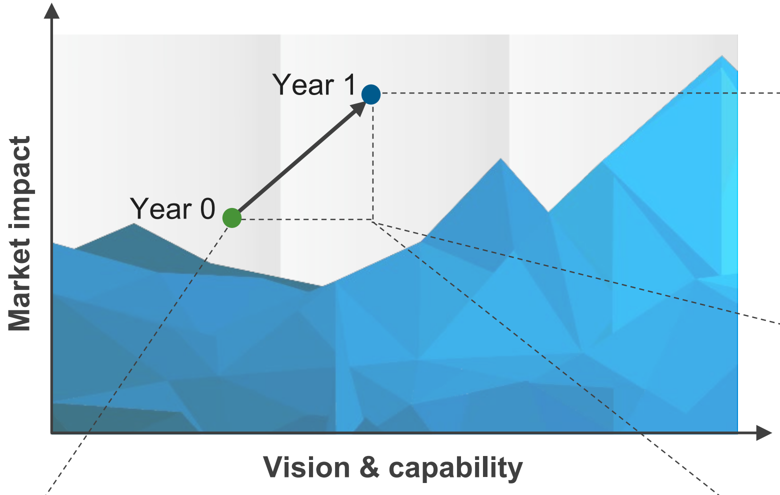
Delivery footprint

Delivery footprint and global sourcing mix

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 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

In order to assess advances on **vision and capability**, we evaluate each provider's performance across a number of parameters including:

- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the providers whose improvement ranks in the top quartile and award the Star Performer rating to those 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 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 in 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.

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With you on the journey

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