



Everest Group Lending IT Services PEAK Matrix® Assessment 2023

Focus on TCS
January 2024



Introduction

The lending industry is rapidly evolving; lenders are increasingly investing in technology to optimize operational efficiencies, leverage cognitive tools, and deploy digital solutions for an enhanced user experience, and cost reduction. Rising delinquencies, driven by slower wage growth, compared to expenses, emphasize the need for lenders to adopt user-friendly online tools for flexible payments. Incorporating advanced cognitive tools such as AI and predictive analytics is increasingly common to enhance automated approval rates and gain customer insights for improved marketing and sales strategies

Lenders are leveraging cloud computing and alternate data to revolutionize underwriting and data management, while also introducing green mortgages and embedded lending options such as buy now, pay later (BNPL) to meet modern consumer demands, all within a framework of consolidating products for greater efficiency. Application programming interface (API)-driven lending ecosystems enable real-time connections with third parties, providing flexible customer experiences without costly in-house functionalities. This trend spans sectors, with mortgage lending focusing on technology spending and alternative products, and the auto financing sector moving toward subscription and shared ownership models. Industry-specific trends indicate a move toward streamlined online financing experiences and platform modernization, particularly in commercial and small and medium enterprises (SMEs) lending

Providers are investing in partnerships with leading lending technology providers as well as emerging FinTechs, building solutions/accelerators to support lending clients in their transformation journeys, investing in Centers of Excellence (CoEs) / innovation labs to keep pace with emerging themes such as generative AI use cases in lending and leveraging alternative data for underwriting

In this research, we present an assessment of 28 providers featured on the [Lending IT Services PEAK Matrix® Assessment 2023](#). Each provider has been assessed on various parameters such as its service focus, key solutions, domain investments, practice growth, partnerships, client feedback, and case studies. The assessment is based on Everest Group's annual RFI process for the calendar year 2023, interactions with leading IT Providers, client reference checks, and an ongoing analysis of the lending IT services market.

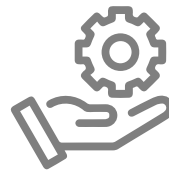
The full report includes the assessment of the following 28 leading Providers featured on the lending IT services PEAK Matrix®:

- **Leaders:** Accenture, Capgemini, Cognizant, HCLTech, Infosys, LTIMindtree, TCS, and Wipro
- **Major Contenders:** Apexon, Birlasoft, CGI, Coforge, Kyndryl, Maveric Systems, Mphasis, NTT DATA, Pennant Technologies, Persistent Systems, SoftServe, Sonata Software, Sopra Banking, Tech Mahindra, and Virtusa
- **Aspirants:** Cigniti, CloudKaptan, GAVS Technologies, Happiest Minds, and Incedo

Scope of this report



Geography
Global



Providers
28 IT Providers



Services
Lending IT services

Lending IT Services PEAK Matrix® characteristics

Leaders

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

- Leaders are strategic partners for their clients and work with multiple teams across the clients' lending verticals, co-innovating with third-party platform providers and FinTechs, and have a proven track record of delivering end-to-end solutions across the lending value chain
- They differentiate themselves by having a dedicated leadership for lending, and the long-term vision to tap into next-generation themes such as generative AI, using alternate data for underwriting, and hyper-personalization to drive revenue growth in emerging areas. Cognizant is focused on generative AI service offerings and working with lending clients on test use cases
- 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. Accenture has invested in innovation hubs globally, which has helped FinTechs to refine and test their value propositions on how to create value in the lending value chain

Major Contenders

Apexon, Birlasoft, CGI, Coforge, Kyndryl, Maveric Systems, Mphasis, NTT DATA, Pennant Technologies, Persistent Systems, SoftServe, Sonata Software, Sopra Banking, Tech Mahindra, and Virtusa

- Major Contenders have made strategic alliances with platform providers and hyperscalers to co-innovate and develop joint Go-to-markets (GTMs). Kyndryl has forged strategic alliances with major cloud providers such as AWS, GCP, and Microsoft Azure, as well as FinTechs including FIS, Fiserv, Tietoevry Banking, and Aura, to provide advanced services
- They have built proprietary solutions, accelerators, and frameworks around AI/ML, predictive analytics, and blockchain to improve efficiency in processes across the lending value chain. Maveric Systems has developed proprietary tools including automated test suites, predictive models for credit analytics, margin lending, and semantic data models, incorporating advanced technologies such as AI, distributed ledger technology (DLT), Blockchain, and IoT in lending processes

Aspirants

Cigniti, CloudKaptan, GAVS Technologies, Happiest Minds, and Incedo

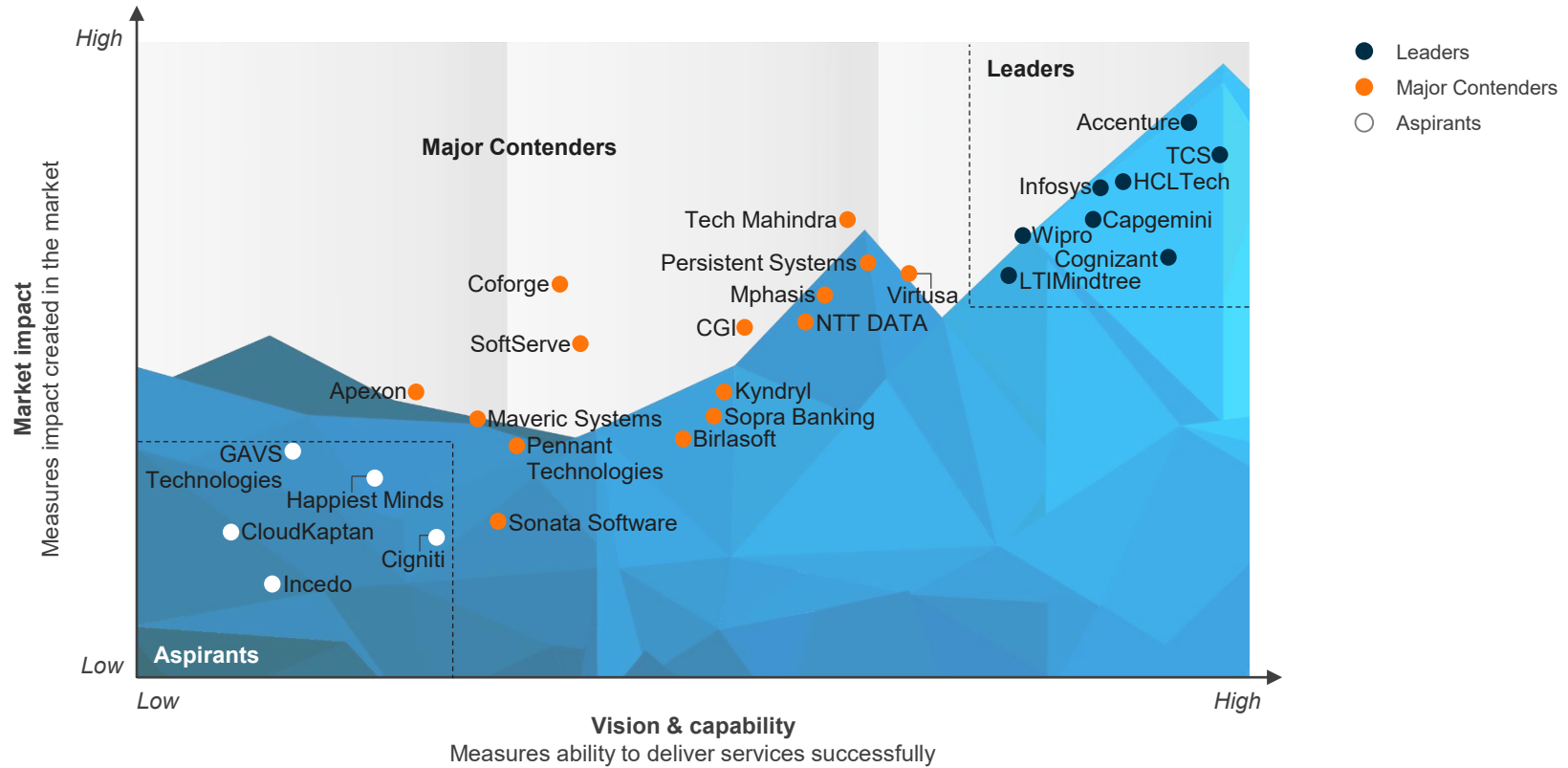
- Aspirants, with their targeted services scope, specific geography focus, and deep-domain focus and/or solutions in specific areas such as automating client onboarding, KYC processes, and agricultural lending provide them the positioning of a specialist in the respective space
- They are investing to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

Everest Group PEAK Matrix®

Lending IT Services PEAK Matrix® Assessment 2023 | TCS is positioned as a Leader



Everest Group Lending IT Services PEAK Matrix® Assessment 2023¹

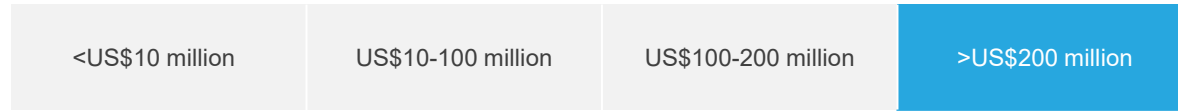


¹ Assessments CGI, and Incedo excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with lending buyers
Source: Everest Group (2023)

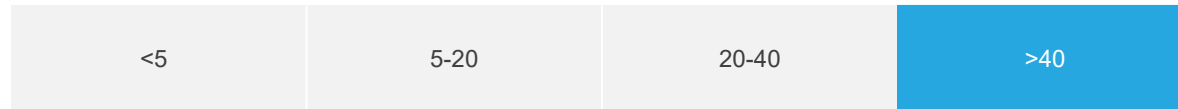
TCS profile (page 1 of 4)

Overview

Lending IT services revenue (CY 2022)



Number of active clients for lending IT services



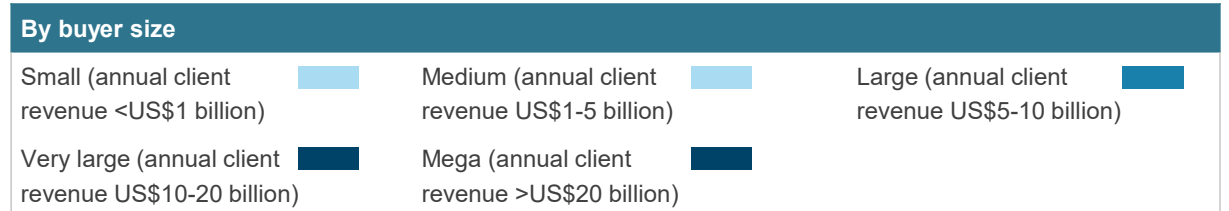
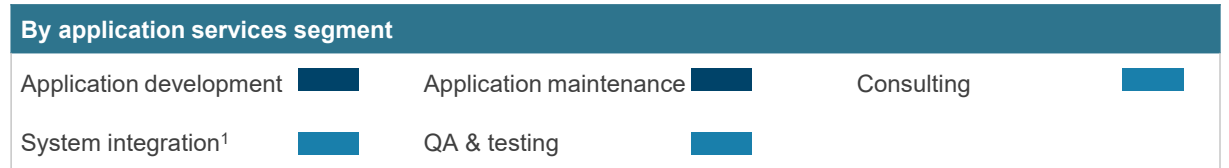
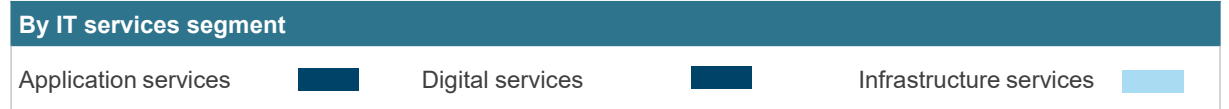
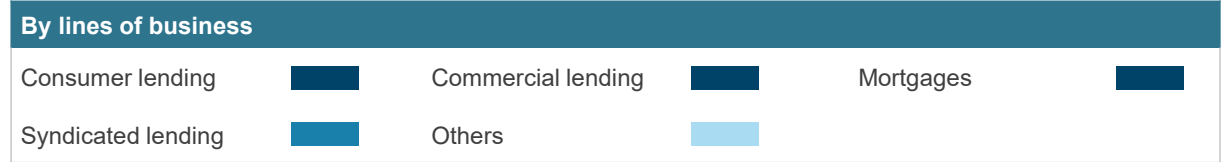
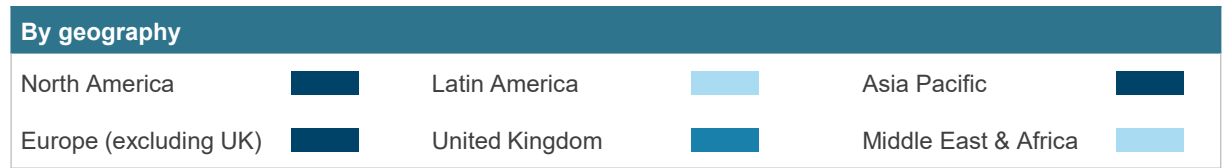
Proprietary IP/solutions/frameworks/accelerators/tools to deliver lending IT services

Name	Details
Lending Platform	Digitalizing the end-to-end business lending life cycle on leading business process management (BPM) platforms, the framework provides reference processes as well as rules for processing and optimizing credit operations.
DigiHome Suite	A multi-modal channel for mortgage origination by customer and advisors, cognitive decision engine, compliance, quality control, and document processing
Financial Spreading-as-a-Service	An AI-based solution to analyze financial statements to assess the financial health of businesses required while originating and servicing loans
Loan Securitization Platform	An industry platform that can be shared among multiple banks to securitize loans and facilitate sales and servicing
Covenant Recommendation Engine	A patent-pending cognitive model to help commercial loan underwriters by recommending the most contextually relevant covenants for any commercial loan based on borrower and deal characteristics

1 System integration includes package implementation

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

Lending IT services revenue mix (CY 2022)



TCS profile (page 2 of 4)

Case studies

Case study 1

Digital transformation of lending business for one of the top banks in the UK

Business challenge

The client aimed to digitally transform commercial lending business by digitally enabling relationship banking and customer journey and building strong digital channels propositions. The bank had a highly fragmented technology landscape and disjointed process, hampering turnaround times and affecting its net promoter score (NPS).

Solution

- End-to-end digitization of customer onboarding and commercial lending process including integration with various external parties
- Digital document production and signing with omni-channel capabilities, to provide consistent customer experience across branches, online or telephony
- Implementation of workflow for the end-to-end onboarding and product origination functions. Design and build of automated credit decision and decision support engine

Impact

- NPS increased by 15 points, 70% of non-personal loans agreed in 24 hours, transactions up to GBP50 thousand enabled with self-serve options
- Credit decisioning time reduced from days to under 10 minutes, GBP48 million in savings realized over five years through technology and operations simplification, 61 full-time employee (FTE) savings, conversion rate increased by 25%, and volumes up by 47%.

Case study 2

Establishing a lending platform for a Big Five Canadian bank

Business challenge

The bank had to compete with the larger banks in the US and was looking to transform the business banking to increase its footprint. It had a legacy lending platform with paper-based processes, several manual interventions, and disjointed tactical applications with manual handoffs. The bank aimed to establish a powerful small business lending platform and to create an integrated lending platform for its North America business in order to drive efficiencies.

Solution

- Built a small business hub for Canada, encompassing a simplified lending process for express loans including automated adjudication, across all channels (relationship manager, branch, and self serve). The platform was leveraged for the US business lending hub for deposits accounts, loan, lines, and card (<100K)
- Extended this platform to deliver lending up to 1 million, overdrafts, master credit lines and micro deposits, new segments such as sole proprietors, non-profits, and LLPs

Impact

- Key business metrics delivered: Loan duration reduced from 30-45 days to 15 minutes; 24,000 high-speed financing loans for CAD 2.6 billion in Canada; 15,750+ business accounts in 24 weeks in the US; 600 loan accounts in 12 weeks in the US; 2X growth in customer acquisition
- Under COVID-19 hardship programs, the bank disbursed over CAD 2.2 billion in Canada and ~US\$720 million in the US
- Redoubled its business goals

TCS profile (page 3 of 4)










Ecosystem

Key partnerships/alliances/acquisitions/JVs leveraged to deliver lending IT services		
Name	Type of investment (year)	Details of investment
Finastra	Partnership (2023)	Joint go-to-market (GTMs), implementation, and support for various solutions
nCino	Partnership (2019)	Global system integrator and partner
Pega	Partnership (2010)	Implementation partner; leverage this partnership for the co-development of solutions and joint GTM motion
Postbank Systems AG	Acquisition (2020)	Acquired the entity and currently managing the technology to service mortgages

TCS 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 formed strategic partnerships with key FinTechs in the lending industry such as Finastra, FIS, and nCino to offer end-to-end lending services
- It leverages emerging technologies such as generative AI and cloud solutions to enhance its lending IT services
- TCS actively engages in sustainability initiatives such as collaborating with energy certificate providers to assess property energy ratings and assisting banks in transitioning to green portfolios
- Its extensive global presence empowers it to offer comprehensive lending IT services to clients across various regions, ensuring widespread accessibility and support
- Clients commend TCS for its industry insights and technological prowess, providing valuable insights and innovative solutions that align with the complexities and nuances of the lending sector

Limitations

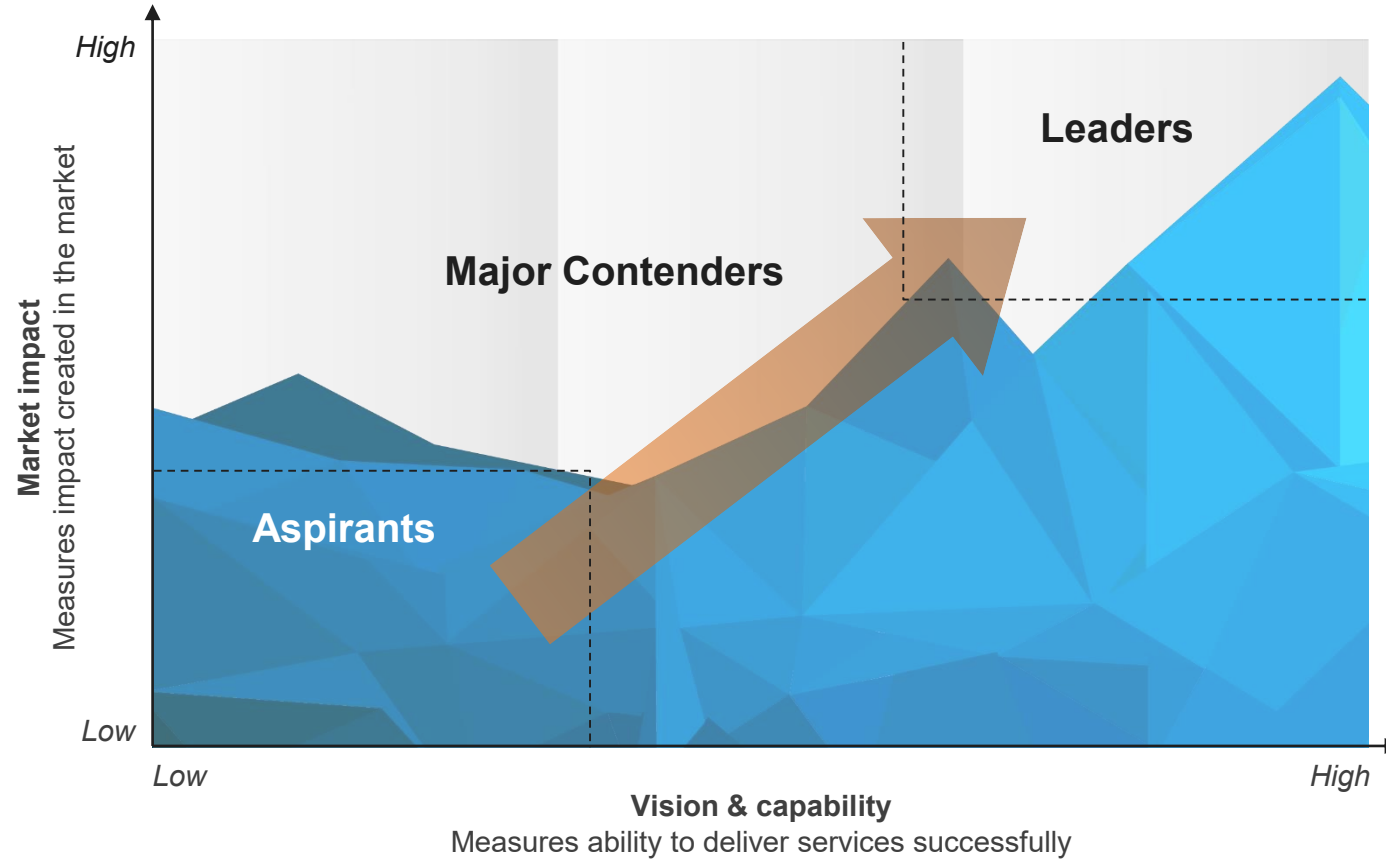
- TCS showcases limited scale of lending SME resources, especially those with specialized knowledge emerging technologies such as AI and Cloud
- Clients suggest TCS to invest in additional coding efforts to enhance functionalities, indicating a need for improvement in areas such as no-code and low-code solutions
- Clients highlight the need for TCS to stay consistently up-to-date with new changes and evolving industry trends in order to manage numerous clients across diverse geographies

Appendix

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



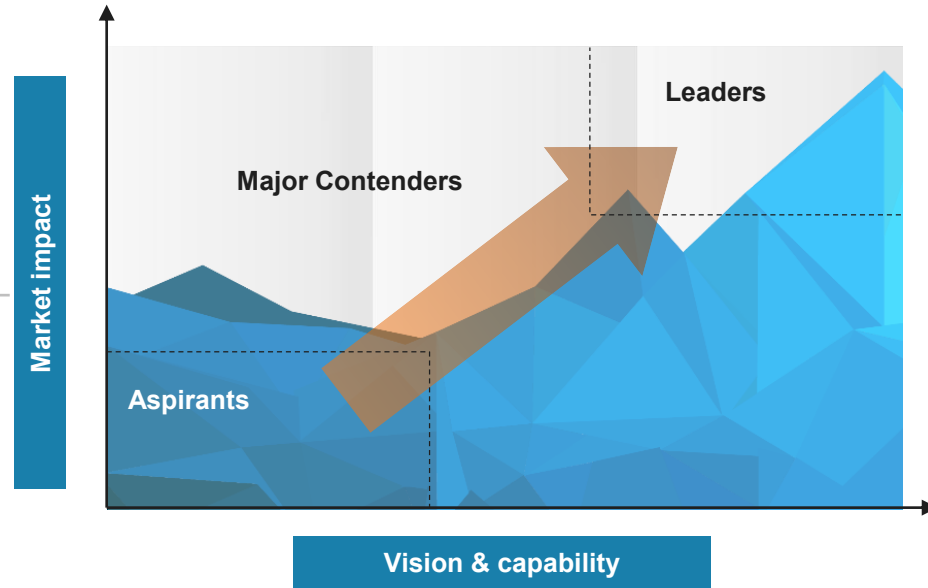
Everest Group PEAK Matrix



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 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.

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