

## MARKET NOTE

# HCLTech Turns the Spotlight on Financial Services

Nadia Ballard

Jerry Silva

## EXECUTIVE SNAPSHOT

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### FIGURE 1

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#### Executive Snapshot: HCLTech Is Positioned for Long-Term Success in Financial Services

This IDC Market Note covers some of the key themes presented at HCLTech's Financial Services Advisor and Analyst Day, which took place in New York, August 24, 2023. Through presentations, case studies, Q&A sessions, and casual conversations, HCLTech leaders and several clients in banking, insurance, and capital markets were able to demonstrate how the company's mission to "Supercharge Progress" is put into action.

#### Key Takeaways

- HCLTech is investing in several strategic initiatives, including verticalized infrastructure services; open architecture platforms for agile, scalable transformation projects; partnerships with top fintech providers; a portfolio of integrated modernization assets for verticals; and an efficiency engineering approach, that are aimed to accelerate its foray in the financial services sector.
- The company's culture, with its tolerance for risk-taking and experimentation, shows a willingness to undertake complex transformational projects and positions HCLTech well for developing deep, long-term relationships with financial institution clients.
- The four case studies presented at the event from major clients in investment banking, consumer banking, capital markets, and insurance proved how this approach will continue to be successful for HCLTech. The guest speakers praised the company's pragmatic style and focus on relationships instead of contracts — both practices that build trust and confidence in a technology services partner.
- HCLTech's versatility and broad portfolio of services comprise partnerships and implementation experience with most major fintech and financial services industry cloud providers. IDC expects that these assets, combined with the company's new energy and ambitions, will lead HCLTech to many new wins in the financial services sector.

Source: IDC, 2023

## IN THIS MARKET NOTE

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At its first Financial Services Advisor and Analyst Day, HCLTech introduced its mission to "Supercharge Progress" for leading financial services organizations and shared recent success stories in digital transformation for clients in banking, insurance, and capital markets. In brisk keynotes, presentations, and Q&A sessions, HCLTech leaders and client executives outlined their strategic initiatives and shared key learnings from their transformative projects.

## IDC'S POINT OF VIEW

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The Financial Services Advisor and Analyst Day provided an effective platform to showcase HCLTech's own recent transformation and bring attention to the company's "hidden" strengths as a technology powerhouse and preferred services partner for many leading financial institutions. It was an inside-out execution of the strategy IDC advises financial institutions to undertake themselves – leveraging the strengths of the typically siloed lines of business. This would help accomplish enterprise goals and achieve transformation quickly.

Srinivasan Seshadri, chief growth officer and global head of Financial Services, kicked things off by outlining five strategic initiatives that HCLTech has undertaken to become a leading partner in digital transformation for financial services organizations:

- Invest in verticalized infrastructure services.
- Continue the "platformification" of assets and offerings to facilitate the drive toward agile@scale.
- Partner with strategic fintech providers to be able to provide expert advisory, implementation, and integration services.
- Build a balanced portfolio of integrated transformation and modernization assets for select verticals.
- Use efficiency engineering practices to respond to the economic reality and business challenges that clients face every day.

During the sessions that followed and in casual conversations throughout the day, a few other unique characteristics emerged that underlie HCLTech's ongoing success. The company's culture is open to risk-taking and experimentation, which allows teams to explore innovative approaches to problem-solving and technology challenges. A readiness to work closely with clients and partners on outcome-based models and to remain product agnostic is also a strength. Several clients brought up HCLTech's philosophy to focus on "relationships, not contracts" and praised the company for its full commitment to projects and willingness to go above and beyond its contractual obligations to ensure successful outcomes. Too few other service organizations that exist in the same ecosystem as HCLTech are willing (or confident enough) to risk their own revenue as they undertake complex transformational projects. This ensures that HCLTech is creating "sticky" relationships with the financial institutions with which it works.

The commitment to client success is strengthened by HCLTech's investment in developing vertical solutions and working on industry cloud projects in partnerships with the major cloud service providers through dedicated cloud business units for Google Cloud, AWS, Azure, and others. The company is a launch partner for IBM Cloud for Financial Services and the Microsoft Cloud for Financial Services. It also has a long-standing, vertically aligned go-to-market partnership with Salesforce, focused on

banking and financial services, among other industries. Salesforce's financial industry cloud has garnered much success and is being deployed at institutions of almost every size.

In fact, one of the case studies presented at the event was about the integration of Salesforce Financial Services Cloud into an HCLTech-built platform for digital banking for one of the largest credit unions in the United States. The organization, which has close to 3 million members, was looking to modernize its operations and improve its customer experience with a "future-fit solution" that would allow it to focus on innovation, not infrastructure. HCLTech's "platform mindset" enabled the credit union to leverage cloud-native flexibility, reduce the complexity of its legacy environment, and embrace a zero trust security posture, all while launching the platform in under 12 months.

The broad scope of the project, which used a digital platform to modernize front-, middle- and back-office operations and transform the client's customer and employee experience by using the same technology assets, points to the increasing adoption of industry clouds in the financial services industry as well as the unique advantages of digital business platforms. By embracing both models, HCLTech is positioned to capitalize on the surge in demand for industry-specific cloud services.

In another example, HCLTech is working with one of the United States's largest financial institutions to simplify, automate, and govern its complex technology infrastructure. The project involves reducing the institution's datacenter footprint and achieving both cost and sustainability goals while automating IT operations toward what the institution is calling a "zero-touch operations" environment – admittedly a bold target, but one that dictates a clear strategy to maximize the institution's resources.

Financial and industry analysts heard two other similarly inspiring case studies from executives at the leading P&C and auto insurance provider in the United States and a multinational German bank. Each guest speaker shared insightful lessons learned on the "front lines" of digital transformation projects in the financial services industry and how HCLTech, as a trusted partner, used innovation, efficiency, and new technology to execute on their projects successfully and expediently.

## LEARN MORE

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### Synopsis

This IDC Market Note summarizes several sessions and announcements shared by HCLTech at the company's first Financial Services Advisor and Analyst Day, held in New York on August 24, 2023. The document puts into context HCLTech's mission to "Supercharge Progress" for the financial services sector and discusses the case studies presented at the event as examples of successful digital transformation projects in the industry.

"HCLTech's extensive experience with projects involving industry clouds and partners is positioning the company well for the future, as financial services is one of the industries with highest adoption rates of industry clouds," said Nadia Ballard, research manager, Industry Cloud and SaaS at IDC.

Jerry Silva, vice president for IDC Financial Insights, added, "Partnerships are becoming critical in the industry's journey to transform and scale their digital capabilities and operations; HCLTech has shown that it understands the value of being client centric in supporting the institution's goals."

## About IDC

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