Everest Group®

Everest Group Payments IT Services PEAK Matrix® Assessment 2023

Focus on HCLTech
August 2023

Everest Group
PEAK MATRIX®

Introduction

The payments landscape is changing rapidly. Consumers today have more options to make payments than ever before, primarily because of the unprecedented rise of FinTechs, PayTechs, and NeoBanks bringing in faster, innovative, and convenient ways to transact such as Buy Now Pay Later (BNPL), digital wallets, Request to Pay (R2P), embedded payments, and digital currencies. The acceleration in digital payments and the demand for seamless instant payments by consumers is giving rise to the adoption of real-time payments systems.

New regulations and standards such as ISO 20022 are paving the way for more faster and efficient payments. These new data standards are opening multiple data monetization opportunities. Financial institutions are investing in modernizing payment infrastructure to support instant payments, unlock the monetization opportunities, offer alternative payment methods, and launch digital currencies.

In this research, we present an assessment of 30 payments IT services providers featured on the [Payments IT Services PEAK Matrix® Assessment 2023](#). The assessment is based on Everest Group's annual RFI process for calendar year 2023, interactions with leading providers, client reference checks, and an ongoing analysis of the payments IT services market.

The full report includes the profile of HCLTech as featured on the Payments IT Services PEAK Matrix® Assessment 2023

Scope of this report

Geography
Global

Providers
30 payments IT service providers

Services
Payments IT services

Payments IT services PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Cognizant, HCLTech, Infosys, LTIMindtree, NTT DATA, Persistent Systems, TCS, and Wipro

- Leaders are working with industry and regulatory bodies across the globe to define standards and bring in innovation. Accenture has worked with NACHA and Payments Canada to define industry standards. Capgemini conducted experiments with SWIFT to leverage CBDCs for cross-border payments
- Leaders have a strong global presence, innovative commercial models, the ability to hire and upskill the best talent in the industry, and the ability of co-innovation with clients by setting up research and innovation labs
- Leaders have invested in creating an extensive partnership ecosystem with hyperscalers, Payment Service Providers (PSPs), technology providers, and FinTechs to co-develop solutions for emerging payment use cases
- Leaders have developed capabilities to support clients in end-to-end payment modernization initiatives. They are investing in building payment academies and domain trainings for talent upskilling and ensuring that resources stay up to date with the rapidly changing payments landscape

Major Contenders

Birlasoft, CGI, EPAM, Eviden, Hitachi Vantara, IBM, Maveric Systems, Mphasis, Sopra Steria, Tech Mahindra, Tietoevry, UST, Virtusa, and Zensar

- Major Contenders are focusing on next-generation themes in payments such as digital currencies and CBDCs. They have multiple accelerators and dedicated playbooks for payment services such as ISO 20022 migrations, testing, switching, and transaction processing, which act as key differentiators in engagements
- Major Contenders have made targeted investments to expand their footprint in the regions experiencing growth and are partnering with regional players for joint GTM motions in the region and augmenting payment capabilities

Aspirants

Aspire Systems, Coforge, Endava, Globant, Incedo, and Stefanini
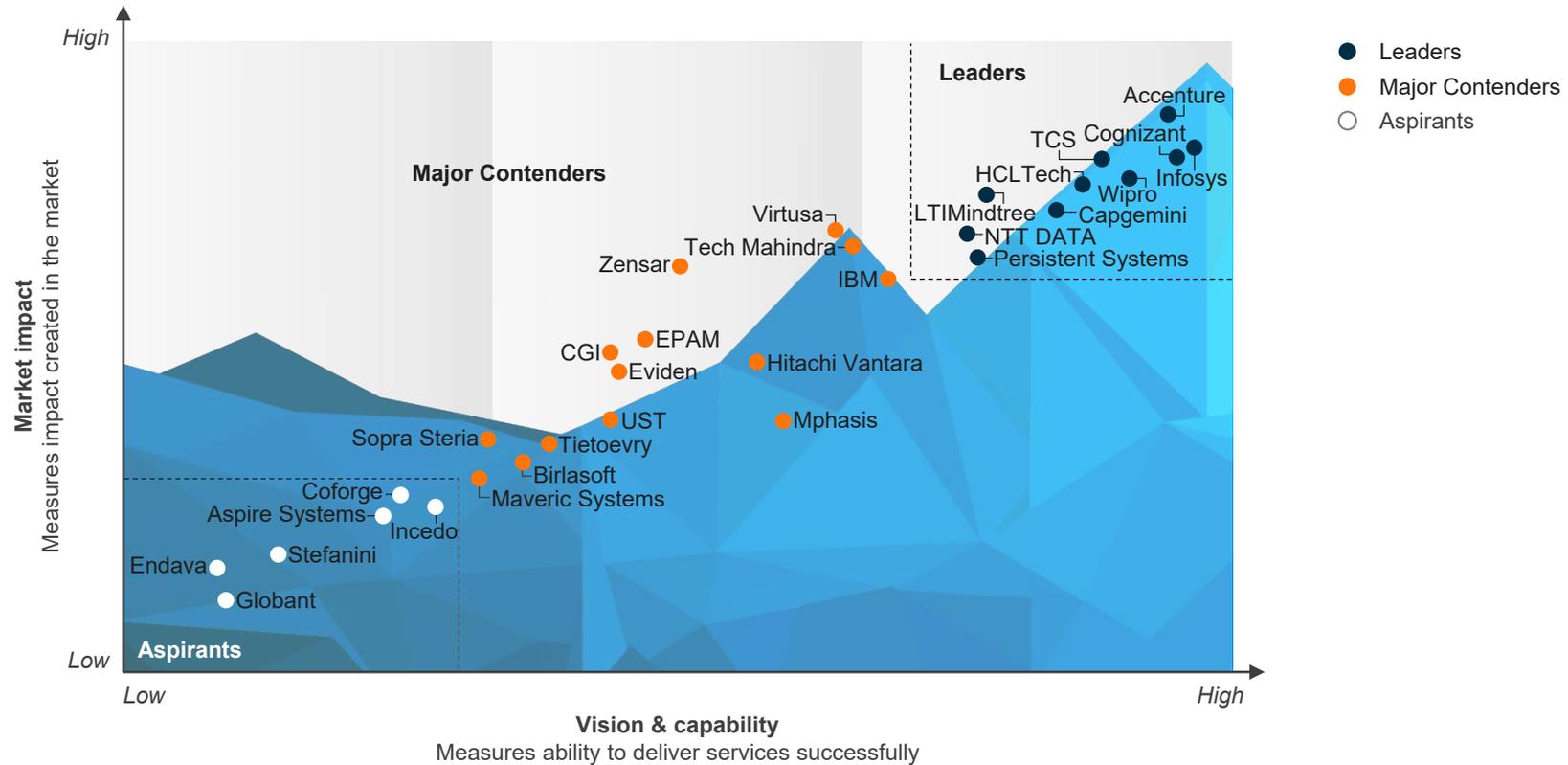
- Aspirants are investing in building partnerships with FinTechs and platform providers to win engagements and expand their business in new geographies
- They are investing in building niche capabilities across horizontal themes such as digitization and legacy modernization to win large deals
- They differentiate themselves by being highly responsive to client-specific needs in small-scale transformation deals

Everest Group PEAK Matrix®
Payments IT Services PEAK Matrix® Assessment 2023 | HCLTech is positioned as a Leader

Everest Group Payments IT Services PEAK Matrix® Assessment 2023[1]

- Leaders
- Major Contenders
- Aspirants

Leaders

Accenture
TCS
Cognizant
HCLTech
Infosys
Wipro
Capgemini
LTIMindtree
NTT DATA
Persistent Systems

Major Contenders

Virtusa
Tech Mahindra
Zensar
IBM
CGI
EPAM
Eviden
Hitachi Vantara
UST
Mphasis
Sopra Steria
Tietoevry
Birlasoft
Maveric Systems

Aspirants

Coforge
Aspire Systems
Incedo
Endava
Stefanini
Globant

Market impact
Measures impact created in the market

High ... *Low*

Vision & capability
Measures ability to deliver services successfully

Low ... *High*

HCLTech profile (page 1 of 4)
Overview

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

Vision for payments IT services:

HCLTech has served large banks and FinTechs across geographies in transformation, engineering, and run IT services. Its vision is to enable and empower financial institutions and FinTechs to realize full potential of payments to deliver embedded payments and real-time experience to their customers. This is enabled by leveraging emerging technologies, such as DLT, open banking, and API economy, bringing to bear the HCLTech capabilities (in-house as well as from the partner/start-up ecosystem) while being compliant with the regulatory/industry standards.
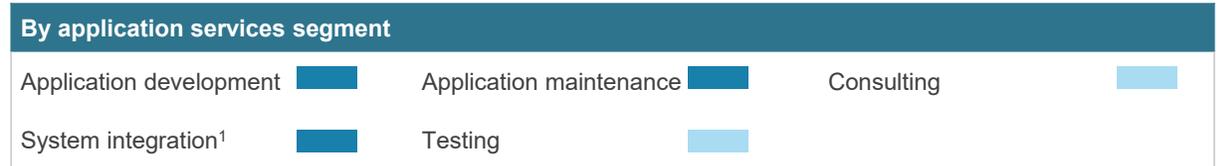
Payments IT services revenue (CY 2022)

<US$20 million	US$20-100 million	US$100-300 million	>US$300 million

Number of active clients for Payments IT services

<10	10-20	20-40	>40

Payments IT services revenue mix (CY 2022)

By geography

North America		United Kingdom		Europe	
Asia Pacific		Latin America		Middle East & Africa	

By IT services segment

Application services		Digital services		Infrastructure services	

By application services segment

Application development		Application maintenance		Consulting	
System integration[1]		Testing			

By buyer size

Small (annual client revenue <US$1 billion)		Medium (annual client revenue US$1-5 billion)		Large (annual client revenue US$5-10 billion)	
Very large (annual client revenue US$10-20 billion)		Mega (annual client revenue >US$20 billion)			

1   System integration includes package implementation

HCLTech profile (page 2 of 4)
Key offerings and investments

NOT EXHAUSTIVE

Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver the payments IT services	
Name	**Details**
Payment Transaction System (PTS)	PTS is a standardized, modular, and multi-client capable product family that can process SWIFT, TARGET2, SEPA, and various domestic payment transactions
HCLTech Link	A platform that accelerates integration of applications and diverse data for custom complex integration and pre-built, simple integration with an industry pack for financial payments
Payments as a service	"As-a-service" offering to banks to deliver transaction services, processing services, data services, ecosystem services, technology services, and operations services with pre-integrated components in an E2E
ADvantage suite	HCLTech ADvantage suite of accelerators encompasses a variety of engineering automation tools and frameworks for migration, modernization, upgrades, and UI design
Datawave	Data automation platform that enables enterprise customers execute large scale, complex data migration, and data integration projects
CSaaS	CSaaS is a cloud-centric security framework designed to address specific business challenges by providing a roadmap for enhancing cybersecurity risk management for customer cloud control responsibilities and management
iControl	DRYiCE iControl monitors business and IT operations, offering insights when they fail. By creating meaningful views for both business and IT operations, DRYiCE iControl helps to respond. iControl includes accelerators for financial services, including standard process templates for high value, bulk, and real-time payment processes
myXaltics	Dashboard for cloud operations and management

Key partnerships/alliances/acquisitions/JVs leveraged to deliver the payments IT services		
Name	**Type of investment (year)**	**Details of investment**
Finastra	Partnership (2004)	HCLTech partners with Finastra and delivers services in the areas of core payment functionality, channel management, order management, clearing & settlement, messaging and advising services
TietoEvry	Partnership (2021)	HCLTech has a strategic partnership with TietoEvry and have collaborated in the cards issuing space with payments propositions. The VAM proposition is a specific interest that includes cash management capabilities of interest across the global customers
Jifiti	Partnership (2023)	Enabling banks to offer BNPL proposition for both existing and new to bank customers with easy integration into merchants and large corporates
Quantexa	Partnership (2023)	To leverage its network entity model-based insights and mapping, which enables it to discover all the possible connects such as contacts, loans, accounts, transactions map, and assets for AML investigations
Volante Technologies Limited	Partnership (2021)	HCLTech has a 360-degree partnership with Volante, with joint engagement across engineering, implementation, support for PaaS offering, and integrated go-to-market initiatives.

HCLTech profile (page 3 of 4)
Client success stories

Case study 1	Specialized payment FinTech company

Business challenge

The client faced several challenges such as impact on revenue generating capabilities due to process failures, delays, and downtime, negative business reputation, and risk of customer attrition due to unprecedented downtime. There was no means to detect the issues before the customers were impacted and there were delays in root cause identification.

Solution

- Business flow observability was delivered using iControl for following processes across three phases (PoC, initial production deployment, and rollout). The features included were as follows:
  - Merchant billable events
  - Equifax customer identification
  - SEPA DD
  - Transaction authentication and authorization
  - Transaction risk management
  - Visa Direct OCT
  - Mastercard MoneySend

Impact

- About 100% visibility of business impacting events prior to customer notification
- Reduction in unresolved transaction processing by 25%
- Increase of about 91% in identification and reduction of file errors during payment processing
- RoI of more than 550% was generated and US$1.1 million revenue loss was avoided

Case study 2	Leading Australian bank

Business challenge

The bank wanted to modernize the retail channel integration and orchestration application across multiple group entities in a managed outcome model. Client challenges included software and hardware end of warranty, product and technology obsolescence, monolithic architecture leading to lengthy development cycles, security audit compliance issues, and need for better integration with other platforms (payments, transaction monitoring).

Solution

- **Platform**: Azure cloud using App Services and Real-time performance monitoring, logging and elastic compute design for API's
- **Architecture and design**: Rearchitect to cloud-hosted self-contained REST API's, with shorter release cycles and anti-corruption layer for legacy integration; event driven solution for batch-based services
- **Delivery and testing**: Distributed Agile teams to design, implement and release all APIs to target platform, continuous testing for functional and non-functional testing using automated scripts for continuous delivery
- **Release and migration**: Adhere with bank's release management compliances and process and pilot based approach using switchblade for risk managed migration

Impact

- Achieved 3x speed and independent release cycles enabling speed of innovation for digital channels, enable growth and scale of operations, Improved resiliency to core payments platform, reduced total cost of ownership by 25%, and improved security management and controls
- **Functional Capabilities Delivered**: Payments & transfers; scheduled instructions; transaction history, bill payments; biller preferences, customer address book – payee management – domestic & international, customer / product entitlements and limits, account preferences, security, registration, encryption, logging
- **Volumetrics**: 300 million transaction volume / month, -60 Bn AUD transaction value / month, -60+ APIs developed, -7 interfacing platforms, -10 channel consumers, 12+ million users supported

HCLTech 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

- HCLTech's focus on bringing in engineering services expertise to payment engagements has helped it win deals. It has provided product engineering services to multiple payment providers

- Investments in dedicated payments and co-innovation labs across different geographies enables it to bring innovation to clients by leveraging emerging technologies and rapid prototyping

- HCLTech has expanded its partnership ecosystem with FinTechs for co-innovation and ensuring the scalability of digital capabilities

- Clients have appreciated HCLTech's commercial competitiveness and pricing models. Additionally, it has been lauded for the flexibility it provides within engagements

- HCLTech brings in a vast talent pool for payment engagements. Clients have appreciated the global footprint of HCLTech to deliver payment IT services

Limitations

- While HCLTech is well entrenched in markets such as Asia Pacific, Europe, and North America, it has a limited practice and payments capabilities in growth markets such as the Middle East and LATAM

- It lags peers in thought leadership on emerging payment themes and shows limited participation in the payments industry events

- Clients have highlighted that HCL needs to play a strategic role in the decision-making process and bring in innovative ideas

- Clients have pointed out inconsistencies in the quality of resources in large-scale transformation projects where payment SMEs were brought in for the initial phases

Appendix

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

Everest Group PEAK Matrix
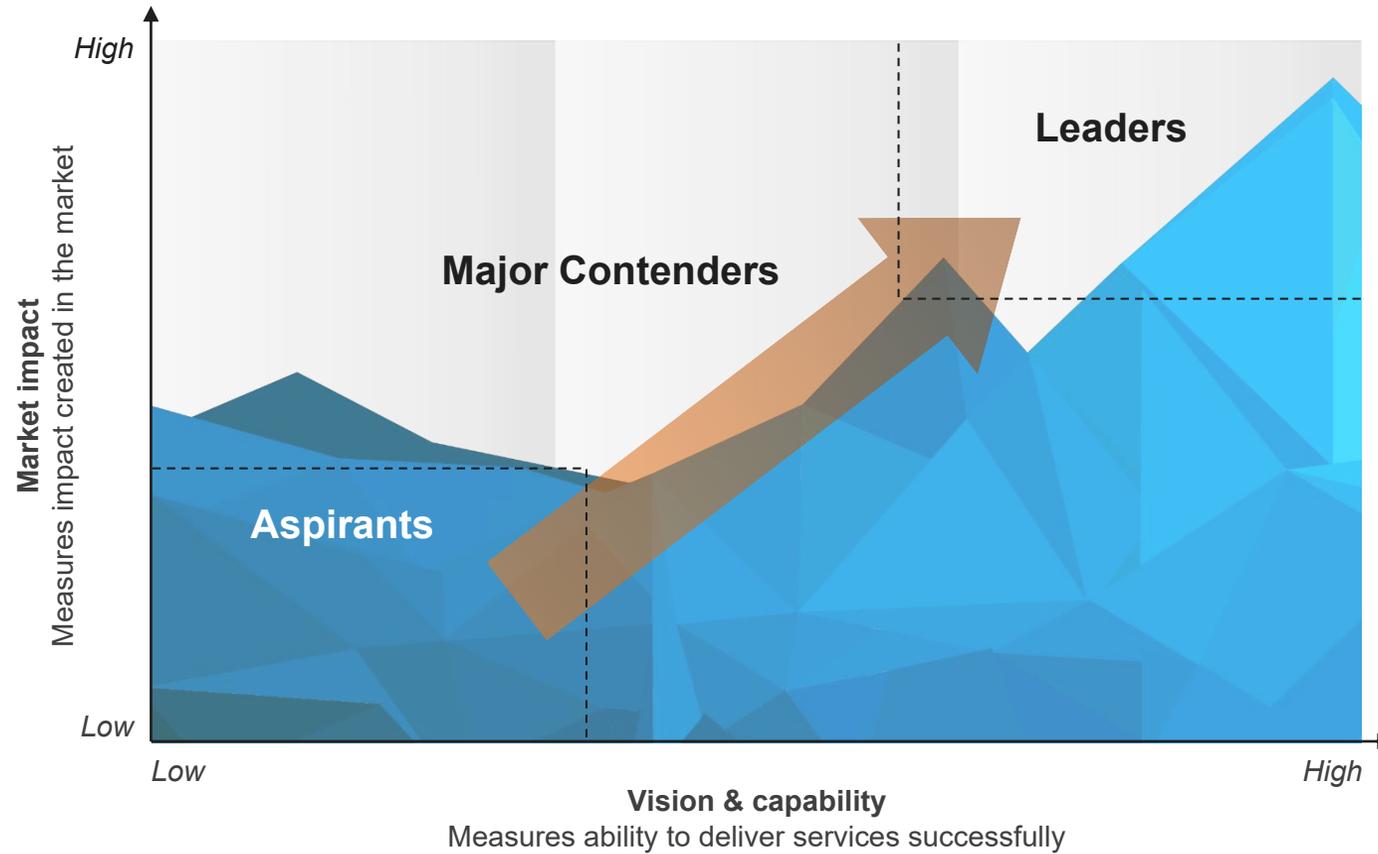
Services PEAK Matrix® evaluation dimensions

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

Leaders

Major Contenders

Aspirants

Vision & capability
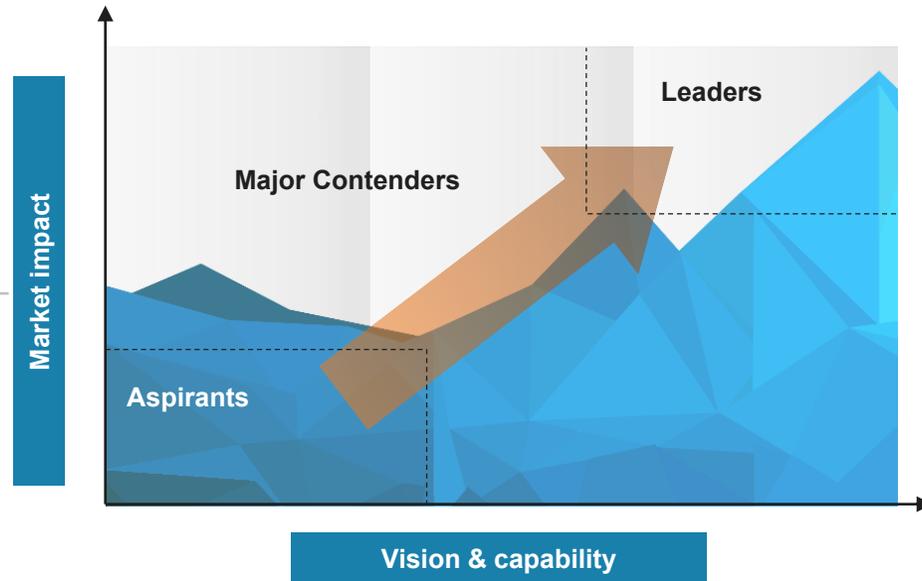
Measures ability to deliver services successfully.
This is captured through four subdimensions

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

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

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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