



Everest Group Capital Markets IT Services PEAK Matrix® Assessment 2024

Focus on HCLTech

July 2024



Introduction

The Capital Markets (CM) industry is currently undergoing significant transformation, driven by the need to enhance operational efficiency and reduce costs. Firms are focusing on streamlining operations through the automation of processes and integration of new technologies, while strategically outsourcing non-core activities such as IT management and back-office functions.

There is a significant shift toward emerging technologies. Artificial Intelligence (AI) and Machine Learning (ML) are widely used for predictive analytics, automated trading, and personalized financial advice, with generative AI enhancing these applications. Blockchain is crucial for improving transaction transparency, reducing fraud, and quickening processing times.

There is a notable move toward sustainable investments, driven by increased investor awareness and demand for transparency. This is leading to a preference for portfolios aligned with Environmental, Social, and Governance (ESG) criteria, encouraging firms to deeply integrate sustainability into their investment strategies.

Regulatory bodies are intensifying their scrutiny, prompting firms to adopt agile adaptation strategies. Investments in Regulatory Technologies (RegTech) are increasing to

manage compliance efficiently across global regulations. Additionally, cybersecurity has become crucial, requiring firms to implement robust measures to protect sensitive data and secure digital transactions.

In the full report, we present an assessment of 27 leading IT service providers featured on the [Capital Markets IT Services PEAK Matrix® Assessment 2024](#). The assessment is based on Everest Group's annual RFI process for calendar year 2024, interactions with leading IT service providers, client reference checks, and an ongoing analysis of the Capital Markets IT services market.

The full report includes the profiles of the following 27 leading IT services providers featured on the Capital Markets IT Services PEAK Matrix:

- **Leaders:** Accenture, Capgemini, Cognizant, HCLTech, Infosys, LTIMindtree, TCS, Wipro,
- **Major Contenders:** Apexon, Birlasoft, Coforge, DXC Technology, EPAM Systems, Hitachi Digital Services, Kyndryl, Mphasis, Ness Digital Engineering, Nous Infosystems, NSEIT, Softserve, Tech Mahindra, Virtusa, Zensar
- **Aspirants:** Accolite Digital, Exadel, Stefanini Group, Xoriant

Scope of this report

Geography: Global

Industry: Market activity and investments of 27 leading IT services providers

Services: Capital markets IT services

Capital Markets IT Services PEAK Matrix® characteristics

Leaders

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

- Leaders are strategic partners for their clients across the clients' capital market verticals, co-innovating with third-party platform providers and FinTechs, and have a proven track record of delivering end-to-end solutions across the CM value chain
- They differentiate themselves by having dedicated leadership for CM management, and the long-term vision to tap into next-generation themes such as ESG, generative AI, and hyper-personalization to drive revenue growth in emerging areas
- 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

Major Contenders

Apexon, Birlasoft, Coforge, DXC Technology, EPAM Systems, Hitachi Digital Services, Kyndryl, Mphasis, Ness Digital Engineering, Nous Infosystems, NSEIT, Softserve, Tech Mahindra, Virtusa, Zensar

- Major Contenders have expanded their scope of services from point solutions to enterprise-wide transformations. They have made strategic alliances with platform providers and hyperscalers to co-innovate and develop joint Go-to-Market (GTM) strategies
- Major Contenders have also built proprietary solutions, accelerators, and frameworks around ESG, AI/ML, generative AI, and quantum computing

Aspirants

Accolite Digital, Exadel, Stefanini Group, Xoriant

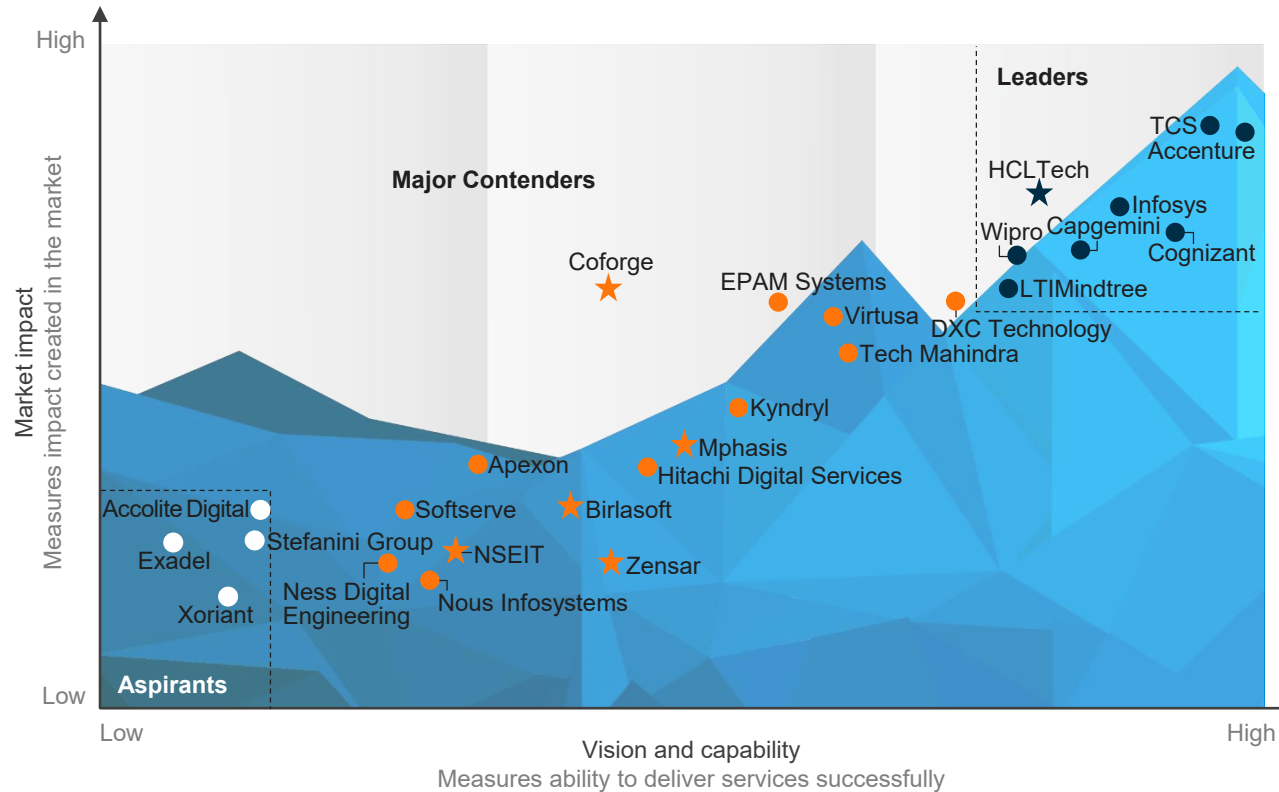
- Aspirants, with their targeted services scope, specific geography focus, and deep-domain focus and/or solutions in specific areas such as onboarding, reporting, digital engineering, and quality assurance provide them the positioning of a specialist in the respective space
- They are investing to develop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

Everest Group PEAK Matrix®

Capital Markets IT Services PEAK Matrix® Assessment 2024 | HCLTech is positioned as a Leader and a Star Performer

Everest Group Capital Markets IT Services PEAK Matrix® Assessment 2024¹

- Leaders
- Major Contenders
- Aspirants
- ☆ Star Performers



¹ Assessments for Accolite Digital, Coforge, DXC Technology, Exadel and Softserve excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with buyers. For these companies, Everest Group's data for assessment may be less complete
Source: Everest Group (2024)

HCLTech profile (page 1 of 4)

Overview

Capital markets IT services vision

The company envisions delivering a competitive advantage to investment banks, wealth managers, asset managers, custodians, fund administrators, and Financial Markets Infrastructure (FMI) companies through a combination of engineering excellence, domain-led solutioning, partnerships with industry-leading products, continuous investments in innovation, and engagement models that are tailored to customer needs.

Overall revenue (CY 2023)

<US\$200 million	US\$200-500 million	US\$500 million-US\$1 billion	>US\$1 billion
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Number of active clients (CY 2023)

<25	25-100	100-150	>150
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Capital markets IT services revenue mix (CY 2023)

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

By geography

- North America
- Asia Pacific
- United Kingdom
- Latin America
- Europe
- Middle East and Africa

By IT services segment

- Application services
- Digital services
- Infrastructure services

By application services segment

- Application development
- System integration¹
- Application maintenance
- QA and testing
- Consulting

By lines of business

- AWM²
- Fund administration
- Brokerages
- Investment banking
- Custody
- Others

By buyer size

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

¹ System integration includes package implementation
² Asset and wealth management
 Source: Based on Everest Group's estimations (2024)

HCLTech profile (page 2 of 4)

Offerings

Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver capital markets IT services

Name	Details
Reclaimer	It acquired the Reclaimer Solution through the acquisition of Confinale, which enables custodian banks and service providers to withhold tax relief services to customers
appSmart	<p>Created application portfolio lifecycle management, with the following attributes:</p> <ul style="list-style-type: none"> • Strategy and focus: for managing a cross-functional portfolio of IT applications across all domains • Flexible service framework for different asset categories and support requirements • Industrial and scalable: operations with process maturity and optimization from over 10+ years of experience in right-tiering and application support • Cost optimization: driven through operational efficiencies, right-tiered and right-shored location strategies, and delivery excellence from industrial-scale operations. • Risk control: service framework for management and governance of regulatory and IT control risks in the portfolio
iControl	iControl delivers a multi-level view of business flow performance with the ability to aggregate process flows from child to parent, enabling it to gain intelligent, real-time, and actionable insights
OBOL	OBOL enables the tokenization of assets as fungible and Non-Fungible Tokens (NFTs) in a complete no-code methodology. It also provides for the trading of cryptos/tokens in a permissioned blockchain

Key partnerships/alliances/acquisitions/JVs leveraged to deliver capital markets IT services

Name	Type of investment (year)	Details of investment
Temenos	CoE (2019)	Established a CoE with the onboarding of approximately 250 Temenos experts across products, including Transact, Multifonds, Temenos Payments Hub, etc.
Avaloq	Investment (2021)	Invested into Avaloq Business Unit (ABU), with the goal of being a one-stop shop for its clients, driving end-to-end wealth management digital transformations
Newgen	Partnership (2021)	Partnered with Newgen to offer their BPM solution to the market, overlaying that with HCLTech's implementation and integration services
Quantexa	Partnership (2018)	Partnered with Quantexa to accelerate the remediation of siloed customer data and create a unified single view of customers from various data sources
Finastra	Partnership (2014)	Entered into a strategic 360° partnership, encompassing product engineering, implementation and upgrades, systems integration, data migration, and quality assurance; made investments in creating a CoE and certified skill pool for individual products such as SUMMIT

HCLTech profile (page 3 of 4)

Case studies

[NOT EXHAUSTIVE]

CASE STUDY 1

Implemented a digital transformation initiative for wealth management, covering front-office, middle-office, and back-office operations, for a leading US Fortune 200 financial services firm

Business challenge

The client faced several challenges, including:

- Lack of a unified platform across different segments of wealth management
- Lack of integrated investment tools for both advisors and clients
- Unavailability of interface and batch documents or SMEs
- Interruption/Decline in customer experience in the course of the transformation
- Lack of stakeholder agreement from different functional offices

Solution

- Conducted a day in the life study for each client segment
- Developed an advisor desktop to empower advisors with a 360-degree view, view of life events, investment profiles, and decision-making tools
- Implemented a Robo Advisor for client onboarding and investment digital automation and transformation
- Modernized the platform, migrated and integrated data, and facilitated information exchange across front, middle, and back-office for a consistent experience
- Implemented a microservices-enabled global integration architecture
- Evaluated vendors using a COTS evaluation framework
- Established a wealth domain process map library
- Utilized testing tools for interfaces, document verification, and test automation

Impact

- Improved CSAT ratings, resulting in 3X revenue in the first-year post-transformation
- Achieved 20% saving of advisor time through automation and tools
- Enabled the reduction of 15,000 hours in manual efforts through automation
- Improved data exchange and analysis by 30% through integration and automation

CASE STUDY 2

Implemented initiatives for a global asset management firm headquartered in New York City

Business challenge

The client faced several challenges, including:

- Distributed applications across its asset management and investment landscape
- Lack of buy-in and approvals from all stakeholders to drive transformation
- Bandwidth challenges from the transformation along with transition/onboarding of new clients

Solution

- Enabled global adoption of Snowflake to transfer increasingly higher data volumes of client data
- Implemented advanced capabilities for sales and asset marts
- Ensured the successful transition of infrastructure and app support during COVID-19
- Achieved the seamless transition of client talent into HCL plus the addition of HCL talent from the HCLTech investment and JV
- Enabled digital operations for 350+ application areas of data and analytics, global advisory services, corporate applications, and fund transaction services










Impact

- Enabled the successful implementation of a Snowflake-powered centralized data management platform along with the integration of advanced analytics capabilities to enable sales predictions and replacement of legacy technologies with rationalized data objects leading to smart operations
- Committed 40% upfront cost reduction in five years
- Included transformation levers: ESG, blockchain, Investment Book of Record (IBOR), user experience through digitization, hybrid cloud, etc.
- Set up a nearshore delivery center in Mexico

HCLTech profile (page 4 of 4)

Everest Group assessment – Leader and Star Performer

Measure of capability:  Low  High

Market impact				Vision and capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
								

Strengths

- HCLTech has a strategic focus on asset and wealth management, investment banking, and brokerages, with emerging focus on areas such as market intermediaries and custody services
- Strong platform-based strategy with proficient use of leading platforms such as Avaloq, Temenos, and Backbase enabling them to offer tailored solutions
- Acquisition of Confinale provides an increased play in Avaloq consulting, implementation, and management as well as enhanced nearshoring capabilities
- Integrating generative AI across various micro-business areas, with applications ranging from trade finance and Software Development Lifecycle (SDLC) to treasury and trade surveillance
- End-to-end coverage that caters to the comprehensive needs of capital markets such as cost reduction, digital transformation, change management, customer experience, ASM 2.0 along with a strong asset takeover play
- Investments in IP and assets in areas such as ESG, tokenization, KYC, and onboarding highlight its commitment to delivering comprehensive and forward-looking solutions

Limitations

- HCLTech has a strong portfolio of services across the board; however, it is not able to translate that into solid revenue from next-generation digital services compared to peers
- HCLTech lags peers in publishing capital markets-centric thought leadership
- Some clients have expressed dissatisfaction regarding HCLTech’s lack of flexibility in talent allocation and retention
- Clients also feel that the firm needs to improve the procurement and engagement process for projects while leveraging more on the CoEs
- Clients expect HCLTech to focus on incentivising key long-term clients and provide more face time with the leadership to become a strategic partner

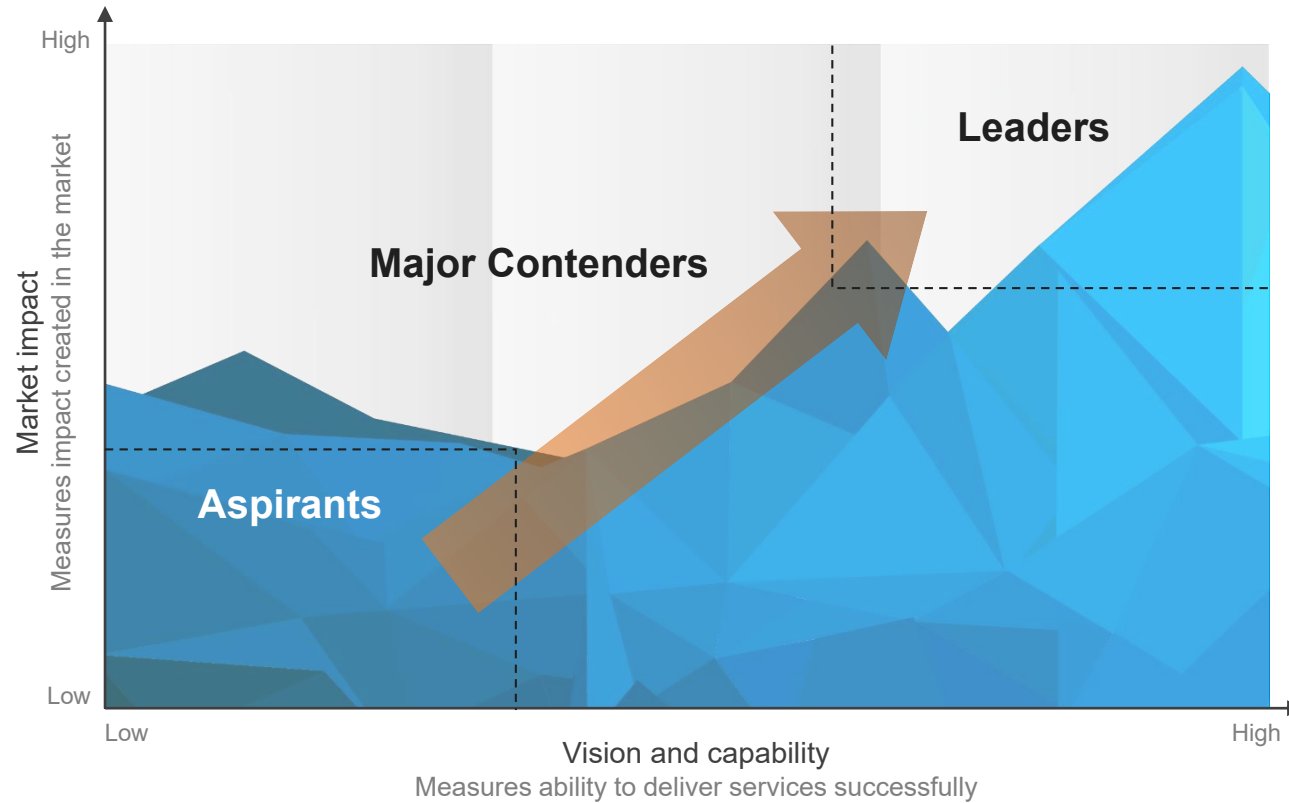
Appendix

PEAK Matrix® framework

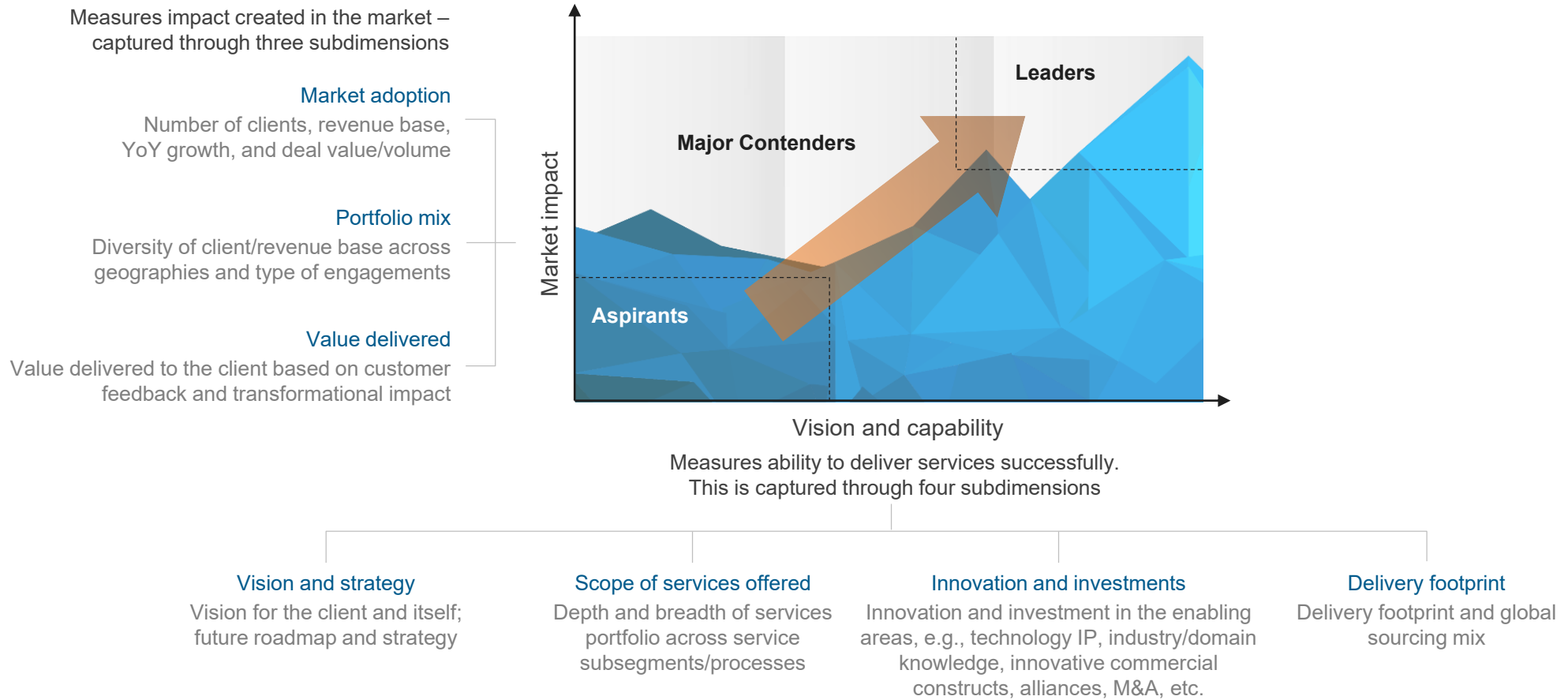
FAQs

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

Everest Group PEAK Matrix



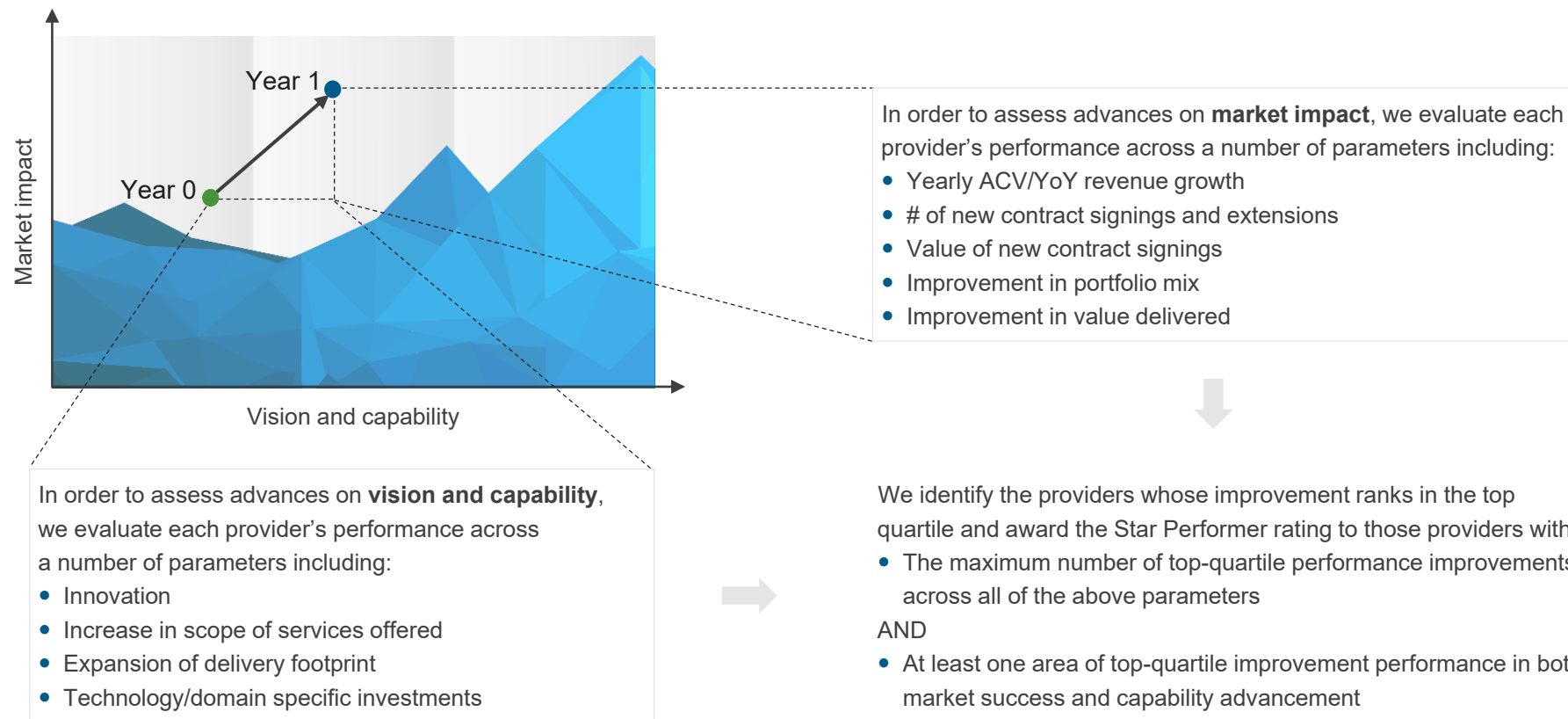
Services PEAK Matrix® evaluation dimensions



Everest Group confers the Star Performer 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 Performer title relates to YoY performance for a given provider and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Q: Does the PEAK Matrix® assessment incorporate any subjective criteria?

A: 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.

Q: Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?

A: 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.

Q: What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?

A: 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.

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

A: 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

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

A: 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

Q: Does the PEAK Matrix evaluation criteria change over a period of time?

A: 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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