



Everest Group PEAK Matrix™ for FCC Operations Service Providers 2020

Focus on Mphasis
March 2020



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Background of the research

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Financial Crime and Compliance (FCC) operations is a fast-growing segment within the overall banking BPS market. Most of the banks and Financial Institutions (FIs) are struggling to meet their cost restrictions while trying to address the regulatory challenges and the threat of financial crime associated with heavy penalties and loss of reputation. The evolving regulations in the financial sector call for a dynamic regulatory compliance check, which is difficult for these institutions to manage globally. Enterprises are looking for support to meet the regulatory challenges as well as fight financial crime while managing costs.

The growing requirement for FCC support has opened up opportunities for service providers to further augment their capabilities and add offerings for fraud management and chargeback processes, in addition to the traditional Know Your Customer (KYC) and Anti Money Laundering (AML) offerings. The demand to increase efficiency and productivity by reducing false positives and manual intervention remain of prime importance to buyers. Service providers have the opportunity to incorporate digital elements into their solutions and add value to their services in a client relationship.

Scope and methodology

In this research, we analyze the global FCC operations service provider landscape. We focus on:



The relative positioning of 21 service providers on **Everest Group's PEAK Matrix™** for FCC operations



Analysis of service providers' **market share**



Service provider **strengths and areas of improvement**

Introduction and scope

Everest Group recently released its report titled “[Financial Crime and Compliance \(FCC\) Operations Services PEAK Matrix™ Assessment and Service Provider Landscape 2020](#).” This report analyzes the landscape of the FCC operations services and assesses service providers across several key dimensions.

As part of this report, Everest Group classified 21 service providers on the Everest Group PEAK Matrix™ for FCC operations into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of FCC operations service providers based on their absolute market success and delivery capability.

Based on the analysis, **Mphasis emerged as a Major Contender**. This document focuses on Mphasis’ FCC operations experience as well as capabilities and includes:

- Mphasis’s position on the FCC operations PEAK Matrix
- Detailed FCC operations profile of Mphasis

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

FCC operations - services PEAK Matrix™ characteristics

Everest Group classified 21 FCC operations service providers on the Everest Group PEAK Matrix into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework to assess the absolute market success and overall capability of service providers:

- **Leaders:**

There are five service providers in the Leaders category – Accenture, Genpact, PwC, TCS, and Wipro

- **Major Contenders:**

The Major Contenders category has twelve service providers – Cognizant, Exela Technologies, EXL, HCL Technologies, Infosys, KPMG, Mphasis, Navigant, NTT Data, Sutherland Global Services, Teleperformance, and WNS

- **Aspirants:**

Atos Syntel, Capgemini, DXC Technology, and TMF Group are the Aspirants on the PEAK Matrix for FCC operations

Everest Group FCC Operations – Services PEAK Matrix™ Assessment 2020^{1,2}



1 PEAK Matrix specific to FCC operations

2 Assessment for Atos Syntel, Capgemini, DXC Technology, Exela Technologies, HCL Technologies, KPMG, Navigant, NTT Data, Sutherland Global Services, Teleperformance, and TMF Group excludes service provider inputs on this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers. For these companies, Everest Group's data for assessment may be less complete

Source: Inputs from market players, recruitment firms, and investment agencies

Overview

Company overview

Mphasis provides application development and maintenance, infrastructure outsourcing, and business and knowledge process outsourcing services to clients worldwide. The company operates in banking & capital markets, insurance, IT, communication, and entertainment. The firm offers financial crime, financial risk, and governance solutions.

Key leaders

- Davinder Singh Brar, Chairman
- Nitin Rakesh, CEO and Executive Director
- Eric Winston, Executive Vice-President, General Counsel
- Dinesh Venugopal, President
- Sundar Subramanian, President, Global Delivery

Headquarters: Bangalore, India

Website: www.mphasis.com

Suite of services

- AML
- Fraud management
- KYC

FCC operations ¹	2017	2018	2019
Revenue (US\$ million)	4	9	13
Number of FTEs	200	500	700
Number of clients	4	5	8

Recent acquisitions and partnerships

2017: Partnered with BvD, a KYC data provider to acquire industrial grade KYC data for public and private entities

Recent developments

- **2018:** Invested millions of dollar in development of NextAngles, a KYC and AML processing solution
- **2017:** Launched a KYC and AML university focused on training BPO and IT teams on KYC and AML domain, business process, and technology skills

¹ 12 months ending December 31 of any particular year, i.e., from January 1, YYYY to December 31, YYYY

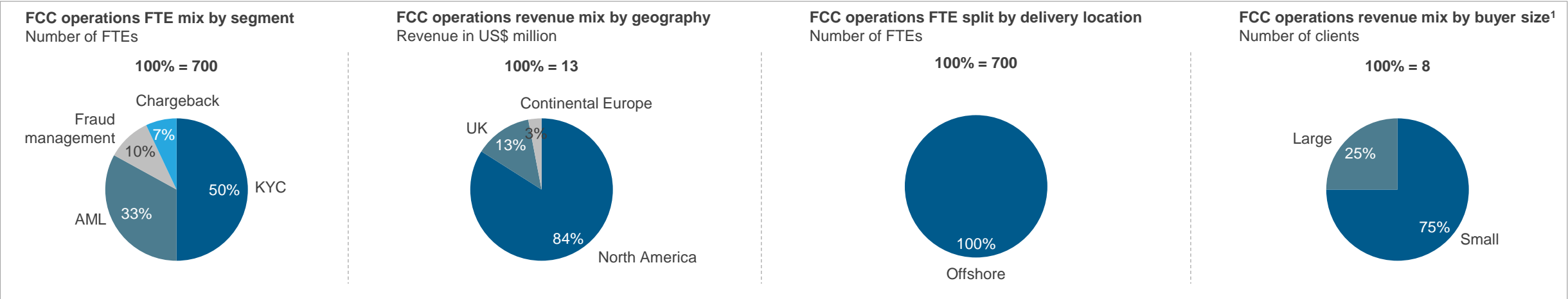
Key delivery locations



Mphasis | FCC operations profile (page 3 of 5)

Capabilities and key clients

Key FCC operations engagements			
Client name	LOB (KYC, AML, fraud management, and chargeback & recovery)	Region	Client since
A large wealth & brokerage client	KYC	North America	2016
A large regional bank	All	North America	2016
The largest financial institution	KYC and AML	North America	2014
A leading European insurance company	All	Europe	2004



¹ Buyer size is defined as large (US\$10-US\$50 billion in revenue), medium (US\$5-US\$10 billion in revenue), and small (<US\$5 billion in revenue)

Mphasis | FCC operations profile (page 4 of 5)










Technology solutions/tools

Application	LOB	Year launched	Description	No. of operations clients
NEXT Labs for trade-based AML	AML and fraud management	2018	It focuses on payments screening and reduction of false negative alerts	1
NEXT Labs for screening of individuals	AML and fraud management	2018	It focuses on screening customer and agents, Customer Identification Program (CIP), and Customer Due Diligence (CDD)	2
Next Angles for AML	KYC, AML, and fraud management	2016	It provides BPS services for alert investigation and transaction monitoring	1
BPM for KYC remediation	KYC, AML, and fraud management	2015	It is a business process solution focused on KYC remediation	1
Next Angles for KYC	KYC, AML, and fraud management	2015	It provides BPS services for KYC using KYC-CIP, KYC-CDD, and KYC-EDD capabilities from Actimize	1

Mphasis | FCC operations profile (page 5 of 5)

Everest Group assessment – Major Contender

Measure of capability:  High  Low

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

Strengths

- With continuous growth in its FCC portfolio, in terms of number of logos and revenue addition combined with multiple digital solutions, Mphasis has positioned itself well in the FCC operations segment
- Mphasis has one of the most diversified portfolios when it comes to FCC LOBs and is continuously working toward enhancing its offerings. It recently launched a Centre of Excellence (CoE) in partnership with BAE Systems to deliver the latter's fraud detection and prevention solution, NetReveal, for financial organizations
- Mphasis has invested in getting certifications for its FCC talent pool and conducts continuous training programs to keep them updated on the evolving regulatory and technology landscape

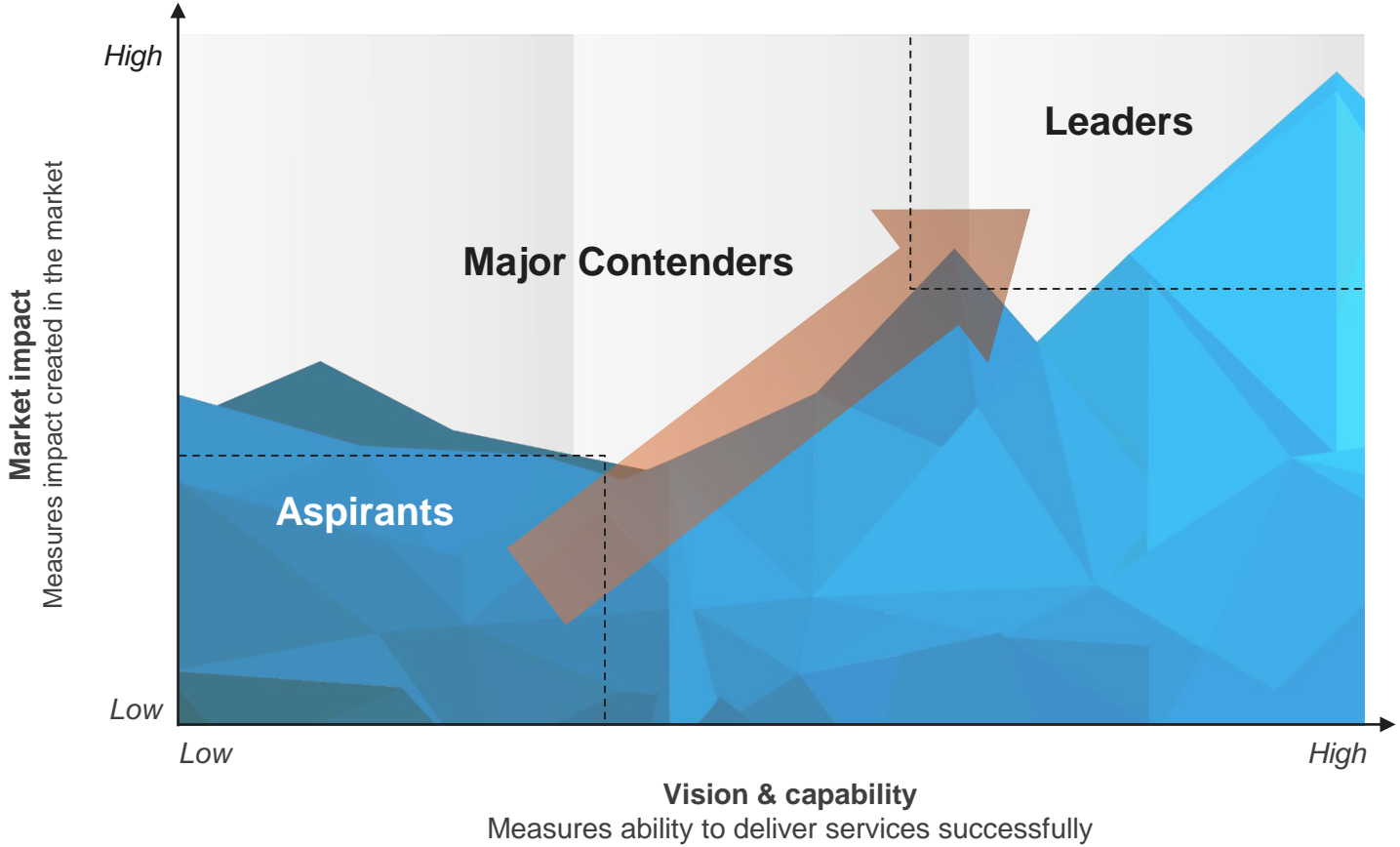
Areas of improvement

- With its broad presence combined with solutions in the FCC space, Mphasis has huge room for growth in other geographies such as Europe and Asia-Pacific. Outsourcing in FCC-related activities is seeing rapid growth in these regions, with buyers facing regulatory and compliance-related challenges
- Mphasis, with solutions capable of handling complex processes as well as generating rich insights such as NextLabs, currently lacks scale in its portfolio. An aggressive strategy to achieve scale along with an actionable vision will help it add more logos
- Mphasis currently has an offshore-oriented delivery model and to take on some of the more complex FCC activities in AML and fraud management, it will need to diversify its delivery footprint

Appendix

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

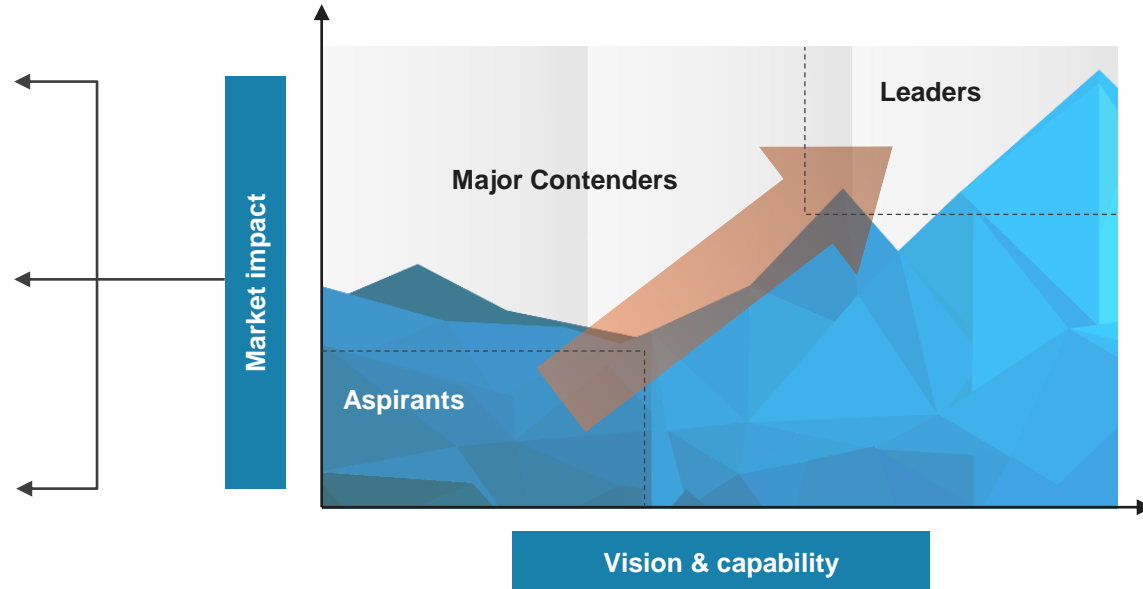
Everest Group PEAK Matrix



Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

- Market adoption**
No. of clients, revenue base, and YOY growth, deal value/volume
- Portfolio mix**
Diversity of client/revenue base across geos and type of engagements
- Value delivered**
Value delivered to the client based on customer feedback and transformational impact



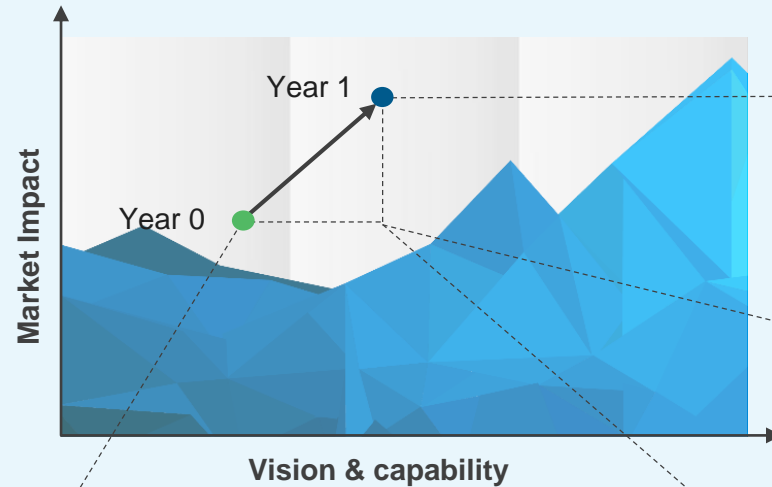
Measures ability to deliver services successfully. This is captured through four subdimensions

- 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 sub-segments / 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 service 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 service 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 service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service 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.

Does the PEAK Matrix® assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned 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 service 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 PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender,” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

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

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status ?

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
 - Issue a press release declaring their positioning. See [citation policies](#)
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from Everest Group analysts could be disseminated to the media
 - Leverage PEAK Matrix 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 the designated POC at Everest Group.

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

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. 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 as well as serve the future expectations of enterprises



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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