Everest Group®

Everest Group PEAK Matrix® for Application and Digital Service (ADS) Providers in Life and Annuities (L&A) Insurance 2021

Focus on Wipro
July 2021

Everest Group
PEAK MATRIX®

Background of the research

Life and Annuities (L&A) insurers are facing dual pressures – significant profitability pressures due to interest rate depressions around the globe and increasing legacy technology costs due to outdated core systems and modernization as compared to their Property and Casualty (P&C) counterparts. This has accelerated the need to rapidly adopt modern core systems, leverage analytics and current technology to rationalize costs, seek insights form existing data to develop new and innovative products with a shorter time-to-market cycle, and at the same time deal with increasing regulatory pressures to be compliant and undertake best-interest sales. The writing on the wall is clear, the time for L&A insurers to change is now.

In this research, we present an assessment and detailed profiles of 21 leading IT service providers on the Application and Digital Services in L&A insurance PEAK Matrix®. Each service provider profile provides a comprehensive picture of its service focus, key Intellectual Property (IP) / solutions, domain investments, and case studies. The assessment is based on Everest Group's annual RFI process for calendar year 2020, interactions with leading insurance IT services providers, client reference checks, and an ongoing analysis of the insurance IT services market.

This report features the profile of Wipro as covered in the Application and Digital Services in L&A Insurance PEAK Matrix® Assessment 2021.
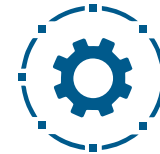
Scope of this report:

Geography
Global

Service providers
21 leading IT service providers

Services
Life & Annuities (L&A) insurance application and digital services

L&A insurance application and digital services PEAK Matrix® characteristics

Leaders:

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

- Leaders are preferred partners for L&A insurance firms globally to work on large end-to-end transformation engagements. Leaders provided the scaled talent pool and solutions needed for digital transformation as well as automation and services delivery optimization solutions to be run partners for their IT applications estate
- Leaders are investing to bulk up their domain advisory and solutions capabilities. However, the scale and depth of these capabilities vary across providers, with consulting heritage players such as Accenture and Capgemini having an edge
- Leaders have provided more aggressive commercial models as well as pursued large asset takeover deals to fund the cost transformation agenda of L&A insurance firms and thus, have expanded their footprint in large accounts

Major Contenders:

Atos, Coforge, DXC Technology, HCL, IBM, LTI, Mindtree, Mphasis, NTT DATA, Tech Mahindra, Virtusa, and Zensar Technologies

- Major Contenders have solidified their play in the market by offering differentiated digital solutions and partnering with technology players and InsurTechs to help insurers reduce costs, modernize operations, and provide point solutions in areas such as customer experience, claims management, underwriting, and intelligent automation
- This bucket consists of multiple large and mid-sized firms with unique sets of capabilities; large players, such as DXC Technology, have a strong product portfolio with associated digital services; IBM has a strong cloud-focused offering and analytics heritage; Coforge, Mindtree, and Virtusa have demonstrated strong digital capabilities in mobile application development, workflow automation, and advanced analytics capabilities; mid-sized players like Tech Mahindra have demonstrated traction in the market owing to their new InsurTech partnerships and several large deal wins; Zensar Technologies was able to add new clients in South Africa and the UK on the back of its capabilities in assisting insurers across the value chain

Aspirants:

Damco Solutions, RapidValue Solutions, and Value Momentum

- Aspirants have gained niche standing in the market owing to their focus on specific technologies, use cases, and geographies
- Damco Solutions has a strong presence in the LATAM region and has built credible capabilities in front-office solutions for insurers; Value Momentum has strong analytics, customer experience, and digital practice

Everest Group PEAK Matrix®

Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance – PEAK Matrix® Assessment 2021 | Wipro positioned as a Leader and Star Performer

Everest Group Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance – PEAK Matrix® Assessment 2021[1,2]
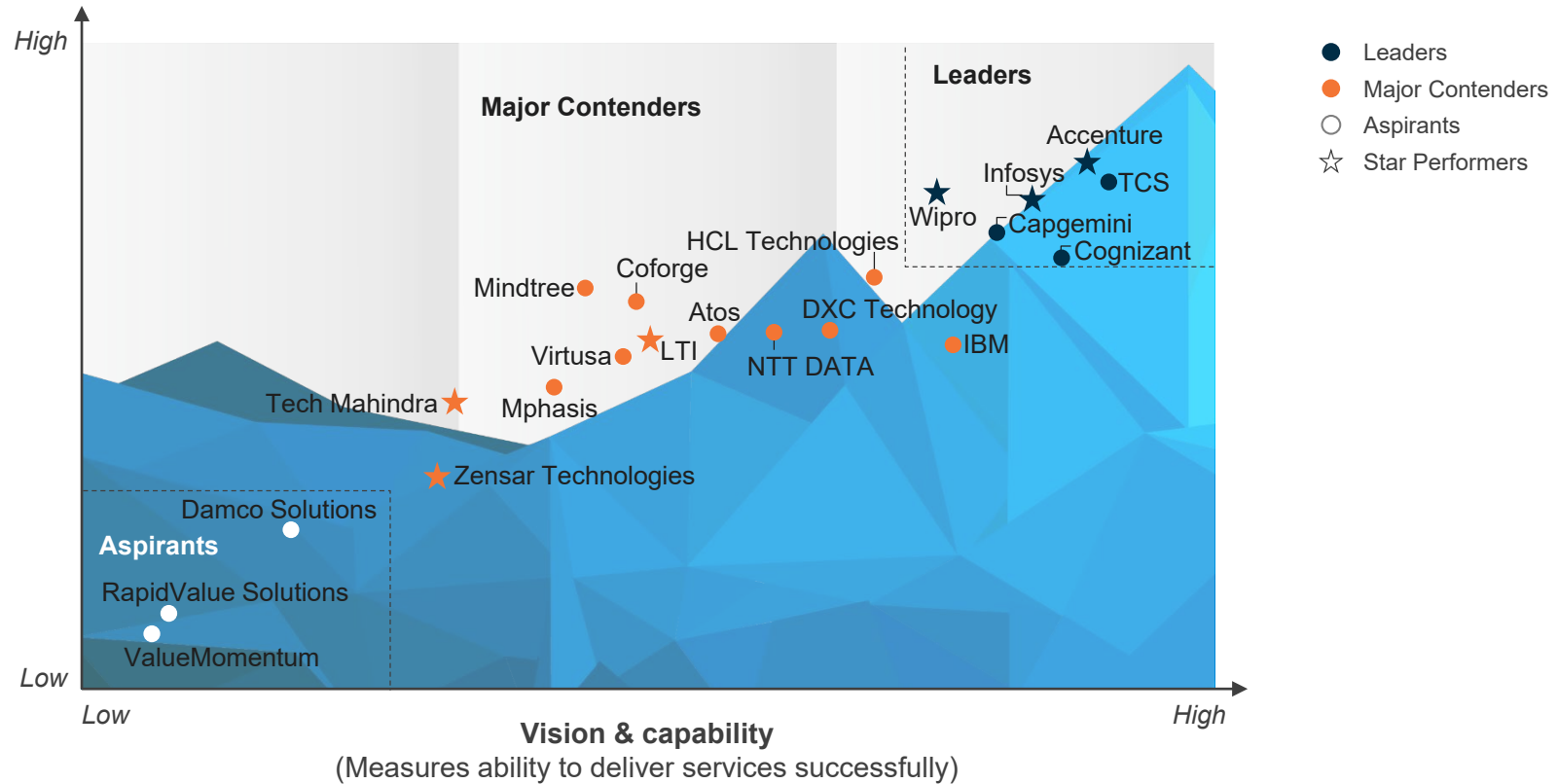
Wipro | application and digital services in L&A insurance profile (page 1 of 4)
Overview

■ High (>25%)　■ Medium (10-25%)　□ Low (<10%)

Vision for Application and Digital Services (ADS) in L&A insurance practice: Wipro aims to utilize its digital capabilities and partner ecosystem to assist its L&A client's transition to digital. It expects trends such as core & data modernization and cloud adoption to accelerate, playing to its strategy. Wipro aims to compete in the faster-growing categories through its culture of innovation

Application and digital services in L&A insurance revenue (2019)

<US$50 million	US$50-200 million	US$200-500 million	>US$500 million

Number of active L&A insurance clients for application and digital services (2019)

<10	10-30	30-50	>50

Application and digital services in L&A insurance – revenue mix (2019)

By lines of business

Term life	□	Whole life	■	Universal life	■
Endowments	□	Fixed annuity	■	Variable annuity	■

By services scope

Application development	■	Consulting	□	System integration[2]	□
Application maintenance	■	Quality assurance[1]	■		

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)	■

By geography

North America	■	Latin America	□	Asia Pacific	■
Europe (excluding UK)	■	United Kingdom	□	Middle East & Africa	□

By digital services segment

Analytics	■	Cloud	■	Big data	□
Internet of Things (IoT)	□	Mobility	■	Others[3]	□
AI/ML	□				

Delivery footprint　Ranges for FTEs: <250, 250-750, 750-1,500, >1,500

Region	Key cities[4]	No. of FTEs
North America	East Brunswick, Seattle, Chicago	>1,500
United Kingdom	Reading, London, Aberdeen	>1,500
Europe (excluding UK)	Eindhoven, Zurich	250-750
Asia Pacific	Melbourne, Bangalore, Manila	>1,500
Latin America	Guadalajara, Curitiba	<250
Middle East & Africa	Dubai, South Africa	<250

1　Includes independent testing services
2　System integration includes package implementation
3　AR/VR, blockchain, social media, etc.
4　The list of cities is not exhaustive

Wipro | application and digital services in L&A insurance profile (page 2 of 4)
Client success stories

Case study 1	Modernize the legacy benefits administration system of a health, wealth, and benefits provider

Business challenge
Due to the client's monolithic architecture of the benefits administration system, the provider had complex and multiple solutions for multiple channels. It required high turnaround time, leading to slow delivery to market

Solution
- Built a technology agnostic "API Model" that provided consistent access to data and core capabilities
- Built a unified data platform for inquiry data, which enabled to bypass mainframe

Impact
- The solution provided a competitive edge to the client by having an industry standard approach of exposing REST APIs
- Enabled Platform-as-a-service – helping client monetize data from APIs
- Accelerated speed-to-market

Case study 2	Redefining data strategy of a wealth, banking, superannuation, and life Insurance company

Business challenge
The client was experiencing suboptimal customer servicing and purchase experience. Due to lack of personalized wealth management offering, the client possessed suboptimal utilization of existing investments due to lack of insights

Solution
- Wipro built a reusable, hybrid, integrated, scalable, and futuristic data processing platform to support self-service and digital experience
- Offered Insights-as-a-Service with cost optimization; set up data wrangling and data sciences workbench

Impact
- Enhanced omnichannel digital experience
- Enhanced query speeds by 500%, and lowered attrition rates by 2%
- Personalized wealth product advisory – leveraged predictive analytics

Case study 3	Deliver on simplification strategy of a superannuation and wealth Insurer

Business challenge
The client possessed complex products. It required API integration and platform-based simplification to bring in multiple services together

Solution
- Provided simplification program using Bravura platform
- Provided cloud enablement using AWS
- Provided rationalization of the product portfolio, integrating with member portal in sync with taxation guidelines and employer driven programs using APIs

Impact
- Rationalization of product portfolio: Reduced 40 products to nine
- Redefined the firm's marketplace project, which improved the customer experience, creating an ecosystem of services from multiple brands under a single application
- Multiple work streams (Bravura, AWS, and API factory) including simplification program clubbed together under a single project

Wipro | application and digital services in L&A insurance profile (page 3 of 4)
Key offerings and investments

Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver application and digital services to L&A insurance clients	
Name	**Details**
Digital first framework strategy	Wipro Digital First insurance strategy helps deliver transformative engagements in digital ADM, digital operations, digital security, and digital insights
FINRA regulatory & compliance	Wipro's Regulatory Compliance Monitoring solution enables insurers to remain compliant through its unique insights driven approach
Digital Engagement Platform	An end-to-end digital platform for insurance companies to increase the efficiency and effectiveness of client engagement through tracking life events, creating right communication packs with contextual offerings, continually educating and engaging with customers, and helping convert customers to advocates in social media
Claims automation & decision Support	A solution for streamlining life insurance claims process. The solution uses e-mail parsing, document ingestion, and rules based decision support to expedite claims processing with fraud analytics capabilities
Dependent Verification Services (DVS)	Intelligent document processing solution, leverages intelligent automation for Dependent Verification Services (DVS). Enables faster and more accurate document understanding (auto-classification), text extraction, logo, signatures, and stamp presence determination from scanned images to enable auto approvals in the system, bringing down cycle time from three days to one

Key partnerships/alliances/M&As/JVs leveraged to deliver application and digital services in L&A insurance		
Name	**Type of investment** (year)	**Details of investment**
iPipeline	Partnership (2020)	Joint GTM, proposition on SSG digital platform, and CoE – training and certifications, 20+ experienced consultants
Bravura	Partnership (2019)	Joint GTM with CoE - training and certifications, 70+ experienced consultants
Sapiens	Partnership (2019)	Joint proposition and capability on core suite and system of record (closed book) platforms
Vlocity	Partnership (2020)	Joint GTM across insurance LOBs in EMEA, APAC, and the US. CoE with joint proposition
DynaRisk	Partnership (2020)	Joint GTM, Cyber Protection, and Insurance proposition
EIS	Partnership (2020)	Joint GTM and proposition across Insurance LOBs, CoE – training and certifications.
Vestwell	Partnership (2020)	Joint GTM with focus on the US Defined Contribution (DC) record keeping space and cloud adoption for the 401K market

Source: Everest Group (2020)

Wipro | application and digital services in L&A insurance profile (page 4 of 4)
Everest Group assessment – Leader and Star Performer

Measure of capability: ● High ◔ Low

Market impact				Vision & capability				
Market Adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services	Innovation & investments	Delivery Footprint	Overall
◕	◑	◕	◕	◔	◔	◕	◔	◕

Strengths

- Wipro has demonstrated strong success proof points in partnering with global L&A insurers to solve their analytics, AI/ML, automation, data consolidation, API, and microservices-led transformation initiatives

- Wipro's targeted efforts into developing and nurturing partnerships, developing joint go-to-market, as well as establishing CoEs and training resources for some of the core product platforms such as iPipeline, Bravura, Sapiens, and insurance-specific technology vendors such as Vlocity and Dynarisk, have enhanced its market standing with respect to its peers

- Wipro's ability to augment its solution suite with targeted offerings such as claims automation & decision support, digital engagement platform, and unique capabilities to quickly bring MVPs to the table by leveraging crowdsourcing platform - Topcoder - is seen as a differentiator to solve insurers' most pressing needs

Limitations

- Wipro's limited ability to bring forth its comprehensive capabilities and stitch the transformation story for insurers, especially on the delivery side of accounts, can help improve clients' experience throughout the engagement

- In some cases, clients have cited Wipro's ability to bring in more experienced resources to be limited and hence having had to spend significant time in helping the resources brought into the program and would instead like it to hit the ground running

- Wipro needs to expand its domain advisory and insurance-focused delivery in geographies such as APAC (except India) and Continental Europe to tap into these markets more strategically

- Wipro needs to invest in bringing thought leadership and solutions proactively to its key clients to shape and influence the client's thinking to own larger share of transformation agenda

Appendix

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

Everest Group PEAK Matrix
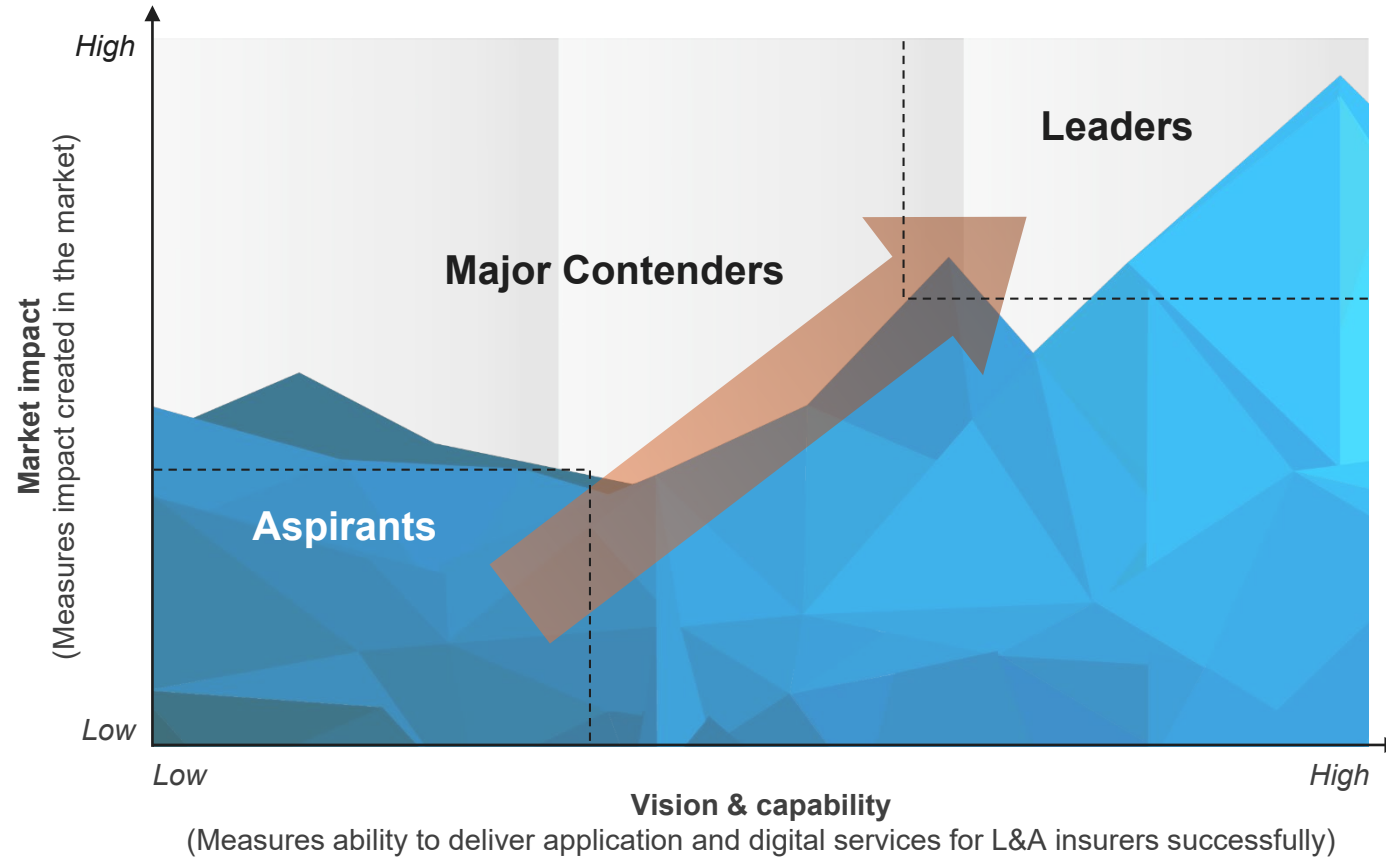
Services PEAK Matrix® evaluation dimensions

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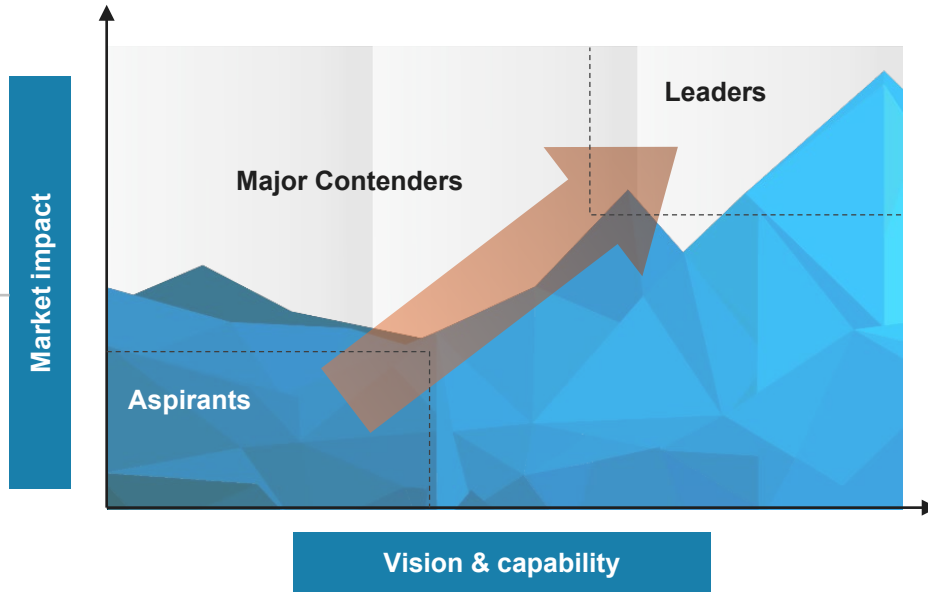
Measures ability to deliver services successfully. This is captured through four subdimensions

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

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
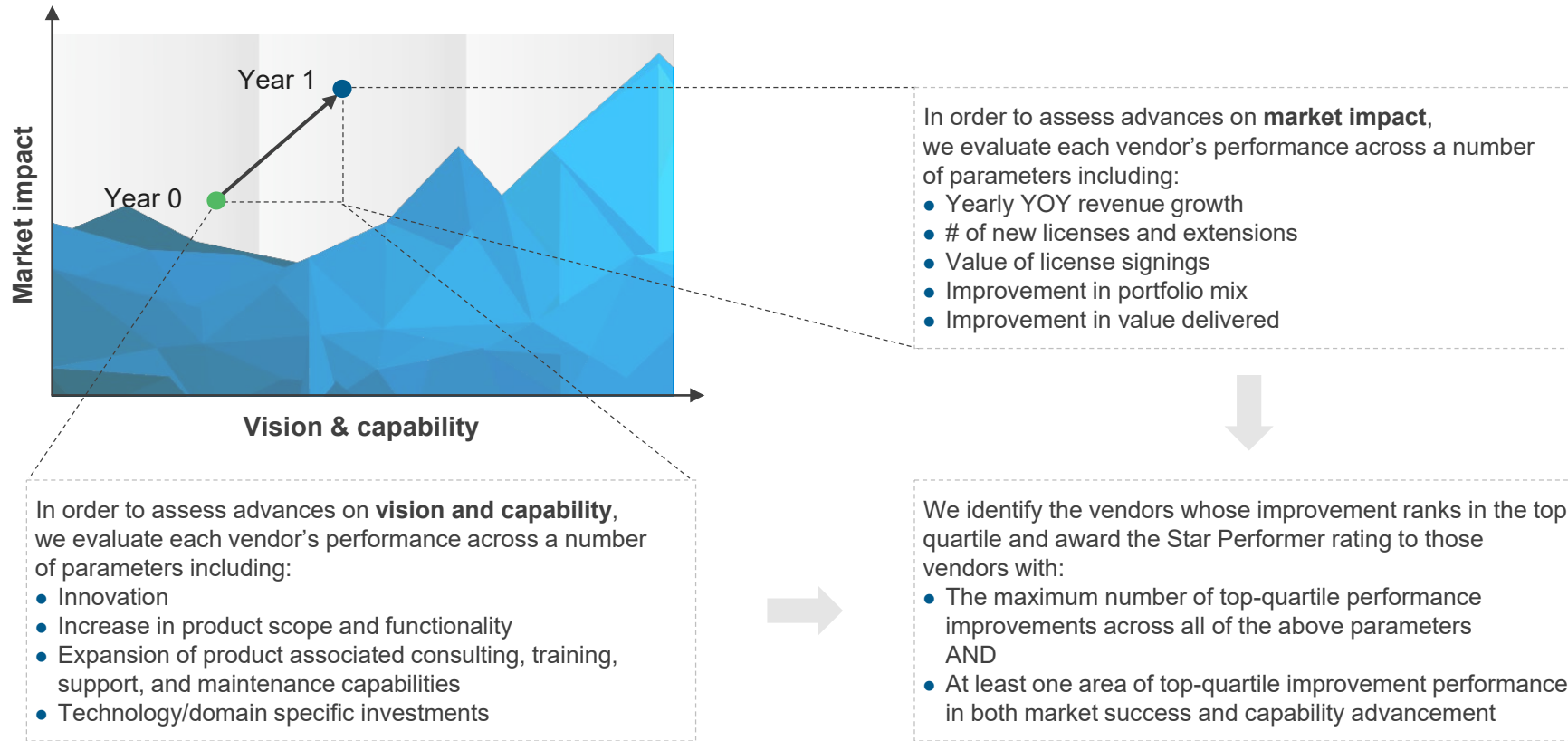
The Star Performers title relates to YOY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

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 vendor's performance across a number of parameters including:
- Yearly YOY revenue growth
- # of new licenses and extensions
- Value of license signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each vendor's performance across a number of parameters including:
- Innovation
- Increase in product scope and functionality
- Expansion of product associated consulting, training, support, and maintenance capabilities
- Technology/domain specific investments

We identify the vendors whose improvement ranks in the top quartile and award the Star Performer rating to those vendors 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.

FAQs

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

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