Everest Group PEAK Matrix® for Financial Crime and Compliance (FCC) Provider 2022

Focus on Infosys
August 2022

Background of the research

Financial Crime and Compliance (FCC) operations have been growing at a fast pace, as most Financial Institutions (FIs) are struggling to meet cost restrictions while trying to address regulatory challenges and the threat of financial crime associated with heavy penalties and a 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. With the pandemic hitting the industry hard and with the looming threat of recession, agent availability has been severely impacted creating a golden window of opportunity for financial crime perpetrators. This further increased the demand for services and technology in FCC.

The growing requirement for FCC support and digital has opened opportunities for service providers to further augment their capabilities and add offerings for advisory, platform-led services, and advanced digital solutions. The demand to increase efficiency and productivity by reducing false positives and manual intervention remain of prime importance to buyers.

In this research, we present an assessment of 27 FCC operations service providers featured on the [Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022](#).
The assessment is based on Everest Group's annual RFI process for the calendar year 2021, interactions with leading FCC operations services providers, client reference checks, and an ongoing analysis of the FCC operations market.

The full report includes the profiles of the following 27 leading FCC operations service providers featured on the FCC operations – services PEAK Matrix:

- **Leaders:** Accenture, Genpact, Infosys, PwC, TCS, and Wipro
- **Major Contenders:** Atos Syntel, Cognizant, Deloitte, Exela Technologies, Exiger, EXL, EY, Guidehouse, HCL Technologies, IBM-Promontory, KPMG, Mphasis, NTT DATA, Sutherland Global Services, TaskUs, Teleperformance, and WNS
- **Aspirants:** Capgemini, DXC Technology, Tech Mahindra, and TMF Group

Scope of this report

Geography
Global

Providers
27

Services
Financial Crime &
Compliance (FCC)

FCC Operations – Services PEAK Matrix® characteristics

Everest Group classified 27 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 six service providers in the Leaders category – Accenture, Genpact, Infosys, PwC, TCS, and Wipro.

Major Contenders:

The Major Contenders category has 17 service providers – Atos Syntel, Cognizant, Deloitte, Exela Technologies, Exiger, EXL, EY, Guidehouse, HCL Technologies, IBM-Promontory, KPMG, Mphasis, NTT DATA, Sutherland Global Services, TaskUs, Teleperformance, and WNS.

Aspirants:

Capgemini, DXC Technology, Tech Mahindra, and TMF Group are the four Aspirants on the PEAK Matrix® for FCC operations.

Everest Group PEAK Matrix®
Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022 | Infosys positioned as Leader

Everest Group Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022[1]
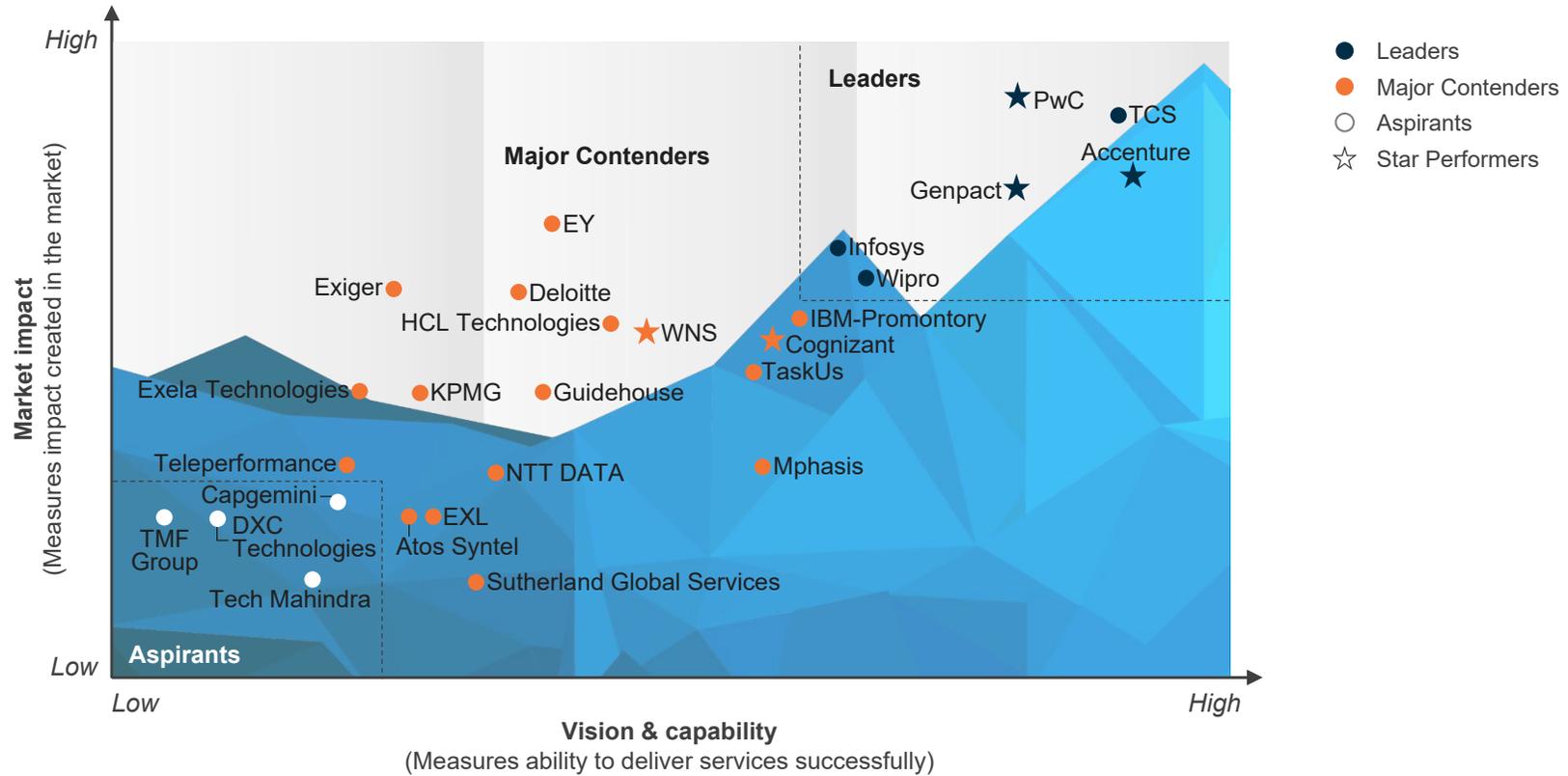
1   Assessment for Atos Syntel, Capgemini, Deloitte, DXC Technology, Exela Technologies, Guidehouse, KPMG, NTT DATA, Sutherland Global Services, Teleperformance, and TMF Group excludes inputs on this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary 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: Everest Group (2022)

Infosys | FCC operations profile (page 1 of 5)
Overview

Company overview

Infosys has a compliance practice committed to deliver FCC solutions, which fit client requirements by leveraging its process capabilities, best practices extracted from expertise in outsourcing operations, packaged applications across industries, tools, frameworks, and other accelerators.

Infosys has built capabilities in FCC with 4,500+SMEs across operations, technology, and consulting and has developed proprietary AI and RPA-based solutions in the FCC space.

Headquarters: Bangalore, India   **Website:** www.infosysbpm.com

Key leaders

- **Anantha Radha Krishnan**, Managing Director & Chief Executive Officer
- **Kapil Jain**, Head of Sales & Capability
- **Binod Choudhary**, SVP Business Delivery Head
- **Sreenath Ramakrishnan**, AVP, Head FSHIL & Pre-sales

Suite of services

- KYC
- EDD/sanctions
- Fraud
- AML
- Chargeback
- AML reporting
- Monitoring/surveillance

Capital markets operations[1]	2019[1]	2020[1]	2021[1]
Revenue (US$ million)	40	39	51
Number of FTEs	1,314	1,457	1,885
Number of clients	23	27	32

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

Recent acquisitions and partnerships

- **2021:** It has partnered with Heliocor, a leading RegTech firm, to offer transformation solutions to existing and new clients
- **2020:** It has collaborated with Exiger, a leading FinCrime specialist firm. They have joint GTM to accelerate Infosys' growth in this space. Screening utility for APAC region and further expanding the offering to other geographies
- **2020:** It has partnered with NICE Actimize for end-to-end financial crime solutions. This offering includes Infosys Actimize Digital Suite, a set of accelerators designed for faster time-to-market and predictability in implementation. This Compliance-as-a-Service focuses on targeting tier-1 I financial institutions
- **2020:** It has invested in automation partnerships such as **Signzy** to digitize and streamline KYC, and AML processes

Recent developments

- **2021:** It developed Video KYC (eKYC), a solution to expedite due diligence process for one its European clients
- **2021:** It developed and implemented a self-service portal for expediting the customer outreach during due diligence process between the bank and the customer
- **2021:** It launched a **risk profiling assistant** to enable screening focused on negative media
- **2021:** It launched Intelligent Document Extraction (Xtractedge / DocAI), a document workbench solution to support AML & KYC processes. It expedites obtaining documents from multiple sources, scans through the documents (ML/OCR), and extracts relevant information required to complete customer due diligence
- **2021:** It partnered with the in-house Infosys Finacle team to create joint platform+BPM services for existing and new clients, particularly in the APAC region
- **2021:** It created a FinCrime Council with representation from technology, consulting, and BPM, focused on creating Regulatory-as-a-Service to meet the increased client demands

Everest Group®

Infosys | FCC operations profile (page 2 of 5)
Key delivery locations

- FCC – Infosys delivery center
- FCC – Client delivery center

Birmingham
Utrecht
Brno
Bucharest
Salt Lake City
Toronto
Dalian
Atlanta
Hangzhou
Manama
Jaipur
Gurgaon
Pune
Hyderabad
Kowloon
Bangalore
Chennai
Manila
Mysore
Malaysia
Sydney

Infosys | FCC operations profile (page 3 of 5)
Capabilities and key clients

Key FCC operations engagements			
Client name	LoB (KYC, EDD/sanctions, monitoring/surveillance, AML reporting, fraud management, chargeback, or others)	Region	Client since
One of the top 25 banks in the US	Fraud management, chargeback, and recovery	North America	2021
A leading regional digital bank in the US	KYC & AML	North America	2020
The third largest bank in the Netherlands	KYC	Continental Europe	2019
A US-based group in commercial leasing and financing	AML, KYC, and fraud	North America	2015
A global credit card issuer	Fraud management, chargeback, and recovery	North America	2007
The sixth largest bank in the US	Fraud management, chargeback, and recovery	North America	2005

FCC operations FTE mix by segment
Number of FTEs
100% = 1,885

- AML reporting
- Monitoring/surveillance 14%
- KYC 15%
- Chargeback 17%
- EDD/sanctions 19%
- Fraud management 29%
- 6%
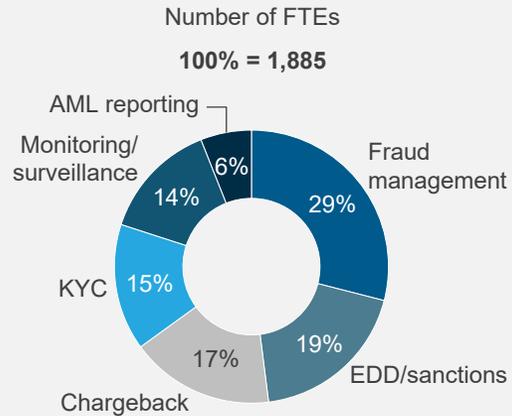
FCC operations revenue mix by geography
Revenue in US$ million
100% = 51

- Asia Pacific 6%
- Middle East & Africa 4%
- United Kingdom 10%
- Continental Europe 18%
- North America 62%
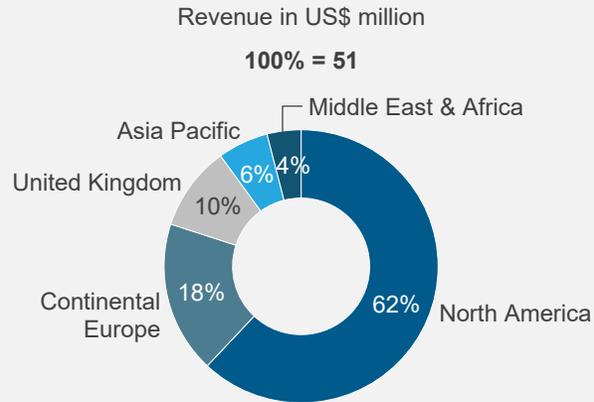
FCC operations FTE split by delivery location
Number of FTEs
100% = 1,885

- Onshore 9%
- Nearshore (2%)
- Offshore 89%
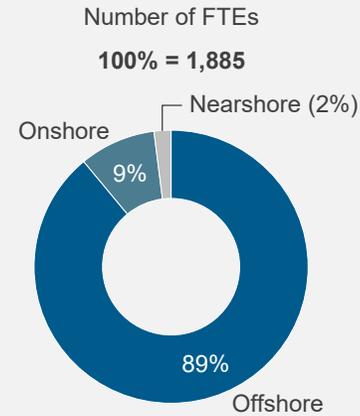
FCC operations revenue mix by buyer size[1]
Revenue in US$ million
100% = 51

- Medium 14%
- Small 24%
- Large 62%
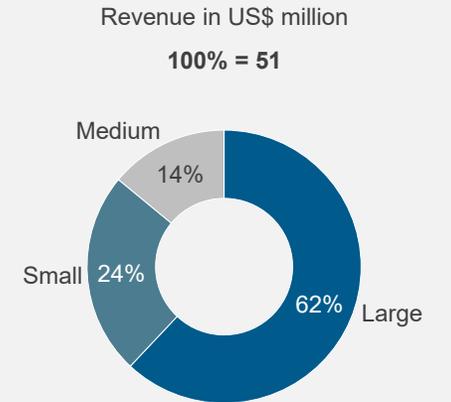
1   Buyer size is defined as large (>US$10 billion in revenue), medium (US$5-10 billion in revenue), and small (<US$5 billion in revenue)

Infosys | FCC operations profile (page 4 of 5)
Technology solutions/tools

Application	LoB	Year launched	Description	No. of clients
Intelligent Document Extraction (Xtractedge / DocAI)	AML, KYC, and fraud management	2021	An RPA/ML/AI-led solution which has the capabilities to obtain documents from internal and external sources. It has OCR-led capabilities and reads and extracts relevant information from the documents (native PDFs, scanned PDFs, word document, etc.) The solution has helped in expediting the overall process, and elimination of manual efforts, resulting in reduced operational costs	3
Video KYC (eKYC)	KYC	2021	A solution with a vendor partner at one of its largest engagements to conduct liveliness checks for the end-customer. It eliminated the face-to-face meeting with the customer during the pandemic, resulting in accelerated due diligence process & reduction of the overall cost of operations	1
Risk profiling assistant	AML & KYC	2021	An assisted screening & narration creation focused on adverse media	1
Self-service portal	AML, KYC, and fraud management	2021	Interactive portal for exchange of documents/information between the bank and the customer. Complete elimination of manual efforts of visiting the customer or asking them to visit a branch	1
Accelerated account onboarding	KYC & AML	2020	A flagship offering that focusses on drastically reducing the client account opening timelines while preserving the integrity of KYC . This offering uses the digital transformation, automation, and FinTech levers • Next-generation KYC for sourcing of information from public sources • Smart automation for extracting relevant information (BOs, Directors, and other KYC information) from documents • Screening disposition for adverse media disposition, PEP, and sanctions	3
Digitization of fraud disputes investigation	Fraud	2020	A digitized offering in fraud disputes and chargeback process to automate the process and reduce losses through AI-/ML-assisted predictability on arbitration and claims	2
Risk profiling for adverse media monitoring	AML	2019	An automated research on the adverse news screening and NLP model is triggered to find the sentiment of article w.r.t things to search the entity and find key fragments of the article to take decision faster	4
AML Alert Workbench – extended to sanctions	AML	2018	An AI & automation tool for alerts investigation to reduce handling time and improve high throughput per analyst. The tool aggregates & analyzes transactions and predicts the outcome of the alert as suspicious or otherwise, using ML assistance	2

Infosys | FCC operations profile (page 5 of 5)
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

- Infosys has built capabilities throughout the value chain, with an aim to become a one-stop-shop in the FCC domain, supported by advisory/consulting offerings

- It has further enhanced its in-house capabilities in KYC, AML, and fraud by including solutions such as eKYC and risk profiling assistant. It has also partnered with RegTech firms to provide accelerator + BPM offerings

- Infosys has a balanced mix of clients from across buyer size segments. A substantial chunk of its portfolio comprises of large buyers

- Infosys expanded its fraud management portfolio, owing to the new demand generated during the pandemic. It included non-banks, FinTechs, and start-ups to diversify its clientele

- Referenced buyers have appreciated the flexibility, responsiveness, and delivery consistency that Infosys provides

Limitations

- Despite having strong presence in the market, Infosys scale of business remains small compared to rest of its peers and it needs to focus on winning the big-ticket contracts

- Buyers have highlighted that Infosys' offshore-heavy delivery model is becoming a hindrance in operations and communication

- Referenced buyers have also underlined the need for investment in staff, such as cross-training, where Infosys is currently lagging peers

- Infosys remains strongly dependent on the North American client segment, leaving its capability to cater to client from the UK, APAC, and Europe untested

- Infosys has launched multiple solutions in FCC operations; however, most of them are point solutions catering to a specific LoB. Currently, it does not have an end-to-end or platform-led offering in the area

Appendix

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

Everest Group PEAK Matrix
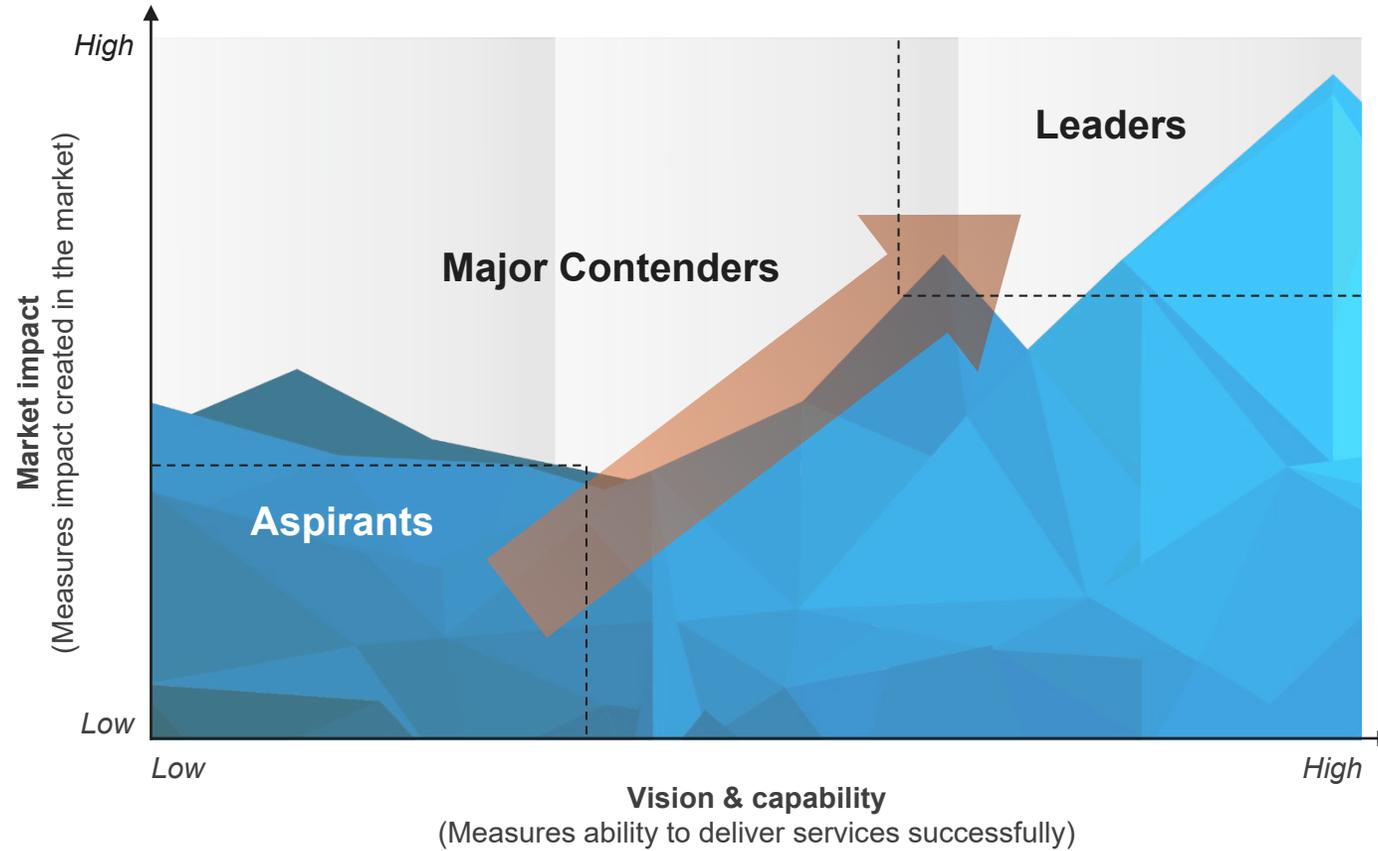
Services PEAK Matrix® evaluation dimensions

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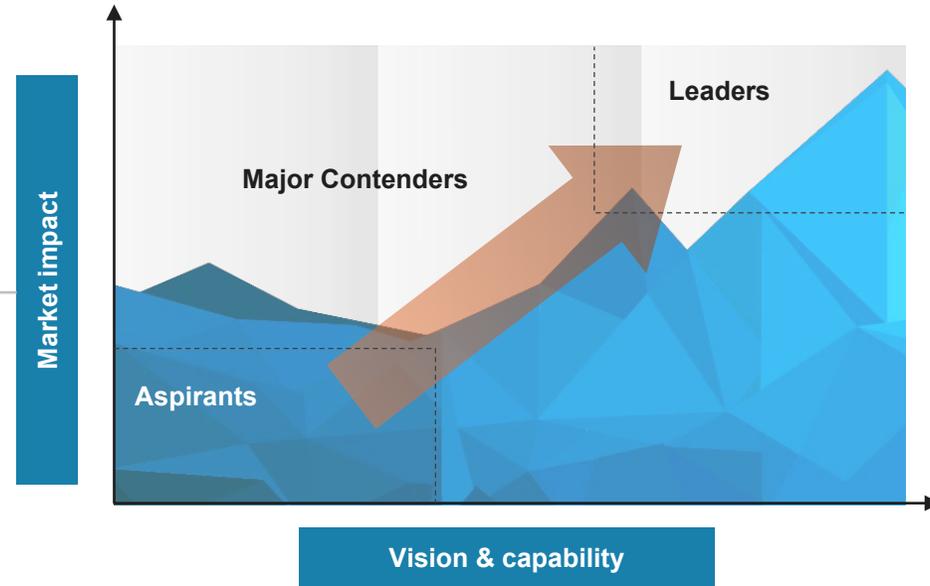
Measures ability to deliver services successfully. This is captured through four subdimensions

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 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 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 providers whose improvement ranks in the top quartile and award the Star Performer rating to those 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.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging 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 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 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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With you on the journey

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