Everest Group Cloud Services in Insurance PEAK Matrix® Assessment 2023

Focus on Cognizant

January 2024

Background of the research

The insurance industry has been relatively slower in terms of adopting digital measures, owing to the regulatory constraints and product complexities. However, to become risk mitigators, carriers are embracing the change. Emergence of the new world order has made it imperative to reevaluate the conventional business and technology processes, particularly during these rapidly evolving times. Moreover, with the exponential rise in claims costs and the unprecedented levels of underwriting losses during these challenging times, the need for value maximization, resource optimization, and achieving agility and scalability has become increasingly pressing.

Cloud has been one of the prominent technologies that insurers have embraced in the past. They are aware of the potential of the cloud, prompting them to strategize and build new business models that can survive an unpredictable future. Cloud technology has moved beyond being just a digital storage infrastructure. The latest cloud services are more aligned toward integrating advanced technologies such as AI/ML, IoT, blockchain, and data analytics to transform the insurance value chain. As insurers embark on their next growth phase, industry cloud is expected to drive the cloud spend to future-proof the technology estate, monetize data to generate alternate revenue streams, and rethink value delivery to end-customers. Service providers have also realized this market need and are rapidly enhancing their technical expertise, solutions, and capabilities in order to support insurers in all phases of their cloud-adoption journey.

In this research, we present an assessment and detailed profiles of 35 IT services providers for their cloud services capabilities featured on the Cloud Services in Insurance PEAK Matrix® Assessment 2023. The assessment is based on Everest Group's annual RFI process for calendar year 2023, interactions with leading cloud services providers, client reference checks, and an ongoing analysis of the cloud services market.

The full report includes the profiles of the following leading 35 service providers featured on the Cloud Services in Insurance – Services PEAK Matrix® :

- **Leaders:** Accenture, Capgemini, Cognizant, Deloitte, EY, HCLTech, IBM, Infosys, LTIMindtree, PwC, TCS, and Wipro
- **Major Contenders:** Atos, Cloud4C, Coforge, DXC Technology, Fujitsu, Genpact, GFT Technologies, Hitachi Vantara, HTC Global Services, Kyndryl, Mphasis, NTT DATA, Quantiphi, Tech Mahindra, ValueMomentum, Virtusa, and Zensar Technologies
- **Aspirants:** 3i Infotech, Aggne, Aspire Systems, Exavalu, Happiest Minds, and Xceedance

Scope of this report

Geography
Global

Providers
35 leading cloud services providers

Services
Cloud services

Cloud Services in Insurance PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Cognizant, Deloitte, EY, HCLTech, IBM, Infosys, LTIMindtree, PwC, TCS, and Wipro

- Leaders have a strong global presence and delivery capabilities that enable them to scale as per requirement, present an opportunity to the clients to utilize talent with broad skillsets, and address evolving technology patterns
- Leaders offer strong domain knowledge and scaled digital, cloud, data, and engineering expertise, with a strategic focus on assisting insurers achieve business outcomes, value maximization, and cost optimization through their cloud investments
- All Leaders have built a strong and comprehensive partnership ecosystem consisting of hyperscalers, third-party data and analytics provides, InsurTechs, etc., along with investments in gaining specializations and certifications; as well as building capabilities through acquisitions of niche boutique firms to drive the innovation agenda
- Leaders are investing in driving extensive thought leaderships and launching forward-looking market stance across insurance LoBs (personal and commercial lines, life and annuity, retirements and pensions, and reinsurance), which reinforces their position as a strategic partner for insurers
- Leaders offer mature full-stack industry cloud capabilities to support insurers in end-to-end cloud transformation, modernization, and complex workload migration. They are also investing in building differentiated LoB-specific playbooks, capabilities, and credentials across hybrid and multi-cloud solutions, data analytics and sovereignty, cloud sustainability, and next-generation themes on cloud to offer a holistic solution

Major Contenders

Atos, Cloud4C, Coforge, DXC Technology, Fujitsu, Genpact, GFT Technologies, Hitachi Vantara, HTC Global Services, Kyndryl, Mphasis, NTT DATA, Quantiphi, Tech Mahindra, ValueMomentum, Virtusa, and Zensar Technologies

- Major Contenders have built meaningful cloud capabilities focusing on specific parts of the value chain and LoBs; however, they lack a balanced portfolio to tap the opportunity of offering holistic insurance cloud
- They have made targeted investments to expand footprint in high-growth regions and are partnering with hyperscalers for joint-GTM motions and augmenting their capabilities

Aspirants

3i Infotech, Aggne, Aspire Systems, Exavalu, Happiest Minds, and Xceedance

- Aspirants are investing in building broader cloud capabilities across a horizontal stack, as well as focusing on core systems modernization to bring an insurance-specific flavor
- Some of the Aspirants are focusing on building local capabilities and geography-specific partnerships to offer proximity-based delivery model and resources close to the client location

Everest Group PEAK Matrix®
Cloud Services in Insurance PEAK Matrix® Assessment 2023 | Cognizant is positioned as a Leader

Everest Group Cloud Services in Insurance PEAK Matrix® Assessment 2023[1]
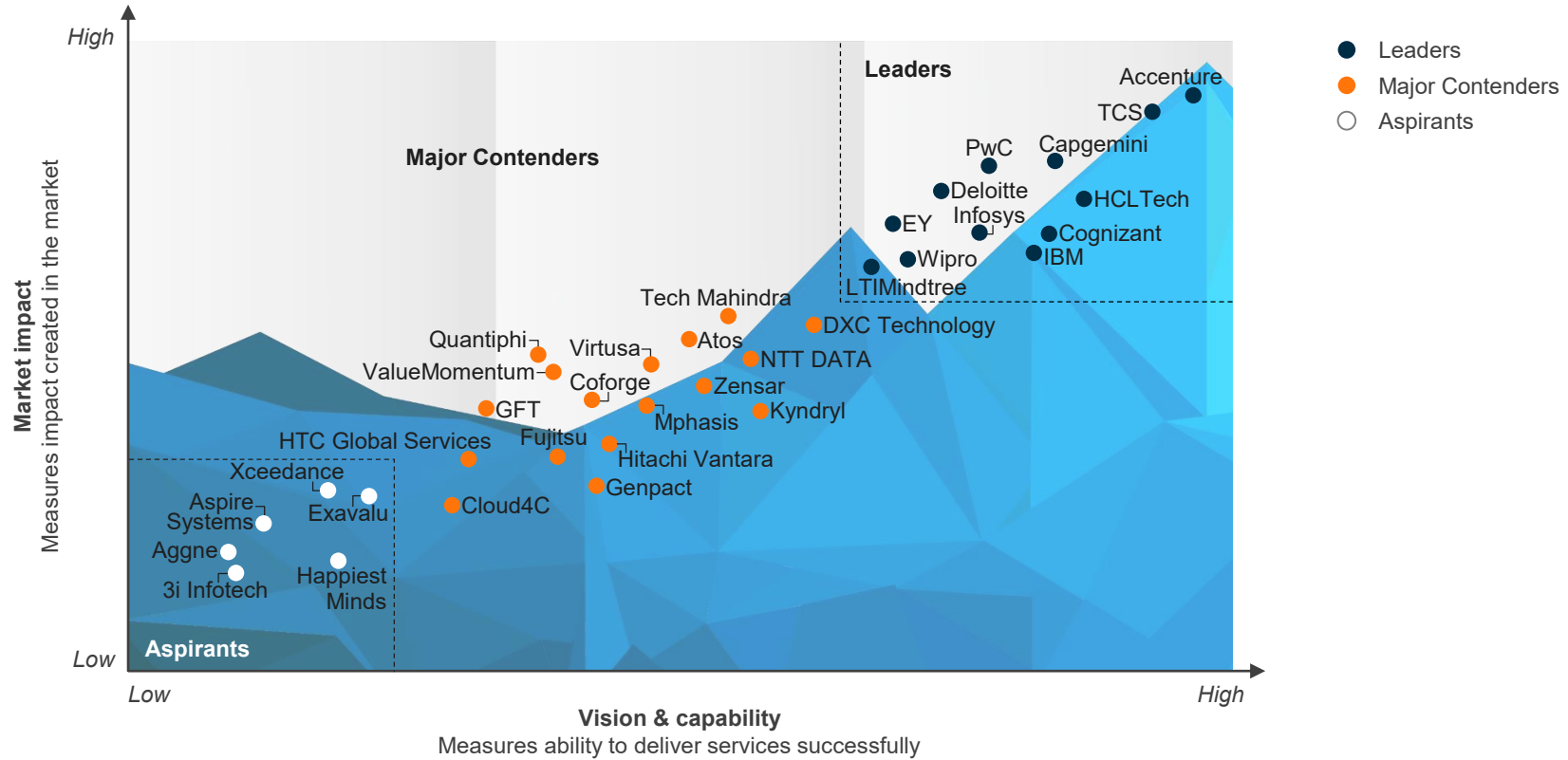
1   Assessments for Atos, Cloud4C, Coforge, Deloitte, DXC Technology, IBM, and Virtusa excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with insurance buyers. For these companies, Everest Group's data for assessment may be less complete

Source: Everest Group (2023)

Cognizant profile (page 1 of 4)
Overview

NOT EXHAUSTIVE

Vision for cloud services in insurance practice

Cognizant aims to be a full-stack professional services provider, offering services ranging from design to implementation. Over the next few years, it plans to invest in capabilities across its service areas, from expanding its consulting capacity to developing technology-enabled service offerings and building delivery centers in major global markets. The primary focus is on themes including customer experience, advisory productivity, data monetization, Data-as-a-Service (DaaS), cloud adoption, and platform modernization.

Revenue attributed to cloud services portfolio for insurance clients (CY 2022)

<US$50 million	US$50-100 million	US$100-200 million	>US$200 million
			>US$200 million
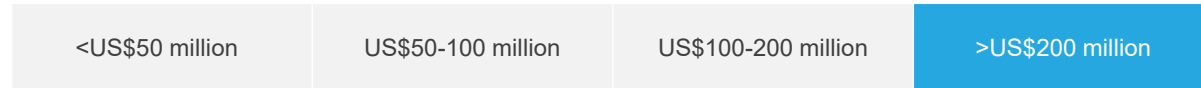
Number of active insurance clients that have engaged for cloud services (CY 2022)

<5	5-15	16-30	>30
			>30

Delivery footprint

Ranges for FTEs: <50, 50-100, 100-500, >500

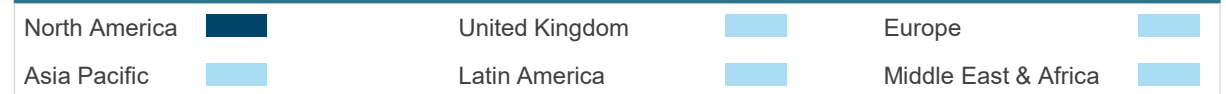| Region	Key locations	No. of FTEs
North America	US and Canada	>500
United Kingdom	London, Bristol, and Glasgow	>500
Europe	Ireland, Poland, the Netherlands, France, Norway, Lithuania, Romania, Germany, and Latvia	>500
Asia Pacific	India, China, the Philippines, Malaysia, Singapore, and Hong Kong	>500
Latin America	Argentina, Brazil, Mexico, and Costa Rica	>500
Middle East & Africa	Saudi Arabia and the UAE	100-500

1   Based on Everest Group estimates

Low (<15%)   Medium (15-30%)   High (>30%)

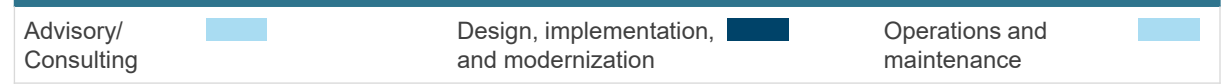**Revenue mix for cloud services portfolio in insurance (CY 2022)**

By Line of Business (LoB)

Life and annuity	Property and casualty	Reinsurance	Retirement and pensions

By geography

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

By services scope

Advisory/ Consulting	Design, implementation, and modernization	Operations and maintenance

By buyer size[1]

Small (annual revenue <US$1 billion)	Large (annual revenue US$5-10 billion)
Midsize (annual revenue US$1-5 billion)	Mega (annual revenue >US$10 billion)

Key partnerships with hyperscalers

Ranges for FTEs: <50, 50-200, >200

Cloud technology provider	Partnership details/status/tier (if relevant)	No. of FTEs
Amazon Web Services	Premier consulting partner	>200
Microsoft Azure	A global partner with enterprise scale	>200
Google Cloud Platform	Advanced GSI partner	>200
Oracle	Platinum cloud premier partner	>200
IBM Cloud	IBM/Red Hat gold business partner	>200

Cognizant profile (page 2 of 4)
Key investments

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Key investments in proprietary solutions/tools/frameworks and talent/CoE	
Solutions/Tools/Frameworks	**Details**
Cognizant Skygrade™	A multi-hybrid cloud and edge management platform designed to help enterprises transition to modern cloud-native architectures and streamline cloud management operations
Duck Creek OnDemand Accelerator	• Enables customers to work on the cloud operating model • Aims at providing up to 45% cost savings and 35% faster migration
Guidewire Cloud Implementation Framework and Guidewire Cloud Environment Optimization	• Comprehensive checks and analysis of customers' current cloud readiness across Guidewire apps, peripheral apps, integrations, and infrastructure, enabling faster and more efficient decision-making for customers on their cloud journey • Solution aims to help potential SaaS customers understand their SaaS environment needs based on the environments in use on-prem. This is aimed to assist clients in forecasting the environmental needs and plan subscriptions accordingly ahead of time
Training/Certifications	Strategic partnership agreements with tool vendors (across RPA, process mining, smart intake, and workflow orchestration) for custom-created training and certification programs
Hackathons	• Cognizant leverages partnership with Hackerrank for Python, ML skill development and to run hackathons • Cognizant also runs vertical-specific and customer-specific hackathons

Other key investments in acquisitions, JVs, and partnerships (such as SI, consulting services, and SaaS platform/product and solution partners)	
Partnerships/Acquisitions/JVs	**Details**
Investment in Start ups	• H2O.ai cloud capabilities to develop and deploy AI applications • **Data Marketplaces** by Harbr to enhance data preparation capabilities for modeling • HCLS-specific solutions based on scientific text understanding by Iris.ai • AI capability development with **programmatic data labeling** by Snorkel AI
AustinCSI	Acquisition of AustinCSI, a digital transformation consultancy firm specializing in enterprise cloud and data analytics advisory services
Servian	• Acquisition of Servian, an Australia-based data and analytics consulting firm • Acquisition is aimed to assist Cognizant bolster its integrated, end-to-end digital transformation capabilities in Australia and New Zealand, to help clients move to the cloud, build digital products and services, unlock value from data, modernize enterprise applications, and achieve operational excellence
NewSignature	Acquisition of New Signature, an award-winning Microsoft Partner, exclusively focused on Microsoft technologies, with an integrated offering across all three of Microsoft's business clouds including Azure, Microsoft 365, and Dynamics 365
Linium	Acquisition of Linium, a cloud transformation consultancy group specializing in the ServiceNow platform and solutions for smart digital enterprise workflows

Cognizant profile (page 3 of 4)
Case studies

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Case study 1	Built digital experience platform on cloud

Business challenge
A US-based L&A insurer wanted to develop new and innovative ways for employees and policyholders to securely check account balances, make payments, and conduct other transactions online or through mobile devices.

Solution
Cognizant developed a modern, seamless digital experience that migrated legacy technology to the cloud, which offers a single web experience for customers via desktop and mobile devices.

Impact
- Increased monthly customer visits by 117%
- Increased average month-on-month registrations by 90%
- Increased average month-on-month self-service transactions by 490%
- Reduced the cost-to-serve

Case study 2	Built serverless architecture for the client in partnership with AWS

Business challenge
One of the large, privately-held emerging insurance companies, located in the central US wanted to:
- Manage and reduce the operations of their legacy Windows workloads (SSIS and SSRS)
- Reduce bugs and change the management cycle
- Remove the business logic from the database and move to a more usable and testable one
- Build cloud-native solutions that are easy to migrate to the AWS cloud platform

Solution
- Created a serverless architecture, in partnership with AWS
- Built services with AWS Lambda
- Replatformed the business logic in the database to a service-oriented choreography framework
- Moved all SSIS packages to smaller lambdas that can scale separately
- Integrated the source and destination data using the lambdas
- Leveraged the tech stack including the latest version of .NET Core (3.1), S3, SQS, SNS, AWS Lambdas, Jenkins and Artifactory for CI/CD Pipeline, and Amazon RDS

Impact
- Increased the transparency of workflows to improve for ease of maintenance and continuity of business
- Reduced operating costs by over 60% of the current costs with managed infrastructure using Amazon Web Services
- Built extensible cloud-native architecture with highly available and scalable infrastructure

Case study 3	Migrated on-premises applications to cloud

Business challenge
One of the large Asian insurance companies wanted to explore the use of public IaaS, moving away from its traditional, inflexible, and expensive managed hosting model provided by its partner and it wanted to:
- Build a holistic view of the IT estate supporting its Hong Kong business, comprising 56 applications
- Develop a financial business case for the adoption of public IaaS

Solution
- Worked with multiple client stakeholders across infrastructure, application, business, and security teams to collect information about the current estate, by leveraging Cognizant's Cloud Questionnaire template
- Performed a cloud suitability and migration viability assessment of the 56 applications for Microsoft Azure and IBM Soft Layer
- Developed the cloud deployment architecture and migration roadmap (including move groups and migration waves) for applications suitable for migration
- Built a scalable public cloud architecture to address variable demand; as well as provide support services for IaaS (333 Linux VMs & 337 VMs Windows) and PaaS in Azure

Impact
- Led to opportunities identification to transition >70% of the application estate to public IaaS
- Provided risk mitigation strategies that covered specific aspects of AIX to Linux
- Recommended 41 applications and support infrastructure to be migrated to the cloud
- Led to opportunities identification for cost savings by 12-22% by transitioning to public IaaS
- Provided TCO comparison between on-premises and cloud workloads

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Cognizant profile (page 4 of 4)
Everest Group assessment – Leader

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

- Focused GTM strategy for insurers closely tied to the core on cloud agenda, bolstered by key core platform partnerships including Guidewire, Duck Creek, and EIS; investments in joint-GTM motions with niche InsurTechs across areas including product development, sales, claims, and data-as-a-service have elevated its credentials in the market

- Strong IP portfolio to support insurers on their complex cloud transformation journey with a focus on automation. Offers tools, accelerators, and frameworks for cloud migration, application modernization, and cloud-native development

- Continuous investment in acquisitions such as Mobica, AustinCSI, and Servian to bolster its digital, engineering, and IT capabilities; building dedicated hyperscaler-focused business units to drive cloud data modernization capabilities, and target PoCs, such as development of Neuro, an AI-led IT Ops management platform

- Clients recognize the pool of certified resources with strong expertise in cloud migration and its agile squad/pod-based delivery model

Limitations

- Despite investing in talent upskilling and retention initiatives, clients have highlighted high attrition as the major concern for the provider

- Skewed focus on serving clients in North America; needs to bolster its capabilities to broaden its horizon and serve clients in high-growth markets such as Europe, APAC, and MEA

- Vis-à-vis peers, lags offerings across managing data gravity and security challenges while migrating workloads to hybrid/multi-cloud environments, as well as tackling data sovereignty concerns

- Clients have highlighted that Cognizant lags its peers in flexibility in offering innovative commercial constructs such as outcome-based models, with primary focus on offering time and material-based constructs

Appendix

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

Everest Group PEAK Matrix
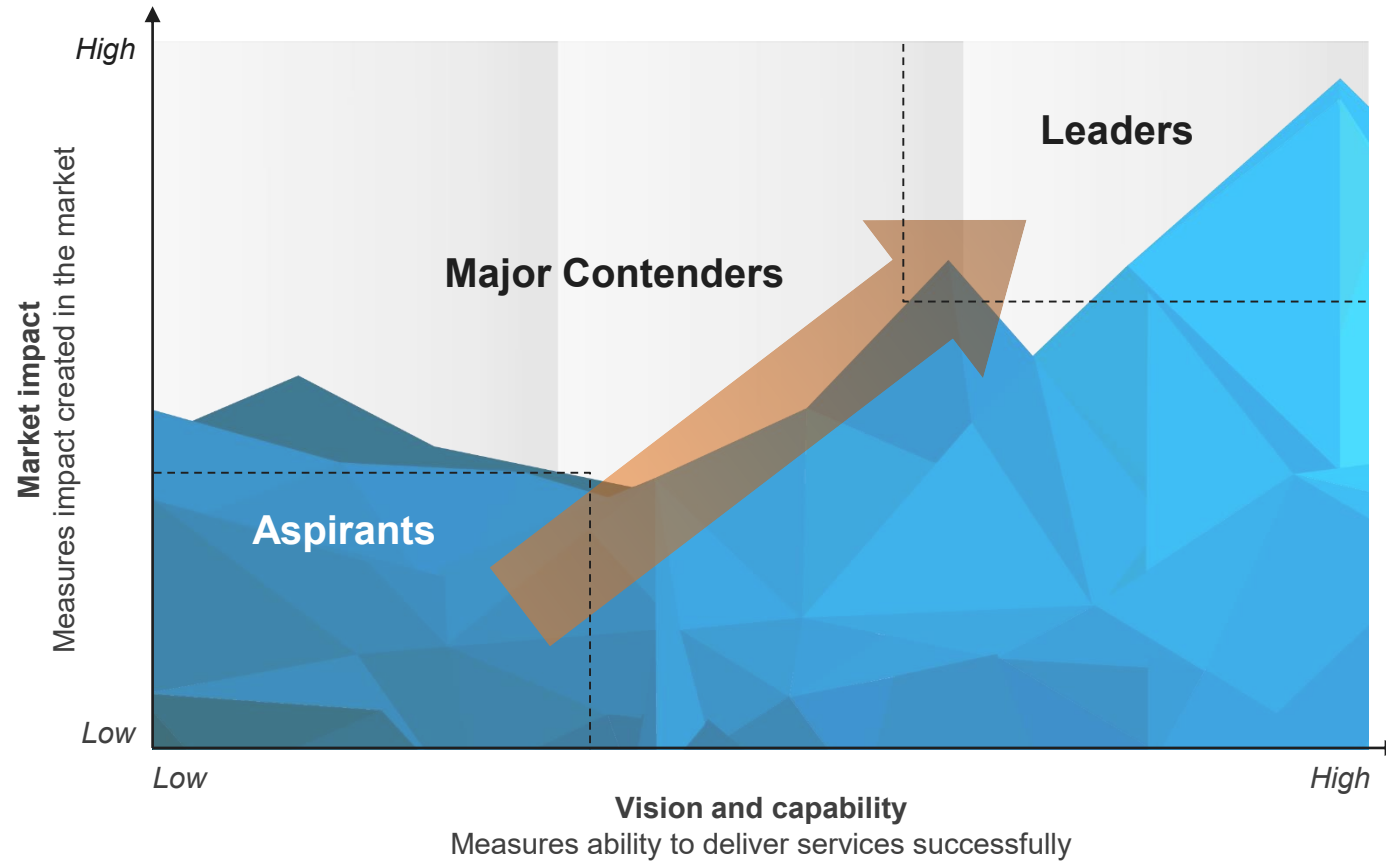
Services PEAK Matrix® evaluation dimensions

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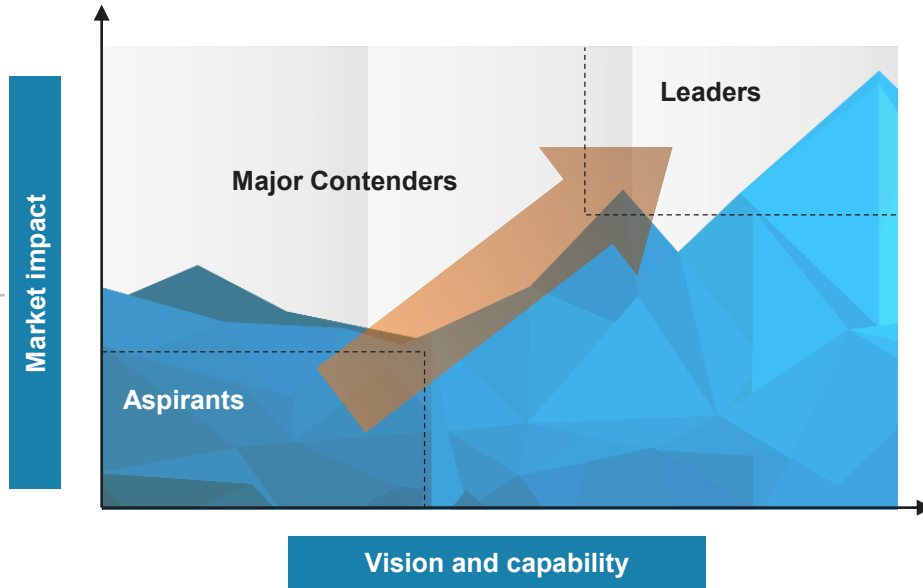
Measures ability to deliver services successfully. This is captured through four subdimensions

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**.

Stay connected

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto
canada@everestgrp.com
+1-214-451-3000

Website
everestgrp.com

Social Media
𝕏 @EverestGroup
in @Everest Group
f @Everest Group
▶ @Everest Group

Blog
everestgrp.com/blog