



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

Focus on Cognizant
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

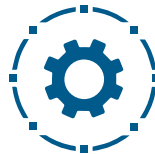
Scope of this report



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:

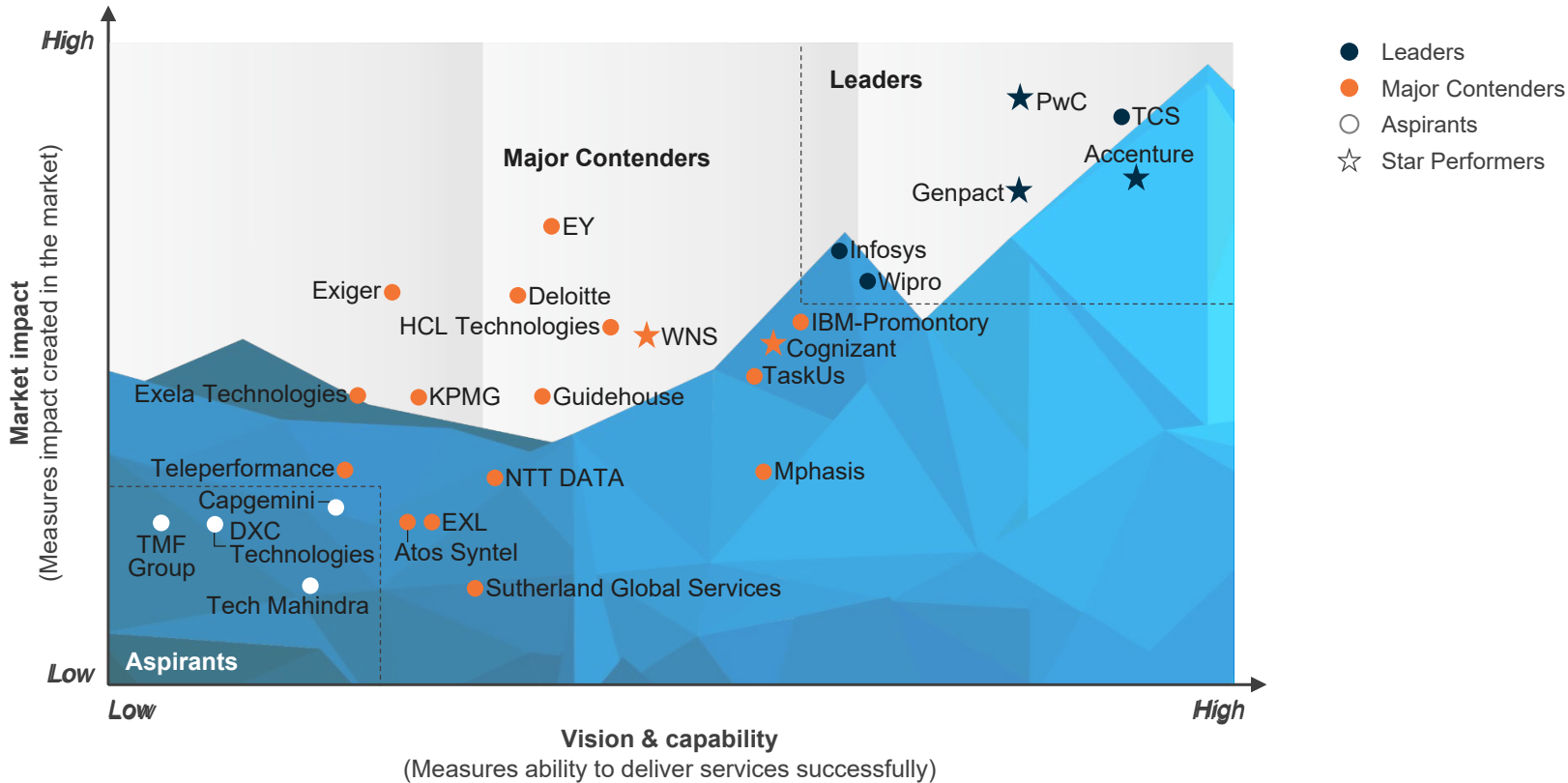
Capgemini, DXC Technology, Tech Mahindra, and TMF Group are the four Aspirants on the PEAK Matrix® for FCC operations.

Everest Group PEAK Matrix®

Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022 | Cognizant positioned as Major Contender and Star Performer



Everest Group Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022¹



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)

Cognizant | FCC operations profile (page 1 of 5)

Overview

Company overview

Cognizant provides information technology, consulting & advisory, and business process outsourcing services. The company operates its business through four segments – financial services, healthcare, manufacturing, retail & logistics, and others. In the context of FCC, the firm provides IT governance, risk, and compliance management solutions to its clients.

Headquarters: Teaneck, New Jersey, US

Website: www.cognizant.com

Key leaders

- Brian Humphries, Chief Executive Officer
- Ganesh Ayyar, President, Digital Operations
- Ramesh Ramani, Senior Vice President, Head of Markets for Digital Operations, BFS
- Sailaja Josyula, Head of Delivery, Digital Operations, BFS
- Anoop Nair, Head of Delivery, Banking Operations
- Robert Benyo, Leader, platform partnerships and GRC advisory
- Srikanth Koutha, Practice Lead, Payments and FCC

Suite of services

- AML and terrorism finance alert process
- Transaction monitoring
- Automated disputes claim cancellation
- iMeta platform configured to deliver Remediation-as-a-Service
- E-customer due diligence
- Politically Exposed Person (PEP) & sanctions
- Disputes and recovery
- Cards and payments–fraud management processes

FCC Operations	2019 ¹	2020 ¹	2021 ¹
Revenue (US\$ million)	Not disclosed		
Number of FTEs			
Number of clients			

Recent acquisitions and partnerships

- **2021:** partnered with FICO to enable its clients to purchase an integrated offering of operations and platform
- **2021:** partnered with Fenergo to support its clients in realizing their reboot of KYC and in capturing the opportunities for more automated reviews and maintenance
- **2021:** partnered with Clari5 to provide a set of offerings for clients seeking an integrated all-in-one alternative to aging or inadequate FCC solutions
- **2021:** partnered with Signzy to create integrated capabilities for banking clients that demand solutions requiring integration of eIDV along with CLM requirements
- **2021:** extended its partnership with LNRS to include a CoE focused on Bridger capabilities, along with a multitude of engagements focused on offering Screening-as-a-Service
- **2021:** partnered with APIAX to bring the microservice rule engine capabilities of APIAX to clients

Recent developments

- **2021:** developed an automation solution with UiPath tool for AML process where bot extracts the personal data from Siebel application and logs into client's internal application and extracts transaction details
- **2021:** integrated FinCrime operations with managed services, collaborated with its platform partners, and developed a holistic solution for clients to address backlog remediation and ongoing alert management
- **2021:** developed an RPA bot to block credit cards in the core banking application of the client and send SMS to the customer
- **2021:** developed a design for client outreach microsite, which can be used by the banks' end-clients to directly update their KYC data and documents via a portal into the bank's system of record, in a self-service model

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

Cognizant | FCC operations profile (page 2 of 5)

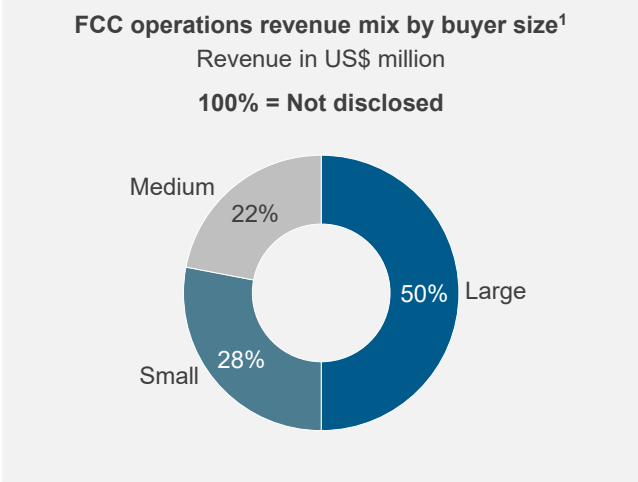
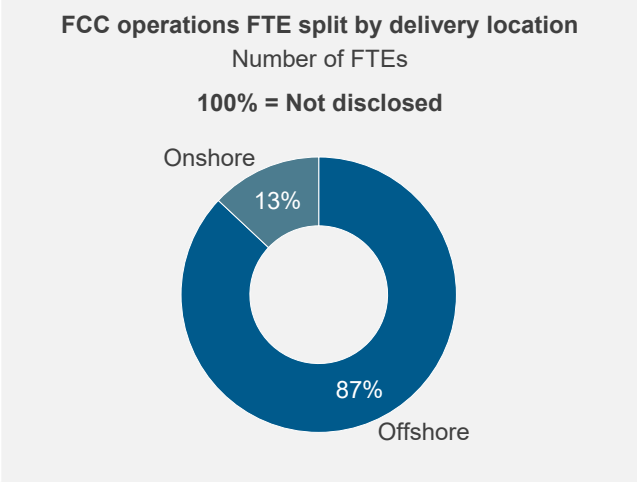
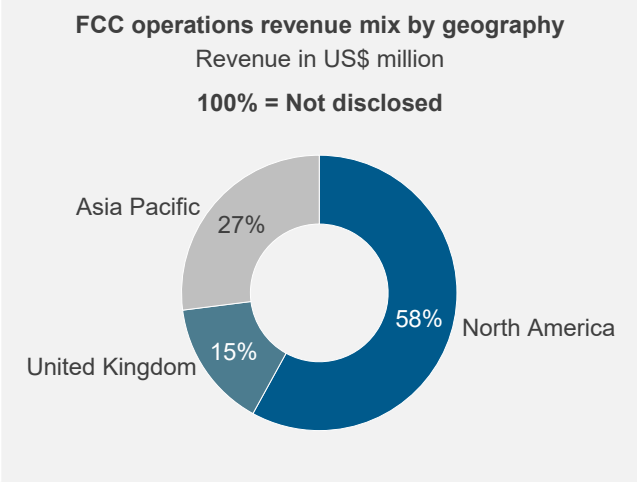
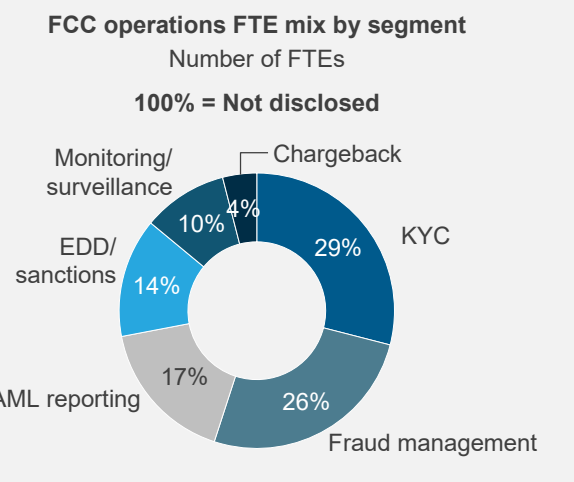
Key delivery locations



Cognizant | 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
A UK-based financial services company	KYC, EDD/sanctions, monitoring, and AML	UK	2021
A Canadian multinational financial services company	Fraud management	North America	2021
A US financial services firm	Fraud management	North America	2020
A leading global technology company	Fraud management	Global	2019
A global investment bank	KYC and EDD/sanctions	Global	2015
A large US asset manager	KYC	North America	2015



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)

Cognizant | FCC operations profile (page 4 of 5)










Technology solutions/tools

Application	LoB	Year launched	Description	No. of clients
Blocking cards	Credit card blocking	2021	An RPA bot to block credit card in the internal core banking application and send SMS to the customer	Undisclosed
Automated disputes claim cancel	Background screening	2021	Helps to cancel claim	Undisclosed
Fraud management as a service	End-to-end fraud management	2021	Provides context-aware 360° financial crime and fraud operations workflow in partnership with Fico and Clari5	Undisclosed
Name Screening 2.0	Onboarding and periodic review	2020	A solution to review the monthly KYC request received from front-end and compliance using different search engine for validation of data	Undisclosed
Debit card disputes chargeback	Background screening	2020	Processes charge backs on all CNP (card not present) charges greater than 16 days where the charge back criteria are met	Undisclosed
Disputes auto provisional credit	Background screening	2020	Helps dispute charges to be verified in adjustment hub and processes the batch in APA	Undisclosed
Payment sanctions	Fraud management	2020	A solution for detection, prevention, and disruption of financial crime, especially in sanctions risk for inward payment	Undisclosed
International incoming wires	AML reporting	2020	An RPA bot to download the previous business days' International Incoming Wire (IWW) report from the client's portal and preform initial scans against a series of business-defined whitelists	Undisclosed
iMeta platform configured to deliver Remediation-as-a-Service	Data and document sourcing, background screening, KYC profile completion, and quality review	2020	A tool to provide Remediation-as-a-Service for KYC. Input client data is uploaded into the platform, and the completed KYC file is generated as the output	Undisclosed
Client outreach microsite (accelerator)	KYC data & document sourcing and client outreach	2020	A client outreach portal front-end to enable banks' end-clients to directly update KYC data and documents into the bank's system of record	Undisclosed

Cognizant | FCC operations profile (page 5 of 5)

Everest Group assessment – Major Contender and Star Performer

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

- Cognizant has developed capabilities across all LoBs in FCC operations and there is growing adoption from clients in the AML, fraud management, and chargeback segments
- It has established its presence in most of the leading buyer geographies such as North America, Asia Pacific, and the UK, with a balanced mix of clientele based on buyer size
- It is steering its focus on pandemic-induced market demand by developing capabilities in fraud management processes and catering to non-traditional financial clientele such as FinTechs and neo-banks
- Cognizant is investing in establishing a cross-skilled talent pool that can be leveraged across value chains within the FCC domain
- Cognizant is fortifying its delivery capability through partnerships with firms such as FICO, Fenargo, Clari5, LNRS, and APIAX

Limitations

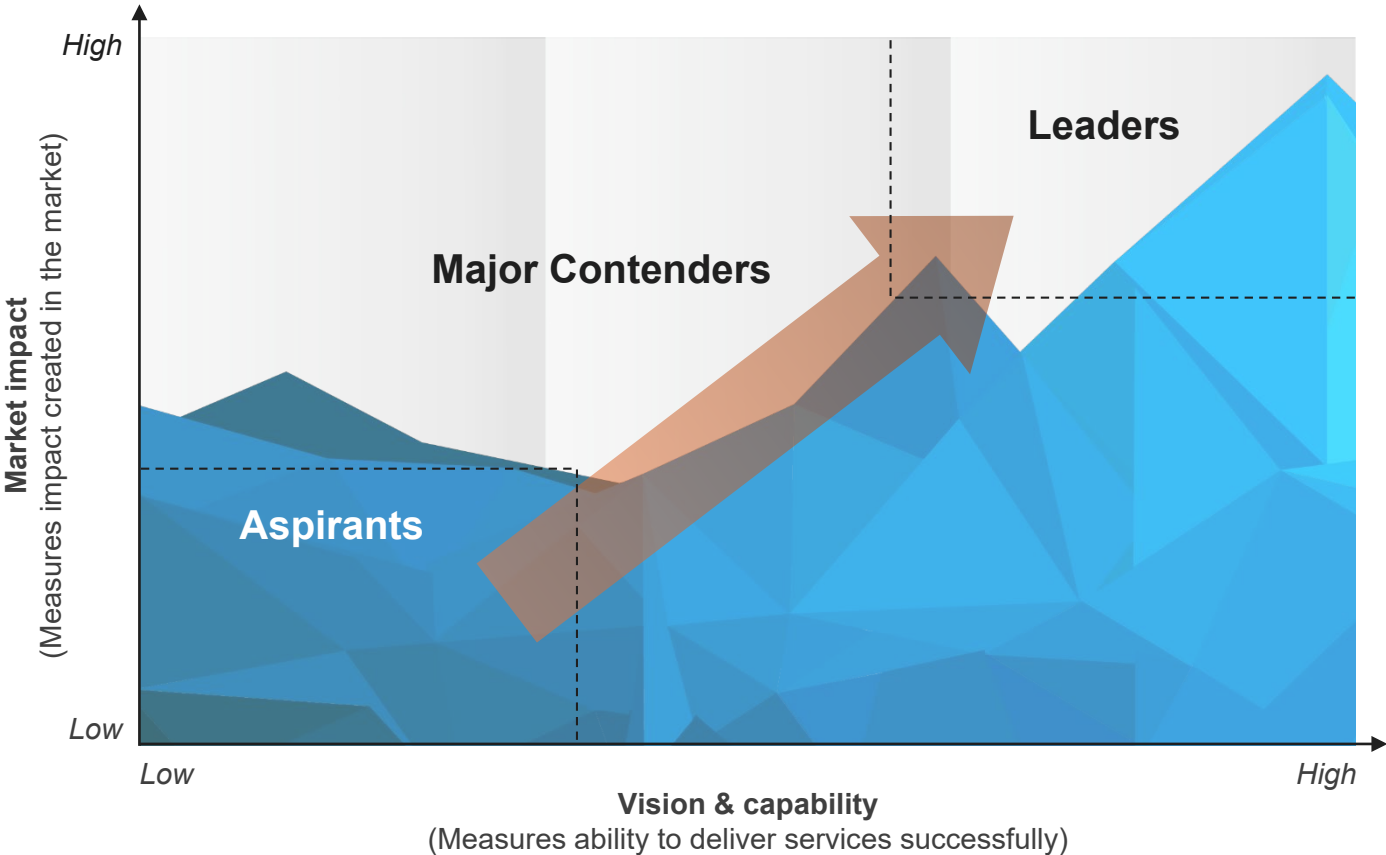
- With its current capabilities in all LoBs, the overall market adoption for its FCC operations offerings is still low
- Despite significant investments in technology and digital solutions, Cognizant has not fully leveraged the same in its engagement across the FCC value chain processes
- Cognizant has an offshore-heavy delivery model for FCC, which could be an impediment to clients looking for a more balanced delivery footprint
- Although Cognizant has expanded its fraud management processes, some of its clients highlight that this has remained underdeveloped
- Clients would like to see a more robust approach toward talent retention policies; attrition and workforce management has been mentioned as key areas for improvement

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

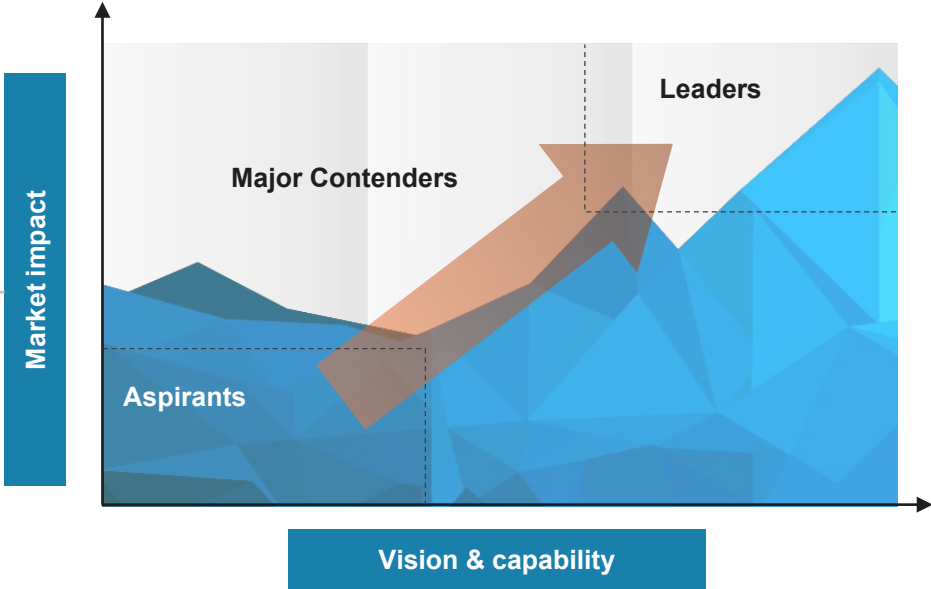
Number of clients, revenue base, YoY growth, and deal value/volume

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



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.

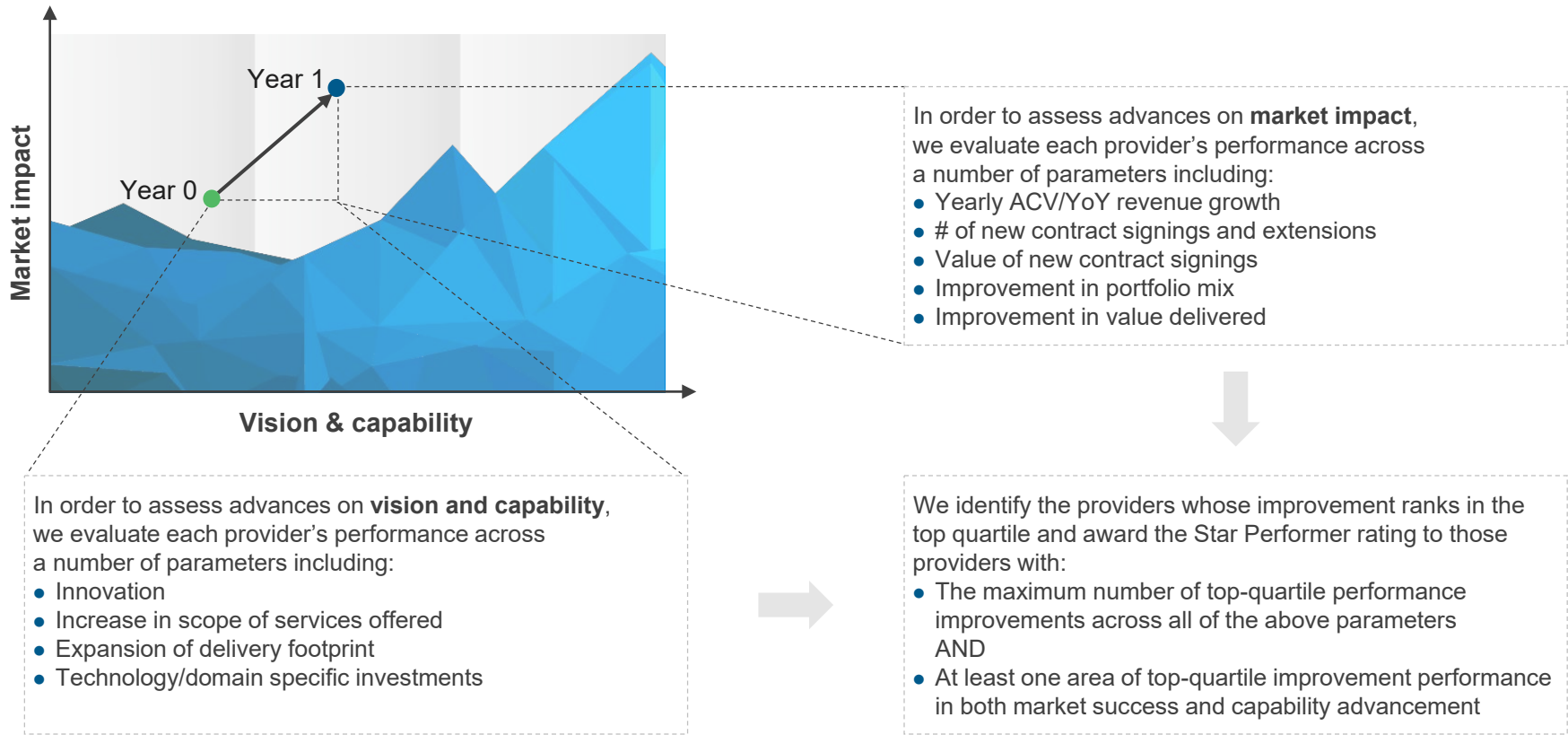
Delivery footprint

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



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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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
+1-647-557-3475

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