



Everest Group PEAK Matrix[®] for Risk & Compliance in BFS IT Service Provider 2023

Focus on NTT DATA
January 2023



Background of the research

- Banking and Financial Services (BFS) firms are undergoing regulatory changes across cybersecurity, KYC/AML, ESG, crypto, climate risk, enterprise risk, financial crime, and financial risk management
- BFS firms face challenges in transforming Risk and Compliance (R&C) functions because of their legacy IT systems that act as roadblocks in using modern technologies such as AI/ML for analytics-driven risk assessment and regulatory reporting
- ESG is no longer merely a compliance task for enterprises as they look to undertake a massive transformation and bring in widespread changes across the organization. Enterprises are looking to evaluate how climate and social factors impact their pillars of risk, track ESG impact on their financial products, and create new services that drive sustainable outcomes
- Service providers are investing in partnerships with technology vendors and building solutions to help BFS firms better manage their risk and compliance function. They are augmenting their service capabilities by investing in tools, accelerators, CoEs, and talent to strengthen their advisory and implementation practices for risk & compliance in BFS

In this research, we present an assessment and detailed profiles of 26 leading service providers featured on the Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2023. Each 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 2022, interactions with leading IT service providers, client reference checks, and an ongoing analysis of the risk & compliance IT services market.

This report includes the profile of **NTT DATA** as featured on the [Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2023](#).

The full report includes the profiles of the following 26 leading service providers featured on the Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2023:

- **Leaders:** Accenture, Capgemini, Cognizant, HCLTech, IBM, Infosys, NTT DATA, TCS, and Wipro
- **Major Contenders:** Atos, Deloitte, DXC Technology, EY, Hitachi Vantara, KPMG, LTI, Maveric Systems, Mindtree, Mphasis, PwC, Tech Mahindra, and Virtusa
- **Aspirants:** Birlasoft, Happiest Minds, NSEIT, and Zensar

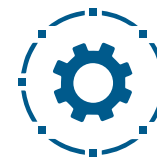
Scope of this report



Geography
Global



Providers
26 IT service providers



Services
Risk & compliance in
BFS IT services

Risk & Compliance in BFS IT services PEAK Matrix® characteristics

Leaders:

Accenture, Capgemini, Cognizant, HCLTech, Infosys, IBM, NTT DATA, TCS, and Wipro

- Leaders are trusted partners in addressing risk & compliance challenges for BFS enterprises and have a proven track record of delivering end-to-end solutions across the risk and compliance value chain
- They differentiate themselves by having a long-term vision in managing risk & compliance themes such as climate risk, sustainability, and cybersecurity, which are on top of the CXO agenda
- As large enterprises have taken initiatives to expand their business to digital assets, cryptocurrency, and metaverse, Leaders have proactively built solutions and are testing PoCs that addresses risk & compliance challenges in these areas
- Leaders also have a strong global presence, innovative commercial models, ability to hire and upskill the best talent in the industry, and co-innovation with clients by setting up research and innovation labs. Leaders proactively address data management and regulatory compliance challenges by leveraging AI/ML and cloud to build solutions that align with client needs

Major Contenders:

Atos, Deloitte, DXC Technology, EY, Hitachi Vantara, KPMG, LTI, Maveric Systems, Mindtree, Mphasis, PwC, Tech Mahindra, and Virtusa

- Major Contenders have mature services offerings for BFS enterprises across risk & regulatory compliance. They have made significant headways in expanding their regulatory compliance offerings to Europe as BFS enterprises face challenges in meeting regulations
- They have grown their partnerships with platforms and consulting firms in niche areas of risk, analytics, financial crime, and regulatory reporting
- Major Contenders have also built proprietary solutions and frameworks around data lineage, data standardization, ESG, and AML/KYC standards

Aspirants:

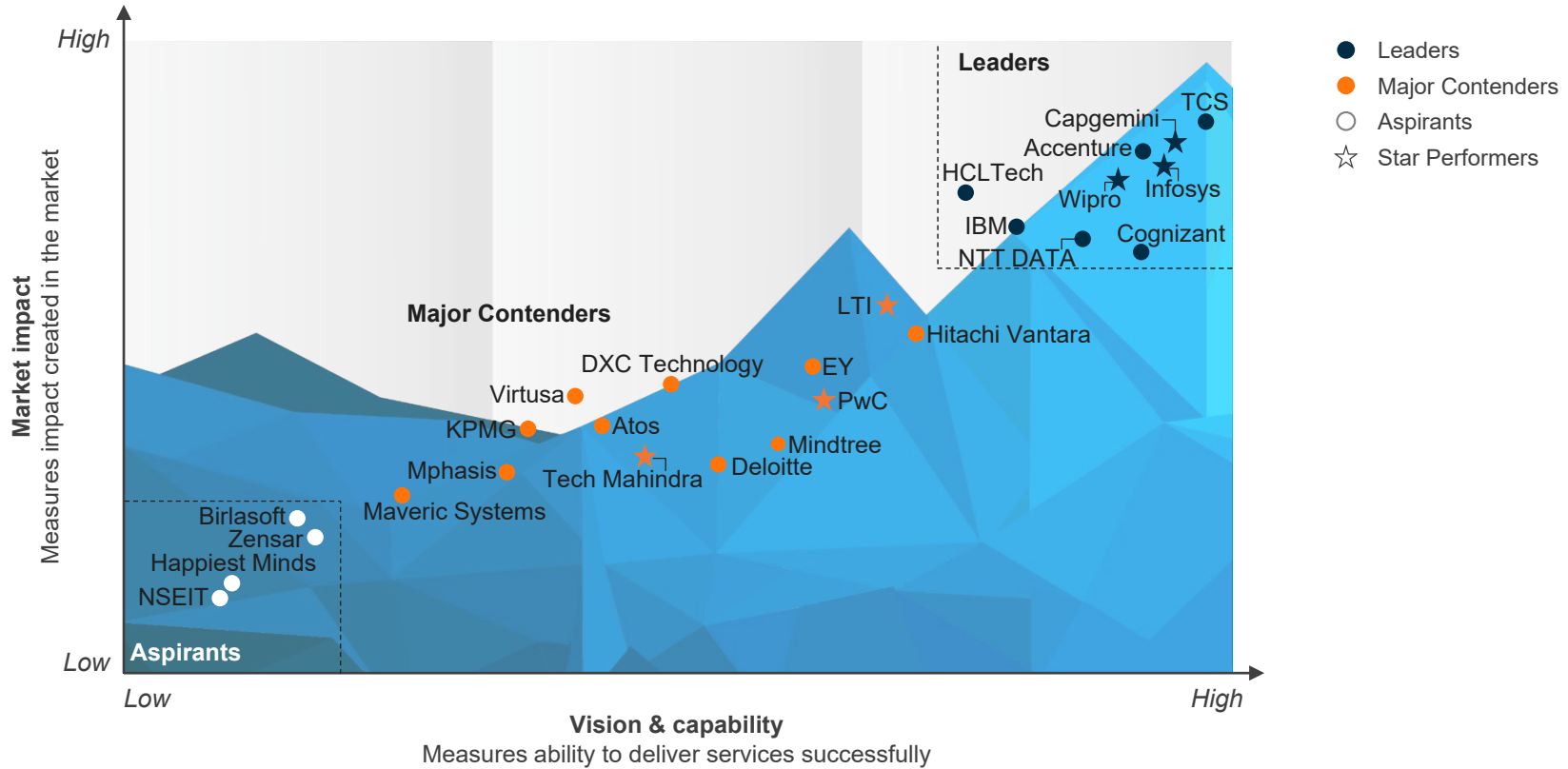
Birlasoft, Happiest Minds, NSEIT, and Zensar

- Aspirants, with their limited services scope, cater to specific geographies and offer point solutions in niche areas of compliance and identity and access management
- They differentiate themselves by being highly responsive to client-specific needs in small scale transformation deals

Everest Group PEAK Matrix®

Risk & Compliance in BFS PEAK Matrix® Assessment 2022 | NTT DATA positioned as Leader

Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2022^{1,2}



1 Assessment for Accenture, Atos, Birlasoft, Deloitte, DXC Technology, EY, Happiest Minds, IBM, KPMG, NSEIT, PwC, and Zensar excludes service provider inputs on this 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.

2 The analysis of LTI and Mindtree are based on their capabilities before merger

Source: Everest Group (2022)

NTT DATA | risk & compliance in BFS IT services profile (page 1 of 4)

Overview

Company overview

The vision of NTT DATA is to transform an organization into a techno-functional advisory practice by focusing on technology solutions that help clients enable risk management across the enterprise. It forms partnerships with software companies in economic forecasting, financial crime prevention, fraud, and consumer behavior to address the challenge associated with an economic recession.

Key leaders

- Edmund Tribue
- Rahul Malhotra
- Luca Pozzoli
- Niraj Singhal
- Tobias Zulch
- Antonio Santano Sanchez

Headquarters: Tokyo, Japan

Website: us.nttdata.com/en/

Delivery footprint

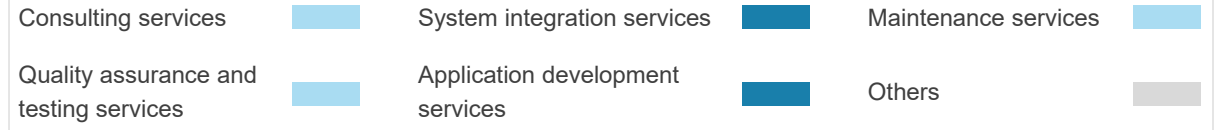
Ranges for FTEs: <100, 100-500, 500-5,000, >5,000

Region	Key cities	No. of FTEs
North America	Plano, Charlotte, and New York	<100
United Kingdom	London and Dublin	< 100
Europe (excluding UK)	Munich, Berlin, Madrid, Barcelona, Portugal, Milan, and Bucharest	100-500
Asia Pacific	Chennai, Bangalore, Noida, Tokyo, and Singapore	100- 500
Latin America	Chile and Mexico City	<100
Middle East & Africa	N/A	

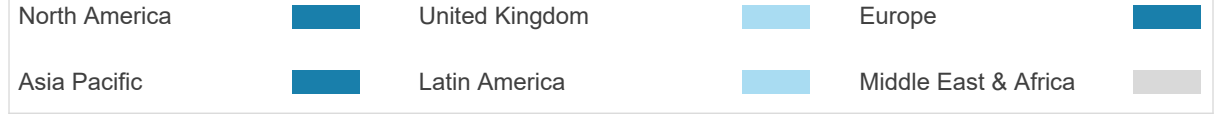
Source: Everest Group (2022)

NA (0%)
 Low (1-20%)
 Medium (20-40%)
 High (>40%)

Risk & compliance IT services revenue mix in BFS by services scope



Risk & compliance IT services revenue mix in BFS by geography



Risk & compliance IT services revenue mix in BFS by buyer size



Number of active clients for risk & compliance in BFS IT services



Revenue from risk & compliance in BFS IT services



NTT DATA | risk & compliance in BFS IT services profile (page 2 of 4)

Client success stories

NOT EXHAUSTIVE

Case study 1

Data remediation, automation, and BAU support

Business challenge

The bank wanted to assess its current AML/KYC data model and migrate two wholesale portfolios to a new third-party KYC workflow platform. Additional support was needed to identify deficient or missing data and to create and implement an approach to remediate and/or validate final data sets for migration.

Solution

- NTT developed an approach and implemented a proprietary data orchestration tool to analyze, manage, prepare, convert, and migrate SOR data to the client's new system
- Supported Line of Business validation and remediation efforts while capturing and flagging any changes in live or remediated data

Impact

- Streamlined data analysis of complex client structures and aligned with the required target data migration model
- Provided advanced analytics, gap analysis, testing, and data governance
- Enabled the client to quickly shift approach and realign priorities of data management to reduce development time and realize savings in maintenance cost

Case study 2

Product implementation and data privacy

Business challenge

An Italian banking group undertook an initiative intended to evolve the endpoint security solution. The current anti-malware solution could not cope with file-less attacks, exploits, and live attackers or insiders. It was also complex and expensive to manage and difficult to scale.

Solution

- NTT DATA Italia proposed a state-of-the-art solution based on the CrowdStrike Falcon EPS platform
- CrowdStrike next-generation AV provided malware protection based on machine learning and behavioral analytics as well as extensive prevention of privilege escalation, ransomware, zero-day attacks, and enhanced protection from anonymous malware
- Integration with Splunk via API to provide a single control panel for SOC/cyber analysts

Impact

- Deployed more than 1,50,000 hosts without any reporting of problems by administrators or users
- The configuration and related tuning were carried out in a transparent way

NTT DATA | risk & compliance in BFS IT services profile (page 3 of 4)

Key offerings and investments

NOT EXHAUSTIVE

Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver risk & compliance IT services to BFS customers across the following themes

Name	Details
KYC flow platform	Includes KYC and AML service offerings powered by NTT DATA's enterprise intelligence platform (Nucleus) delivered as an end-to-end solution or via individual components including intelligent data extraction and predictive analytics
KYC/AML maturity model	Helps to assess current state KYC/AML maturity levels, enable provisioning of target state criteria, and create roadmaps for each maturity level to drive KYC maturity enhancements
Fraud maturity model	Discrete sequence of maturity levels and evolutionary paths for fraud programs and technology. Assesses current state fraud maturity levels, enables provisioning of target state criteria, and creates roadmaps for each maturity level to drive fraud maturity enhancements
DynaCode	MFA mechanisms to eliminate SMS and push notifications
Regulatory as a Service	Application management for regulatory reporting including business excellence topics

Key investments in partnerships/alliances/talent/certifications/CoEs/ M&As/JVs etc. to deliver risk & compliance IT services to BFS enterprises










Name	Type of investment (year)	Details of investment
Risk and compliance academy	Training (2022)	Seven weeks long risk and compliance course that leverages key leaders, subject matter experts, and supplemental materials/exercises to enhance the participant's knowledge in the risk and compliance space.
Experian	Partnership (2022)	Provides access to opportunities in a population segment that NTT DATA does not currently support and synergies by leveraging Experian's products, solutions, and data assets to enhance risk and compliance offerings across verticals.
Federated learning machine for AML	Training (2021)	Started a collaboration aimed at creating a central information system to reduce AML events. This PoC collects all the suspect transactions coming from the banks, and after further analysis performed by an ML engine, gives feedback to participating banks in order to create a better surveillance system.
Regulatory and compliance chapter	Training (2019)	Educate and certify resources in regulatory compliance and regulatory reporting including market standard tools for reporting focused on banking subverticals.
NICE Actimize	Partnership (2017)	Formed a partnership while implementing the platform for a large bank in the UK for giving support and advice to AML, CFT, and fraud areas.

Source: Everest Group (2022)

NTT DATA | risk & compliance in BFS IT services profile (page 4 of 4)

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

- NTT DATA offers a well-balanced services portfolio for risk & compliance in BFS including consulting, implementation, operations, and application services
- Major investments in trainings, certifications, and upskilling/reskilling employees in the R&C space. It has set up a risk & compliance academy and a digital learning institute
- Defined a new offering called digital compliance (people with RPA/AI/ML background working with SMEs on risk & compliance)
- Comprehensive alliance ecosystem via recent partnerships with providers such as Feedzai, Process Unity, Fraud.net, and Clamtiq; focus on blockchain, data analytics, and ESG alliances
- Dedicated CoEs for KYC processing, testing, AI-based AML services, and provider risk management with a balanced delivery footprint with presence in Europe, North America, and APAC
- Strong focus to develop a complete suite of tools for sustainability in BFS (already launched tools such as IT application carbon footprint calculator and Eco-PFM, which help in carbon foot printing)
- Clients have appreciated NTT DATA for being a strategic partner, staying goal-oriented, and providing skilled SMEs

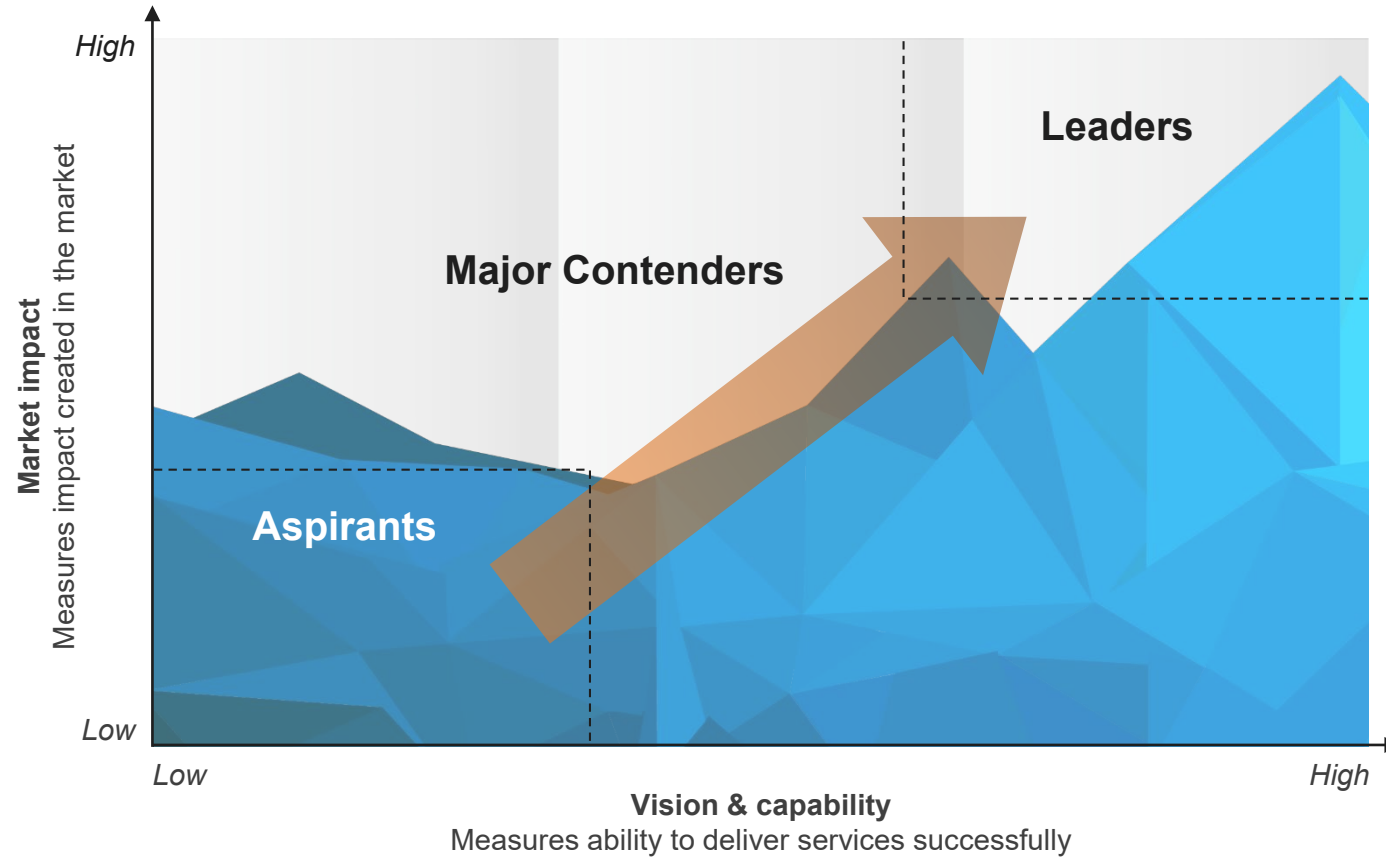
Limitations

- High concentration of revenue from APAC; has scope to expand presence in other mature markets including North America and Europe when compared with peers of similar scale
- Existing clients cite knowledge transfer management issues as employees transition from the engagement and new people come in
- Disproportionate focus on certain areas such as KYC/AML technology & operations, regulatory compliance management, and fraud; limits the ability to capture end-to-end risk & compliance transformation engagements when compared to peers
- Clients have mentioned that NTT DATA can improve in providing innovative pricing constructs as it currently lags peers in offering/managing commercial flexibility

Appendix

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

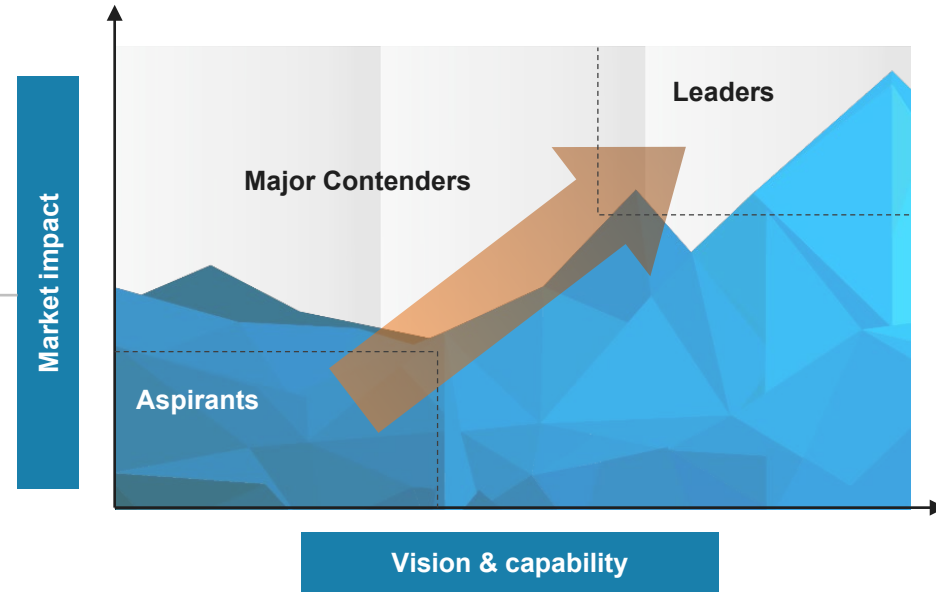
Everest Group PEAK Matrix



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



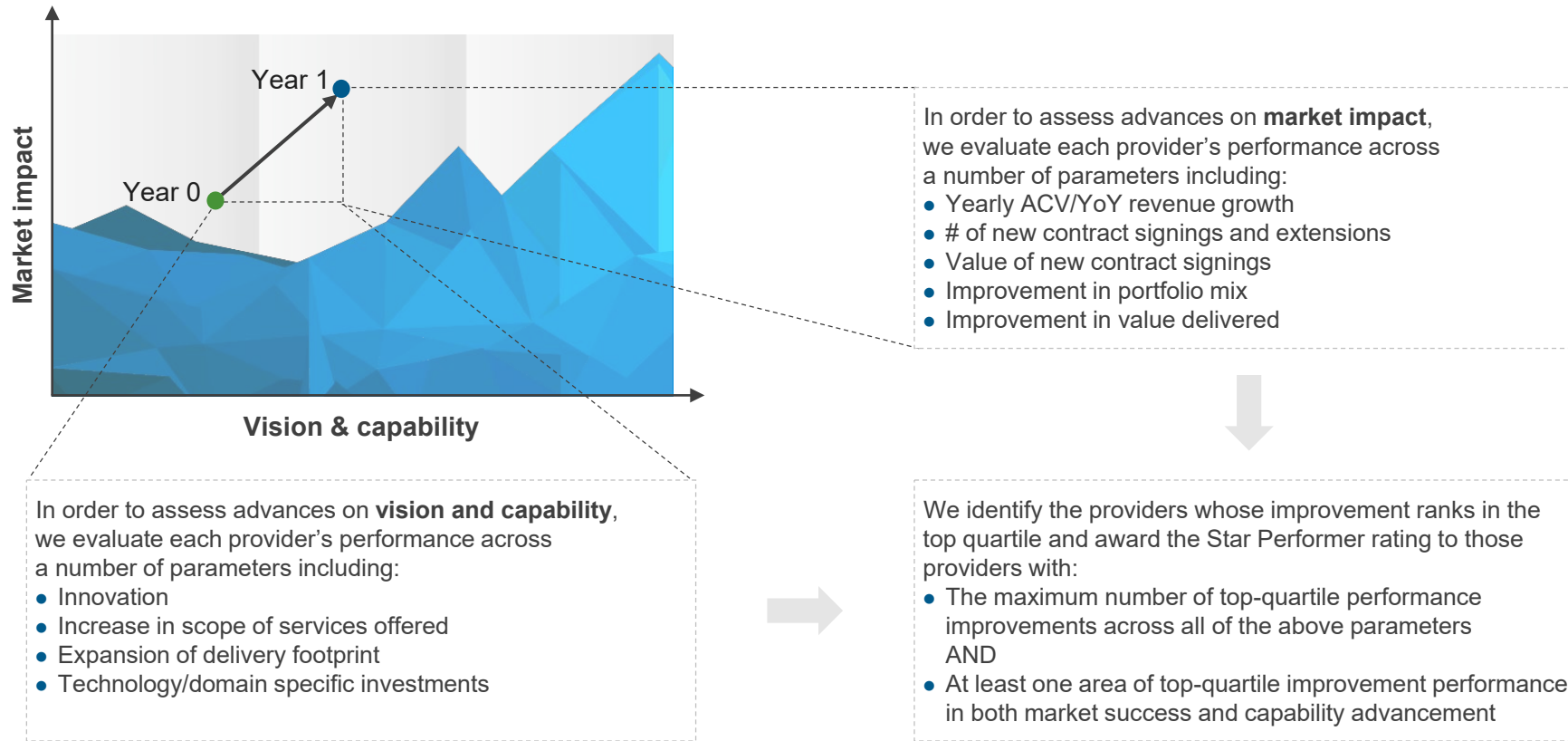
Measures ability to deliver services successfully. This is captured through four subdimensions

- 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 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 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.



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.

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