Everest Group PEAK Matrix® for Application and Digital Services (ADS) in Life and Annuity (L&A) Insurance Provider 2023

Focus on NTT DATA
December 2022

Background of the research

L&A insurance carriers have continued to face extensive reliance on manual nature of operations and an aging technology stack with a need to meet evolving consumer expectations and a shifting demographic landscape. L&A insurers, therefore, need support from their service providers to accelerate their digital transformation journey enabling data-driven & intelligent workflows, accelerated underwriting, improved omnichannel experience, and faster time-to-market. In the recent years, these insurance carriers have been leveraging emerging technologies such as RPA, AI/ML, and wearables/IoT to achieve business-oriented outcomes and improve the end experience for both policyholders and agents/brokers. Insurance carriers need to undertake a cohesive approach to managing these changes across the organization in order to realize their full benefits. Service providers that can help enterprises to successfully implement this target state vision and overcome challenges in talent shortages, change management, and long-term profitability.

In this research, we present an assessment and detailed profiles of 21 leading IT service providers featured on the Application and Digital Services in L&A Insurance PEAK Matrix®. 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 insurance IT services market.

The full report includes the profile of **NTT DATA** as featured on the Application and Digital Services (ADS) in Life and Annuity (L&A) Insurance – PEAK Matrix® Assessment 2023
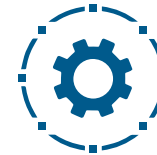
Scope of this report

Geography
Global

Providers
21 leading IT service providers

Services
Application and digital services in L&A insurance

Application and Digital Services (ADS) services in Life and Annuity (L&A) Insurance PEAK Matrix® characteristics

Leaders:

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

- Leaders have differentiated themselves through their holistic consulting and execution expertise combined with providing a breadth of solutions across the digital technology stack
- Leader have been appreciated for their capability to act as a strategic partner for L&A clients by driving a business-first approach to transformations

Major Contenders:

Atos, Coforge, DXC Technology, EPAM, HCLTech, LTI, Mindtree, Mphasis, Tech Mahindra, Virtusa, and Zensar Technologies

- Major Contenders are differentiating themselves via investments in expanding their partnership ecosystem with hyperscalers (such as Atos, Coforge, and HCLTech) as well as InsurTechs (such as DXC Technology) to provide contextualized solutions with the help of the extended ecosystem to L&A carriers
- Major Contenders have been appreciated for technical expertise by their L&A clients and are focusing on sharpening their IPs, solutions portfolio, and accelerators to assist clients with unstructured data processing, health data integrations, and product development

**Aspirants:**

Aspire Systems, Comarch, and Damco Solutions

- Aspirants are focusing on strengthening their credentials by building capabilities specific to the L&A insurance market demand themes such as agent/broker sales enablement, automated workflow management for document processing & data intake, and superior quoting and illustrations cycle
- Aspirants are also investing in building their SI, implementation, and support capabilities on third-party platforms in order to improve their value proposition for L&A carriers in the regions they serve

Everest Group PEAK Matrix®

Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance – PEAK Matrix® Assessment 2022 | NTT DATA positioned as a Leader and Star Performer

Everest Group Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance – Services PEAK Matrix® Assessment 2022[1,2]
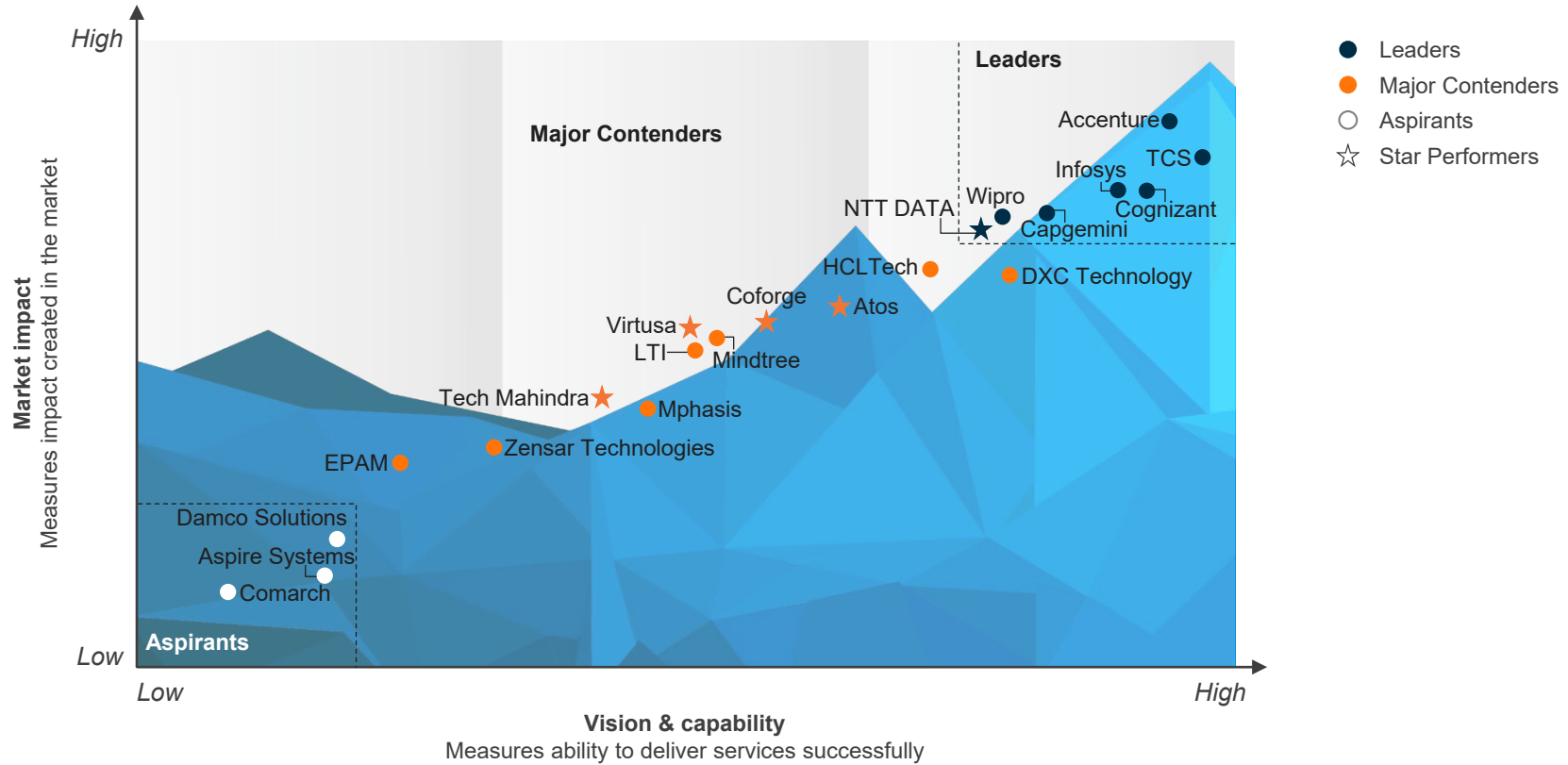
1. Assessments for Comarch, Damco Solutions, DXC Technology, and EPAM excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, public disclosures, and Everest Group's interactions with insurance buyers
2. Assessment for LTI and Mindtree is based on their individual capabilities before the merger

Source: Everest Group (2022)

NTT DATA | application and digital services in L&A insurance profile (page 1 of 4)
Overview

NOT EXHAUSTIVE

Vision for ADS in L&A insurance practice:
NTT DATA aims to enable new business models for L&A insurers as they increasingly adopt digital platforms and focus on ecosystem innovation, advanced analytics, and AI adoption. It also plans to augment capabilities to assist them with launch of new products.

ADS in L&A insurance revenue

<US$20 million	US$20-50 million	US$50-100 million	>US$100 million
			>US$100 million

Number of active clients for ADS in L&A insurance

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

Delivery footprint

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

Region	Key cities	No. of FTEs
North America	Lincoln, Plano, Boston, New York, Omaha, Oklahoma City, Mexico, and Nashville	>500
United Kingdom	London	>500
Rest of Europe	Madrid, Barcelona, Munchen, Milano, and Roma	>500
Asia Pacific	Chennai, Coimbatore, Noida, Gurgaon, Bangalore, Shenyang, Tokyo, Hangzhou, Osaka, and Okinawa	>500
Latin America	Santiago, Sao Paulo, and Buenos Aires	>500
Middle East & Africa	-	N/A

1   Based on Everest Group estimates (2022)
2   Others include AR/VR, blockchain, social media, etc.

ADS in L&A insurance revenue mix

Legend: Low (<15%) | Medium (15-30%) | High (>30%)

By Line of Business (LoB)

Annuities-fixed — Medium	Annuities-variable — Low	Life-group — Medium
Life-individual — High	Retirement and pensions — Medium	

By geography

North America — Medium	United Kingdom — Low	Rest of Europe — Medium
Asia Pacific — High	Latin America — Low	Middle East & Africa — Low

By services scope

Application development — High	Application maintenance — Medium	Consulting services — Low
Quality assurance — Low	System integration — Medium	Others — Low

By digital services segment

Automation, big data, and AI/ML — High	Cloud — High	Cybersecurity and data privacy — Low
IoT and wearables — Low	Others[2] — Medium	

By buyer size[1]

Small (annual client revenue <US$1 billion) — Low	Medium (annual client revenue US$1-5 billion) — High	Large (annual client revenue US$5-10 billion) — Low
Very large (annual client revenue US$10-20 billion) — Medium	Mega (annual client revenue >US$20 billion) — High	

NTT DATA | application and digital services in L&A insurance profile (page 2 of 4)
Key solutions and investments

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Top five proprietary solutions/frameworks/accelerators/tools developed internally to deliver application and digital services to L&A insurance clients	
Solution name	**Details**
GIDP	GIDP is an end-to-end solution framework built to address client concerns around launching products, customer servicing, and automating business processes while also providing support to implement systems of engagement.
eVA (everis virtual agent)	An omnichannel solution that can answer questions and carry out transactions while ensuring a fluid experience while coordinating multiple conversations between various channels.
Call center optimization	A solution that provides AI and speech recognition capabilities and a platform to facilitate optimized call center interactions
Intelligent automation for L&A insurers	The framework helps insurers strategize and build roadmaps while also enabling implementation of intelligent automation capabilities across the insurance value chain.
ComAnalyzer	An AI-based automation tool that helps in visualizing impressions from facial expressions, emotions, and voices for insurance sales agents

Top five partnerships/alliances/M&As/JVs leveraged to deliver application and digital services to L&A insurance clients		
Name	**Type of investment**	**Details**
Acorio	M&A	Merger is aimed at strengthening NTT DATA's play in ServiceNow consulting capabilities
Atidot	Partnership	This collaboration is aimed to provide data on proactive actions that can be taken to enhance customer experience, optimize operations, proactively mitigate risks, and increase channel profitability
Intra-Mart	Partnership	This partnership is aimed at focusing on leveraging Infra-Mart's interactive business process management system for managing and automating business processes for L&A carriers
SMARTCOM	Partnership	Digital multichannel communications engine that rapidly assembles customer communication using standardized templates to create a true single view of the customer
FAST	Partnership	PAS that enhances rapid product launch/insurer in a box capabilities for life and annuities, including variable products

NTT DATA | application and digital services in L&A insurance profile (page 3 of 4)
Key case studies

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Case study 1	L&A insure in the US chose NTT DATA to provide rapid product roll-out and innovation

Business challenge
The client recognized the need for a modern digital experience for both customers and producers and wanted to create a unique digital CX and be innovative in both its product offering and speed-to-market.

Solution
- Provided a flexible solution by partnering with FAST
- Enabled the insurer to utilize FAST's core systems for creating and rapidly launching innovative insurance offerings
- Brought CX expertise to the solution through the creation of a modern digital customer experience

Impact
- Enabled increased efficiency through the digitalization of operational processes
- Fostered rapid development and launch of products
- Facilitated the conversion of the existing blocks of business
- Increased customer satisfaction with digital customer experience

Case study 2	Top L&A insurer wanted to create digital customer experience enablement

Business challenge
The client needed a new customer-facing system to support remote customer interactions. The client wanted a solution to meet customer data privacy requirements for passing health status and medical history information, as required by compliance laws.

Solution
- Analyzed insurance-specific compliance requirements, business processes, technical feasibilities, and digital CX enhancement
- Developed a system that enables remote-based and end-to-end sales engagement procedures to solve the challenges
- In April 2021, it started trials with several insurance companies, including feasibility analysis, and released FG-TriView in January 2022

Impact
- Enabled insurance agents to handle remote-based and end-to-end processes including insurance contracting that require meeting compliance laws and protecting privacy data from insurance agents
- Improved customer interactions by digitization (satisfaction rate, contract closing rate, and operational efficiency) of the remote environment

Case study 3	US & Australian L&A insurer in scaling hybrid cloud journey and building a microservices-based architecture

Business challenge
The client wanted to transform legacy architecture, core & auxiliary systems, and business processes. It lacked agility and flexibility and had many manual processes and repetitive tasks. It was unable to leverage assets across operations in other regions.

Solution
- Delivered a cloud-first digital architecture, which created the foundation to deliver cost transformation while enhancing the customer experience
- Decommissioned legacy systems to avoid the risk of lapse rates surging higher than the projected due to inadequate CX

Impact
- New operating model
- New digital customer journeys
- Enabled increase in self-service operations to 85%
- Created a set of reusable assets that are being deployed globally

NTT DATA | application and digital services in L&A insurance profile (page 4 of 4)
Enterprise sourcing considerations – Leader 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

- NTT DATA demonstrates a well-balanced presence across onshore, nearshore, and offshore locations

- NTT DATA was strongly recognized by clients for providing a scaled talent pool skilled in regional language service delivery such as in LATAM, maintaining strong communication channels, program governance, and flexibility during engagements

- Its continued focus on investments in developing Global Insurance Digital Platform (GIDP) to enable end-to-end services for insurance functions and partnerships with InsurTechs and platform providers such as Atidot, Intra-Mart, SMARTCOM, and FAST to provide core transformation, insight-driven decision making, and multi-channel communications for L&A insurance clients have helped it enhance its value proposition and gain market traction

Limitations

- NTT DATA should look to expand its revenue share from other geographies such as North America and Continental Europe in order to diversify its revenue base and ensure stable growth in the future

- Clients have cited dissatisfaction in NTT DATA's capability in its agile methods of software services delivery and expect better management of engagements that involve more iterative solutioning approaches

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Appendix

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

Everest Group PEAK Matrix
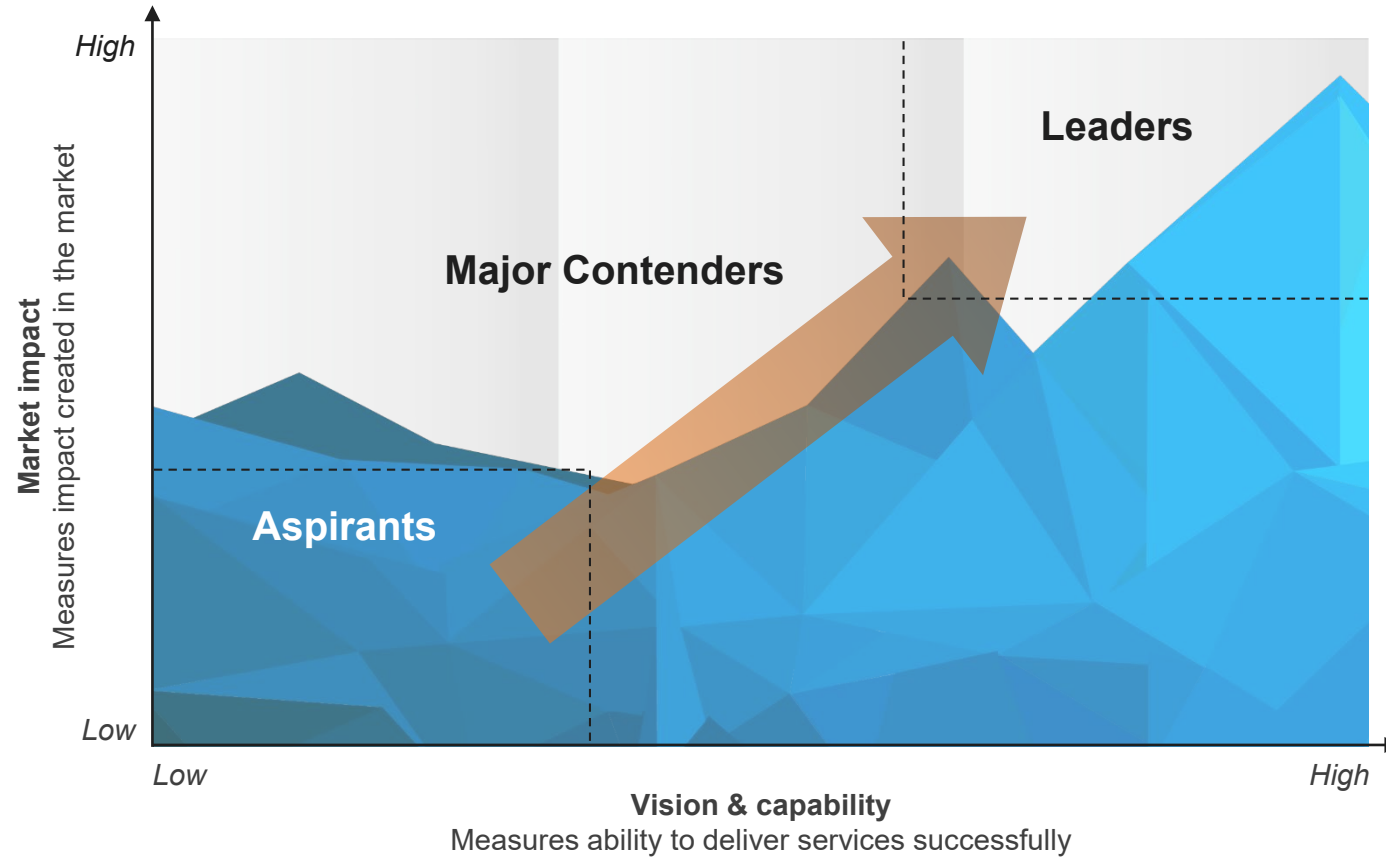
Services PEAK Matrix® evaluation dimensions

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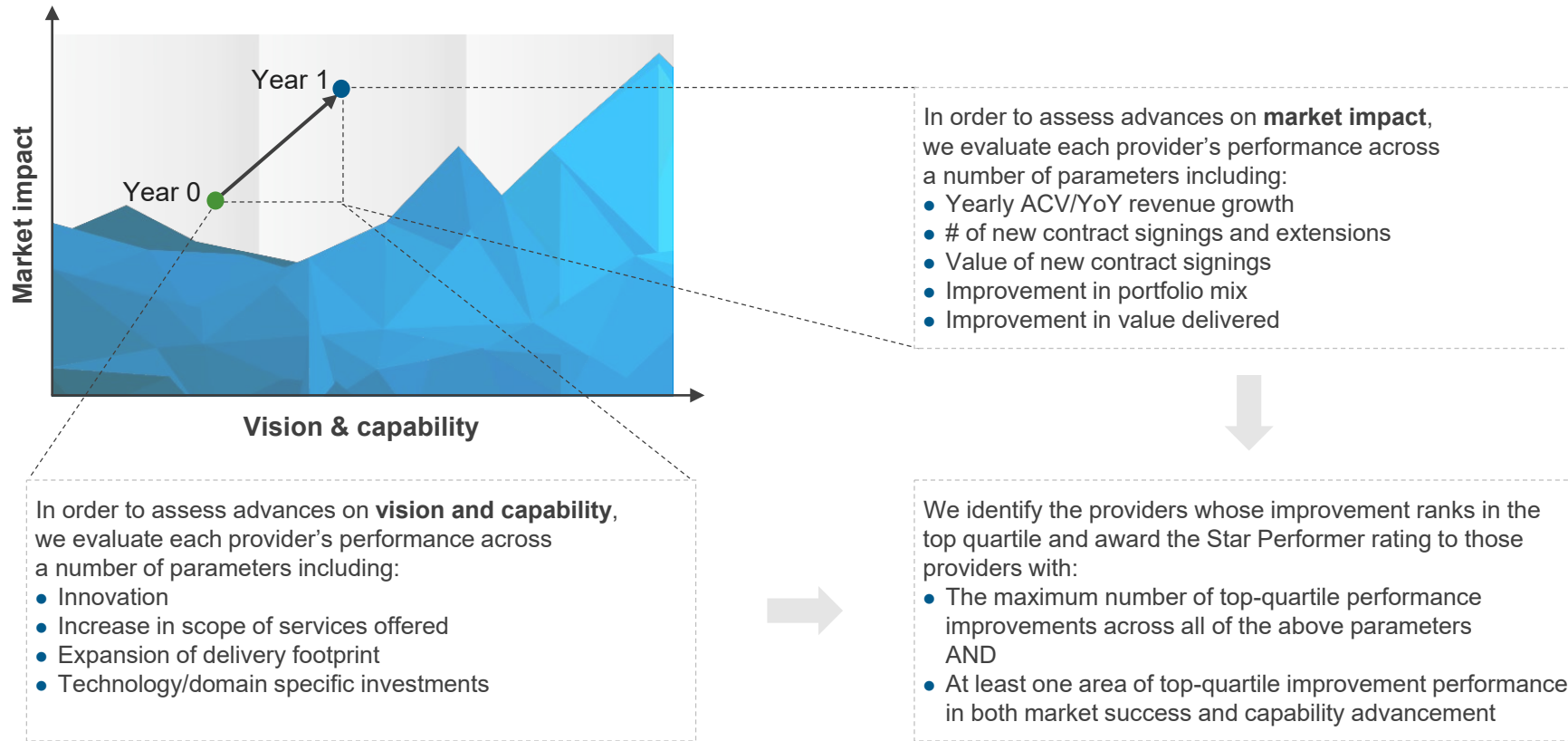
Vision & capability
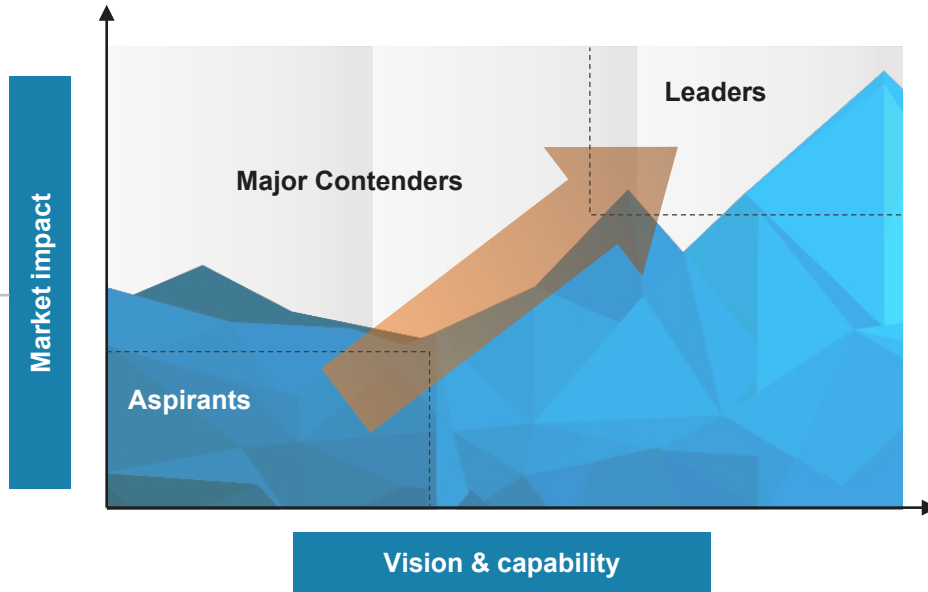
Measures ability to deliver services successfully.
This is captured through four subdimensions

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 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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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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