

Everest Group PEAK Matrix[®] for Application and Digital Service (ADS) Providers in Life and Annuities (L&A) Insurance 2021

Focus on Infosys
February 2021



Background of the research

Life and Annuities (L&A) insurers are facing dual pressures – significant profitability pressures due to interest rate depressions around the globe and increasing legacy technology costs due to outdated core systems and modernization as compared to their Property and Casualty (P&C) counterparts. This has accelerated the need to rapidly adopt modern core systems, leverage analytics and current technology to rationalize costs, seek insights from existing data to develop new and innovative products with a shorter time-to-market cycle, and at the same time deal with increasing regulatory pressures to be compliant and undertake best-interest sales. The writing on the wall is clear, the time for L&A insurers to change is now.

In this research, we present an assessment and detailed profiles of 21 leading IT service providers on the Application and Digital Services in L&A insurance PEAK Matrix®. Each service 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 2020, interactions with leading insurance IT services providers, client reference checks, and an ongoing analysis of the insurance IT services market.

This report features the profile of Infosys as covered in the Application and Digital Services in L&A Insurance PEAK Matrix® Assessment 2021.

Scope of this report:



Geography
Global



Service providers
21 leading IT service providers



Services
Life & Annuities (L&A)
insurance application and
digital services

L&A insurance application and digital services PEAK Matrix® characteristics

Leaders:

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

- Leaders are preferred partners for L&A insurance firms globally to work on large end-to-end transformation engagements. Leaders provided the scaled talent pool and solutions needed for digital transformation as well as automation and services delivery optimization solutions to be run partners for their IT applications estate
- Leaders are investing to bulk up their domain advisory and solutions capabilities. However, the scale and depth of these capabilities vary across providers, with consulting heritage players such as Accenture and Capgemini having an edge
- Leaders have provided more aggressive commercial models as well as pursued large asset takeover deals to fund the cost transformation agenda of L&A insurance firms and thus, have expanded their footprint in large accounts

Major Contenders:

Atos, Coforge, DXC Technology, HCL, IBM, LTI, Mindtree, Mphasis, NTT DATA, Tech Mahindra, Virtusa, and Zensar Technologies

- Major Contenders have solidified their play in the market by offering differentiated digital solutions and partnering with technology players and InsurTechs to help insurers reduce costs, modernize operations, and provide point solutions in areas such as customer experience, claims management, underwriting, and intelligent automation
- This bucket consists of multiple large and mid-sized firms with unique sets of capabilities; large players, such as DXC Technology, have a strong product portfolio with associated digital services; IBM has a strong cloud-focused offering and analytics heritage; Coforge, Mindtree, and Virtusa have demonstrated strong digital capabilities in mobile application development, workflow automation, and advanced analytics capabilities; mid-sized players like Tech Mahindra have demonstrated traction in the market owing to their new InsurTech partnerships and several large deal wins; Zensar Technologies was able to add new clients in South Africa and the UK on the back of its capabilities in assisting insurers across the value chain

Aspirants:

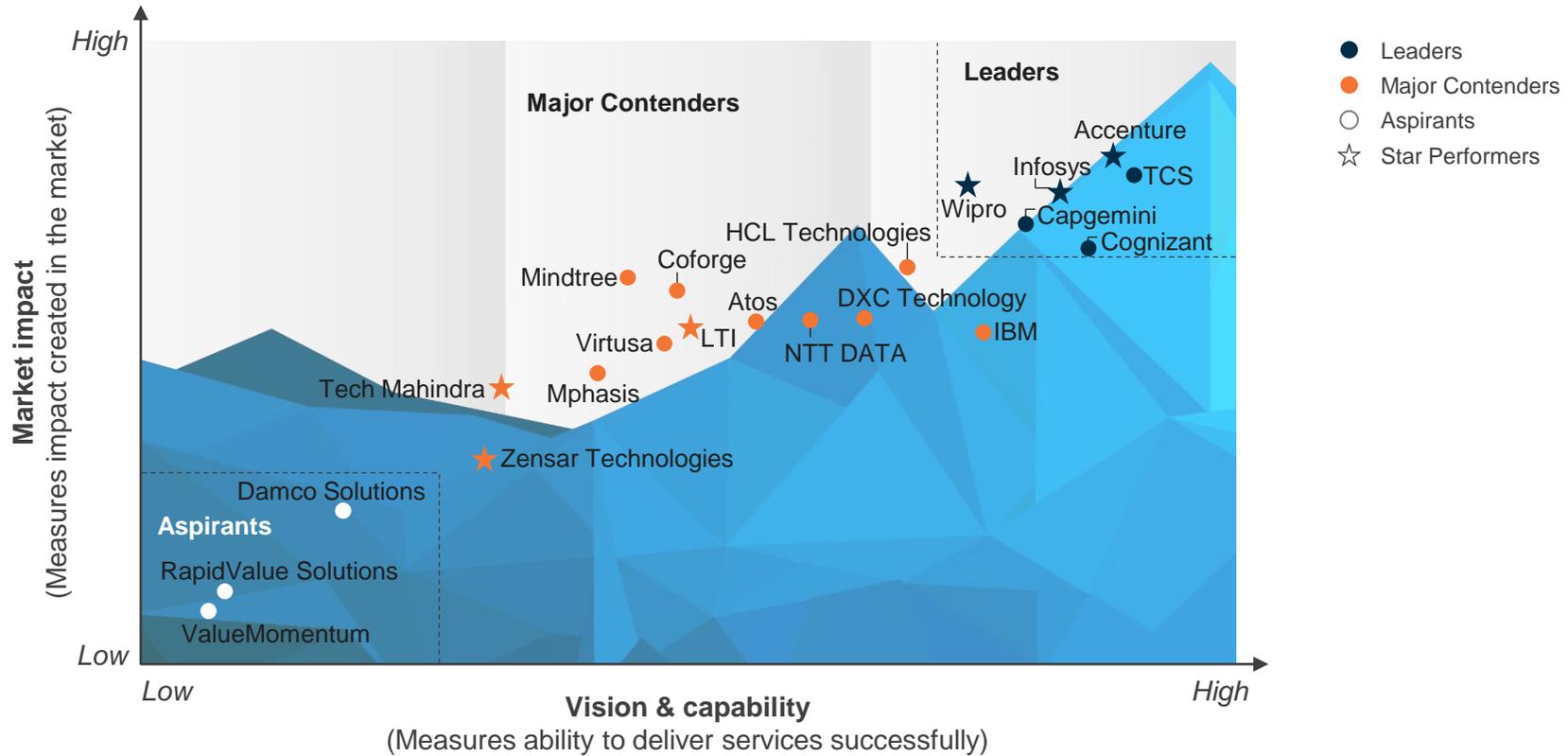
Damco Solutions, RapidValue Solutions, and Value Momentum

- Aspirants have gained niche standing in the market owing to their focus on specific technologies, use cases, and geographies
- Damco Solutions has a strong presence in the LATAM region and has built credible capabilities in front-office solutions for insurers; Value Momentum has strong analytics, customer experience, and digital practice

Everest Group PEAK Matrix®

Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance – PEAK Matrix® Assessment 2021 | Infosys positioned as a Leader and Star Performer

Everest Group Application and Digital Services (ADS) in Life and Annuities (L&A) Insurance – PEAK Matrix® Assessment 2021^{1,2}



¹ Assessments for IBM and ValueMomentum 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

² Analysis for RapidValue Solutions, is based on its capabilities; before its acquisition by Aspire Systems

Source: Everest Group (2020)

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

Overview

High (>25%) Medium (10-25%) Low (<10%)

Vision for Application and Digital Services (ADS) in L&A insurance practice: Infosys aims to steer clients through their digital journey by continuously engaging to understand their challenges, partnering with them for effective solutioning by leveraging technology practices delivered by best-in-class professionals.

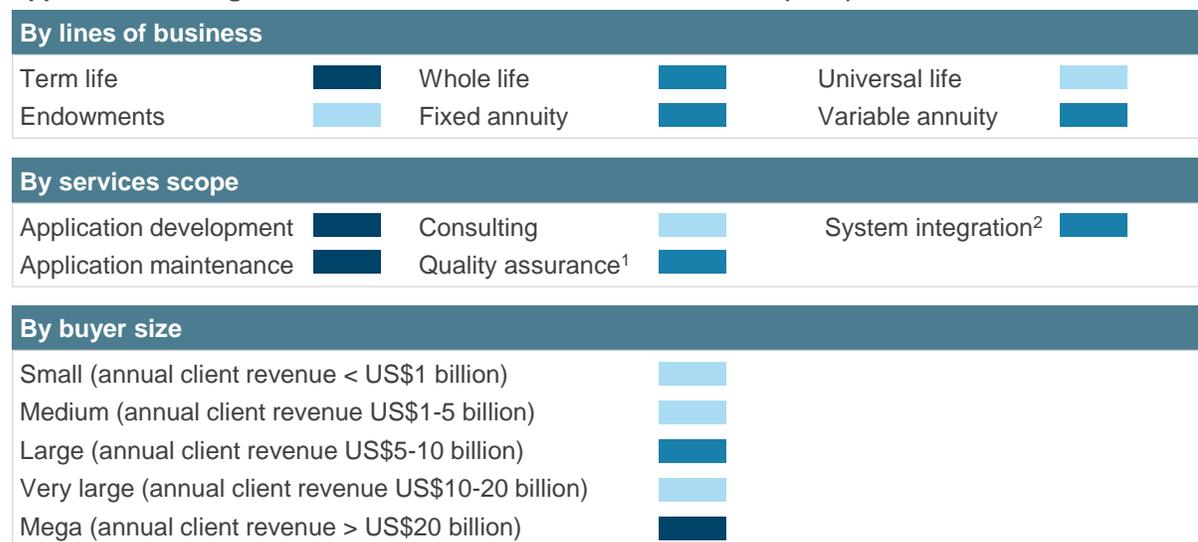
Application and digital services in L&A insurance revenue (2019)



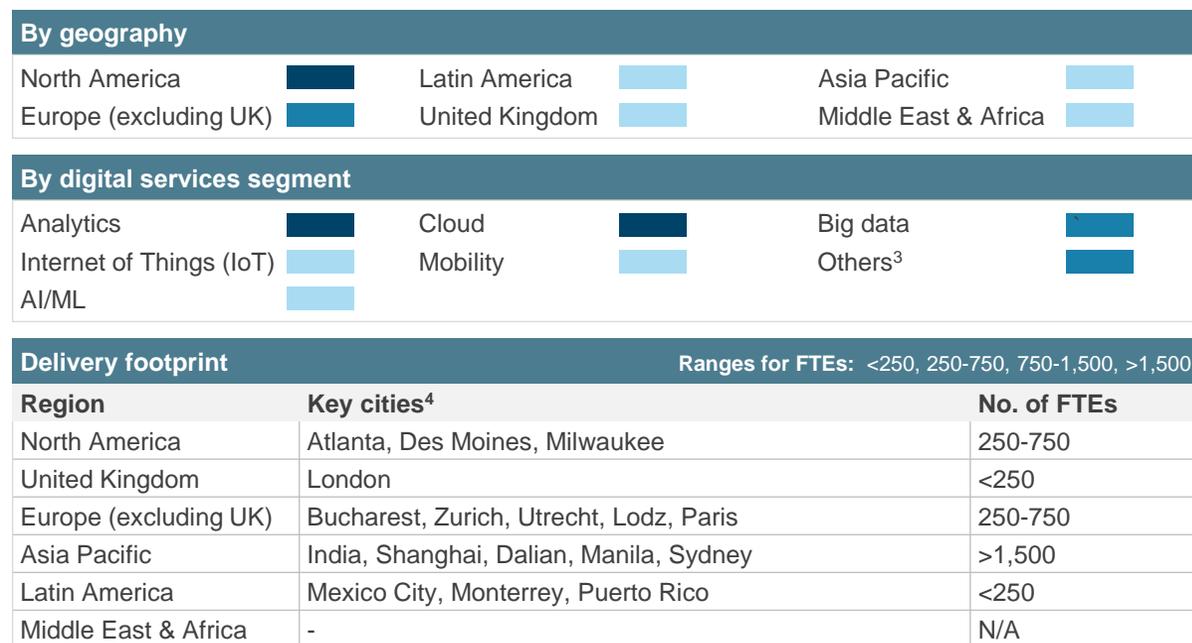
Number of active L&A insurance clients for application and digital services (2019)



Application and digital services in L&A insurance – revenue mix (2019)



1 Includes independent testing services
 2 System integration includes package implementation
 3 AR/VR, blockchain, social media, etc.
 4 The list of cities is not exhaustive



Infosys | application and digital services in L&A insurance profile (page 2 of 4)

Client success stories

NOT EXHAUSTIVE

Case study 1 Legacy to product transformation program for an insurance major in the Netherlands

Business challenge
The insurer wanted to configure and customize products in the target system matching the source system. It required integration with various upstream and downstream systems – to cover the claims, reporting, & accounting interfaces of regular PAS

Solution

- Infosys provided a wave-based transformation strategy with focus on specific platform and product portfolio for each wave
- Provided prioritization of products and policies – based on business criticality, technology complexity and volumetric analyses
- Provided complete suite of configuration over the kernel, multiple iterations of data migration development and testing, data masking, and various forms of testing

Impact

- Improved operational efficiency as a result of maintenance of all the unit life policies in a single system.
- Integrated single view for customer enabling improved customer service for all UL policies.
- Increased flexibility to scale up or down IT and business resources

Case study 2 Partnering with a Canadian multinational insurance company on migration of annuities platform on to cloud infrastructure

Business challenge
The client wanted to move its annuities applications on to Azure. This involved multiple changes / rewriting and reconfiguring the complex application design and communication infrastructure. Due to the older architecture and design, a few applications were identified that required to be made compatible to Windows 10 before moving to Azure

Solution

- Infosys proposed a phased approach including a review of the roadmap and initial recommendations provided by Microsoft.
- Proposed collaboration with Microsoft and client teams to ensure that annuity application migration and testing was provided by Infosys.
- Provided analysis of the applications, the technologies involved, and identifying the complexities and potential issues. Sequence the applications for migration and identify applications/modules for rewrite/remediate

Impact

- Facilitated risk free migration with no loss of business continuity while providing reduced operations and implementation cost
- Provided repeatable framework/process and checklists for any future migrations to cloud, using minimal remediation work.

Case study 3 AssistEdge Rollout for an American insurance major specializing in individual life Insurance coverage and annuity products

Business challenge
The client wanted to streamline its agents' ability to address customer queries through automation. Agents were using a lot of insurance applications across different categories such as Windows, web, and mainframe. It was very difficult to access the needed data about end consumer through so many applications.

Solution

- The client engaged with Infosys to transform service operations by having a single view of the customer through “Unified Desktop” using Infosys platform AssistEdge (smart user environment)
- AssistEdge (smart user environment) was implemented in insurance operations contact centers. This platform pulled data from different insurance applications and shared a unified view in the unified desktop.
- Earlier, users had to work on 25+ applications to address customer queries. This initiative targeted ~2,000 users

Impact

- Resulted in increase in call handling time by 12 seconds.
- Increase of 15% in productivity
- Conversion of “Bad Handling Time” to “Good Handling Time” through integrated desktop

Infosys | application and digital services in L&A insurance profile (page 3 of 4)

Key offerings and investments

NOT EXHAUSTIVE

Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver application and digital services to L&A insurance clients

Name	Details
Infosys Live Enterprise suite	The offering enables enterprises to accelerate digital transformation to drive intuitive decisions, build responsive value chains, and deliver perceptive experiences – all at scale
Infosys McCamish NGIN	Industry platform for the global L&A industry, which is designed to be a single, go-to platform, comprising a comprehensive set of functionalities across all product lines and value chain. It encompasses features for term, whole life, universal life, and annuities.
Infosys Live Enterprise Application Management Platform (LEAP)	Provides a platform-centric approach for AMS services that makes application management agile, intelligent, integrated, and business-aligned, thereby enabling enterprises realize a live enterprise vision.
Infosys Wingspan	A learning solution accessible anytime, anywhere, on any device, which can be integrated into an enterprise’s IT infrastructure to transform its learning needs
Cyber Next platform-based offerings	Powered by Microsoft Azure Sentinel, this offering helps enterprises enhance security monitoring, management, threat detection, and response services

Key partnerships/alliances/M&As/JVs leveraged to deliver application and digital services in L&A insurance

Name	Type of investment (year)	Details of investment
Simplus	Acquisition	Strengthen end-to-end Salesforce enterprise cloud solutions, services, and cloud-first digital transformation capabilities
Kaleidoscope Innovation	Acquisition	Strengthen digital offerings through a diverse talent pool with extensive knowledge of design and engineering capabilities and deep understanding of clinical environments and product development
NICE Actimize	Partnership	Offer delivery capabilities and resell NICE Actimize’s end-to-end financial crime software solutions through either a cloud or on-premises environment to a growing customer base around the world
IBM Public Cloud	Partnership	Help enterprises, especially in regulated industries such as financial services, insurance, and healthcare to modernize their applications by tapping into security, open innovation, and enterprise capabilities of the IBM public cloud
Enterprise digital transformation with SAP Innov8	Partnership	The joint engagement model is intended to help companies accelerate their digital transformation based on SAP S/4HANA® to build intelligent enterprises

Source: Everest Group (2020)

Infosys | application and digital services in L&A insurance profile (page 4 of 4)

Enterprise sourcing considerations – Leader and Star Performer

Measure of capability: ● High ◐ Low

Market impact				Vision & capability				
Market Adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services	Innovation & investments	Delivery Footprint	Overall

Strengths

- Infosys’ market messaging around having a platform-centric approach to dealing with L&A insurance enterprises, navigating challenges around resilience in times of disruption, and expanding beyond point solutions toward more focused end-to-end transformative deal constructs, has propelled its market positioning forward
- Infosys has found success in assisting insurers along multiple emerging themes, such as agile, data governance and compliance, customer experience management, and cloud modernization; clients have appreciated the solution orchestration and domain understanding brought forward on such engagements
- Continued investments into core insurance platforms, such as McCamish NGIN and technology partnerships with players such as Nice Actimize and IBM Public Cloud, have significantly enhanced Infosys’ positioning as a partner of choice for core modernization, cloud transformation, and risk and compliance needs of insurers

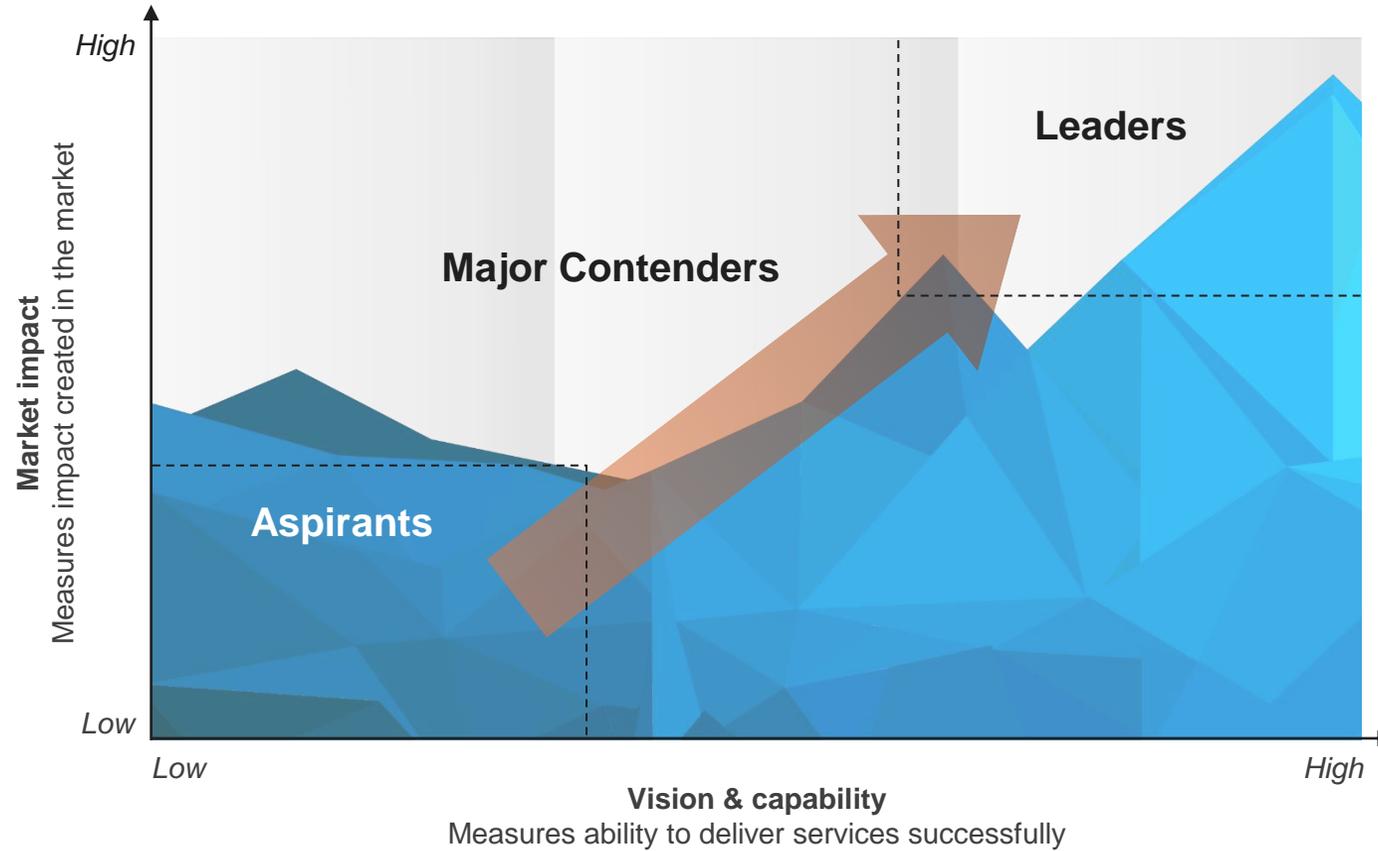
Limitations

- Infosys continues to have its revenue concentrated in large to mega-sized North American and Continental European L&A insurers; the firm needs to look more toward growth markets and tier 2/3 insurers to sustain their growth momentum in the future
- Clients want Infosys to improve on its program governance and broader program management capabilities to better engage the top brass of L&A insurance firms in a more meaningful way. Clients have pointed out that Infosys’ ability to win more work by influencing the C-suite lags behind that of its peers and results in missed opportunities to grow in the respective account
- It needs to expand domain-specific point solutions that embed analytics use cases and help clients realize more value out of their existing data investments to enhance competitiveness of Infosys’ positioning for data and analytics projects

Appendix

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

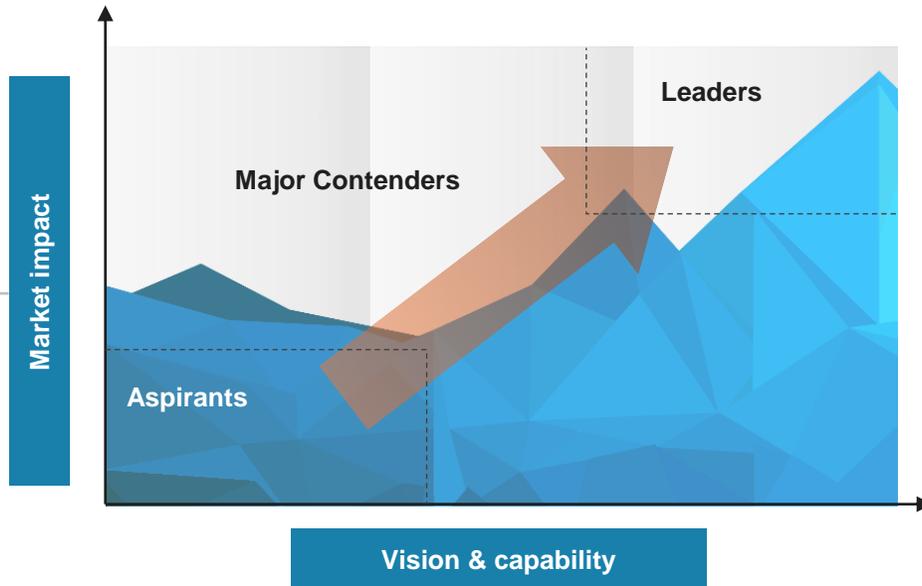
Everest Group PEAK Matrix



Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

- Market adoption**
Number of projects, client base, and YoY growth
- Portfolio mix**
Diversity of project/client 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, and M&A
- Delivery footprint**
Delivery footprint and global sourcing mix

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service 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 service 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 marketplace, 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 service 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



With you on the journey

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