Everest Group Payments IT Services PEAK Matrix® Assessment 2023

Focus on Zensar
August 2023

Introduction

The payments landscape is changing rapidly. Consumers today have more options to make payments than ever before, primarily because of the unprecedented rise of FinTechs, PayTechs, and NeoBanks bringing in faster, innovative, and convenient ways to transact such as Buy Now Pay Later (BNPL), digital wallets, Request to Pay (R2P), embedded payments, and digital currencies. The acceleration in digital payments and the demand for seamless instant payments by consumers is giving rise to the adoption of real-time payments systems.

New regulations and standards such as ISO 20022 are paving the way for more faster and efficient payments. These new data standards are opening multiple data monetization opportunities. Financial institutions are investing in modernizing payment infrastructure to support instant payments, unlock the monetization opportunities, offer alternative payment methods, and launch digital currencies.

In this research, we present an assessment of 30 payments IT services providers featured on the Payments IT Services PEAK Matrix® Assessment 2023. The assessment is based on Everest Group's annual RFI process for calendar year 2023, interactions with leading providers, client reference checks, and an ongoing analysis of the payments IT services market.

The full report includes the profile of Zensar as featured on the Payments IT Services PEAK Matrix® Assessment 2023

Scope of this report

Geography
Global

Providers
30 payments IT service providers

Services
Payments IT services

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Payments IT services PEAK Matrix® characteristics

Leaders

Accenture, Capgemini, Cognizant, HCLTech, Infosys, LTIMindtree, NTT DATA, Persistent Systems, TCS, and Wipro

- Leaders are working with industry and regulatory bodies across the globe to define standards and bring in innovation. Accenture has worked with NACHA and Payments Canada to define industry standards. Capgemini conducted experiments with SWIFT to leverage CBDCs for cross-border payments
- Leaders have a strong global presence, innovative commercial models, the ability to hire and upskill the best talent in the industry, and the ability of co-innovation with clients by setting up research and innovation labs
- Leaders have invested in creating an extensive partnership ecosystem with hyperscalers, Payment Service Providers (PSPs), technology providers, and FinTechs to co-develop solutions for emerging payment use cases
- Leaders have developed capabilities to support clients in end-to-end payment modernization initiatives. They are investing in building payment academies and domain trainings for talent upskilling and ensuring that resources stay up to date with the rapidly changing payments landscape

Major Contenders

Birlasoft, CGI, EPAM, Eviden, Hitachi Vantara, IBM, Maveric Systems, Mphasis, Sopra Steria, Tech Mahindra, Tietoevry, UST, Virtusa, and Zensar

- Major Contenders are focusing on next-generation themes in payments such as digital currencies and CBDCs. They have multiple accelerators and dedicated playbooks for payment services such as ISO 20022 migrations, testing, switching, and transaction processing, which act as key differentiators in engagements
- Major Contenders have made targeted investments to expand their footprint in the regions experiencing growth and are partnering with regional players for joint GTM motions in the region and augmenting payment capabilities

Aspirants

Aspire Systems, Coforge, Endava, Globant, Incedo, and Stefanini

- Aspirants are investing in building partnerships with FinTechs and platform providers to win engagements and expand their business in new geographies
- They are investing in building niche capabilities across horizontal themes such as digitization and legacy modernization to win large deals
- They differentiate themselves by being highly responsive to client-specific needs in small-scale transformation deals

Everest Group PEAK Matrix®

Payments IT Services PEAK Matrix® Assessment 2023 | Zensar is positioned as a Major Contender

Everest Group Payments IT Services PEAK Matrix® Assessment 2023[1]

Vision & capability
Measures ability to deliver services successfully
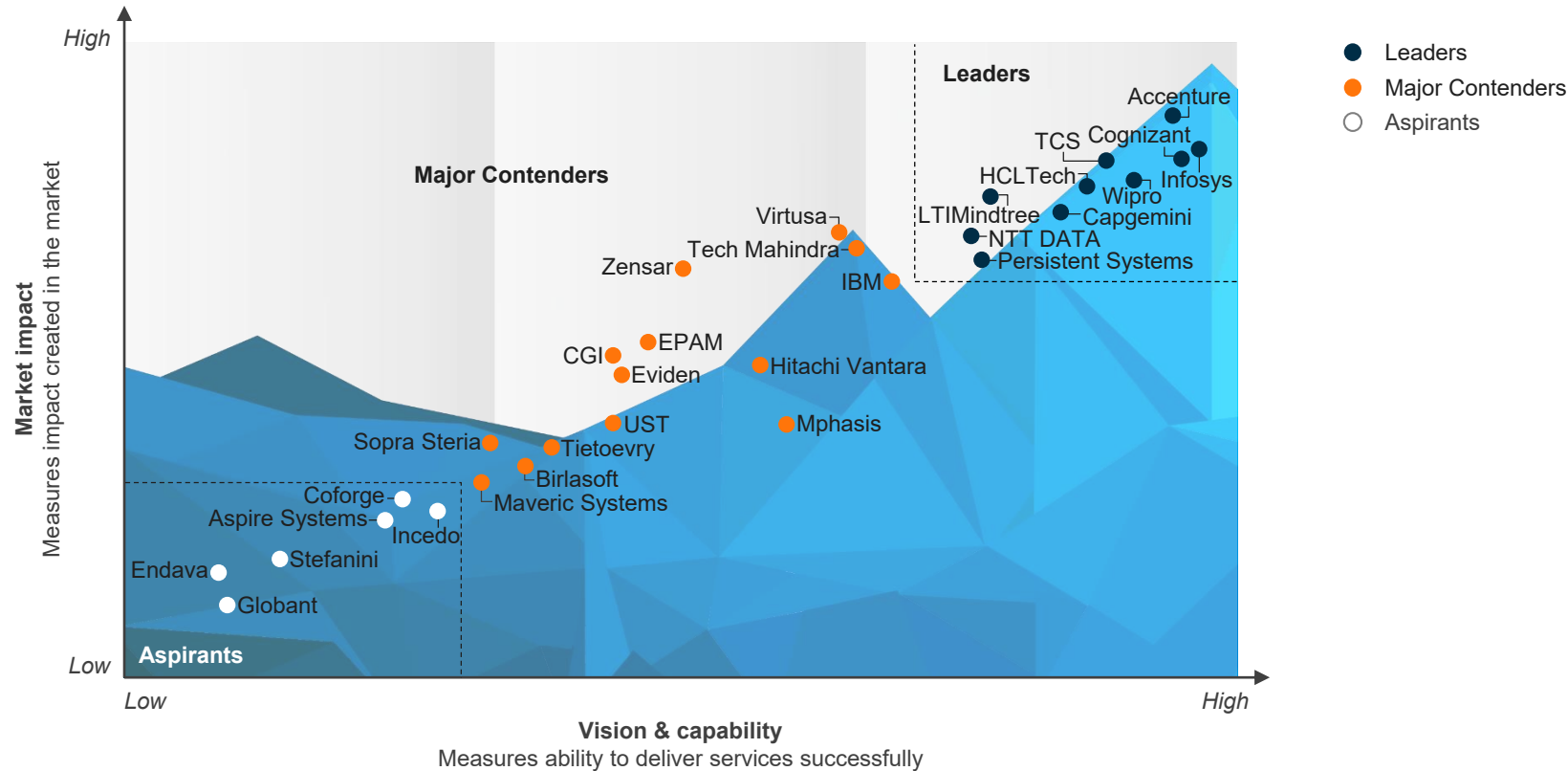
1   Assessment for CGI, Coforge, Endava, Globant, IBM, Sopra Steria, Tietoevry, and UST excludes service provider inputs on this study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers. For these companies, Everest Group's data for assessment may be less complete
Source: Everest Group (2023)

Zensar profile (page 1 of 4)
Overview

Vision for payments IT services:

Zensar's key focus vertical is Banking & Financial Services (BFS), and payments constitutes a major portion of business and key-sub vertical driving its growth and differentiation in the markets. Zensar offers a bouquet of payments related IT services that combine its technology expertise with strong payments domain understanding and experience. Its focused services include:

- Payments transformation services such as legacy platform modernization, new implementations, cloud migration, open banking, and real-time payments adoption
- Payments experience services such as experiential payments and omni-channel strategies to redefine user experience using the human centric design experience approach
- Consulting and advisory services such as target state definition, regulatory compliance, product consulting, and functional testing around cards and payments industry
- Data & analytics services such as data modernization, insights, and intelligent decisions
- Sustenance/re-engineering services such as driven run the bank initiatives, improve efficiencies, and enhance delivery certainty
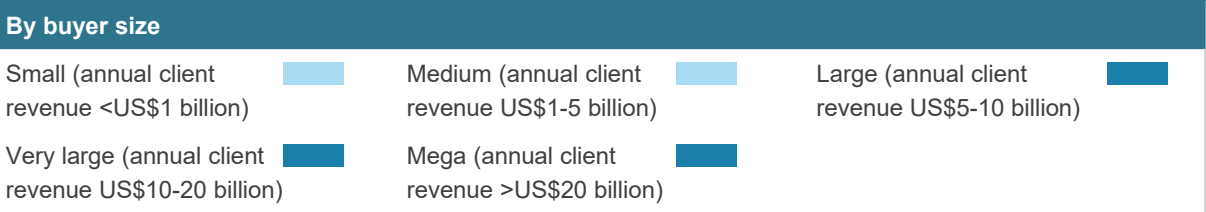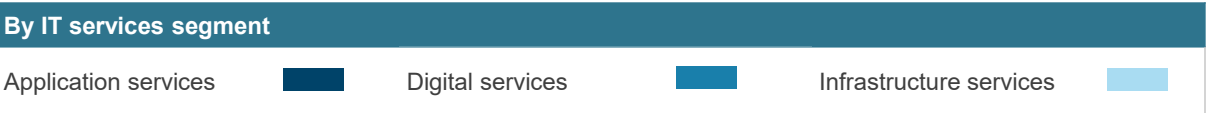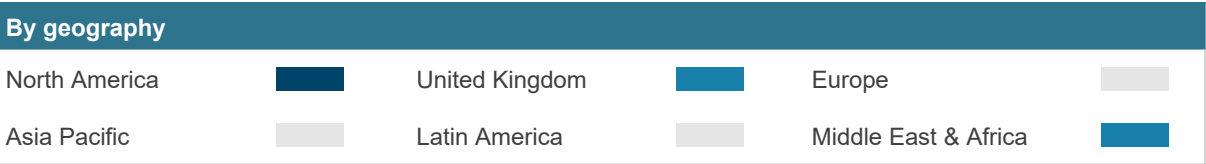
Payments IT services revenue (CY 2022)

<US$20 million	US$20-100 million	US$100-300 million	>US$300 million
	US$20-100 million		
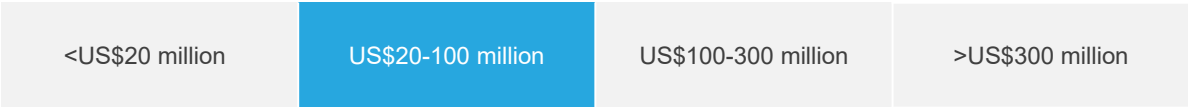
Number of active clients for Payments IT services

<10	10-20	20-40	>40
		20-40	

N/A (0%)	Low (1-20%)	Medium (20-40%)	High (>40%)

Payments IT services revenue mix (CY 2022)

By geography

North America	■ High	United Kingdom	■ Medium	Europe	■ N/A
Asia Pacific	■ N/A	Latin America	■ N/A	Middle East & Africa	■ Medium

By IT services segment

Application services	■ High	Digital services	■ Medium	Infrastructure services	■ Low

By application services segment

Application development	■ Low	Application maintenance	■ Medium	Consulting	■ Low
System integration[1]	■ Low	Testing	■ Medium		

By buyer size

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

1   System integration includes package implementation

Zensar profile (page 2 of 4)
Key offerings and investments

NOT EXHAUSTIVE

Proprietary IP/solutions/frameworks/accelerators/tools developed internally to deliver the payments IT services	
Name	**Details**
Reconciliation and settlement using Hyperledger Fabric (Blockchain)	A smart contract-driven reconcilement and settlement option using Hyperledger fabric that helps in redefining business process flows and end-to-end reconciliation process with privacy options and automation
Metaverse BaaS	A SaaS offering to helps financial institutions build a progressive metaverse presence that transforms into a complete engagement channel, unlocking value to redefine experience; the offering is componentized, customizable, low cost, Opex based hosted-as-a-service solution with core metaverse capabilities
Digital currency based closed loop eco systems	A stable coins-based ecosystem solution as an alternate-to-traditional fiat currency in a decentralized environment leveraging technology advancements & high security
Digital wallet solution	A solution framework and knowledge asset for e-wallet or mobile wallet solutions supporting various platforms, customer group, and businesses; digital wallet supporting multiple payment options including QR code, contactless payment, and tokenization
Synthetic data generation	It mirrors actual data distribution and the solution offers visualization for analysis of synthetically generated data with input data for validation.
Embedded finance/payments realization framework	A framework that deliberates requirements, impact areas for implementation, and realization for a financial institution.

Key partnerships/alliances/acquisitions/JVs leveraged to deliver the payments IT services		
Name	**Type of investment (year)**	**Details of investment**
Wibmo	Partnership (2023)	Partnered with Wibmo, a full-stack PayTech company and an industry leader in payment security, digital payments, and digital financial services, to power growth across banks, FinTechs, and businesses through solutions
Thought Machine	Partnership (2022)	Partnered with Thought Machine to leverage its product, Vault, that can exactly replicate a bank's existing back book of products, as well as create new ones, including current and savings accounts, loans, and mortgages. It can also launch and run products not typically managed from the core, such as credit cards.
INETCO	Partnership (2022)	Partnered with INETCO, a firm that provides payment fraud detection, transaction monitoring, and channel analytics solutions, to leverage its solution that provides real-time audit into every link along an end-to-end payment transaction journey delivering a new depth of actionable payment data and real-time understanding for payment fraud detection, end-to-end performance management and the dynamic analysis of card programs, customer behaviors, and channel usage
Payment platforms capabilities	Investment (2023-22)	Investments towards building capabilities: technical and functional training programs for associates to get specialized training for leading payment platforms such as Vision Plus, Omnipay, Volante, Stripe, and Temenos payments hub
M3BI	Acquisition (2021)	Acquired M3BI, an IT services company specializing in digital, data and analytics, to bolster its BFS presence in the US market, and specifically acquire marquee payment clients including one of the top 3 payment networks.

Zensar profile (page 3 of 4)
Client success stories

NOT EXHAUSTIVE

Case study 1	Co-created experience solution for multi-country, multi-lingual, and multi-product sites

Business challenge

The client is the world's leading global payments & technology company. The client was looking for a trusted digital payments solutions implementation partner to co-create experience solution for the multi-country, multi-lingual, multi-product sites implementation using reusable component-based approach. Also, the client was looking for developing an e-commerce marketplace platform to promote and sell security products through its wide network of merchants and resellers.

Solution

- Zensar co-created the Digital Experience Platform (DXP) solution for the multi-country, multi-lingual, and multi-product sites implementation using reusable component-based approach
- Enabled engaging & intelligent experiences, improving NPS and reducing customers drop off
- Developed TCM, an ecommerce platform to promote and sell security products through its wide network of merchants and resellers
- Developed the core application that enabled push technology for payments, allowing a lender to push funds to lenders debit or prepaid cards
- Developed centralized payments rule engine for cross-broader payment transactions

Impact

- Improved go-to-market time by 40%
- Lowered TCO by 30-40%
- Approximately $300 million program level savings due to standardization across geographies

Case study 2	Designed and implemented the new payment gateway V4

Business challenge

The client is one of the most trusted brand and popular vehicle breakdown cover provider in the UK. It was facing challenges with legacy technology and reliance on third-party services for payments processing. The client also wanted to overhaul the entire customer experience. The existing payment processing was inefficient & costly, involving delay in receivables and payables. Another key challenge was seamless migration to new payment system compliant with global payment & security standards.

Solution

- Zensar undertook a payment modernization initiative catering to roadside (the UK and Europe), insurance (motor and home) and driving services for the client
- Designed and implemented the new payment gateway, V4, a centralized application, managing payments for all applications, and across the organization
- Implemented cloud-based solution with auto-scaling to support high volume and faster processing supporting direct debit and recurring payments
- Developed iFrame based dynamic hosted payment page (DHPP) for web-based payments
- Extensible design supporting multiple payment providers: JPMC Orbital API solution for recurring payments and refunds; JPMC tokenized payments and refunds on existing card

Impact

- Achieved 2x faster efficiency in secure web payments
- Processed average daily transactions of 12,000
- Single click cloud deployment, deploy/release time reduced by 80%
- Reconciliation reporting and fully customized deferred payment module
- Saved risks of huge penalties/revenue loss of around £2.5 million/day

Zensar profile (page 4 of 4)
Everest Group assessment – Major Contender

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

- Driving a learning culture via guilds and communities through the Zensar Academy has helped the firm establish a differentiated talent development program focused on technical expertise as well as cultural sensitivity

- Industry recognition garnered by Zenlabs for building new-age IP around blockchain, AI/ML, metaverse, and AR/VR has helped Zensar substantiate its market messaging around driving innovation in the payments space

- Inorganic growth through the acquisitions of M3Bi, Foolproof, Indigo Slate, and Cynosure have helped Zensar augment its value proposition around product design, consumer experience, and digital marketing

- Clients have appreciated Zensar's talent pool for its domain knowledge and experience and the firm's ability to manage costs over long-term engagements

Limitations

- Beyond a footprint in the UK, Zensar lags larger peers in establishing a presence in Europe and to capitalize on in-demand themes in the region such as payments transformation with open banking

- Some clients have expressed that there is further room for more ownership of services across the product development and payments infrastructure space

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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
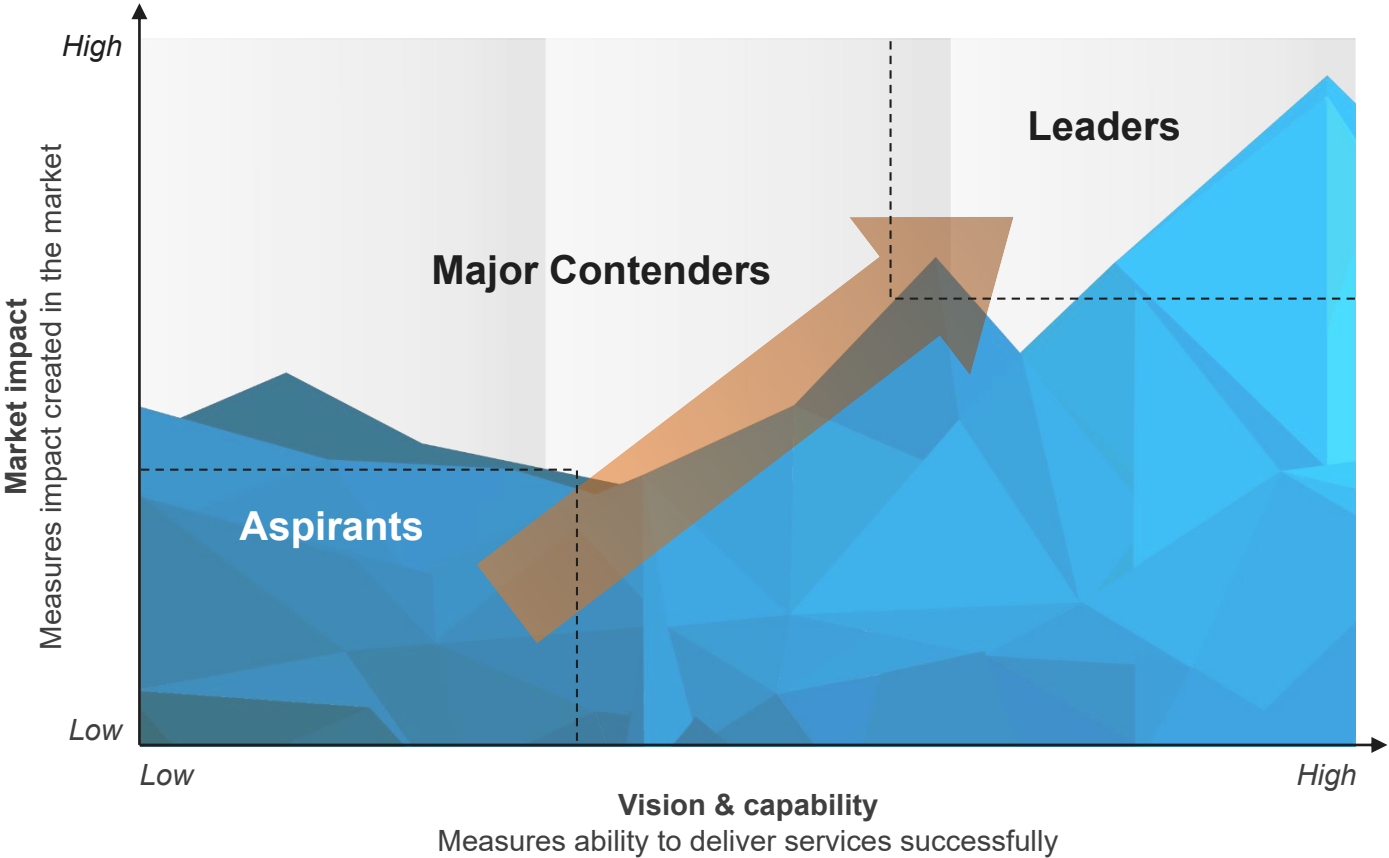
Services PEAK Matrix® evaluation dimensions

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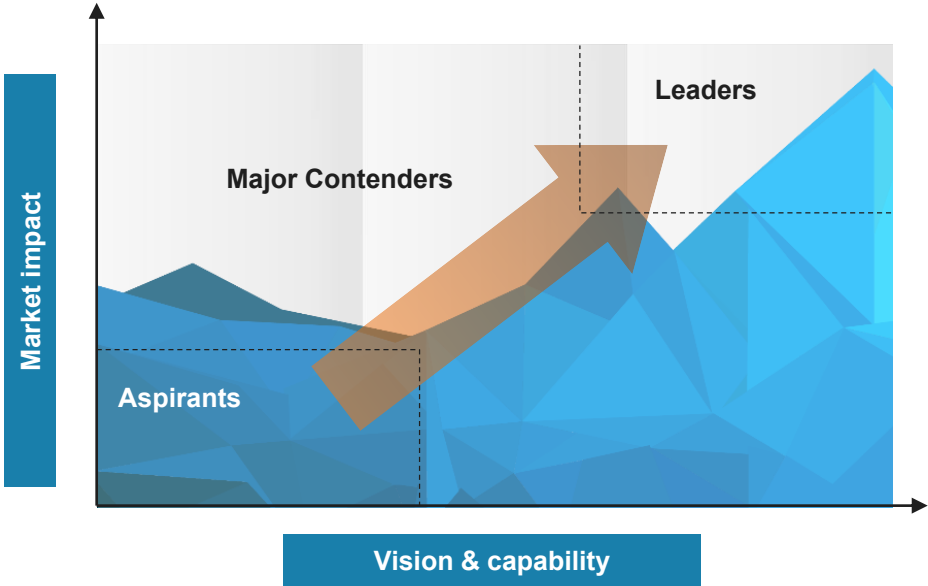
Measures ability to deliver services successfully.
This is captured through four subdimensions

Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint
Vision for the client and itself; future roadmap and strategy	Depth and breadth of services portfolio across service subsegments/processes	Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.	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**.

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