

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

Focus on Hitachi Vantara
December 2022



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 **Hitachi Vantara** as featured on the [Risk & Compliance in BFS IT Services PEAK Matrix® Assessment 2023](#).

This 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

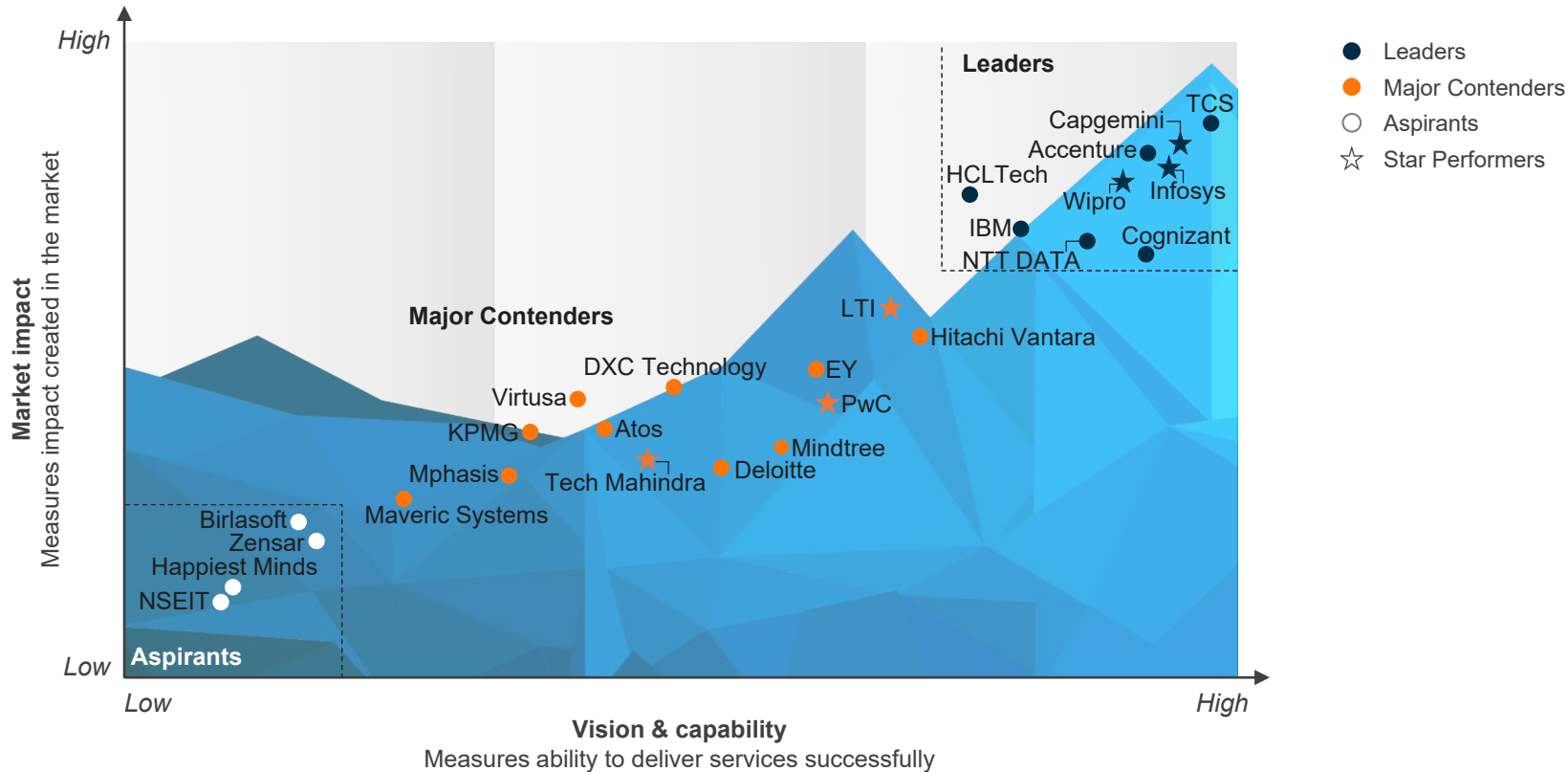
- Aspirants, with their limited services scope, cater to specific geographies and offer point solutions in niche areas of compliance and identity and access management
- They differentiate themselves by being highly responsive to client-specific needs in small scale transformation deals

Everest Group PEAK Matrix®

Risk & Compliance in BFS PEAK Matrix® Assessment 2022 | Hitachi Vantara positioned as Major Contender



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)

Hitachi Vantara | risk & compliance in BFS IT services profile (page 1 of 4)

Overview

Company overview

Hitachi Vantara is a Hitachi Group company deep rooted in data & engineering, solving digital challenges by applying its unmatched industrial and digital capabilities. It provides full stack services from infrastructure to software to digital solutions and managed services. As a transformation partner to leading banks and financial institutions, Hitachi Vantara has a robust risk & compliance practice that includes services in ESG and sustainability risk.

Key leaders

- **Gajen Kandiah** – CEO
- **Roger Lvin** – President Digital Solutions Business Unit
- **Vineeta Kumar Head** – BFSI

Headquarters: Santa Clara, US
Website: www.hitachivantara.com

Delivery footprint

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

Region	Key cities	No. of FTEs
North America	Santa Clara, Dallas	<100
United Kingdom	London	<100
Europe (excluding UK)	Lisbon, Krakow, Madrid, Paris	<100
Asia Pacific	Hyderabad, Bengaluru, Pune, Kuala Lumpur, Singapore	100-500
Latin America	Santa Clara, Dallas	<100
Middle East & Africa	London	<100

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

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

Consulting services	Low (1-20%)	System integration services	Low (1-20%)	Maintenance services	Medium (20-40%)
Quality assurance and testing services	Low (1-20%)	Application development services	High (>40%)	Others	NA (0%)

Risk & compliance IT services revenue mix in BFS by geography

North America	High (>40%)	United Kingdom	Low (1-20%)	Europe	Low (1-20%)
Asia Pacific	Medium (20-40%)	Latin America	NA (0%)	Middle East & Africa	Low (1-20%)

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

Small (annual client revenue <US\$1 billion)	Medium (20-40%)	Very large (annual client revenue US\$10-20 billion)	High (>40%)	Large (annual client revenue US\$5-10 billion)	Low (1-20%)
Medium (annual client revenue US\$1-5 billion)	Low (1-20%)	Mega (annual client revenue >US\$20 billion)	Low (1-20%)		

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

<25	25-100	100-150	>150
-----	--------	---------	------

Revenue from risk & compliance in BFS IT services

<US\$50 million	US\$50-200 million	US\$200-500 million	>US\$500 million
-----------------	--------------------	---------------------	------------------

Source: Everest Group (2022)

Hitachi Vantara | risk & compliance in BFS IT services profile (page 2 of 4)

Client success stories

NOT EXHAUSTIVE

Case study 1

Regulatory compliance management for a Dutch banking and financial services company

Business challenge

The customer was facing challenges with regulatory data management and had to meet the compliance requirements with respect to BCBS239, BASEL III LCR, BASEL IV, EPS, and MIFID II.

Solution

- Hitachi built regulatory reporting platforms such as liquidity, market, and credit risk platforms
- The platform included performing data analysis, sourcing data, building extraction routines, built-in necessary regulatory rules, and building the underlying data store
- The solution leveraged HCP and Hitachi Content Intelligence software

Impact

- Enabled customer to achieve compliance with BCBS239, BASEL III LCR, and EPS liquidity regulation in the US
- Ability to monitor trading activities using the ECM platform to comply with regulations such as MIFID II

Case study 1

Financial risk management (includes liquidity, solvency, credit, and market risks) for a Global Banking & Financial Services Provider

Business challenge

The customer needed exposure across the FX, Rates and commodities trading businesses

Solution

Hitachi developed the Risk Computation and Aggregation platform for the FX, Rates and Commodities trading businesses. The team started building the platform in 2008 (after the crash) and has been supporting and enhancing the solution until 2021.

Impact

The customer was able to view its traded risk numbers on an end-of-day, start-of-day, intraday, and incremental basis. This provided the visibility of its exposure across the FX, Rates and Commodities Trading businesses.

Source: Everest Group (2022)

Hitachi Vantara | 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
Real-time risk analytics framework	The solution provides orchestration of trade and market data to compute traded risk metrics, captures the computed risk, and aggregates it in real-time for traders and risk managers
Mainframe Cyber resilience solution	The solution recovers systems from the logical corruption of data caused by cyber attack for mainframe users by obtaining backup of data and protecting it
Sustainable Finance Platform (SFP)	The solution uses blockchain and IoT technologies to aggregate multiple small to midsize green projects to be financed using green bonds and facilitates impact reporting to investors through automated generation of reports
Hitachi Dark Data solution	The solution focuses on detection of structured data from dark unstructured documents using limited training data
Hitachi Cloud Accelerator Platform (HCAP)	HCAP acts as a catalyst in R&C projects and consists of several automation components that accelerate migrating, deploying, and managing applications in the cloud
Electronic Communications Monitoring (ECM)	The platform can store trade surveillance and communications data and monitor and query it over time. The solution assists in compliance toward MIFID II

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
Hitachi application reliability center – HARC	CoE (2021-22)	HARC delivers a customer-centric operating model with its underpinning in Site Reliability Engineering (SRE) and focuses on providing delivery and maintenance of reliable products.
Io Tahoe	Acquisition (2021)	To strengthen Lumada’s portfolio of products in data management, data cataloging, data quality, and governance
Waterline Data	Acquisition (2020)	To strengthen Lumada’s portfolio of products and solve modern data challenges for analytics and governance across edge-to-core-to-cloud environments
Moody’s Analytics, Audax labs, Collibra, Ortech, and Spirion	Partnerships/alliances	To deliver outcomes for its customers in the risk & compliance space
Capability development framework	Talent/certifications	Personalized capability development program for domain competencies in risk & compliance space. Certification initiatives with third-party platforms in the R&C space, hyper-scalers (AWS, Azure, and GCP), and other technology platforms (Oracle, SAP, Salesforce, MSFT, and others)

Source: Everest Group (2022)

Hitachi Vantara | risk & compliance in BFS IT services 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

- Hitachi Vantara stands out among peers for its infrastructure services in the risk and compliance space for BFS clients, backed by its strong infrastructure and data storage heritage
- New deal wins across geographies backed by experience in risk aggregation, reporting, liquidity risk management, trade surveillance, compliance, data management, and fraud management
- Formalization of the Risk and Compliance (R&C) practice within the BFSI vertical following the restructuring within the company leading to vertical-specific operations and dedicated business units for specific risk areas such as cybersecurity (Hitachi Systems Security), and identity and access management (Hitachi ID)
- Clients have appreciated Hitachi Vantara for its vast delivery footprint, highly skilled resources with broad experience, and the ability to scale up
- Focus on sustainability risk offerings while leveraging experience of the wider Hitachi group
- Investments in internal IP/accelerators/frameworks such as Data Fingerprinting, Dark Data solution, Lumada suite, Hitachi Content Platform (HCP), and Hitachi Cloud Acceleration Platform

Limitations

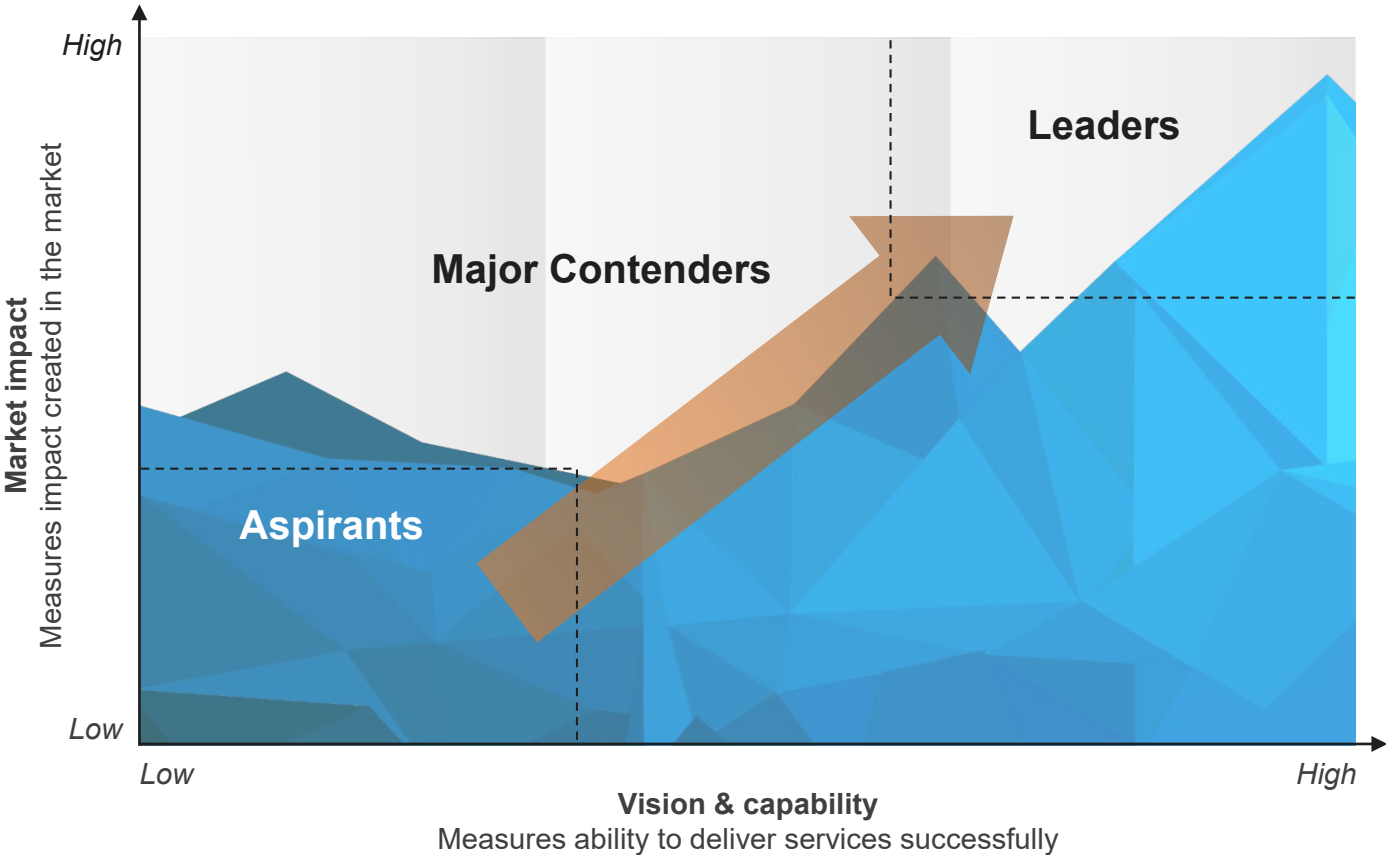
- Heavily dependent on internal assets-led go-to-market strategy; limited partnerships with R&C in BFS-specific technology/platform providers and FinTechs compared to peers
- Lower scale of onshore risk and compliance domain experts compared to peers of similar size
- With increased emphasis on data management, storage, and privacy capabilities, high growth service segments involving third-party platform integration, custom application development, consulting, and quality assurance may not be tapped into by Hitachi Vantara
- Lags peers in demonstrating R&C in BFS capabilities via dedicated thought leadership and market evangelizing activities
- Limited success proof points for large-scale, multi-tower, end-to-end risk and compliance transformation engagements with large and mega BFS clients
- Clients have cited issues with breadth and depth of risk and compliance knowledge in the BFS domain
- Clients are of the opinion that Hitachi Vantara can enhance its account management capabilities

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

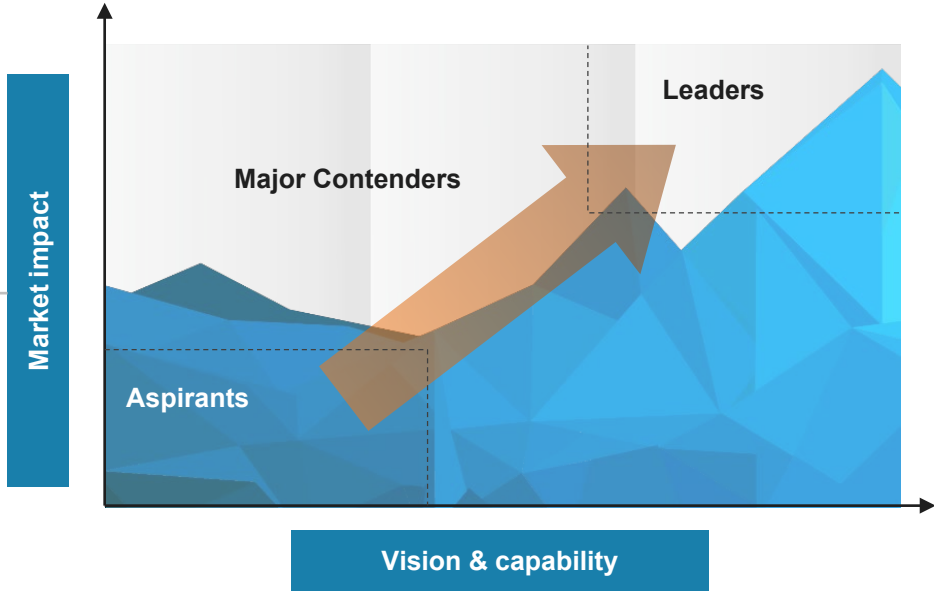
Number of clients, revenue base, YOY growth, and deal value/volume

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.

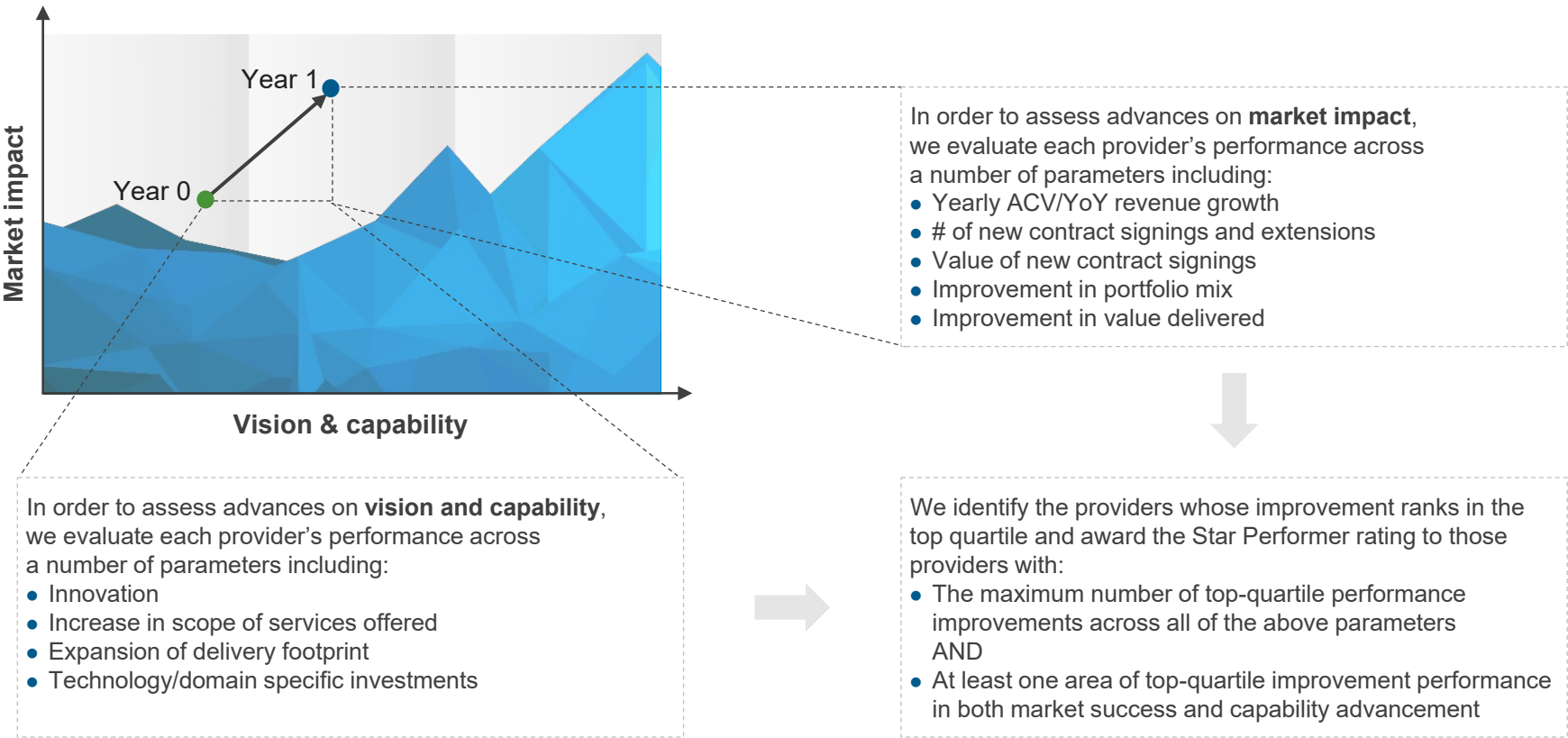
Delivery footprint

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.

Stay connected

Website

everestgrp.com

Social Media

 @EverestGroup
 @Everest Group
 @Everest Group
 @Everest Group

Blog

everestgrp.com/blog

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

This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.