Everest Group®
RESEARCH

Everest Group PEAK Matrix® for Guidewire Service Providers 2020

Focus on Cognizant

June 2020

Everest Group
PEAK MATRIX®

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Background of the research

Core modernization has become a strategic mandate for insurers to enable business transformation. P&C insurers are breaking free from the limitations of legacy core and driving improved operational efficiency, agility and scalability, and front-to-back experiences by taking a platforms-based approach to core modernization. Guidewire has become the core platform of choice for many P&C insurers to help them navigate this transformation journey. They are looking to partner with service providers with a strong understanding of the insurance domain, technical expertise in working with the Guidewire product suite, and sufficient cloud expertise to push toward moving Guidewire on cloud. The Guidewire services market clocked a hefty growth rate of 16-18% in 2019 and, going forward, the demand is expected to stay strong as the need for modernization to enable digital experiences rise.

IT service providers are responding to the demand of P&C insurers by developing a scalable talent pool of certified resources across multiple Guidewire products, building Guidewire-specific solutions/tools/accelerators, and crafting a cloud strategy with Guidewire at the center. Many service providers are enhancing, extending, and complementing the capabilities of Guidewire products by weaving digital services offerings on top of the products and investing in Guidewire-focused CoEs, partnerships, and specializations. Service providers that can position themselves as strategic partners in the Guidewire transformation journey of P&C insurers by offering an integrated value proposition comprising consulting and roadmap support as well as cost-effective downstream implementation capabilities will be better positioned to capitalize on the demand opportunity.

As part of this research, we studied the vision and capability of, and the market impact generated by 16 leading service providers that provide Guidewire services. These service providers were positioned on Everest Group's proprietary PEAK Matrix® to identify Leaders, Major Contenders, and Aspirants

Scope of this report

- **Services:** Guidewire services
- **Geography:** Global
- **Service providers:** 16 leading Guidewire services providers

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Introduction and scope

Everest Group recently released its report titled "Guidewire Services PEAK Matrix® Assessment 2020 – Setting the Stage for Core on Cloud." This report analyzes the changing dynamics of the Guidewire IT services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 16 service providers on the Everest Group PEAK Matrix® for Guidewire IT services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of Guidewire IT service providers based on their vision & capability and market impact. Everest Group also identified four service providers as the "2020 Guidewire IT Services Star Performers" based on the strongest forward movement demonstrated on the PEAK Matrix over time.

Based on the analysis, **Cognizant emerged as a Leader and Star Performer.** This document focuses on **Cognizant's** Guidewire IT services experience and capabilities and includes:

- Cognizant's position on the Guidewire IT services PEAK Matrix
- Detailed Guidewire IT services profile of Cognizant

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements and match them against service provider capability for an ideal fit.

Source: Everest Group (2020)

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Our definition for Guidewire services includes all IT services that P&C insurers require to implement, upgrade, migrate, enhance, and maintain Guidewire products

Consulting

Supporting clients across product selection, feasibility assessments, roadmap creation, strategy, change management, etc.

Guidewire implementation

Supporting clients across requirements gathering, technical and functional design, data conversion, workload integration system and process configuration, and deployment

Upgrade and migration services

Supporting clients with upgrades of Guidewire versions, data migration, and cloud migration

Product enhancement services

Supporting clients with L2 and L3 customization features and value-add features through bespoke development, API integration, etc.

Maintenance and support services

Supporting clients across helpdesk, incident management, service request management, issue resolution, service governance, and documentation

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Guidewire services PEAK Matrix® characteristics

Leaders:

Capgemini, Cognizant, EY, and PwC

- Leaders consist of a mix of IT heritage and consulting heritage firms. They differentiate themselves with vast domain experience, the highest tier of Guidewire partnership status, and a multitude of product-specific regional specializations to showcase breadth and depth of their capabilities
- Leaders demonstrated their ability to cater to the end-to-end transformation needs of insurers from upstream consulting, road mapping, and organizational change management to product implementation and other related downstream workstreams such as upgrades, integrations, enhancement, and maintenance and support
- Leaders seem to be better aligned with Guidewire's strategic push to a SaaS model and have proactively invested to assist insurers on their "core on cloud" journey

Major Contenders:

Accenture, Blackcomb Consultants, Deloitte, GFT, Hexaware, LTI, Sollers Consulting, TCS, and Zensar Technologies

- Major Contenders comprise large service providers such as Accenture and TCS, mid-sized players such as GFT, LTI, Hexaware, and Zensar Technologies, and niche Guidewire consulting partners such as Blackcomb Consultants and Sollers Consulting
- Major Contenders have demonstrated significant investment activity to bolster their Guidewire services practice. GFT and Zensar Technologies acquired niche Guidewire consulting firms V-NEO and Cynosure, respectively, to scale their practice, while Hexaware and LTI have made consistent investments to enhance their partnership status with Guidewire
- The majority of Major Contenders focus on targeted demand segments – Zensar Technologies has a focus on digital products, Hexaware is a testing and integration specialist, Blackcomb Consultants excels in project management and consulting for small and medium-sized insurers, Sollers Consulting's focuses on supporting European insurers

Aspirants:

4impact, IKOR, and Infosys

- Aspirants consist of niche regional service providers such as 4impact (focused on the ANZ market), IKOR (focused on supporting insurers in the DACH region), along with Infosys (a large IT services provider that is building its Guidewire services portfolio, and is currently focused on providing downstream Guidewire services such as QA and product enhancements
- Aspirants need to invest in their delivery scale, footprint, breadth of services, and formulate strong market messaging around their transformational offerings to compete with more established Guidewire service partners

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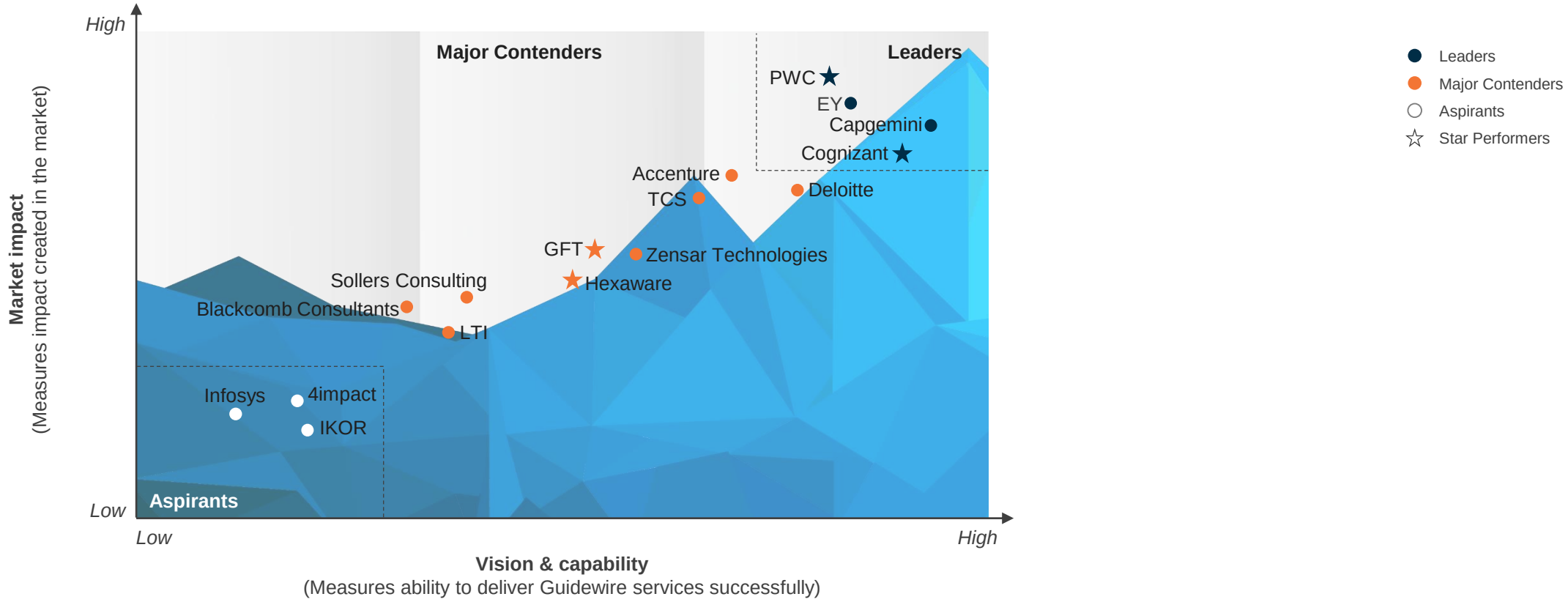
Everest Group PEAK Matrix®

Guidewire Services PEAK Matrix® Assessment 2020 | Cognizant positioned as Leader and Star Performer

Everest Group Guidewire Services PEAK Matrix® Assessment 2020



Note 1: Assessment for 4impact, Deloitte, EY, and Sollers Consulting excludes service provider inputs, and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with insurance buyers. For these companies, Everest Group's data for assessment may be less complete
Note 2: Analysis for GFT and Zensar Technologies is based on their capabilities post the acquisition of V-NEO and Cynosure, respectively
Source: Everest Group (2020)

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Cognizant | Guidewire services profile (page 1 of 4)

Overview

Vision for Guidewire services practice: To help P&C insurers navigate the digital shift and be a partner of choice in their business and IT transformation, delivering speed to market and operational efficiency, leveraging Guidewire guilds, communities, and pods.

Guidewire PartnerConnect Status

	Specialization	PolicyCenter	ClaimCenter	BillingCenter	Digital	DataHub	InsuranceSuite	InsuranceSuite Integration	Premier Services Engagement	Premier Go-to-Market
Global Premier	Americas	✓	✓	✓			✓		✓	✓
Advantage	Latin America								✓	
	EMEA								✓	
Select	Asia - Pacific	✓	✓	✓			✓		✓	

Guidewire services revenue in 2019

<US$5 million | US$5-20 million | US$20-50 million | US$50-100 million | >US$100 million

>50% | 25-50% | 10-25% | <10%

Revenue by services scope

- Consulting services
- Implementation services
- Upgrade and migration services
- Enhancement services
- Maintenance and support services

Revenue by buyer size

- Small (annual revenue < US$5 billion)
- Medium (annual revenue = US$5-US$10 billion)
- Large (annual revenue = US$10-US$50 billion)
- Mega (annual revenue > US$50 billion)

Revenue by geography

- Americas
- Latin America
- EMEA
- Asia Pacific

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Cognizant | Guidewire services profile (page 2 of 4)

Key success stories and engagement overview

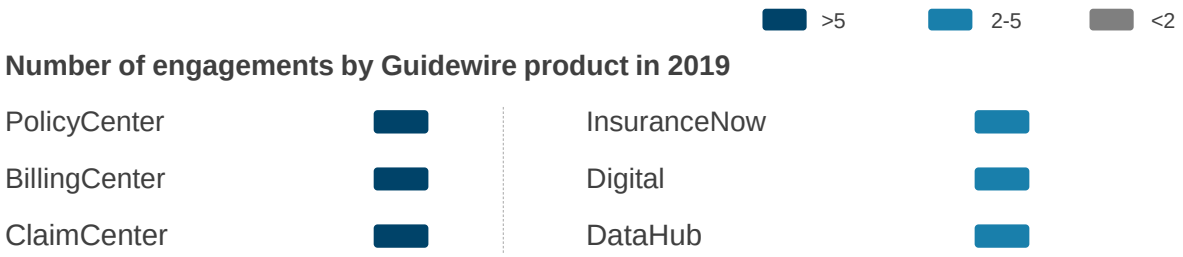
A US-based SCM company: transformation of legacy systems to Guidewire suite	
Business challenge	• Consolidation of disparate legacy systems • Manual processes hampered performance and business growth
Solution	• Implemented V10 for PolicyCenter, BillingCenter, ClaimCenter, Contact Manager, Smart Communication, DataHub and InfoCenter • MVP approach with high leverage of the platform's Out-of-the-Box features • Scaled Agile Framework (SAFe) pod-based delivery model to enable accelerate delivery
Impact	• Faster claims processing and automation by implementing STP • Enhanced data governance and reporting capabilities through DataHub • Client moved away from multiple legacy systems to a unified platform

A UK-based auto and home insurer: advisory services for migration to cloud	
Business challenge	• Business critical application approaching end-of-life for vendor support and had performance bottlenecks • To upgrade claims platform and modernize the associated infrastructure to be cloud ready
Solution	• Carried out a feasibility study to assess the migration to Guidewire ClaimCenter V9 with OOTB features on cloud, while integrating with the other legacy core systems on premise • Recommended that the Guidewire upgrade be on AWS cloud
Impact	• Enhanced business agility with modernized infrastructure • Increased stability and reduction in BAU maintenance • Improved system performance for BAU operations, archiving provisions

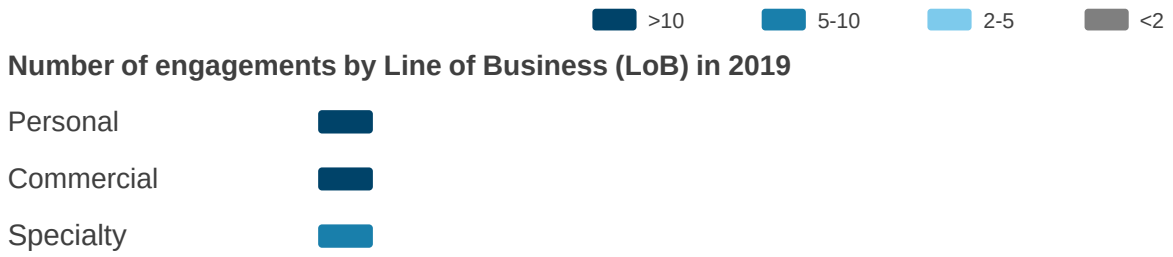
No. of Guidewire services engagements in 2019

<2	2-5	5-10	10-25	>25

Number of engagements by Guidewire product in 2019



Number of engagements by Line of Business (LoB) in 2019



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Cognizant | Guidewire services profile (page 3 of 4)

Key solutions, investments, and delivery locations

NOT EXHAUSTIVE

Key solutions developed internally to deliver Guidewire services (proprietary IP, accelerators, frameworks, tools, etc.)	
Solution name	**Details**
Cognizant Open Claims Audit	Solution that enables fast, cost-effective audit, and preemptive course correction to reduce claims leakage during the claims handling process
Upgrade Factory Model v2.0	Enables upgrade of Guidewire InsuranceSuite applications to its latest version, with 20% faster time to market. It comprises cloud-based upgrade strategy utilizing key accelerators such as Upgrade Assessment Framework and Product Model Comparator
Guidewire V10 Jumpstart Kit	GMART & CITS – A V10 ready pre-packaged end-to-end, automated test scenario repository for OOTB features across Guidewire products for accelerating test cycle and optimizing test coverage

Key investments (acquisitions, employee certifications, partnerships, centers of excellence, etc.)		
Investment name	**Type of investment**	**Details**
Regional Development Centers (RDC)	Delivery center (2018 - 2019)	Invested in establishing four regional delivery centers – three in the US and one in Canada
Training	Employee certifications (2019)	Over 2,300 hours of employee training to maintain various specializations across regions
Dedicated Guidewire Lab	Center of excellence (2019)	Investment to develop and upgrade Guidewire specific proprietary tools and accelerators, and to develop joint Proof of Concepts (PoCs) with client and partners

Delivery centers		
Region	**Key countries / cities**	**FTEs for Guidewire services**
North America	US (Dallas, Charlotte, Phoenix) and Canada (Mississauga)	NA
Latin America	-	-
EMEA	-	-
Asia Pacific	India (Chennai, Kolkata, Kochi, Bangalore)	NA

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Cognizant | Guidewire services profile (page 4 of 4)

Everest Group assessment – 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 offered	Innovation and investments	Delivery footprint	Overall

Strengths

- Cognizant's Global Premier Partner status, extensive specializations in Guidewire products across North America and APAC, and vast experience in serving insurance clients help it to differentiate in the market
- Meaningful investments in developing proprietary cloud offerings (such as Upgrade Factory Model v2.0) and digital solutions (such as Property Insights) that align with Guidewire strategy have helped Cognizant gain further market share in the Guidewire services space
- Credible experience in supporting tier-3/4 insurers in implementing InsuranceNow
- Clients have complimented Cognizant for supporting them to rationalize the add-on customizations and maximizing Out Of The Box (OOTB) implementations, in order to reduce the complexity of their core systems landscape

Areas of improvement

- A few clients have cited challenges with Cognizant's talent management skills with regard to quickly bringing in senior, knowledgeable resources at the start of the engagement and maintaining consistency in the quality of resources and service delivery
- Lags consulting heritage global majors in supporting insurers across strategic road mapping and product advisory exercises; market perception is limited to being a provider of Guidewire implementation and support services, restricting Cognizant's ability to win high-value
consulting engagements

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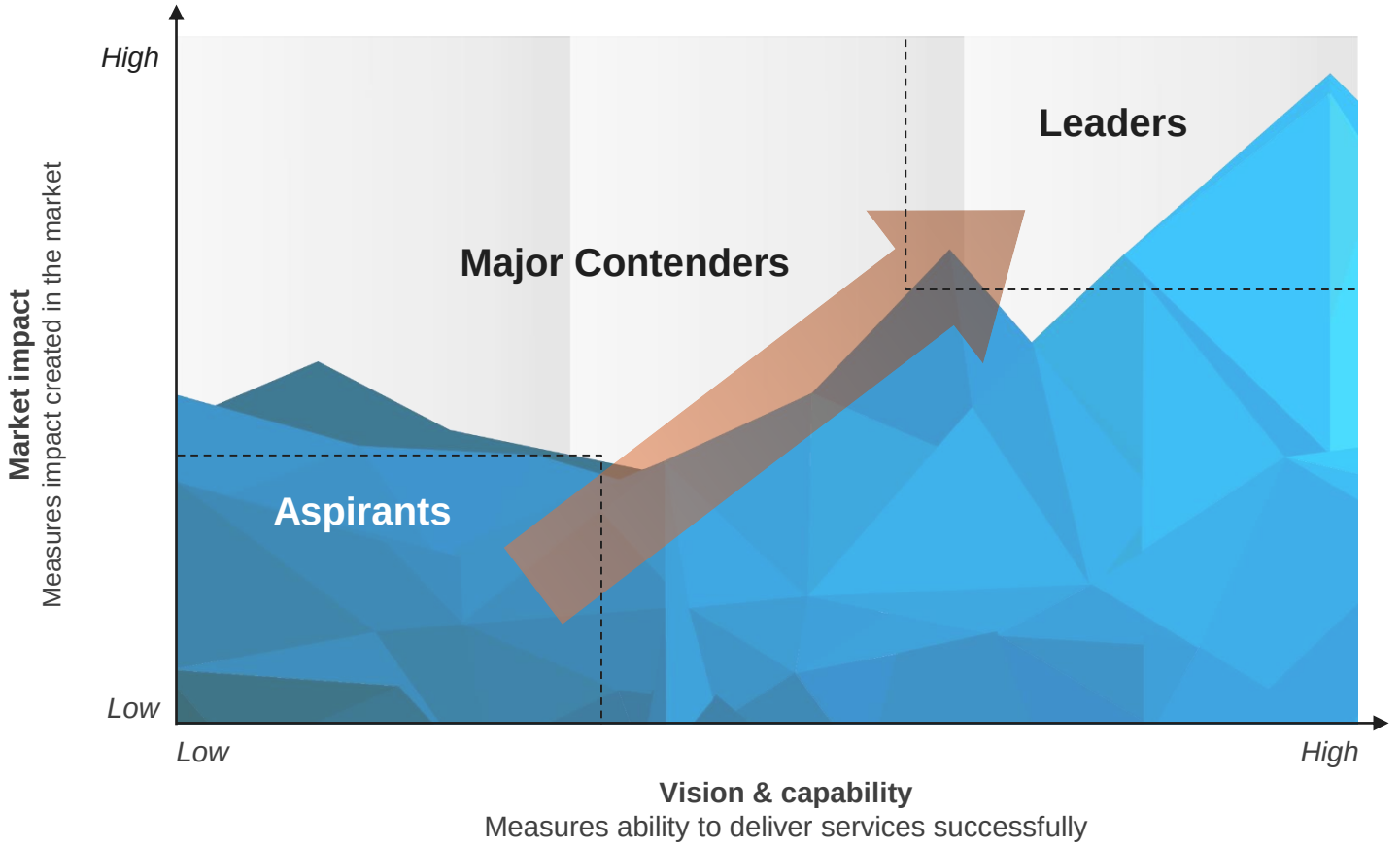
Appendix

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

Everest Group PEAK MATRIX®

Everest Group PEAK Matrix



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Services PEAK Matrix® evaluation dimensions

Everest Group PEAK MATRIX®

Measures impact created in the market – captured through three subdimensions

Market adoption

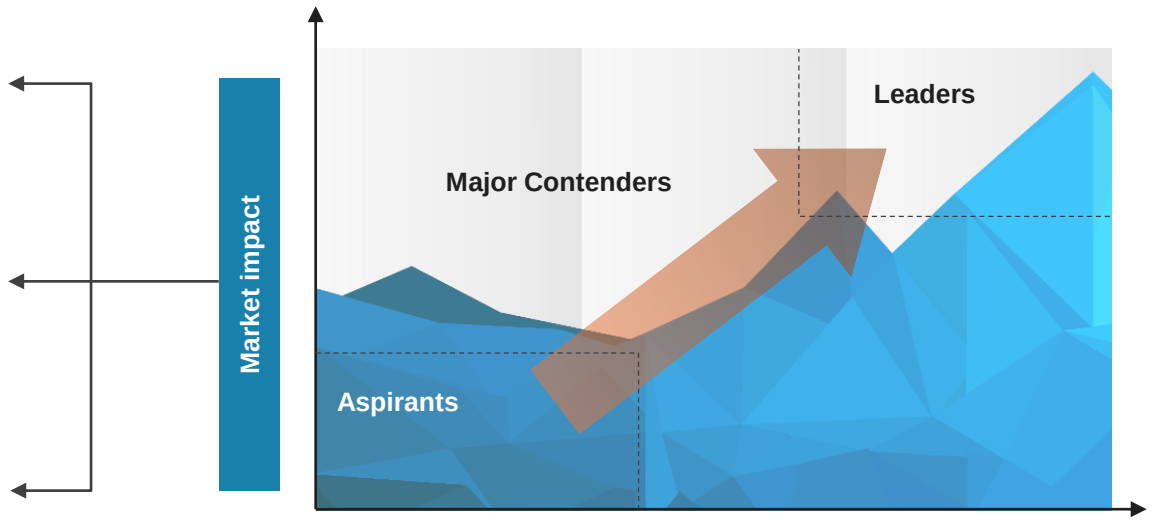
No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix

Diversity of client/revenue base across geos and type of engagements

Value delivered

Value delivered to the client based on customer feedback and transformational impact demonstrated through case studies



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 sub-segments / 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

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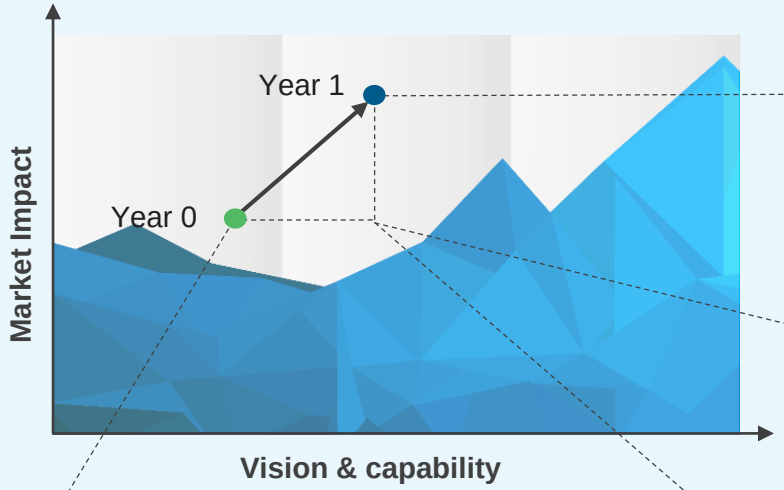
Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

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 service 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 service 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 service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service 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.

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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 market place, 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

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Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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