

Everest Group PEAK Matrix[®] for Insurance Business Model Innovation Enablement Service Providers 2021

Focus on Coforge
December 2020



Background of the research

Insurance industry is simultaneously facing a serious risk of disruption and stands on the precipice of critical transformation. A mix of challenges for insurers around evolving consumer expectations, demand stress, decade-high combined ratios, competitive pressure, and an uncertain macro-economic outlook, triggered by the COVID-19 pandemic, has propelled insurers to relook at their operating models. They have realized the need to implement business model innovation strategies to build future resiliency and agility.

Insurers are focusing on innovating their business models on four fronts to tackle the industry disruption and set themselves up for future success – offer risk protection services and solutions for the new digital economy, shift value proposition from a product partner to a services partner with focus on enabling compelling consumer experiences, transforming risk and pricing models to cover previously unforeseeable risks, and exploring new ways of reaching consumers through channel innovation programs. They are taking a bi-modal approach across business and IT transformation to achieve these intended outcomes. Service providers can assist insurance carriers to stitch together their business-led transformation and IT-led modernization storylines to successfully implement business model innovation and help them achieve business-oriented outcomes and improve the experience for consumers. To support insurers in this transformation journey, service providers are moving beyond the digital enablement value proposition and are looking to develop strong innovation credentials, high levels of strategic thinking, and full-stack services offerings combined with deep insurance domain expertise.

In this research, we present an assessment and detailed profiles of 16 leading IT service providers featured on the Insurance Business Model Innovation Enablement Services 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 RFI process, interactions with leading IT services providers, client reference checks, and an ongoing analysis of the insurance IT services market.

This report includes the profile of Coforge as featured on the Insurance Business Model Innovation Enablement Services PEAK Matrix®

Scope of this report:



Geography
Global



Service providers
16 leading IT service providers



Services
Insurance business model innovation enablement services

Insurance Business Model Innovation Enablement Services PEAK Matrix® characteristics

Leaders:

Capgemini, Coforge, Cognizant, HCL Technologies, LTI, and Wipro

- Leaders comprise a mix of large- and mid-sized IT service providers. They differentiate themselves with their business transformation-first approach, strong thought capital on insurance business model innovation, and focused capabilities driven through a robust solution portfolio, strong innovation credentials, and meaningful investments in acquisitions
- Leaders demonstrated their ability to cater to end-to-end transformation needs of insurers from strategy design to solution development to execution and enjoy a strong market recall to drive innovation in the insurer's business operating models

Major Contenders:

DXC Technology, Mindtree, Mphasis, TCS, Tech Mahindra, Virtusa, and Zensar Technologies

- Major Contenders comprise large service providers such as DXC Technologies and TCS and mid-sized players such as Mindtree, Mphasis, Tech Mahindra, Virtusa, and Zensar Technologies
- Major Contenders have demonstrated a strong focus on driving alignment between business and IT team of insurers to drive higher value. The large service providers in this category have adopted a platforms-first transformation approach that appeal to the insurer's modernization agenda and the mid-sized players have gained insurers' mindshare through focus on contextual solutions, built on top of core industry platforms, tailored to meet specific insurer requirements around business model innovation
- Major Contenders have largely adopted a technology transformation-focused pitch to shape the client's vision and strategic thinking around insurance business model innovation while continuing to bolster their innovation credentials through focused investments

Aspirants:

Birlasoft, RapidValue, and Trianz

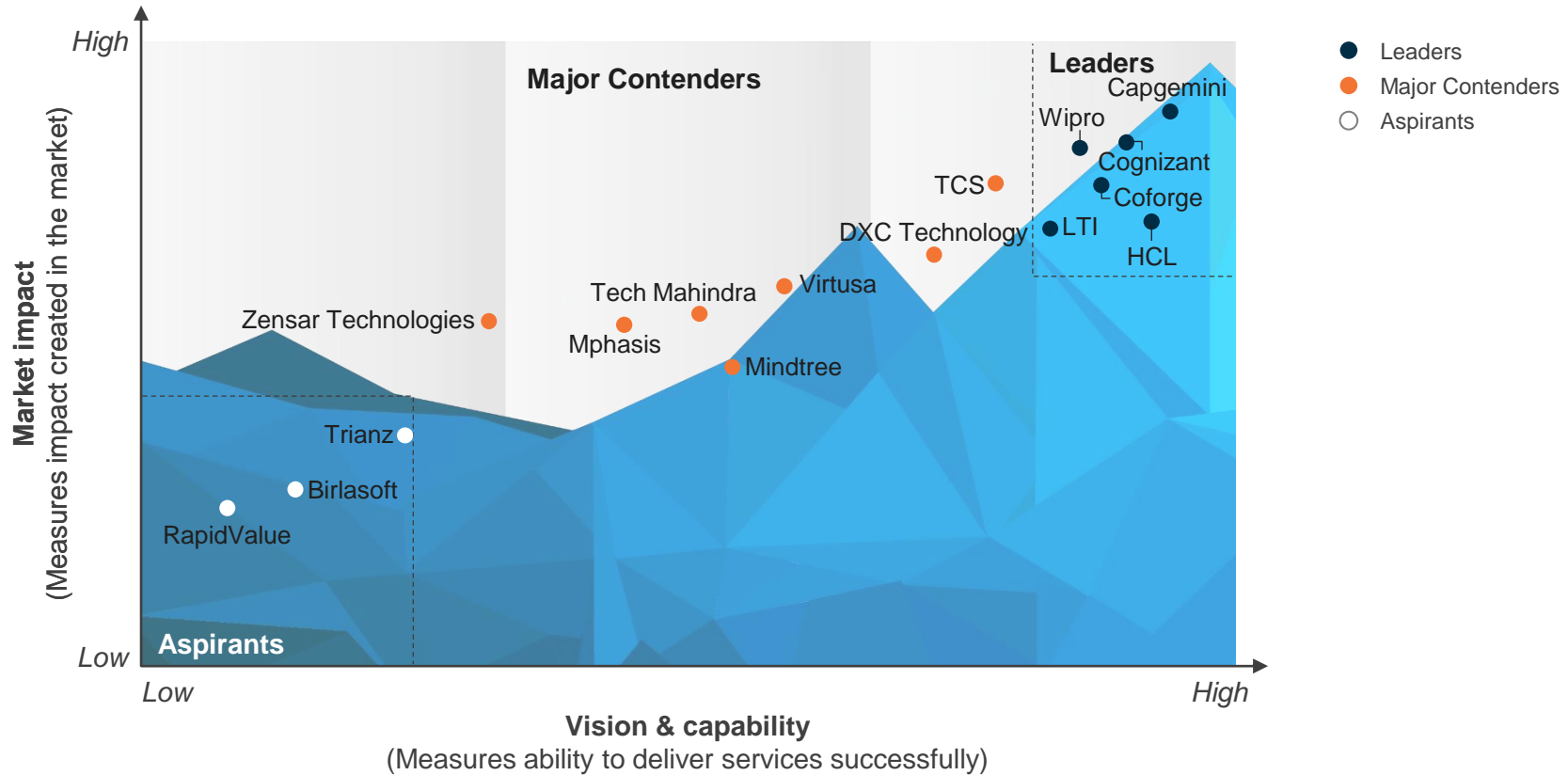
- Aspirants have demonstrated a niche focus on enabling specific business model innovation themes for insurance clients; Birlasoft and RapidValue have demonstrated success proof points around services innovation while Trianz has enjoyed good market traction for enabling coverage innovation for insurance carriers
- Aspirants need to invest in thought leadership, breadth of services, and formulate strong market messaging around their transformational offerings to compete with more established insurance business model innovation service partners

Everest Group PEAK Matrix®

Insurance Business Model Innovation Enablement Services PEAK Matrix® Assessment 2021 |

Coforge positioned as Leader

Everest Group Insurance Business Model Innovation Enablement Services PEAK Matrix® Assessment 2021



Note: Only the IT service providers that have participated in this assessment have been featured in the PEAK Matrix®
 Source: Everest Group (2020)

Coforge | Insurance Business Model Innovation Enablement profile (page 1 of 3)

Top 10 investments to enable insurer’s journey of business model innovation

NOT EXHAUSTIVE

Top 10 investments (partnerships, solutions, acquisitions, joint ventures, thought leadership, CoE/lab, delivery center, etc.) that enabled business model innovation for insurance clients

Investment name	Type of investment	Details
Microservices for new business models	Acquisition & Solutions	Acquisition of Room solutions, rebranded as AdvantageGo. Built microservices architecture to augment core platforms leveraging third-party data, transforming existing processes and building blocks for new business models
Whishworks	Acquisition	Acquisition of Mulesoft and Salesforce capabilities, focusing on delivering digital transformation, service, and channel innovation
Incessant, RuleTek & Pega partnership	Acquisition & Partnership	Acquisition of Pega capabilities to deliver digital transformation and services innovation
Duck Creek partnership	Partnership & CoE	Built top tier capability for full suite Duck Creek implementation and built a rich repository of accelerators and tools to enable business model innovation for insurers
Limelight Health	Partnership	Transformation of the sales and underwriting process (RFP to proposal to enrollment) for employee benefits and group insurance carriers
IVIS	Solution	Digital insurance worker to support and augment knowledge workers by leveraging a range of AI solutions. Created avatars for agents, claim specialists, enabling delivery of services innovation
Digital Foundry/ Innovation	Solution	Suite of plug and play assets to build digital solutions – catalogued, searchable components encompassing digital experience, cognitive solutions, integration components, and pre-built predictive analytics models
Cognitive process automation	Solutions & Partnerships	Partnerships with leading RPA platform providers such as Automation Anywhere and UI Path. Invested in development of ProcessGym framework to evaluate business processes, perform business value analysis, and recommend good candidates for automation
Cloud practice	CoE/Lab	Setup Cloud Innovation Factory to enable insurance clients in their journey to cloud, starting from prototyping to enterprise readiness at using predefined cloud-ready/cloud-native frameworks for both COTS and bespoke applications, followed by end-to-end orchestration & automation across multi-cloud stack using Coforge's AIOps platform to render CloudOps and site reliability engineering on demand, at speed using a cohesive interface
Insurance certifications	Certifications	2,330 people certified in general insurance (INS), Chartered Property Casualty Underwriter (CPCU), and Life Office Management Association (LOMA) Fellowship, with strong domain capabilities to deliver innovative solutions to insurance industry

Coforge | Insurance Business Model Innovation Enablement profile (page 2 of 3)

Vision for enabling new business model innovation for insurance clients and success stories

Vision for enabling new business model innovation for insurance clients










Coforge aims to leverage its domain-led advisory services to stitch together its expertise in leading edge technologies, platform partnerships, solution accelerators, ecosystem partners and analytics to enable its insurance clients design new products, develop new ways to distribute products, reimagine channels strategy, and enable faster and better sales, underwriting and claims processing

Case study 1	Product associated services innovation for global insurer	Case study 2	Channel innovation for a top life and health insurer	Case study 3	Ecosystem services innovation
	<p>Business challenge</p> <p>Insurer wanted to launch new on-demand global travel insurance products capitalizing on changing consumer behavior and preferences. Insurer wanted to create a platform to quickly roll out white labelled products with global travel partners</p> <p>Solution</p> <ul style="list-style-type: none"> Improved time to market by creating a highly customizable and configurable portal Created a white labelled platform for direct to consumer sales <p>Impact</p> <ul style="list-style-type: none"> New revenue stream from new product line sales through partners Fast turn around of feature requests Quick onboarding of new partners, reduce partner's operational time, easy to customize look and feel / branding 		<p>Business challenge</p> <p>Insurer wanted to transform the customer experience. Large volume of inbound calls and limited digital channel capability, along with slow response to email support request led to poor customer experience</p> <p>Solution</p> <ul style="list-style-type: none"> Developed a modern digital contact center platform with Pega CSR as a foundation Implemented human chat and digital virtual assistant functionality Implemented AI based email bot feature Implemented customer 360 view for agents <p>Impact</p> <ul style="list-style-type: none"> 10% of call traffic diverted to virtual assistant channel Over 60% containment of virtual assistant interactions Average response time for emails reduced from 8 hours to less than 30 minutes 		<p>Business challenge</p> <p>Insurer wanted to address underserved start up and gig economy market, with affordable business owner policies. The existing process is time consuming and paper based with poor conversion rates</p> <p>Solution</p> <ul style="list-style-type: none"> Created new products and coverage on the underlying policy platform for the new market Developed the partner integration API layer including architecture, coding and testing for the services Developed partner portal <p>Impact</p> <ul style="list-style-type: none"> Integration with partner systems within days, with ready and easy integration kit for the partners in ecosystem Increased conversion rates by 23% Improved time to market by 27%

Coforge | Insurance Business Model Innovation Enablement profile (page 3 of 3)

Everest Group assessment – Leader

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

- Insurance advisory and domain consulting-driven approach coupled with strong technology capabilities underpinning Coforge’s platforms (AdvantageGo) and solutions (AI-/ML-based underwriter workbench, IoT solutions) focus to shape client’s strategic thinking and execute business model innovation programs, have helped it gain and retain client mindshare
- Strong investments to drive and orchestrate ecosystem capabilities through partnerships with InsurTechs (Limelight Health, Fennech, Evolv) and data providers (Pitney Bowes, Hazard Hub, Refinitiv) and its acquisitions focus (RuleTek, Whishworks) position Coforge as a top contender in competitive bids for business model innovation engagements
- It has demonstrated success proof points in enabling coverage, pricing, channels, and services innovation for insurance carriers
- Clients appreciate Coforge’s ability to embed itself as part of the client’s culture, bring in the perfect blend of domain and technology expertise and relationship management skills, and orchestrate capabilities from its acquisitions in live client environments

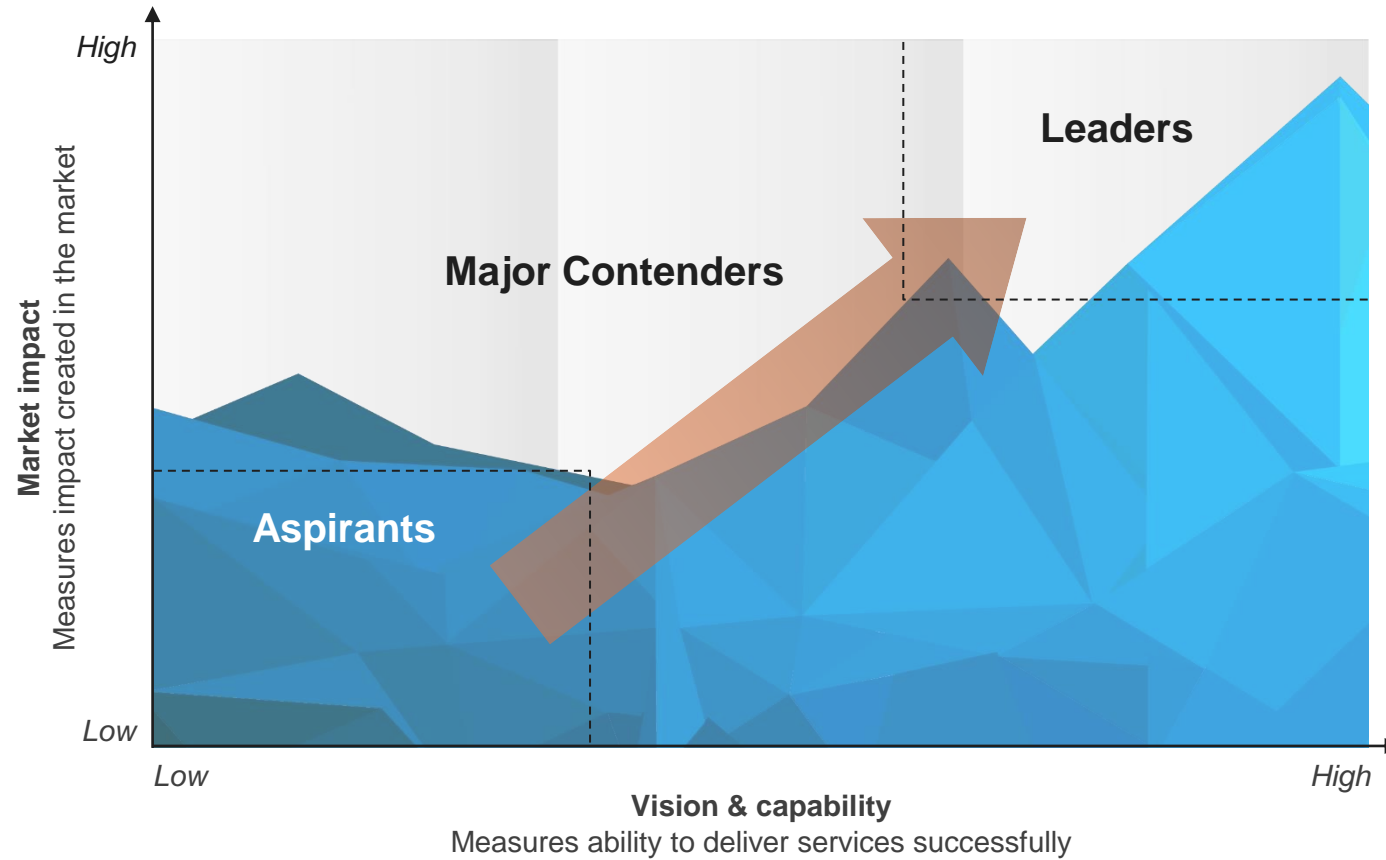
Areas of improvement

- While success stories around channel innovation primarily revolve around enabling self-service capabilities, implementing robo-advisory solutions, and contact center operations transformations, market perception around Coforge’s ability to shape clients’ vision and strategic thinking on implementing new distribution channels is limited
- In certain accounts, clients have cited the need for Coforge to proactively message the breadth and scale of its capabilities to better market its IT enablement services portfolio to implement new insurance business models and improve wallet share
- Few clients have cited challenges around fragmented experiences as Coforge has looked to harness capabilities from its acquisitions
- Certain clients have flagged issues around governance and attrition with Coforge in their business model innovation engagements

Appendix

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

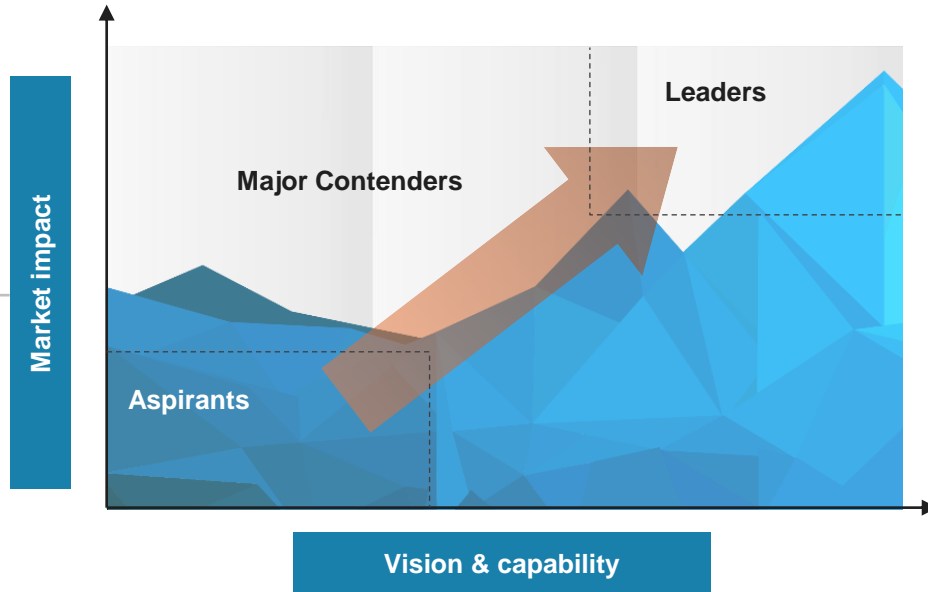
Everest Group PEAK Matrix



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



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