

NEAT EVALUATION FOR INFOSYS:

Wealth & Asset Management Services

Market Segment: Overall

Introduction

This is a custom report for Infosys presenting the findings of the 2024 NelsonHall NEAT vendor evaluation for *Wealth & Asset Management Services* in the *Overall* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Infosys for wealth & asset management services, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering wealth & asset management services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in cloud migration, process automation, AI & analytics services, and professional services.

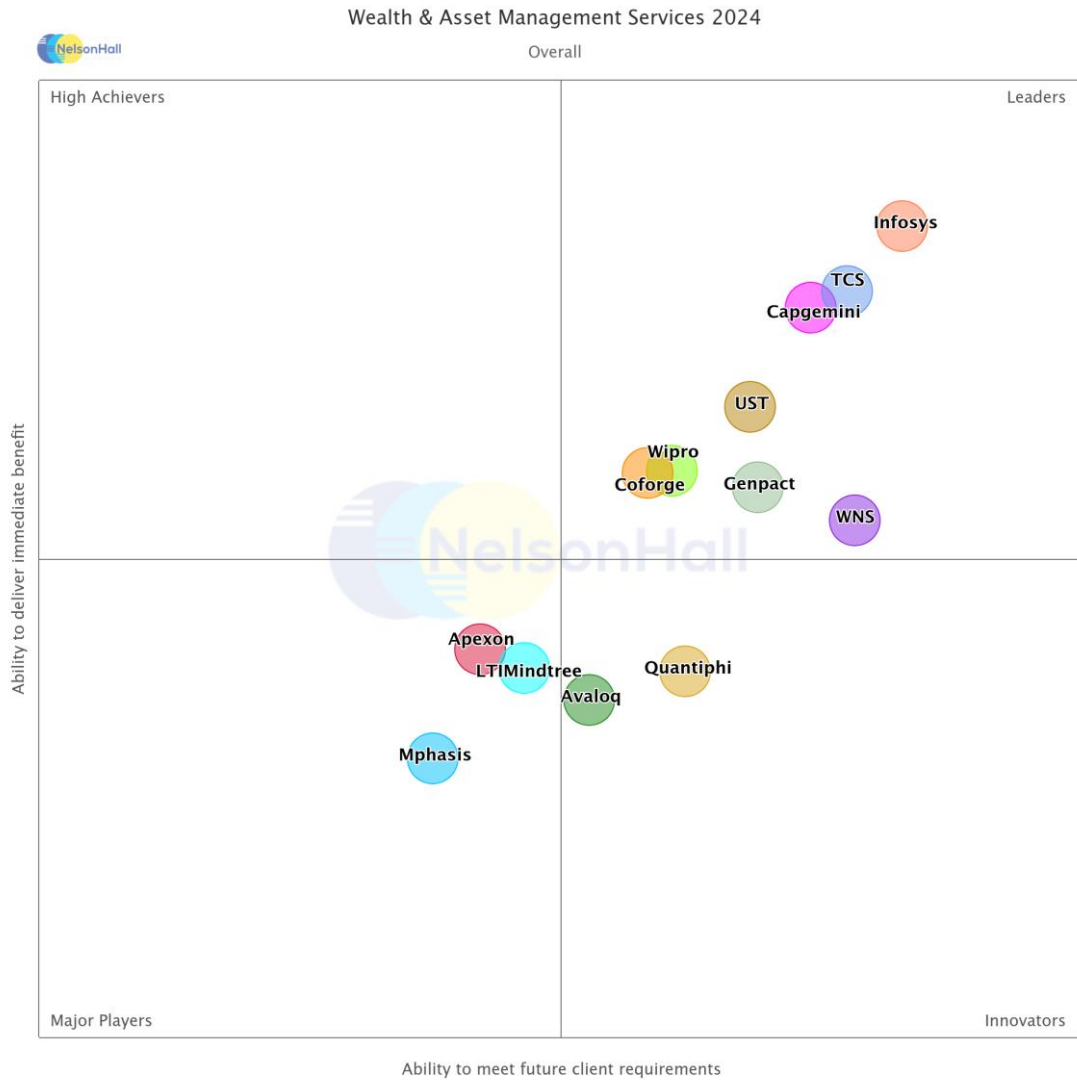
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Apexon, Avaloq, Capgemini, Coforge, Genpact, Infosys, LTIMindtree, Mphasis, Quantiphi, TCS, UST, Wipro, and WNS.

Further explanation of the NEAT methodology is included at the end of the report.



NEAT Evaluation: Wealth & Asset Management Services (Overall)



NelsonHall has identified Infosys as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Infosys’ overall ability to meet future client requirements as well as delivering immediate benefits to its wealth & asset management clients.

Leaders are vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements.

Buy-side organizations can access the *Wealth & Asset Management Services* NEAT tool (*Overall*) [here](#).



Vendor Analysis Summary for Infosys

Overview

Infosys delivers a full range of ITS and operations services to the W&A industry, focusing on the following subdomains:

- Wealth management
- Asset management
- Retirement services
- Private equity.

It is building its services to support client transformation by:

- Building industry frameworks and assets to enable change using its Alpha platform
- Delivering technology change employing cloud migration, legacy modernization, and enhancing user experience
- Partnering and investing in new technology, including GenAI, blockchain, crypto, ESG, and new financial assets
- Training its own and client employees in emerging technologies and industry certifications
- Combining operations and technology delivery to enhance operational effectiveness.

Infosys has 19.5k FTEs working in W&A services, delivered from a network of centers comprising: India (72% of delivery), North America (14%), EMEA (9%), Rest of Asia (4%), and Philippines (1%).

Services delivered support processes including administration and support processes (42%), post-trade processes (32%), pre-trade processes (15%), and regulatory and ESG (11%).

Infosys' primary targets are banks and capital markets institutions in North America, EMEA, and APAC. Clients buy services based on a range of pricing structures: T&M pricing (50%), fixed price (42%), and transaction-based pricing (8%).

Financials

NelsonHall estimates that Infosys' 2024 full-year revenues from W&A services for the banking industry will be \$1,400m, comprising:

- Managed services (57%)
- Design/deploy/IT services (25%)
- Consulting (9%)
- BPS (9%).



Strengths

- Practices focused on industry sub-verticals (e.g., retirement and private equity)
- Disciplined development of many domain-specific reusable components
- Large ecosystem of emerging tech vendors for this specific industry
- Experience and partnerships with major industry platforms.

Challenges

- Building labor delivery to focus on the fastest growing markets and domain-specific application of emerging technologies
- Scaling its private equity offerings, where each sub-product class requires specific domain knowledge and unique operational delivery structures.

Strategic Direction

Infosys is targeting W&A managers with domain-informed service offerings to help them transform their operational delivery. Infosys works with institutions in four industry sub-markets across all major geographic markets:

- Wealth management
- Asset management
- Retirement management
- Private equity.

Its most recent additions are retirement and private equity, and NelsonHall expects Infosys to add more submarkets over time.

It delivers transformation quickly by:

- Partnering with many technology vendors for emerging tech
- Utilizing its Alpha platform to create reusable, productized, domain-specific solutions
- Training its staff at scale in domain/technology-specific skills.

Infosys goes to market with:

- Experience-led digital transformation
- Combined operations/technology
- Faster time-to-implementation
- Use of emerging technologies (e.g., blockchain, crypto, and GenAI)
- Risk and cybersecurity offerings
- Support for client M&A.



Outlook

Infosys has a W&A services business that delivers design, deployment, integration, and implementation services for North America, EMEA, and APAC W&A management clients. It had a strong year in 2023 as it developed new partnerships, reusable technology components, and a sub-industry focus on private equity.

NelsonHall estimates that Infosys' W&A services revenues will grow by 5% per year over the next three years. If it successfully builds its private equity offerings, it should be able to expand its business by an additional 3% per year.



Wealth & Asset Management Services Market Summary

Overview

The wealth & asset (W&A) management industry is responding to new business conditions of shorter settlement times, new financial products, new competitors, and higher compliance requirements. At the same time, it must maintain the same data and operations security levels it delivers from on-site delivery centers. AI has moved to the center of what is needed to address a changing environment while using fewer employees. The goal is to reduce time to market for new offerings, increase operational flexibility, reduce TAT, improve accuracy, and meet shortened deadlines.

The industry focus is turning to:

- Faster introductions of new financial products to service new customer demographics
- Digitalization of all processes and documents to reduce the cost of delivery
- Growing presence of independent advisors working with major financial institutions requiring integration into their core platforms
- Changing customer preferences are changing the mix of preferred product offerings.

W&A managers will increasingly move their focus to:

- Deploying AI to support advisors and middle/back-office process execution
- Accelerating move to the cloud and elimination of manual processes
- Support for business model change
- Agile deployment of new functionality with DevOps
- Identification of use cases more likely to be operationalized successfully.

Buy-Side Dynamics

The nature of client demand for W&A management services can be summarized as:

- The highest level of demand has been for re-platforming services to enable large W&A managers to migrate to the cloud and deliver new offerings to a new generation of customers with different priorities and interaction preferences
- Regional and local managers are buying automation and managed services to reduce their financial and labor commitment to operations and focus more resources on customer acquisition and investing
- Asset managers are looking for cloud and AI-cognitive services to enable them to manage delivery in a new ecosystem.

Large W&A managers are looking for the ability to increase agility, re-platform, and move to the cloud to introduce new products, target and onboard new customers, introduce new offerings, and standardize their service delivery.

Regional and local managers seek to enable new product offerings and digitalize operational delivery to help them cost-effectively deliver services to a broader range of customers, allowing customers to shop a more extensive portfolio of offerings.



Asset managers look for better asset analysis, deeper portfolio analysis, digital delivery, and improved understanding of suppliers to standardize across a growing number of silos, manage shorter settlement windows, and enable more employees to build self-service analytics.

Buy-side issues include:

- *Modernizing offerings and customer engagement*: increasing the speed and quality of new product introductions; enabling open banking third-party access with quality control of offerings; meeting the interaction expectations of new client demographics; reducing AHT for processes with deadlines or that impact CSAT
- *AI*: improving the quality and number of sources of data, including synthetic data; processing and analyzing new data types using OCR, ICR, LLM, and voice tools; increasing accessibility to third parties, including advisors, regulators, and customers
- *Modernizing the operations estate*: enhancing orchestration capabilities across multi and hybrid domains; converting platforms to microservices, then identifying and implementing best-of-breed solutions.

Market Size & Growth

NelsonHall estimates the size of technology and operations services in the W&A management services industry will be ~\$8,990m in 2024 and forecasts that it will grow at 5.6% per year from 2024 to 2029.

Technology and operations services start with consulting services, which account for ~8% (\$720m) of client spending and are growing at ~8% per year over the forecast period. IT, design, and delivery services account for ~50% (\$4,495m) of client spending and are growing at ~6% over the forecast period. Finally, managed and BPS services account for ~42% (\$3,775m) of client spending and are growing at ~4.5% over the forecast period.

Challenges

The key challenges faced in the W&A management industry include:

- Data:
 - Supplier and investment data: Scope 3 and risk management regulations require managers to source and analyze data much farther out into their ecosystem than previously
 - Applying ML and GenAI requires large data pools that only exist in markets or consortiums
- Markets:
 - Adapting the processes and delivery of financial products to each market where they are distributed. Each has different regulations, industry norms, and infrastructure
 - Changing process execution as regulations change. The current focus is on shorter settlements, enhanced cybersecurity, and tokenization
- Access to scarce resources:
 - Skilled implementation staff: emerging technologies require evaluation and implementation skills. Combined domain and tech skills are in the shortest supply



- Leading technology: single vendors are not sufficient; FinTech ecosystems are required
- Standardization:
 - Orchestrating consistent execution across hybrid clouds and multiple markets
 - Standardization and coordination of data management across silos, LOBs, and markets
- Environment complexity:
 - Increased M&A is driving the need to simplify internal silos continuously
 - Manual processes are challenging to map and digitalize
 - New functionality from FinTech is immature, requiring a roadmap and agility to remain viable
- Development of client-specific IP:
 - Developing proprietary IP, both alone and in coordination with third parties
 - Working with non-technical workers to develop targeted solutions using low/no code
 - Managing projects within client organizations across markets and LOBs.

Success Factors

Key success factors for vendors of W&A management services include:

- Tools and technology:
 - Ability to source, analyze, and manage unstructured data for both compliance and business purposes from across markets, businesses, and silos
 - Ability to craft offerings from emerging functionality and industry-specific platforms
 - Productized offerings for mid-tier and local W&A managers
 - Vendor ecosystem: ISV ecosystem and ability to monitor changes in technology vendors, data vendors, and compliance requirements
 - Accelerators, API libraries, and solution partner ecosystem
- Operations:
 - Industry process knowledge and the ability to apply FinTech to address industry challenges
 - Delivering speed to market for new products, reducing error rates, and meeting deadlines
 - Standardizing and consolidating process delivery across markets and products
 - Enabling core platform transformation and migration to the cloud.



Outlook

The future direction for technology and operations services in the W&A management industry will include:

- Clients moving towards increased adoption of cloud delivery and embedding AI directly into processes
- Data sourcing and quality will be increasingly important as cognitive solutions increase their functionality
- Beginning to standardize data management across silos and markets
- Accelerating the introduction of new financial product offerings with FinTech, AI, and cloud delivery.



NEAT Methodology for Wealth & Asset Management Services

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements
- **High Achievers:** vendors that exhibit a high ability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet client future requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet client future requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

‘Ability to deliver immediate benefit’: Assessment criteria

Assessment Category	Assessment Criteria
Offerings	<ul style="list-style-type: none"> Breadth of application of services to W&A Application of microservices to environments Application of W&A technology to processes Consulting and strategy development W&A services implementation capability Ongoing W&A management Monitoring and observability Application of AI/cognitive technology to W&A processes Ability to offer new process models for W&A with digital technologies Ability to benchmark processes and offer roadmap
Delivery Capability	<ul style="list-style-type: none"> Scale of W&A process delivery capability Cognitive delivery capability Delivery capability – North America Delivery capability - Europe Delivery capability – ROW Use of pre-existing technology implementation templates W&A process change management capability Maturity of services delivery model Services governance capability Extent of partnerships in support of W&A services
Market Presence	<ul style="list-style-type: none"> Overall presence in W&A processes Overall W&A cloud migration presence Overall W&A AI presence Overall W&A automation presence Presence in managed services processes North American presence Europe presence
Benefits Achieved	<ul style="list-style-type: none"> Overall level of benefit achievement Improvement in regulatory compliance Improvement in data sourcing and scrubbing Improvement in reporting Increased accuracy of W&A reporting Improvement in operational performance, reliability, and availability Level of cost savings achieved Perception of ‘value for money’ Increased end-user satisfaction



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Service Innovation Culture	<ul style="list-style-type: none"> Perceived suitability to meet future client needs in W&A Ability to apply W&A services to W&A processes Ability to apply W&A services to investing processes Perceived suitability to develop new business models & processes Service culture Innovation & creativity Ability to apply new technologies Transformation capability
Maturity of Roadmap	<ul style="list-style-type: none"> Maturity of roadmap in support of W&A strategy development Maturity of roadmap in W&A deployment Maturity of roadmap in support of process management in W&A Maturity of roadmap in monitoring and observability capability Maturity of roadmap in data management Maturity of roadmap in orchestration technologies Maturity of roadmap in own tools & platforms in support of clients Maturity of roadmap in new systems of reporting
Market Momentum	<ul style="list-style-type: none"> Wealth and Asset Management services momentum AI services momentum Cloud services momentum Platform modernization services momentum Automation focused momentum Professional services

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



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Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:
Darrin Grove at darrin.grove@nelson-hall.com

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