Life Sciences Clinical and R&D IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2015

Healthcare & Life Sciences IT
Market Report: October 2015 – Preview Deck

EGR-2015-12-PD-1603

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- **BFSI[1] Information Technology**
- **BFSI[1] Business Process**
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- **Transaction Intelligence**

Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Subscription information

- The full report is included in the following subscription(s)
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1 Banking, financial services, and insurance

Background and scope of the research

Background of the research

The healthcare landscape has been subject to significant turbulence on account of a gamut of factors, including escalating costs, widespread regulatory amendments, changing business models, and the evolution of the patient-centric paradigm (with mobile computing, social media platforms, and "anytime-anywhere" information access). This combination of disruptive and legacy factors has driven healthcare firms to adopt new technologies, and at the same time revamp their existing systems, processes, and interfaces.

As the technology mandate for healthcare enterprises evolves, so do their relationships with IT service providers. This, in turn, is driving the need for relevant research and market intelligence on demand and supply trends in healthcare outsourcing across the three major market segments – payer, provider, and life sciences. Everest Group's Healthcare and Life Sciences (HLS) IT research program addresses this market's requirement by analyzing outsourcing trends and service provider capabilities specific to HLS IT.

In this report, we analyze the capabilities of 16 IT service providers specific to clinical and R&D IT services in the global life sciences space. These service providers are mapped on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix, which is a composite index of a range of distinct metrics related to a provider's capability and market success. We focus on:

- The landscape of service providers for clinical and R&D IT services in the life sciences space
- Assessment of the service providers on a number of capability-related dimensions
- Characteristics of Leaders, Major Contenders, and Aspirants on the Everest Group PEAK Matrix
- Implications for life sciences IT buyers and service providers

Scope of this report

- **Industry:** Life sciences (pharmaceuticals, medical devices, biotechnology, and other life sciences[1])
- **Services:** Clinical and R&D IT services
- **Geography:** Global
- **Sourcing model:** Third-party IT transactions; excludes shared services or Global In-house Centers (GICs)

1 Includes healthcare data & information services and medical products distribution

This report examines the service provider landscape for large annuity contracts in the life sciences IT market

NOT EXHAUSTIVE

Focus of report

Healthcare

Payer
- Private health plans
- Public health plans

Life sciences
- Pharmaceuticals
- Medical devices
- Biotechnology
- Others[1]

Provider
- Large health systems
- Stand-alone hospitals/clinics
- Pharmacists
- Physician practices
- Diagnostic labs

Services industry

IT Infrastructure Outsourcing (IO)
- Traditional IO
- Remote Infrastructure Management (RIM)
- Infrastructure Management Services (IMS)
- Cloud

IT Application Outsourcing (AO)
- Applications development
- Applications maintenance
- Independent testing
- Package implementation
- ERP services
- Business intelligence / data warehousing

Business Process Outsourcing (BPO)
- BFSI-specific BPO
- HRO
- FAO
- PO
- Contact center
- Knowledge services

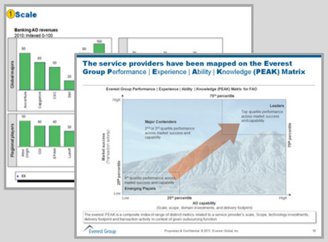
Consulting
- IT strategy / operations consulting
- Business consulting
- Infrastructure consulting
- Infrastructure roll-outs

1 Includes healthcare data & information services and medical products distribution

This report is a part of Everest Group's series of reports focused on ITO in healthcare in 2015

Focus of report

Annual report



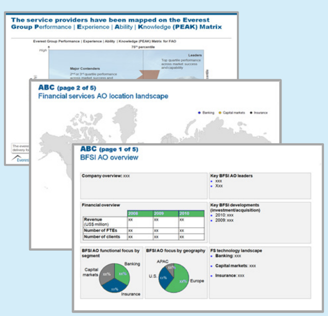
- Each report provides an overview of the ITO market for the specific healthcare subsegment
- Analysis includes the following content in the specific healthcare subsegment:
  - Trends in ITO in the overall healthcare industry
  - Market trends and activity for large ITO relationships
  - Emerging themes driving ITO
  - Future outlook for ITO

Payer

Life sciences

Provider

Service provider landscape and capability profiles



This set of reports is focused on key healthcare subsegments, and some crucial processes / value chain elements for the subsegments

Each report provides

- Mapping of service providers on **Everest Group's PEAK Matrix**
- Capability profiles of service providers capturing their ITO services experience. This includes:
  - Service provider overview: Details of ITO services capabilities, key investments, proprietary solutions, and technological expertise
  - Functional / Line of Business (LoB) focus
  - Transactions overview for ITO services
  - Delivery footprint

Payer
- Global IT
- Big data & analytics
- Digital services
- Care management & patient engagement

Life sciences
- Global IT
- Life sciences in Europe
- Big data and analytics
- Digital services
- *Clinical R&D IT services*

Provider
- Global IT

Everest Group's healthcare outsourcing research is based on two key sources of proprietary information

1

- Everest Group's proprietary database of 1,000+ large, multi-year IT contracts within healthcare (updated annually)
- The database tracks the following elements of each large IT relationship:
  - Buyer details including industry, size, and signing region
  - Contract details including TCV, ACV, term, start date, service provider FTEs, and pricing structure
  - Activity broken down separately for healthcare payer, life sciences, provider, and by business subsegment (for example, pharmaceuticals and medical devices)
  - Scope coverage of functional activities and buyer geography
  - Sourcing leverage including delivery locations and level of offshoring

2

- Everest Group's proprietary database of **operational capability of major healthcare and life sciences IT service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
  - Overall revenue, total employees, and healthcare employees
  - Major healthcare IT clients and recent wins
  - Recent healthcare-related developments
  - Healthcare IT delivery locations
  - Healthcare IT service suite
  - Domain capabilities, proprietary solutions, and intellectual property investments

Service providers covered in the analysis

accenture — High performance. Delivered.
Cognizant
Capgemini — Consulting. Technology. Outsourcing
CSC
DELL Services
Deloitte.
<epam>
HCL
IBM
IGATE — Speed.Agility.Imagination
Infosys
L&T Infotech
NNIT
TATA CONSULTANCY SERVICES
Tech Mahindra
WIPRO — Applying Thought

Note: Assessment for Accenture, Capgemini, CSC, Deloitte, IBM, and NNIT excludes service provider inputs on this particular study and is based on Everest Group's estimates, which leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of Accenture, Capgemini, CSC, Deloitte, IBM, and NNIT, service provider public disclosures, and interaction with buyers

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information that is contract-specific, will be presented back to the industry only in an aggregated fashion

Table of contents

Overview and abbreviated summary of key messages

This report provides a comprehensive assessment of the service provider landscape for clinical and R&D IT services in the life sciences industry, and maps the leading service providers on Everest Group's PEAK Matrix. It also includes segment-wise analysis incorporating enterprises' feedback about service providers.

Some of the findings in this report, among others are:

PEAK Matrix for life sciences clinical and R&D IT

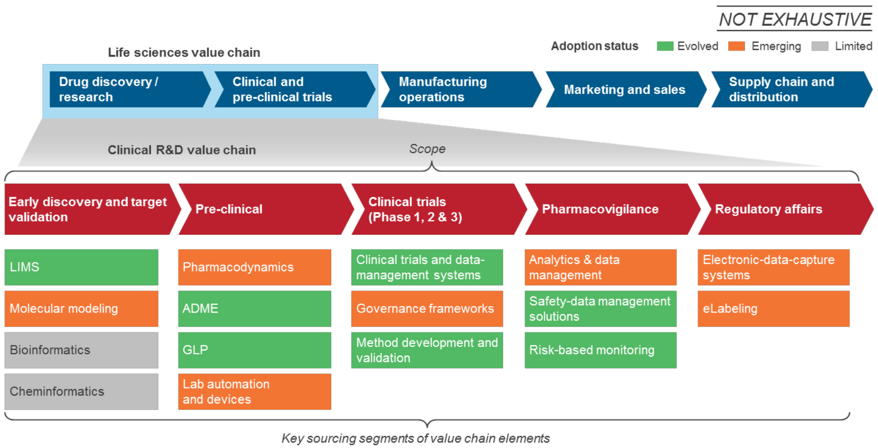
- Analysis of the service provider landscape for life sciences clinical and R&D IT leveraging the Everest Group's PEAK Matrix reveals three distinct categories: Leaders, Major Contenders, and Aspirants
- Digital comprises over one-third of life sciences IT transactions, mostly as an add-on scope inclusion
- Life sciences enterprises are reorienting business strategies to focus on their core competence. Therefore, clinical and pre-clinical elements are becoming a hot bed of technology enablement, with a strong focus on data-driven solutions
- Analysis of transactions with clinical and R&D in scope reveals analytics being leveraged in less than one-third of the deals
- North America accounted for over four-fifths of the clinical and R&D IT activity; at the same time, Asia Pacific and Latin America showed very low activity in this space
- Pharmaceuticals firms show the dominant uptake of clinical and R&D IT services within the life sciences spectrum

Implications for key stakeholders

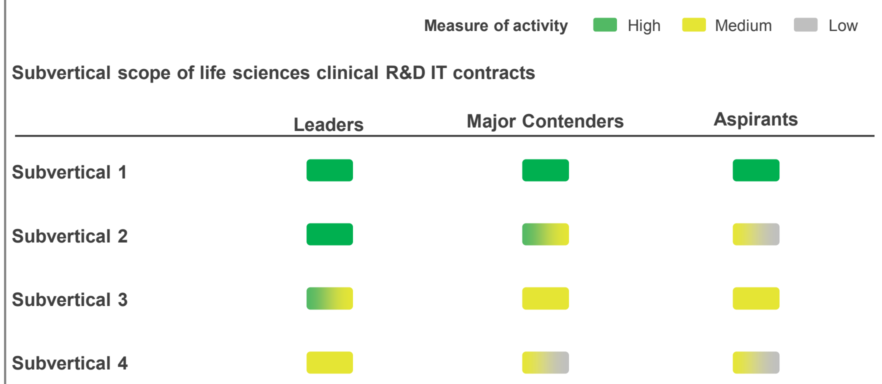
- Enterprise buyers need to accelerate smarter drug development to counter rising costs with IT enabling new constructs
- Buyers should reorient business models to focus on core competence vs. spreading too thin
- Service providers should adapt to newer deal constructs (As-A-Service, integrated services, and gainsharing) to exhibit more skin in the game
- Vendors need to draw linkages between technology offerings & business impact to core R&D
- Vendors look to increase invest in consistent thought leadership to create credibility & market recall
- Providers should develop a differential talent mix with more SMEs and domain specialists

This study provides a deep dive into the life sciences clinical and R&D IT service provider landscape; below are few charts to illustrate the depth of the report

Life sciences clinical and R&D value chain



Clinical and R&D IT transaction activity in different life sciences subsegments



Life sciences clinical and R&D IT revenue growth

Measure of activity High Medium Low

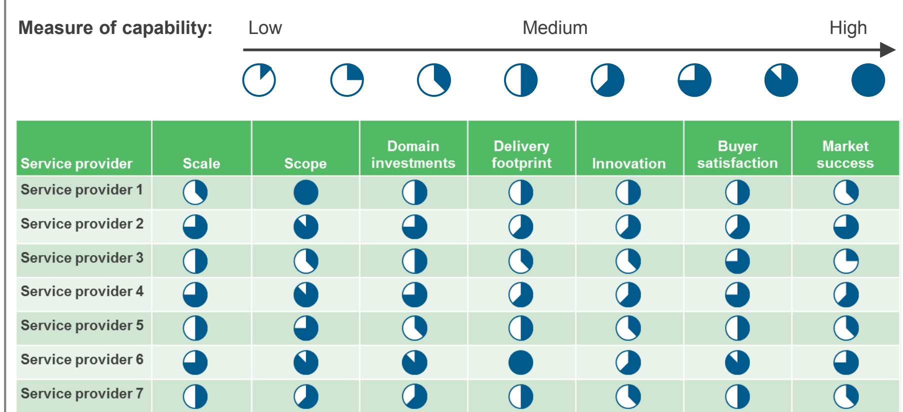
Large active life sciences IT deals with clinical & R&D in scope
Number of deals

>20%	Service provider 1 Service provider 2 Service provider 3
10-20%	Service provider 1 Service provider 2 Service provider 3
<10%	Service provider 1 Service provider 2 Service provider 3

Life sciences clinical and R&D IT services revenue growth
2013-2014; CAGR (Percentage)

>20%	Service provider 1 Service provider 2 Service provider 3
10-20%	Service provider 1 Service provider 2 Service provider 3
<10%	Service provider 1 Service provider 2 Service provider 3

Capability assessment of service providers



Source: Everest Group (2015)

Everest Group RESEARCH

EGR-2015-12-PD-1603

Healthcare & Life Sciences research calendar

Published | Current

Topic	Release date
State of the Healthcare ITO Market: 2015 - Decoding the Winds of Change	March 2015
State of the Life Sciences IT Market: 2015 - Comprehending the Elements of Change in the Life Sciences IT Landscape	May 2015
IT Outsourcing in the Life Sciences Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2015	June 2015
IT Outsourcing in Life Sciences – European Service Provider Landscape with PEAK Matrix™ Assessment 2015	July 2015
IT Outsourcing (ITO) in the Life Sciences Industry – Annual Report 2015: Integrated Services Strategy in the Age of Digital	July 2015
IT Outsourcing in Life Sciences: Digital – Service Provider Landscape with PEAK Matrix™ Assessment 2015	July 2015
Life Sciences Big Data and Analytics IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2015	September 2015
Life Sciences Clinical and R&D IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2015	October 2015
IT Outsourcing in Healthcare Payer Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2015	Q4 2015
IT Outsourcing in the Healthcare Payer Industry – Annual Report 2015: Go-to-Market Strategy For Healthcare IT	Q4 2015
Payer big data and analytics – Service Provider Landscape with PEAK Matrix Assessment 2015	Q4 2015
IT Outsourcing in the Life Sciences Industry – Service Provider Profile Compendium 2015	Q4 2015
Payer digital – Service Provider Landscape with PEAK Matrix Assessment 2015	Q4 2015
IT Outsourcing in Healthcare Provider Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2015	Q4 2015
IT Outsourcing in Healthcare Provider Industry – Annual Report 2015	Q4 2015
IT Outsourcing in Healthcare Payer Industry – Service Provider Profile Compendium	Q4 2015
IT Outsourcing in Healthcare Provider Industry – Service Provider Profile Compendium 2015	Q4 2015

Additional Healthcare & Life Sciences research references

The following documents are recommended for additional insight on the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **IT Outsourcing in Life Sciences Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2015** (EGR-2015-12-R-1469); 2015. In this report, we analyze the capabilities of 20 leading ITO service providers specific to the global life sciences sector. These service providers are mapped on the Everest Group PEAK Matrix, which is a composite index of a range of distinct metrics related to a service provider's capability and market success

2. **Life Sciences Digital IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2015: Scaling the Next Frontier** (EGR-2015-12-R-1512); 2015. This inaugural report provides a comprehensive assessment of the service provider landscape for digital IT services in the life sciences industry. It maps 15 leading service providers on the Everest Group PEAK Matrix, which is a composite index of a range of distinct metrics related to a service provider's capability and market success. The report also provides an overview of how digital is disrupting the life sciences industry value chain, drivers of adoption, deal trends, evolving definitions, and focus of investments

3. **Life Sciences Big Data and Analytics IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2015** (EGR-2015-12-R-1565); 2015. This inaugural report provides a comprehensive assessment of the service provider landscape for big data and analytics IT services in the life sciences industry. It maps 18 leading service providers on the Everest Group PEAK Matrix, which is a composite index of a range of distinct metrics related to a service provider's capability and market success. The report also provides an overview of the extent of big data / analytics adoption across the life sciences value chain, drivers of adoption, deal trends, evolving definitions, and focus of investments

For more information on this and other research published by Everest Group, please contact us:

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