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RESEARCH

Healthcare Consulting – Service Provider Landscape with Services PEAK Matrix™ Assessment 2017

Healthcare & Life Sciences IT Outsourcing (HLS ITO) Market Report – November 2017: Complimentary Abstract / Table of Contents

EGR-2017-12-PD-2426

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Subscription information

- This report is included in the following subscription(s)
  – **Healthcare & Life Sciences IT Outsourcing (HLS ITO)**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
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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

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* Banking, financial services, and insurance

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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 evolution of the patient-centric paradigm (with mobile computing, social media platforms, "anytime-anywhere" information access, and self-service channels). This combination of disruptive and legacy factors has driven the healthcare firms to devise innovative business strategies and adopt new technologies.

Healthcare consulting[1] firms are helping enterprises to effectively navigate through these uncertain times. This, in turn, is driving the need for relevant research and market intelligence on demand and supply trends in the healthcare consulting market across healthcare payers and providers. Everest Group's HLS IT research program realizes the change in the market situation and has come up with a research report that addresses this particular need.

In this report, we analyze the capabilities of 20 healthcare consulting service providers specific to the global healthcare sector. These service providers are mapped on the PEAK Matrix™, which is a composite index of a range of distinct metrics related to a provider's vision & capability and market impact.

We focus on:

- Global consulting and healthcare consulting market trends
- The landscape of service providers for healthcare consulting
- Assessment of the service providers on a number of capability-related dimensions

Scope of this report

- **Industry:** Healthcare payers and providers
- **Services:** Healthcare consulting
- **Geography:** Global

1 As defined on page 6

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This report focuses on healthcare consulting and offers insights into the prominent firms operating in this space

Focus of this research

NOT EXHAUSTIVE

Healthcare Consulting

Strategy consulting
- Growth and consolidation strategy
- Corporate restructuring and corporate strategy
- Corporate recovery and turnaround strategy
- Strategic sourcing strategy
- Branding, marketing, and channel management strategy
- Sales and distribution strategy
- New product development strategy
- Pricing strategy

IT consulting
- ERP consulting
- IT design and build
- IT strategy planning and review
- IT testing and integration
- Governance, risk, and compliance
- Hardware/software selection
- IT training support
- IT spend optimization
- IT project effectiveness management
- IT service modeling

Financial consulting
- Financial modeling
- Budgeting/financial planning
- Infrastructure/asset financing and management
- Due diligence and valuation
- Financial risk management
- Capital investments
- Tax and accounting management
- Corporate value consulting
- Corporate transaction management
- Finance performance management

Operations consulting
- Value-based care consulting
- Quality and performance management
- Supply chain management
- Property and real estate management
- Operating / service delivery model design and build
- Knowledge management
- Process design and re-engineering
- Procurement and purchasing strategy

HR and talent consulting
- Benefits and compensation consulting
- Organizational design and culture
- Change management
- Stakeholder management
- Team collaboration and communication strategy
- Leadership and governance strategy
- Employee training and development
- Performance management
- Employment compliance

Digital consulting
- Big data and advanced business analytics
- Digital marketing and content management
- Customer experience management
- Digital transformation consulting
- Digital workforce management
- Connected ecosystem enablement
- "Smart" and "Intelligent" value chain enablement

Overview and abbreviated summary of key messages (page 1 of 2)

This report provides a comprehensive assessment of the healthcare consulting services market and maps the leading service providers on Everest Group's PEAK Matrix. It also includes detailed profiles of featured service providers.

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

Market trends

- **Multi-sourcing:** Consulting firms are increasingly engaging with both niche consulting firms and non-consulting complementary entities such as digital agencies and product companies to deliver innovative solutions to clients
- **Performance-based pricing:** Pricing practices are gradually evolving in the global consulting industry from the traditional time-and-material model to a performance-based pricing model but due to the several challenges in this pricing model, its adoption rate is currently pretty low at 10% but is expected to reach 33% in the next two decades
- **Gig economy:** Consulting firms are leveraging crowdsourcing and engaging freelancers to procure rare skills quickly and at a low cost. With the rise of crowdsourcing consulting practices, services of freelancers provide slight respite from the talent wars and skill shortages rampant in the consulting industry
- **Downstream integration:** Consulting firms venture into products to safeguard against potential disruption of traditional business consulting models. Traditional consulting capabilities are being complemented by proprietary technology platforms to deliver greater value to clients, to create a stable revenue source at a lower cost and generate leads for future engagements

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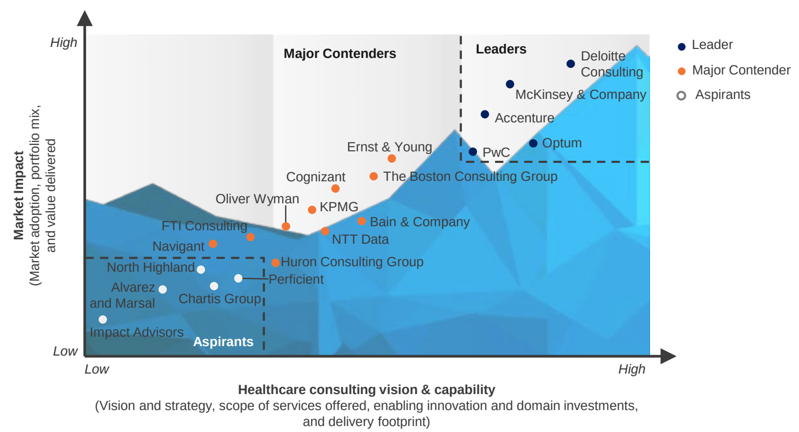
Overview and abbreviated summary of key messages (page 2 of 2)

PEAK Matrix for healthcare consulting services

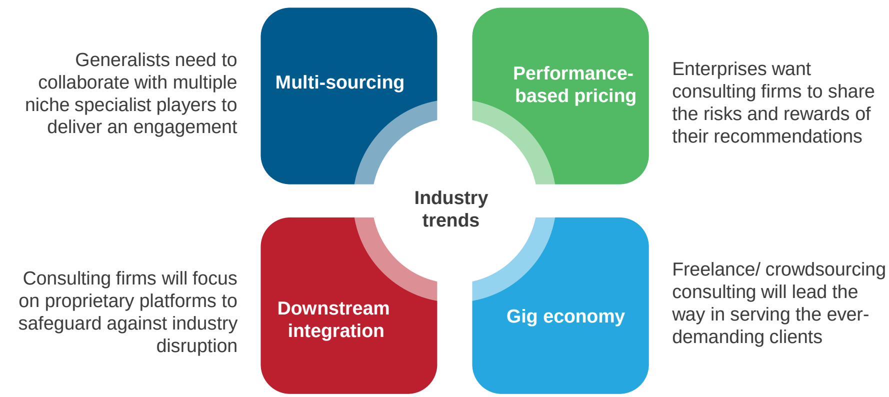
- Analysis of the service provider landscape for healthcare consulting services leveraging the Everest Group's PEAK Matrix reveals three distinct categories of service providers: Leaders, Major Contenders, and Aspirants
- With pressure mounting to provide better quality of care at lower costs, healthcare organizations are turning to consulting firms to help them manage the quality-cost trade-off. The enterprises also need strategic support to navigate through the regulatory uncertainties and to effectively adopt the digital business models
- Leaders have a well balanced portfolio across the healthcare consulting value chain, various focus segments and different geographies. Apart from their management consulting expertise, they have effectively leveraged their strategic partnerships to deliver value to the clients
- Major Contenders are enhancing their domain credence and technology capabilities to create a differentiated value proposition for their healthcare clients. They are trying to strategically expand their geographical reach as well
- Aspirants are focusing on niche segments in the market and lag behind in terms of geographic footprint as well as client outreach. They have not yet demonstrated capabilities to handle large multi-functional and geographically diverse end-to-end engagements

This study offers four distinct chapters providing a deep dive into key aspects of healthcare consulting services market; below are four charts to illustrate the depth of the report

Everest Group PEAK Matrix™ for Healthcare Consulting

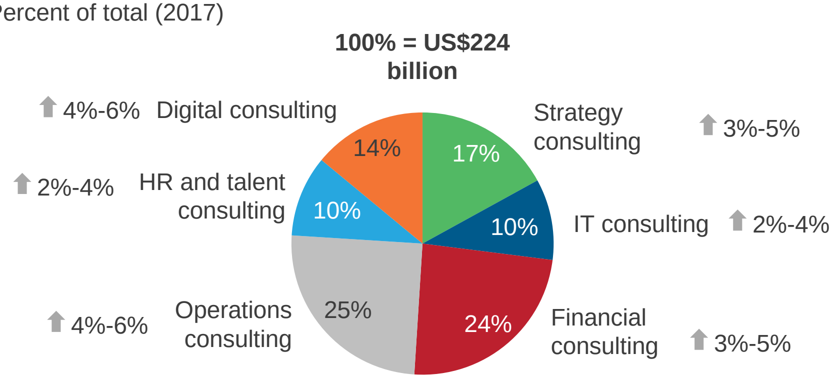


Key trends



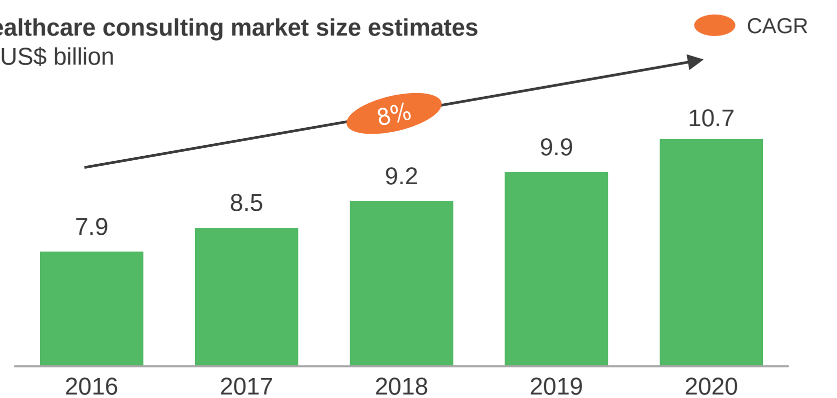
Global consulting market

Global consulting market, split by value chain elements
Percent of total (2017)



Healthcare consulting market

Healthcare consulting market size estimates
In US$ billion



Source: Everest Group (2017)

Research calendar – Healthcare & Life Sciences IT Outsourcing (HLS ITO)

Published | Planned | Current release

Flagship HLS ITS reports	Release date
Healthcare Payer Annual Report: Acing Uncertainties in the Payer Market: The Trump Cards	April 2017
Life Sciences IT Application Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017	May 2017
Life Sciences Clinical and R&D Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017	July 2017
Life Sciences Clinical Trials – PEAK Matrix™ Assessment for Products 2017	September 2017
Healthcare Provider Annual Report 2017: Will the Real Value-Based Care (VBC) Please Stand Up?	October 2017
Healthcare Payer IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017	October 2017
Healthcare Consulting – Service Provider Landscape with Services PEAK Matrix™ Assessment 2017	**November 2017**
Healthcare Provider IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017	November 2017

Thematic HLS ITS reports	
Exploring GICs in the Life Sciences Industry	February 2017
Hot Life Sciences Startups: Friends, Foes, and Frenemies in the Innovation Ecosystem	March 2017
Internet of Things (IoT) in Medical Devices	March 2017
Automation Playbook for Healthcare Payers: The Ultimate Guide to the Next Big Treasure Hunt	April 2017
Using Blockchain to Address Interoperability Concerns in Healthcare	June 2017
Exploring the Middle East Healthcare Opportunity	August 2017
The Rise of Medicare Advantage	October 2017

Note: For a list of all HLS ITO reports published by us, please refer to our website page

Additional HLS IT services research references

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

1. **Healthcare Provider Annual Report 2017: Will the Real Value-Based Care (VBC) Please Stand Up?** (EGR-2017-12-R-2361); October 2017. Amidst consistent regulatory uncertainty, falling profit margins, and decreasing in-patient volumes, the demand in the healthcare provider IT market is rebounding with primary focus on value based care initiatives. Demand in the provider IT market has been concentrated in the larger health systems. To truly unpack the current and future state of value based care driven IT investments, it is essential to evaluate the large health systems in their journey towards adopting value based care. In this annual report, we analyze the current state of adoption of value based care and evaluate the 40 largest health systems based on their value based care performance and financial health. The report also provides actionable frameworks for the health systems to accelerate their value based care initiatives and for the service providers to develop the requisite expertise to support these health systems

2. **The Rise of Medicare Advantage** (EGR-2017-12-V-2395); October 2017. Amidst falling profitability, declining margins, and persistent regulatory uncertainty, healthcare payers are aggressively looking for opportunities to sustain their business. With most of the large payers strategically prioritizing growth in the Medicare Advantage (MA) market, it is evident that they believe MA is one such opportunity to make profits, even in these uncertain market conditions. This report analyzes the reasons for the rise of Medicare Advantage in the healthcare payer ecosystem. The report also discusses the benefits and challenges of Medicare Advantage for both payers and beneficiaries and sheds light on the specific areas that payers should focus on to extract the maximum benefit out of the Medicare Advantage market

3. **Healthcare Payer IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017** (EGR-2017-12-R-2390); October 2017. The report provides detailed analysis of the payer IT market trends, relative position on the Everest Group PEAK Matrix, capability assessment, and Everest Group's remarks on service providers highlighting their key strengths and development areas

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

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About Everest Group

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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