Life Sciences Report Card 2017 – Enterprise Initiatives and Service Provider Performance

Healthcare & Life Sciences BPS and ITS
Market Report – March 2018: Complimentary Abstract / Table of Contents

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Background and methodology of research

Background of the research

The life sciences market experienced significant turbulence in 2017 as a result of a variety 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, "anytime-anywhere" information access, and self-service channels). These factors drove the market toward never-before-explored frontiers such as evidence-based medicine and pay-for-performance. Additionally, pressure to reduce costs pushed pharma companies toward centralization and collaboration to share R&D costs.

In 2018, pay-for-performance and evidence-based medicine drivers will gain momentum with more and more pharma companies investing in these areas. On top of that, we will see an increased need for a supply chain overhaul to support the complex logistics requirement for personalized medicine and support the regulatory push from authorities for transparency.

The report talks about:

- Key themes that dominated the life sciences market in 2017
- Key enterprise actions and central sourcing themes
- Ranking of top 15 life sciences service providers based on four life sciences PEAK Matrix™ BP and IT services evaluations done in 2017
- Market outlook for 2018

The scope for the report includes:

- 37 outsourcing service providers who participated in four life sciences PEAK Matrix™ BP and IT services evaluations in 2017

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Overview and abbreviated summary of key messages

This report talks about key themes that dominated the life sciences market in 2017. It also discusses enterprise actions and central sourcing themes. The report lists top 15 life sciences service providers based on five healthcare PEAK Matrix™ BP and IT services evaluations done in 2017 and gives a brief description of 2018 market outlook.

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

Business trends

- Evidence-based medicine: Shift from blockbuster drug model (one-size-fits-all) to personalized treatments and precision medicine
- Pay-for-performance: Life sciences companies are redesigning their commercial models to include value-based parameters that directly correlate patient recovery with drug efficacy
- Reimagine commercial operations: Break silos in business functions, orchestrate operations seamlessly, and shift toward digital communication channels for better business performance
- Accelerated collaboration: Non-traditional partnerships with Contract Research Organizations (CROs), healthcare payers and providers, technology companies, academia, and government agencies

Enterprise actions and sourcing themes

- Outcome-based healthcare is taking the center stage
- Patients are becoming more engaged
- Advanced analytics to improve drug pipelines, products, and strategies
- Upgrading supply chain to support industry changes while adhering to regulations

Future outlook

- Technology: Investments in IT infrastructure will increase rapidly and digital health solutions to be on the go
- Regulations: Rise of the generic drugs
- Business: Cross-sector collaborations will rise and leaner and meaner pharma firms to arise
- Sourcing: Development of specialized supply chain network models

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This study offers a deep dive into key life sciences business trends and enterprise actions of 2017; below are four charts to illustrate the depth of the report

Business trends

Business trends

Evidence-based medicine
Shift from blockbuster drug model (one-size-fits-all) to personalized treatments and precision medicine

Pay-for-performance
Life sciences companies are redesigning their commercial models to include value-based parameters that directly correlate patient recovery with drug efficacy

Reimagine commercial operations
Break silos in business functions, orchestrate operations seamlessly, and shift toward digital communication channels for better business performance

Accelerated collaboration
Non-traditional partnerships with Contract Research Organizations (CROs), healthcare payers and providers, technology companies, academia, and government agencies
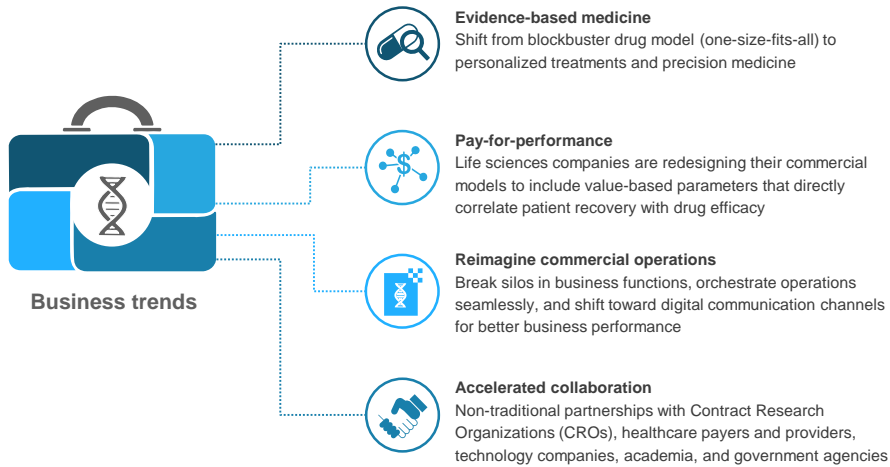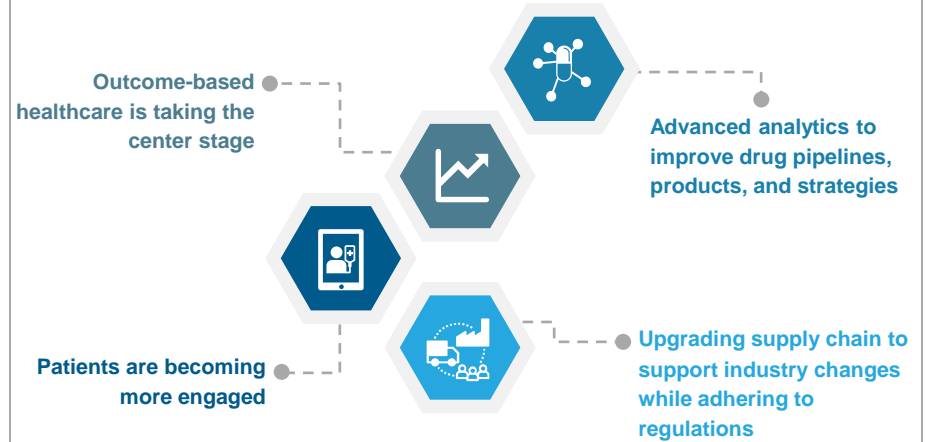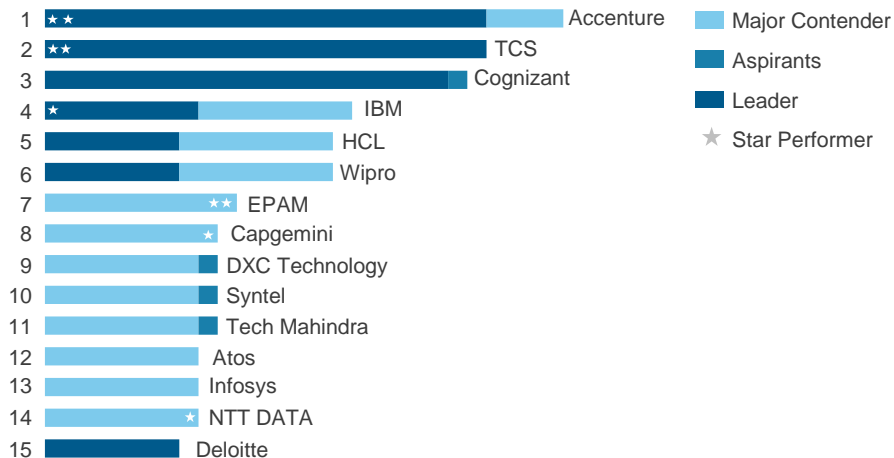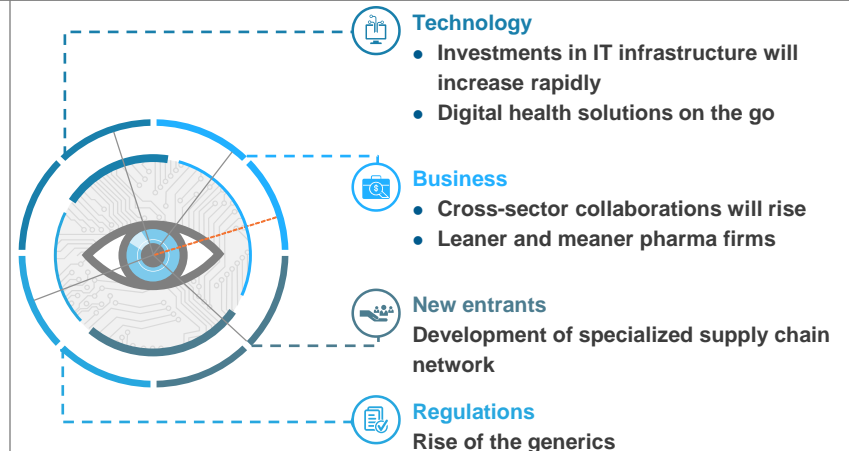
Key takeaways

Outcome-based healthcare is taking the center stage

Advanced analytics to improve drug pipelines, products, and strategies

Patients are becoming more engaged

Upgrading supply chain to support industry changes while adhering to regulations

Life Sciences PEAK matrices: Top 15 service providers

#	Provider
1	★★ Accenture
2	★★ TCS
3	Cognizant
4	★ IBM
5	HCL
6	Wipro
7	★★ EPAM
8	★ Capgemini
9	DXC Technology
10	Syntel
11	Tech Mahindra
12	Atos
13	Infosys
14	★ NTT DATA
15	Deloitte

Legend:
- Major Contender
- Aspirants
- Leader
- ★ Star Performer

Future outlook

Technology
- **Investments in IT infrastructure will increase rapidly**
- **Digital health solutions on the go**

Business
- **Cross-sector collaborations will rise**
- **Leaner and meaner pharma firms**

New entrants
Development of specialized supply chain network

Regulations
Rise of the generics

Research Calendar – Healthcare and Life Sciences BPS

Flagship reports	Release date
Healthcare payer BPO: Service Provider Profile Compendium	January 2018
Healthcare Report Card 2017: Enterprise Initiatives and Service Provider Performance	March 2018
Healthcare Payer BPO: Annual Report	Q1 2018
Healthcare Provider BPO: Annual Report	Q1 2018
Healthcare Payer BPO Deal Trends	Q2 2018
Healthcare Provider BPO Deal Trends	Q2 2018
Healthcare Payer BPO: Service Provider Landscape with Services PEAK Matrix™ Assessment 2019	Q4 2018
Healthcare Provider BPO: Service Provider Landscape with Services PEAK Matrix™ Assessment 2019	Q4 2018
Healthcare Provider BPO: Service Provider Profile Compendium	Q4 2018

Thematic reports	Release date
Viewpoint – Rising Cost of Healthcare in the United States: Can Analytics Help?	August 2017
Viewpoint on Member Engagement of the Future, Part 1 (3 Part Series)	Q1 2018
Viewpoint on Member Engagement of the Future, Part 2 (3 Part Series)	Q2 2018
Viewpoint on RPA in Healthcare	Q2 2018
Viewpoint on Risk and Compliance	Q2 2018

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

Research Calendar – Healthcare and Life Sciences BPS

| | Published | | Planned |

Thematic reports	Release date
Viewpoint on Member Engagement of the Future, Part 3 (3 Part Series)	Q3 2018
Viewpoint on Value Based Care	Q3 2018

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Research Calendar – Healthcare and Life Sciences ITS

Published   Planned

Flagship reports	Release date
Healthcare Report Card 2017: Enterprise Initiatives and Service Provider Performance	March 2018
Life Sciences Report Card 2017: Enterprise Initiatives and Service Provider Performance	Q1 2018
Life Sciences Annual Report 2018: DevOps in Pharma	Q1 2018
Life Sciences – North America Digital PEAK™ Matrix for Services Assessment 2018	Q2 2018
Life Sciences – Europe Digital PEAK™ Matrix for Services Assessment 2018	Q2 2018
Healthcare Annual Report 2018: Unpacking AI	Q2 2018
Digital Effectiveness for Payers	Pinnacle Model Assessment 2018	Q3 2018
Healthcare Payers – Digital PEAK™ Matrix for Services Assessment 2018	Q3 2018
Healthcare – Analytics PEAK™ Matrix for Products Assessment 2018	Q3 2018
Healthcare Providers – Digital PEAK™ Matrix for Services Assessment 2018	Q4 2018
Engineering Services for Medical Devices – Service Provider Landscape with PEAK Matrix™ Assessment 2018	Q4 2018

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Additional 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. **Innovation in Pharmacovigilance – How to Spend Smarter Not Higher** (EGR-2017-12-V-2195); 2017. Despite spending billions of dollars, lack of drug-related Adverse Event (AE) reporting and subsequent drug safety breaches continue to impact millions of lives and cause financial losses. Pouring more money at their Pharmacovigilance (PV) arms is no longer an efficient solution, so what can the pharmaceutical companies do to get out of this quagmire?

2. **Internet of Things (IoT) in Medical Devices** (EGR-2017-12-V-2112); March 2017. Connected devices gather large amounts of medically-relevant data that has the potential to link vital patient statistics and manage multiple lifestyle diseases. This connectivity of medical devices makes them ripe for disruption by a suite of technologies popularly known as the Internet-of-Things (IoT). However, this disruption can reap financial benefits only when enterprises can make sense of the data generated, overcoming challenges such as regulatory hurdles, data security, and interoperability. Everest Group unravels the IoT space in medical devices by looking at critical aspects such as the business case, challenges, enablers, use-cases, and growth aspects.

3. **Life Sciences Digital IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2016** (EGR-2016-12-R-1919); September 2016. The report covers digital IT market trends in life sciences, landscape of service providers for life sciences digital IT services, assessment of the service providers on a number of capability-related dimensions, and implications for life sciences digital IT buyers and service providers.

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About Everest Group

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