Life Sciences Digital in Europe – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018: Accelerating Transformation Despite Regulatory Complexity

Healthcare & Life Sciences IT Services (HLS ITS) Market Report – August 2018: Complimentary Abstract / Table of Contents

EGR-2018-30-CA-2760

Our research offerings for global services

- **Market Vista™**
  Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

Application Services	**Human Resources**
BPS | Banking & Financial Services	**ITS | Banking & Financial Services**
BPS | Healthcare & Life Sciences	**ITS | Healthcare & Life Sciences**
BPS | Insurance	**ITS | Insurance**
Catalyst™	**IT Services Forecaster™**
Cloud & Infrastructure	**Locations Insider™**
Customer Experience Management Services	**PricePoint™**
Digital Services	**Procurement**
Engineering Services	**Recruitment & Talent Acquisition**
Finance & Accounting	**Service Optimization Technologies**

Membership information

- This report is included in the following research program(s)
  – **Healthcare & Life Sciences IT Services (HLS ITS)**
- **If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com, unitedkingdom@everestgrp.com, or india@everestgrp.com**

More about membership

In addition to a suite of published research, a membership may include

- Price book
- Pinnacle Accelerators
- Data cuts
- Analyst access
- Virtual Roundtables
- Workshops

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

Table of contents (page 1 of 2)

Topic	Page no.

Table of contents (page 2 of 2)

Topic	Page no.

Background and methodology of the research

Background of the research

The Life Sciences (LS) industry is now beginning to look at digital transformation more seriously. When it comes to the European LS market, a number of distinctive characteristics, including price regulations, need for General Data Protection Regulation (GDPR) and European Union Medical Devices Regulation (EU MDR) compliance, extensive focus on R&D and clinical trials, and the market being heterogeneous, dictate that IT service providers formulate a dedicated strategy if they are to win digital deals in the region. To take optimal advantage of the market situation, vendors need to step up and act as strategic partners to LS enterprises in their digital transformation journeys.

This, in turn, is driving the need for relevant research and market intelligence on demand and supply trends in LS digital services. Everest Group's HLS ITS research program addresses this market requirement by analyzing outsourcing trends and service provider capabilities specific to digital services in the LS vertical.

In this report, we analyze the capabilities of 21 IT service providers specific to the life sciences sector in Europe. 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 provider's capability and market success. We focus on:

- IT digital services market trends for life sciences in Europe
- The landscape of service providers for life sciences digital services
- Assessment of the service providers on several capability- and market success-related dimensions

Scope of this report

- **Industry:** Life sciences (pharmaceuticals, medical devices, biotechnology, and other life sciences)
- **Services:** Digital services
- **Geography:** Europe
- **Sourcing model:** Third-party ITS transactions; excludes shared services or Global In-house Centers (GICs)
- **Methodology:** The report is based on four key sources of information: proprietary database of IT services contracts of major IT service providers with workplace services in scope of work (updated annually), proprietary database of IT service providers (updated annually), service provider briefings, and buyer reference interviews

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

This report examines the 2017 life sciences digital services for Europe provider landscape and its impact on the life sciences market. It focuses on service provider position and growth in the life sciences digital services market, changing market dynamics and emerging service provider trends, assessment of service provider delivery capabilities, and key life sciences digital services provider profiles.

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

Life sciences digital services market

- The overall life sciences digital service market is a US$4 billion+ opportunity, with Europe comprising almost a third of the market
- We expect the global life sciences digital services market to grow at ~20% over 2017-2020
- Pharmaceutical and biotechnology will be the segments driving most of the market growth, while growing consumerism will drive increased demand for medical devices

Life sciences enterprises' approach to digital

- Leading enterprises (with a digital-first agenda) don't believe their service providers are creating the right value for digital programs (especially around strategic engagement). ~53% of such enterprises are taking a Do-It-Yourself approach
- When it comes to Europe, the market is heterogeneous, with digital demand/adoption different for various regions. For example, Germany's focus is on medical devices, while Belgium has a higher share of regional HQs increasing focus on supply chain and distribution. This dictates that service providers formulate different go-to-market strategies for different regions

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

Emerging service provider trends

- Currently, 6 digital services players account for over half the market for life sciences digital services in Europe
- Service providers are stepping up their capabilities to address immediate demands from life sciences firms in the areas of analytics, automation, big data, cloud, and IoT

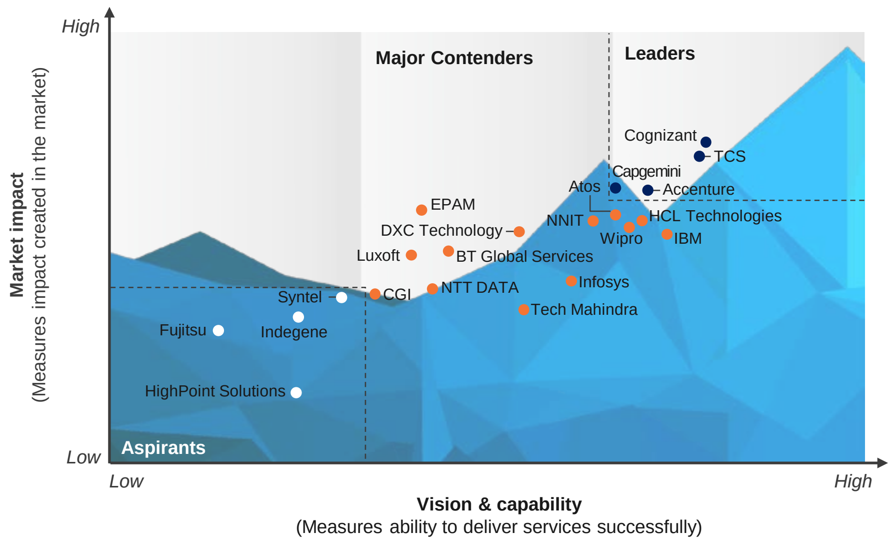
Service provider delivery capability

- Life sciences digital services providers for Europe can be categorized into Leaders, Major Contenders, and Aspirants based on vision & capability and market impact
- Accenture, Capgemini, Cognizant, and TCS are the current Leaders in the European life sciences digital services market. However, several service providers are emerging as Major Contenders

This study offers four distinct chapters providing a deep dive into facets of the life sciences digital services market in Europe; the exhibits below illustrate the depth of the report

Everest Group PEAK Matrix™ for life sciences digital in Europe 2018

Everest Group Life Sciences Digital in Europe – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018: Accelerating Transformation Despite Regulatory Complexity



Notes: Assessments for Accenture, BT Global Services, CGI, Fujitsu, IBM, and Infosys exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with life sciences firms that are buyers of digital services

● Leaders ● Major Contenders ○ Aspirants

Capability assessment

Illustrative example

Measure of capability: ● High ○ Low

Service provider	Market impact: Market adoption	Market impact: Portfolio mix	Market impact: Value delivered	Market impact: Overall	Vision & capability: Scope of services offered	Vision & capability: Innovation and investments	Vision & capability: Delivery footprint	Vision & capability: Vision and strategy	Vision & capability: Overall
Service provider 1									
Service provider 2									
Service provider 3									
Service provider 4									
Service provider 5									
Service provider 6									
Service provider 7									
Service provider 8									
Service provider 9									

Everest Group's remarks on service providers

Illustrative example

Measure of capability: ● High ○ Low

Market impact: Market adoption	Market impact: Portfolio mix	Market impact: Value delivered	Market impact: Overall	Vision & capability: Scope of services offered	Vision & capability: Innovation and investments	Vision & capability: Delivery footprint	Vision & capability: Vision and strategy	Vision & capability: Overall

Strengths

- Service provider 1, has a robust delivery presence in Asia Pacific with multiple delivery centers in India, Australia, the Philippines, and China, enabling it to service client requirements efficiently
- It has a good number of multi-country as well as single-country clients across the world

Areas of improvement

- Service provider 1 should increase offerings of value-added services such as employer branding, talent communities and workforce planning
- It should try to expand into larger multi-country deals and also scout for engagements in other Asia Pacific markets to strengthen its presence in the region

The PEAK Matrix report has service provider profiles for all 21 players featured in the evaluation

Service provider | Europe life sciences digital services profile
(page 1 of 2)

Areas of strength
- Consulting-driven work in life sciences; service provider has a dedicated team of specialized life sciences consultants
- Life sciences domain knowledge and European presence and delivery

Areas of improvement
- Solutions for manufacturing, supply chain, and sales & marketing

LS line of business coverage* (High (>20%) / Medium (10-20%) / Low (<10%))

Medical devices	Low	Pharmaceuticals	High
Biotechnology	Low	Others	Low

LS value chain coverage* (High (>20%) / Medium (10-20%) / Low (<10%))

Drug discovery and research	High	Sales and marketing	Low
Clinical and pre-clinical trials	High	Supply chain and distribution	Medium
Manufacturing operations	Medium		

LS digital services in Europe revenue

<US$50 million | US$50-100 million | US$100-150 million | **>US$150 million**

LS digital services in Europe buyer focus segments* (High (>20%) / Medium (10-20%) / Low (<10%))

Small (annual revenue < US$1 billion)	Low
Medium (annual revenue = US$1-5 billion)	Low
Large (annual revenue > US$5 billion)	High

Scope of digital services for LS
Analytics, cloud, and process automation

LS digital services delivery map

Vision and strategy for LS digital services
Building on top of deep life sciences pedigree, along with consulting-led digital solutions, to help firms navigate business and technology challenges

* Classified as high/medium/low, based on contribution to revenue

Service provider | Europe life sciences digital services profile
(page 2 of 2)
Offerings and recent developments

Proprietary digital solutions (representative list)

Solution	Details
Solution 1	An off-the-shelf service package that enables organizations to be compliant at any stage. Solution takes into account resources, skills, and upcoming regulations. The solution package includes a number of content and service areas, and can be used to create governance setups and delivery models
Solution 2	An IaaS service connecting to both Microsoft Azure and private clouds to provide full data integrity, security, and GxP compliance, while enabling configuration management to comply with customer-specific needs
Solution 3	Bespoke application development covering safety, clinical data warehouse, regulatory information management solutions, enterprise content management system, and test management for life sciences

Key events (representative list)

Event name	Type of event	Details
Event 1	Partnership (2018)	Service provider entered into a partnership with ValGenesis, a provider of cloud-based paperless validation software systems. Service provider will integrate the paperless validation software within its suite of services for the pharmaceutical and biotech industry. The training and cooperative efforts will focus on service provider's validation consultants and sales force in Europe
Event 2	Deal win (2018)	Service provider signed a five-year infrastructure agreement with XXXX, a supplier of products and services to the pharmaceutical, biotech and healthcare industry. The agreement covers global services including support and maintenance of XXXX's global IT infrastructure. The new contract with XXXX is service provider's first international infrastructure outsourcing agreement in the life science industry segment outside XXXX
Event 3	Partnership (2018)	Service provider signed a partnership with XXXX, a Copenhagen-based startup company creating the XXXX. According to the agreement, Service provider and XXXX will begin their collaboration in Q2 2018. The platform will be built around blockchain technology, IoT and modern sensor technology, whereas the core infrastructure will rest on a cloud computing platform to provide for maximum scalability, flexibility, and availability
Event 4	Expansion (2018)	Service provider opened a new datacenter in XXXX
Event 5	Partnership (2017)	Service provider entered into a partnership with XXXX to expand its portfolio of services to also include iPaaS; a tool for system integration in the cloud

Research calendar – Healthcare & Life Sciences IT Services

Published | Planned | Current release

Flagship HLS ITS reports	Release date
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 Services PEAK Matrix™ Assessment 2017	November 2017
Life Sciences Annual Report 2018: Pharma's "DevOps" Factor for Digital Transformation	March 2018
Life Sciences Digital in North America – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	June 2018
Life Sciences Digital in Europe – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018: Accelerating Transformation Despite Regulatory Complexity	**August 2018**
Healthcare Payer IT Services – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	Q4 2018

Thematic HLS ITS reports	
Rising Cost of Healthcare in the United States	August 2017
Exploring the Middle East Healthcare Opportunity	August 2017
The Curious Case of Infosys and Vishal Sikka	August 2017
Healthcare IT Security Services – Market Trends	September 2017
The Rise of Medicare Advantage	October 2017
Life Sciences Report Card 2017 – Enterprise Initiatives and Service Provider Performance	March 2018
Healthcare Report Card 2017 – Enterprise Initiatives and Service Provider Performance	March 2018

Note: For a list of all HLS ITS 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. **Life Sciences Digital in North America – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018** (EGR-2018-30-R-2657); June 2018. The life sciences industry is now beginning to look at digital transformation more seriously. Digital approaches are creating innovative ways of self and remote care for patients. On the enterprise side, digital has the potential to make internal workflows more efficient, reduce drug development timelines, help gain supply chain transparency & efficiency, and even combat counterfeits. To take optimal advantage of the market situation, vendors need to step up and act as strategic partners. In this report, we analyze the digital services capabilities of 23 IT service providers specific to the life sciences sector in North America. 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 provider's capability and market impact

2. **Life Sciences Annual Report 2018 – Pharma's DevOps Factor for Digital Transformation** (EGR-2018-30-R-2589); March 2018. With high time-to-market, increase in drug safety breaches, and the industry lagging behind in overall technology adoption, the pharmaceutical sector is crying out for a change in approach. DevOps as a methodology seems to check all the boxes. Having successfully been implemented in the software industry to respond to fluctuating demands, provide better customer experience, and reduce time-to-market, in this report we describe how the concept might be extended to pharmaceuticals to tackle the inherent challenges that the industry faces

3. **Hot Life Sciences Startups: Friends, Foes, and Frenemies in the Innovation Ecosystem** (EGR-2017-12-R-2124); March 2017. In this report, starting with a long list of over 150 candidates, we analyze 20 hot life sciences startups across three investment areas – drug discovery / product development, clinical and pre-clinical trials, and sales and marketing

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

Jimit Arora, Partner: jimit.arora@everestgrp.com

Abhishek Singh, Practice Director: abhishek.singh@everestgrp.com

Nitish Mittal, Practice Director: nitish.mittal@everestgrp.com

Mayank Thakur, Senior Analyst: mayank.thakur@everestgrp.com

Kanika Gupta, Analyst: kanika.gupta@everestgrp.com

Pranav Kumar, Analyst: pranav.kumar@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com

Everest Group®

From **insight** to ***action***.

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.

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91 806-781-9999

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-416-388-6765

Stay connected

Website

www.everestgrp.com

Social Media

@EverestGroup

@Everest Group

Blog

Sherpas In Blue Shirts

www.sherpasinblueshirts.com