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Healthcare and Life Sciences – GICs in India Fast-tracking Enterprises' Digital Agenda

Catalyst™

Market Report – July 2019: Complimentary Abstract / Table of Contents

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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

Membership information

● This report is included in the following research program(s)
   – Catalyst™

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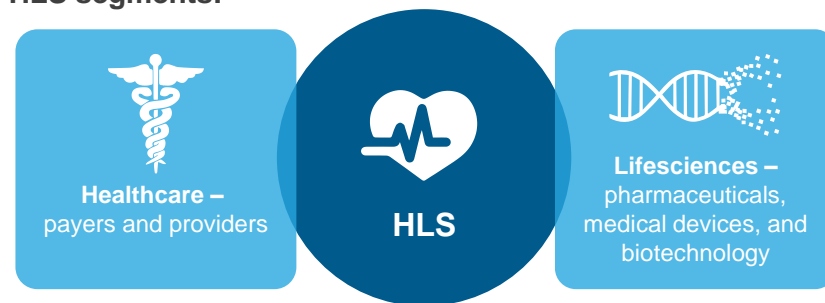
Background and scope

Overview

- In the past two to three years, India has witnessed strong growth in new center set-up activity and expansion of existing centers in the Healthcare and Life Sciences (HLS) space
- Increasingly, many enterprises are looking up to India as a services delivery destination to strengthen their in-house capabilities. For instance, GIC of a leading healthcare payer firm has scaled to over 3,000 FTEs in the past 12-18 months since its inception
- As GICs continue to expand the scale and scope of services being delivered from India, it is important to understand how GICs are evolving in this industry and delivering higher value-addition to their parent enterprises

Scope and methodology of this report

- This report focuses on the global delivery of HLS services from GICs in India. The report is divided into three sections:
  - **HLS GIC market landscape in India:** This section covers the overall GIC landscape in terms of center setups, growth, key delivery locations, and digital adoption trends
  - **Assessment of the HLS segments among India-based GICs:** This section provides insights on service delivery maturity of healthcare payer, healthcare provider, and life sciences services from GICs
  - **Future outlook and implications for HLS GICs in India:** This section covers trends shaping the future of HLS GICs and implications for them as they look to deliver higher value-addition to parent enterprises
- The report is based on Everest Group's ongoing interactions with GIC and parent enterprise stakeholders and proprietary GIC database that is updated quarterly with new set-up activity, expansion/ contraction of existing GICs, divestitures, and capability additions

NOT EXHAUSTIVE

HLS segments:

Healthcare – payers and providers

HLS

Lifesciences – pharmaceuticals, medical devices, and biotechnology

Key players:

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EGR-2019-34-CA-3256

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Overview and abbreviated summary of key messages

This report focuses on the global delivery of Healthcare and Life Sciences services across the various segments from GICs in India. The report covers the market landscape of HLS GICs with a focus on the current state of service delivery and the way new age technologies are transforming delivery of HLS services. It also provides detailed assessment of the various HLS segments being delivered from India – namely, delivery maturity, key growth drivers, challenges, and market trends within each segment.

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

GIC market landscape in India

- India HLS GIC market has witnessed ~6% CAGR in the past three to five years, driven by many enterprises setting up new centers
- Tier-1 cities such as Bangalore, Hyderabad, Chennai, and Delhi-NCR are most preferred locations for setup of HLS GICs given the sizable talent pool available in these cities

Service delivery maturity of HLS segments

- Within Healthcare and Life Sciences, India-based GICs support wide breadth of services across all the segments with strong capabilities in digital technologies
  - Healthcare GICs deliver both payer- and provider- specific services to their enterprises with some GICs have built scaled teams
  - Life Sciences GICs have strengthen their capabilities and have started supporting high-end complex product R&D (including drug discovery) processes
  - Horizontal/corporate functions is the most mature segment, given India's dominance in IT and availability of large talent pool for delivery of other functions (e.g., Finance, HR)

Outlook and implications for HLS GICs in India

- Greater scrutiny over healthcare service / drug pricing, shift toward insourcing, and inclination towards developing cross-functional capabilities (especially around leverage of digital technologies) is likely to shape the future of HLS GIC market
- GICs are building capabilities in new-age technologies (e.g., analytics, automation, and AI/ML) and are expected to play a significant role in their parent enterprises' transformation journey

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This study provides a deep dive into key aspects of Healthcare and Life Sciences GIC market in India

HLS services GIC market in India

Number of leading HLS GICs setup in India
2012-2018; Number of GICs

~6% CAGR

- 2012: 36
- 2014: 41
- 2016: 44
- 2018: 50+

Digital adoption in India-based HLS GICs

Impact (Low → High)

Proof of Concept (POC) stage | GIC-wide adoption | Firm-wide adoption

1 Internet of Things

- Multiple GICs with scaled operations are focusing on driving higher business value-addition
- Analytics
- Automation
- Rapid growth area with projects shifting from POCs to scaled deployment; GICs are taking functional ownership and driving initiatives along with technology vendors
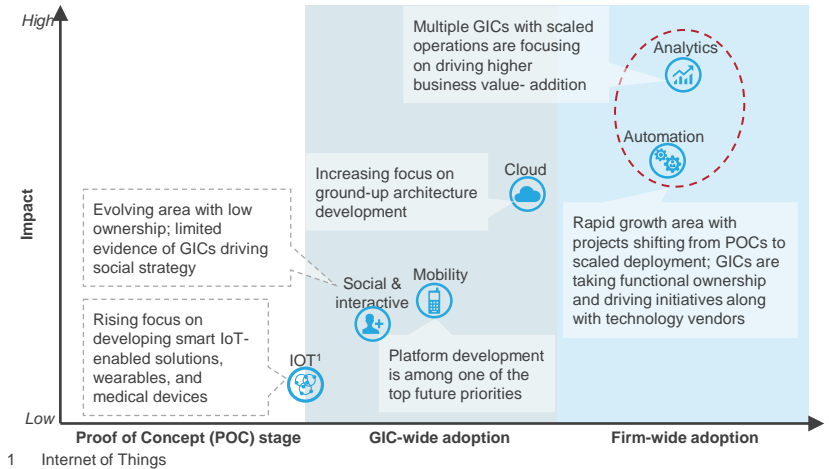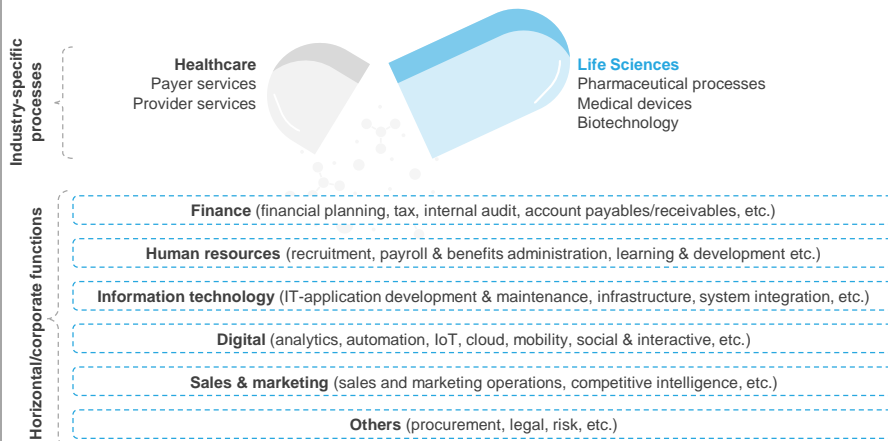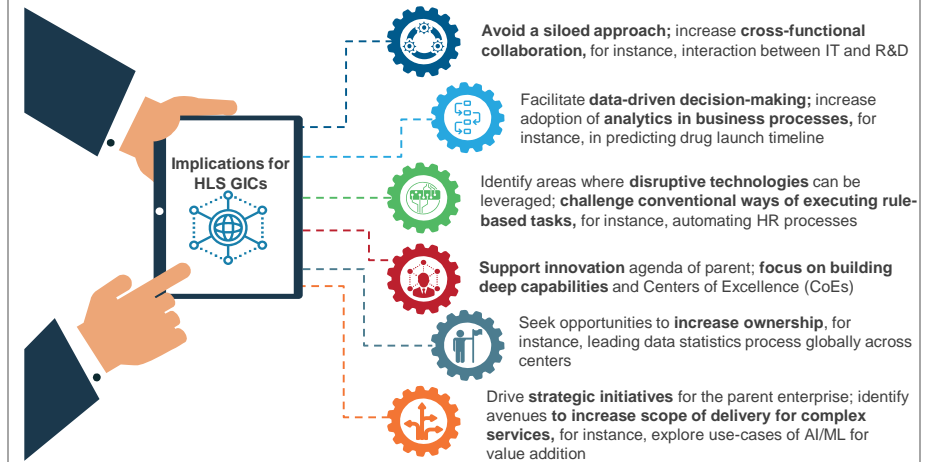- Increasing focus on ground-up architecture development
- Cloud
- Evolving area with low ownership; limited evidence of GICs driving social strategy
- Social & interactive
- Mobility
- Rising focus on developing smart IoT-enabled solutions, wearables, and medical devices
- IOT[1]
- Platform development is among one of the top future priorities

HLS GICs in India provide a wide array of services

Industry-specific processes

Healthcare
Payer services
Provider services

Life Sciences
Pharmaceutical processes
Medical devices
Biotechnology

Horizontal/corporate functions

- **Finance** (financial planning, tax, internal audit, account payables/receivables, etc.)
- **Human resources** (recruitment, payroll & benefits administration, learning & development etc.)
- **Information technology** (IT-application development & maintenance, infrastructure, system integration, etc.)
- **Digital** (analytics, automation, IoT, cloud, mobility, social & interactive, etc.)
- **Sales & marketing** (sales and marketing operations, competitive intelligence, etc.)
- **Others** (procurement, legal, risk, etc.)

Implications for HLS GICs in India

Implications for HLS GICs

- **Avoid a siloed approach;** increase **cross-functional collaboration,** for instance, interaction between IT and R&D
- Facilitate **data-driven decision-making;** increase adoption of **analytics in business processes,** for instance, in predicting drug launch timeline
- Identify areas where **disruptive technologies** can be leveraged; **challenge conventional ways of executing rule-based tasks,** for instance, automating HR processes
- **Support innovation** agenda of parent; **focus on building deep capabilities** and Centers of Excellence (CoEs)
- Seek opportunities to **increase ownership**, for instance, leading data statistics process globally across centers
- Drive **strategic initiatives** for the parent enterprise; identify avenues **to increase scope of delivery for complex services,** for instance, explore use-cases of AI/ML for value addition

Research calendar – Catalyst™

Flagship Catalyst™ reports	Release date
Global In-house Center (GIC) Landscape Annual Report 2018 – GICs Emerging as Innovation CoEs for Global Enterprises	May 2018
Global In-house Center (GIC) Landscape Annual Report 2019 – Enterprises Insourcing IT Services to Their GICs	July 2019

Thematic Catalyst™ reports and Viewpoints	
Digital maturity in GICs | Pinnacle Model™ Analysis 2018 (Excerpt)	November 2018
Banking, Financial Services, & Insurance GICs: Gaining Status, Driving Results	December 2018
Leading Innovation and Creating Value: The 2019 Imperative for GICs	December 2018
Redefining the Future of Work – Human Plus Technology	January 2019
Talent Strategy in Global In-house Centers (GICs) | Pinnacle Model™ Analysis 2019	January 2019
Healthcare and Lifesciences – GICs in India Fast-tracking Enterprises' Digital Agenda	**July 2019**
State of GIC Adoption for Hi-Tech and Manufacturing Companies	Q3 2019
Data & Analytics in GICs | Pinnacle Model™ Analysis 2019 (Excerpt)	Q3 2019
GIC 4.0: What's Next in GIC Evolution Journey?	Q3 2019
Evolving Sourcing Strategy for Engineering Services	Q3 2019
Case Studies on Scaled RPA Adoption in GICs	Q3 2019
State of Adoption for Advanced Automation (RPA++ in GICs)	Q3 2019
State of Adoption for Upskilling/Reskilling in GICs (incl. case studies)	Q4 2019

Note: For a list of all of our published Catalyst™ reports, please refer to our website page

Additional Catalyst™ 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. **Redefining the Future of Work – Human Plus Technology** (EGR-2019-37-V-3035); 2019. This viewpoint aims to establish that the future of services delivery will be centered around redefinition, and not the elimination of human work. It highlights how the role of both humans and technologies will be transformed and work will be redistributed in accordance with the capability and the skill-level of both. This will enable an evolved workplace where both humans and technologies will work together to deliver superior value – one which cannot be achieved by either of the two working alone.

2. **Engineering Services Global In-house Centers (GICs) In India: Focusing on Innovation to Drive Growth and Attain Global Leadership** (EGR-2018-40-R-2813); 2018. This report focuses on the global delivery of engineering services across various industry segments by GICs in India. The report covers market landscape of ES global sourcing with a focus on the way new-age technologies are transforming delivery of engineering services. It also provides detailed assessment of the various engineering services segments being delivered from India – delivery maturity, key growth drivers, and market trends in each segment.

3. **Global In-house Center (GIC) Landscape Annual Report 2018 – GICs Emerging as Innovation CoEs for Global Enterprises** (EGR-2018-34-R-2616); 2018. This report provides an in-depth analysis of the GIC landscape and trends. It covers market size, growth, and distribution of GICs by buyer portfolio, scale, functions supported, and offshore delivery locations. The research also provides an overview of the trends witnessed in the overall GIC landscape in 2017. This has been compared with GIC activity for the previous two years to bring forth key areas of differences

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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