



Life Sciences Report Card – Outlook for 2019 and Enterprise Initiatives and Service Provider Performance in 2018

Life Sciences ITS and BPS

Market Report – April 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

Table of contents

| Topic | Page no. |
|--|-----------|
| Background and methodology | 07 |
| Section I: Demand overview | 09 |
| • Introduction | 10 |
| • Key life sciences trends in 2018 | 12 |
| • Key developments at life sciences enterprises | 13 |
| • Life sciences IT services market analysis | 15 |
| • Outlook for 2019 | 16 |
| • Deal renewal analysis | 18 |
| Section II: Service provider landscape | 20 |
| • Introduction | 21 |
| • Service provider performance in 2018 LS PEAK evaluations | 22 |
| Appendix | 26 |
| • Glossary of terms | 27 |
| • Research calendar | 28 |
| • References | 30 |

Background and methodology

In 2018, the Life Sciences (LS) industry continued to struggle with achieving growth and accelerating time-to-market amid the challenges of rising costs, pricing regulations, and policy changes. Digital transformation had been identified by many enterprises as a strategic imperative to combat these challenges. However, many of the life sciences firms that tried to implement digital strategies internally, failed, and the industry as a whole still yearns for digital maturity. Enterprises are now looking for thought-leaders and execution champions, that can help them on their digitization journey.

In 2019, we expect an uptake in digital deals as LS firms continue on their journey of digital transformation. Service providers have been making significant efforts around ramping up their digital capabilities and proprietary solutions portfolio. What remains to be seen is whether these investments can now translate into positive business outcomes for enterprises.



The report talks about:

- Market outlook for 2019
- Key enterprise themes that dominated the life sciences market in 2018
- Ranking of the top 15 LS service providers based on Life Sciences PEAK Matrix™ IT services evaluations conducted in 2018

Scope of this report:



Geography
Global



Industry
Life sciences (pharmaceuticals, medical devices, biotechnology, and other life sciences¹)



Service providers
25 outsourcing service providers who were featured in Everest Group's Life Sciences PEAK Matrix™ IT services evaluations in 2018

¹ Includes healthcare data & information services and medical products distribution

Overview and abbreviated summary of key messages

This report examines the global 2018 Life Sciences BPS and ITS service provider landscape and covers the outlook for 2019. It focuses on service provider positioning in 2018's two Life Sciences PEAK matrix evaluations; Life Sciences Digital in North America and Life Sciences Digital in Europe. It also identifies key market trends observed in 2018, as well as technological themes expected to garner greater interest in 2019

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

Industry trends

Leading industry buttons expected to witness greater traction in 2019 include:

- Accelerating drug discovery and research
- Contracting for performance
- Concentrating portfolios
- Making pharmacovigilance patient centric

Emerging digital opportunities

Emerging digital opportunities to watch for in the life sciences space include

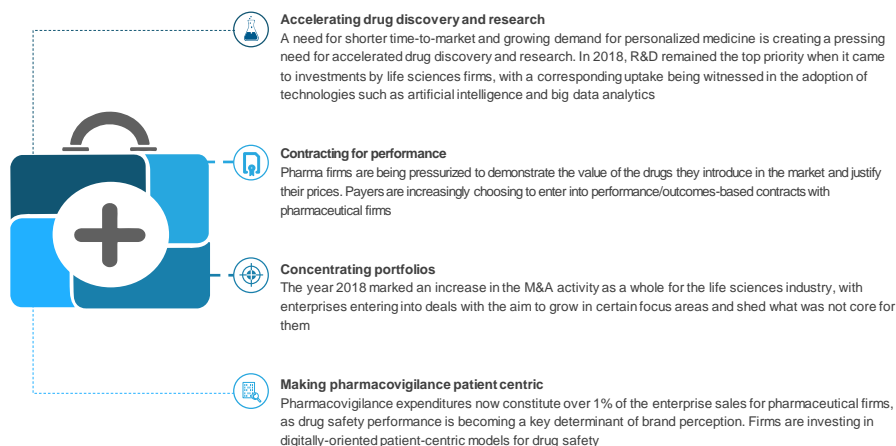
- Cloud platforms becoming verticalized
- Artificial Intelligence (AI) accelerating drug discovery R&D
- Big Data and Analytics driving performance-based contracting
- Blockchain enabling transparency and security

Service provider landscape

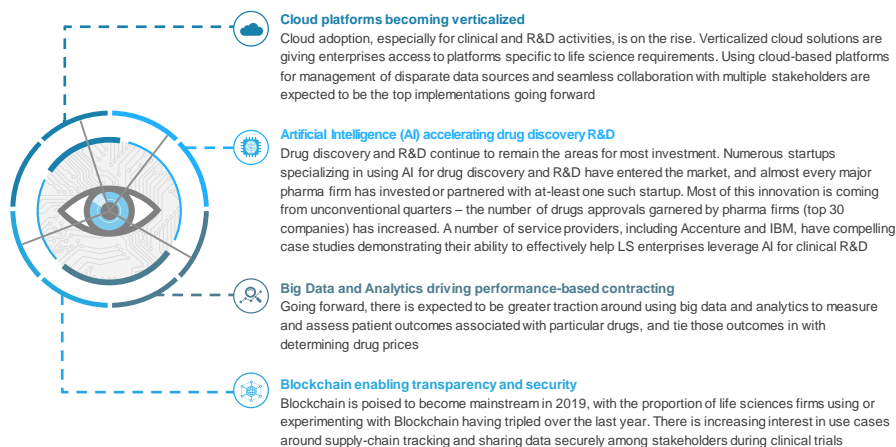
Amongst the 25 service providers assessed, Accenture, Cognizant, and TCS occupy the top three positions for this year's life sciences report card. NNIT is a new entrant, while Atos and Infosys witnessed the largest increase in ranking compared to last year

This study offers two distinct chapters providing a deep dive into key aspects of life sciences outsourcing market; below are four charts to illustrate the depth of the report

Leading trends in the life sciences industry



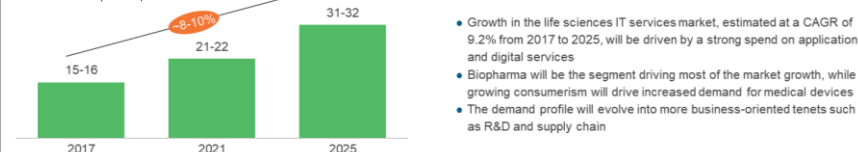
Emerging digital opportunities



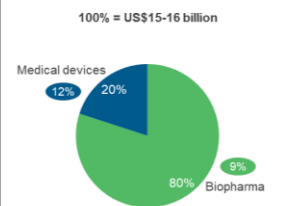
Sizing and analysis of the Life Sciences IT services market

Estimated global life sciences ITS market size 2017-2025, US\$ billion

X% CAGR 2017-25



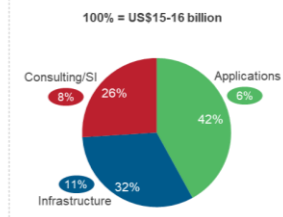
LS IT services market by customer segments Percent of total (2017)



LS IT services market by value chain Percent of total (2017)



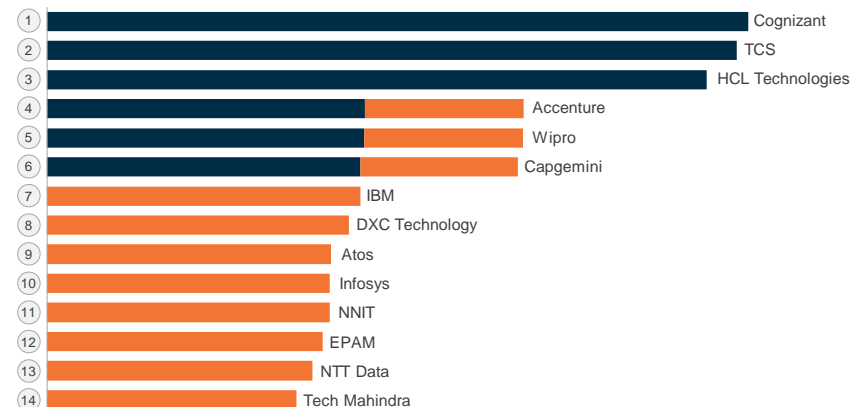
LS IT services market by service line Percent of total (2017)



Service provider ranking

Life Sciences PEAK Matrix: top 14 service providers Rank in 2018

Leader Major Contender Aspirant



Research calendar – Healthcare and Life Sciences BPS

Published
 Planned
 Current release

Flagship HLS BPS 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 | March 2018 |
| Healthcare Payer Annual Report: Payers Look at Digital to Reinvent in a Turbulent Healthcare Market | March 2018 |
| Healthcare Provider Market: Addressing Issues Beyond Value-based Care | March 2018 |
| Healthcare Provider BPO Market – Deal Trends Report 2018 | June 2018 |
| Healthcare Payer BPO Market – Deal Trends Report 2018 | June 2018 |
| Healthcare Analytics Services PEAK Matrix™ with Service Provider Landscape – 2019 | December 2018 |
| Healthcare Automation Services PEAK Matrix™ Assessment with Service Provider Landscape - 2019 | February 2019 |
| Makings of a Successful Sourcing Relationship – Deal Trends in Healthcare Payer BPS Market | March 2019 |
| Healthcare Report Card 2018 – Outlook for 2019, and Enterprise Initiatives and Service Provider Performance in 2018 | March 2019 |
| Life Sciences Report Card 2018 – Outlook for 2019, and Enterprise Initiatives and Service Provider Performance in 2018 | April 2019 |
| Healthcare Payer BPO PEAK Matrix™ with Service Provider Landscape – 2019 | Q2 2019 |

Thematic HLS BPS reports

| | |
|---|-------------|
| Innovation in Pharmacovigilance (PV): How to Spend Smarter Not Higher? | June 2017 |
| Rising Cost of Healthcare in the United States: Can Analytics Help? | August 2017 |
| Pharma Sales & Marketing: Old Strategies Into New Methods Focus on Transmutation Rather Than Transformation | June 2018 |
| RCM - new haven for investor money | Q2 2019 |
| Life beyond claims: A payer's perspective | Q2 2019 |

Note: For a list of all of our published HLS BPS Outsourcing reports, please refer to our [website page](#)

Research calendar – Life Sciences ITS

Published
 Planned
 Current release

Flagship Life Sciences IT Services reports

Release date

| | |
|---|-------------------|
| Life Sciences IT Application Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017 | May 2017 |
| Life Sciences Clinical and R&D IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017 | July 2017 |
| Life Sciences Clinical Trials – PEAK Matrix™ Assessment for Products 2017 | September 2017 |
| Life Sciences Report Card 2017 – Enterprise Initiatives and Service Provider Performance | March 2018 |
| 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 | August 2018 |
| Life Sciences Report Card 2018 – Outlook for 2019, and Enterprise Initiatives and Service Provider Performance in 2018 | April 2019 |

Thematic Life Sciences IT Services reports

Release date

| | |
|--|---------------|
| The Curious Case of Infosys and Vishal Sikka | August 2017 |
| Regulatory Stress: Life Sciences Market Under the GDPR Regime | March 2018 |
| Closing the Gap - The Future of IT Skills in the United States | April 2018 |
| Atos Acquires Syntel: Can Atos Win in the North American Battleground? | July 2018 |
| The Dissatisfaction Conundrum: What Clients Are Not Telling Service Providers? | January 2019 |
| Assuring Trust in a Converging Life Sciences Ecosystem: The Emerging Role of Quality Assurance | February 2019 |
| The Future of Clinical Trials | Q2 2019 |

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Additional life sciences 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 Europe – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018** ([EGR-2018-30-R-2760](#)); August 2018. When it comes to the European life sciences LS market, a number of distinctive characteristics 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. 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 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. In this report, we analyze the digital services capabilities of 21 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
3. **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

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