Life Sciences Digital Services – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019

Life Sciences IT Services (ITS)
Market Report – September 2019: Complimentary Abstract / Table of Contents

EGR-2019-46-CA-3324

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
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Membership information

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- PriceBook
- 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

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Service provider profiles (continued)

Background and scope of the research

Enterprises have made digital adoption the bedrock of their growth strategy in recent years, to optimize processes, reduce costs, and deliver better customer experience, all in the pursuit of higher revenue growth. The life sciences industry is no exception. Digital technologies can make internal workflows more efficient, reduce drug development timelines, offer supply chain transparency & efficiency, and even combat counterfeits.

To support enterprises on their digital journeys, service providers are ramping up capabilities through life-sciences-specific partnerships and acquisitions. This, in turn, is driving the need for research and market intelligence on demand and supply trends in life sciences digital services. Everest Group's Life Sciences ITS research program addresses this market need by analyzing outsourcing trends and service provider capabilities in life sciences digital services.

In this report, we analyze the capabilities of 23 IT service providers specific to the life sciences sector globally. 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. We focus on:

- **IT digital services market trends for life sciences**
- **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:

Geography
Global

Industry
Life sciences (pharmaceuticals, medical devices, biotechnology, and other life sciences[1])

Services
Digital services

1 Includes healthcare data & information services and medical products distribution

Overview and abbreviated summary of key messages

This report examines the 2019 life sciences digital services 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$5.9 billion+ opportunity
- We expect the global life sciences digital services market to grow at 15-20% over 2018-2021 in North America, 20-25% for Europe and Middle East regions, and 25-30% in Latin American as well as Asia Pacific regions
- Pharmaceutical and biotechnology will be the segments driving most of the market growth, while growing consumerism will drive increased demand for medical devices

Enterprises' approach to digital

- Enterprises across multiple industries are making an effort to determine the future state of processes to make it more customer-centric. As a result, the spend toward modernizing the core IT functionality is increasing
- The percentage increase in the digital spend is expected to increase by 20-30% over the next 12-24 months, with most of the increase expected to come from cloud and infrastructure services, digital integration, and data management

Emerging life sciences digital services trends

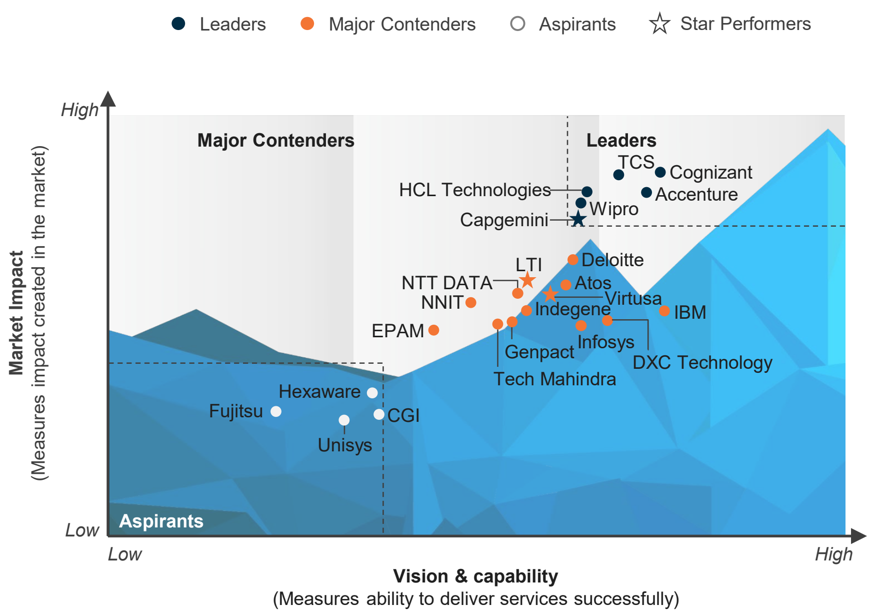
- There are significant opportunities in enterprise AI-grade offerings to hasten the process of drug discovery and development
- Enterprises are also using digital interventions to address manufacturing efficiency through optimal utilization of machinery as well as minimize idle time and to optimize the regulatory submission process, which is error-prone and generates lengthy documents

Service provider delivery capability

- Life sciences digital services providers can be categorized into leaders, major contenders, and Aspirants on a capability-market-share matrix
- Accenture, Capgemini, Cognizant, HCL Technologies, TCS, and Wipro are the current leaders in the 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 key aspects of the life sciences digital services market; the exhibits below illustrate the depth of the report

Assessment of Life Sciences Digital Service Providers

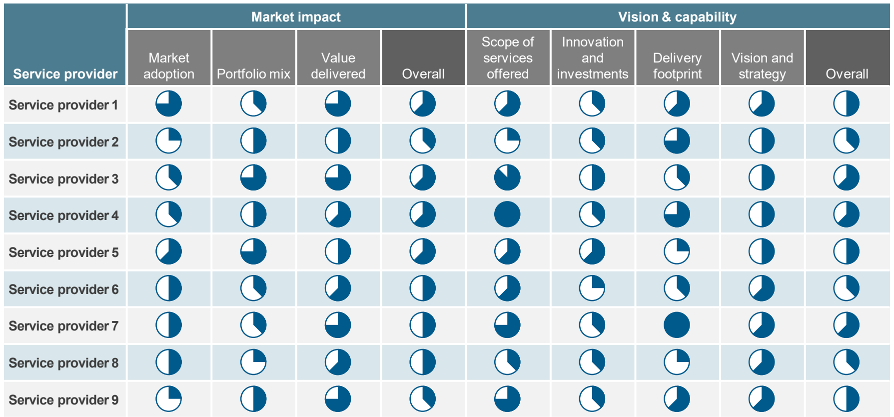


Note 1: PEAK Matrix specific to life sciences digital services
Note 2: Assessments for Accenture, Atos, CGI, Deloitte, EPAM, Fujitsu, IBM, Infosys, and Unisys excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers

Capability assessment

Illustrative example

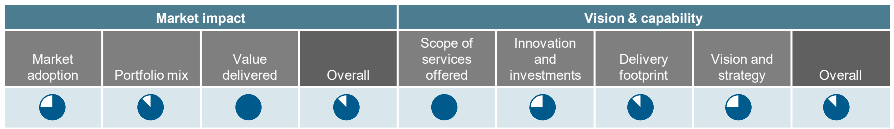
Measure of capability: High Low



Everest Group's remarks on service providers

Illustrative example

Measure of capability: High Low



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 23 players featured in the evaluation

XXX | Life sciences digital services profile (page 1 of 2)
Overview

Strengths	Areas of improvement
• Application services heritage (SAP-led) with a range of use-cases across the LS value chain • Recent onshore initiatives and client co-creation augur well for digital engagement	• Proof-points and client success stories to back up investments in automation and analytics • Presence in the biotechnology business line

LS digital services revenue

<US$100 million | US$100-300 million | US$300-500 million | >US$500 million

Scope of digital services for LS
Analytics, AI, cloud, data integration from multiple sources including medical devices, IoT devices, machine learning, mobility, NLP, and process automation

LS line of business coverage[2] High (>20%) Medium (10-20%) Low (<10%)

Medical devices | Pharmaceuticals
Biotechnology | Others[1]

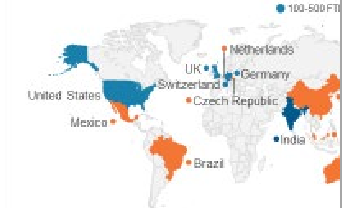
Adoption by buyer groups[2] High (>20%) Medium (10-20%) Low (<10%)

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

LS value chain coverage[2] High (>20%) Medium (10-20%) Low (<10%)

Drug discovery and research | Sales and marketing
Clinical and pre-clinical trials | Supply chain and
Manufacturing operations

LS digital services delivery map[3]



1 Includes healthcare data & information services and medical products distribution
2 Classified as high/medium/low, based on contribution to revenue
Source: Everest group estimates (2019)

XXX | Life sciences digital services profile (page 2 of 2)
Offerings

Vision statement

XXX's vision for life sciences is to enable enterprises maximize their technology investments and simplify adoption of novel technologies to help them improve health and quality of life. It is doing this through an AI-powered data core to deliver insights, create new capabilities, and continuously improving by learning powerful digital skills.

Proprietary solutions (representative list)

Solution	Details
Medical Device Connectivity	The solution provides data flow between devices and information systems by acquiring, transforming, and uploading device data in standard formats and integrating data from multiple sources such as EHRs, medical devices, and mobiles
Identification of Medicinal Products (IDMP)	The solution creates a single version of product information that can be used by various stakeholders in R&D, regulatory, medical affairs, manufacturing, commercial, and compliance by leveraging tools such as master data management, algorithm, NLP, structured connect authoring, and change management toward sustained compliance
Regulatory Submission Platform	A cloud-based solution to optimize regulatory submission life cycle including planning, document creation, reviewing, tracking, and submission
Clinical Trial Supply Chain Management System (CTSM)	A cloud-based platform that facilitates agility and cost optimization. It also enhances inventory visibility cost tracking throughout the supply chain and ensures compliance
Cloud-based CRM solution	A cloud-based solution that follows Veeva's approach and helps to minimize IT costs by eliminating licensing and infrastructure costs

Recent activities (representative list)

Development	Type	Details
Innovation hub (2019)	Investments	Opened an innovation hub in Romania to focus on developing offerings for clients based on digital technologies including cloud, big data, AI, and ML
Technology and innovation hub (2018)	Investments	Opened a technology and innovation hub in Indianapolis. It helps to train, upskill, and reskill employees in the technologies required to help businesses accelerate their digital transformations
ValGenesis (2018)	Partnership	To automate the validation process, eliminate inefficiencies found in paper-based manual processes, while also reducing costs and validation cycle times
Huawei and Wapwag (2017)	Partnership	Partnered with Huawei, a technology firm, and Wapwag, a provider of smart water affair solutions, to launch open edge computing IoT solutions

Research calendar – Life Sciences IT Services

Published | Planned | Current release

Flagship Life Sciences IT Services reports	Release date
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 – Enterprise Initiatives and Service Provider Performance	March 2019
Life Sciences Clinical Trials Products PEAK Matrix™ Assessment 2019: Integrated Platforms Rise to the Challenge	May 2019
Life Sciences Digital PEAK Matrix™ 2019 for Services	**Q3 2019**
Life Sciences Sales and Marketing Data & Analytics Services PEAK Matrix™ Assessment 2019	Q4 2019

Thematic Life Sciences IT Services reports	
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 are Clients 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	August 2019
Life Sciences: Effectiveness of AI Investments	Q3 2019

Note: For a list of all of our published Life Sciences ITS reports, please refer to our website page

Additional Life Sciences ITS research references

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

1. **The Future of Clinical Trials** (EGR-2019-46-R-3306); August 2019. Today's clinical trials are faced with challenges such as high patient dropout rates, rising cost of drug development, significant failure rates, and an increase in trial duration. While the drug pipeline has grown over the last few years, the efficiencies in clinical trials have not followed a similar trend. Rather, it would be surprising to find that the clinical trials are still as inefficient as they were a decade ago, despite the introduction of technologies such as analytics. There is, therefore, a need to transform clinical trials for the better, by bringing in technological interventions to improve efficiency, speed, costs, and also make the trials more patient centric. In order to transform their clinical trials, enterprises will need to prioritize their investments in these technologies, develop a strategy for external collaboration, and adopt a platform strategy to unify the clinical trial applications landscape

2. **Life Sciences Clinical Trials Products PEAK Matrix™ Assessment 2019: Integrated Platforms Rise to the Challenge** (EGR-2019-46-R-3178); May 2019. Digital technologies have the potential to streamline and accelerate each stage of the clinical trials process – from matching eligible patients to studies, to data collection and monitoring adherence. However, the overall life sciences industry has been slow to digitize clinical trials, with even the most technologically advanced enterprises only piloting technologies in different areas of clinical development. As the industry continues to struggle with its fundamental challenge of achieving faster time-to-market, organizations need to act immediately to devise a robust strategy to harness the full potential of digital technologies in clinical development. In response, clinical trials product vendors have been making significant efforts around ramping up their proprietary solutions portfolio, with many now focusing on taking an end-to-end single vendor platform for clinical trials to the market. What remains to be seen is whether these investments and innovative offerings can now translate into positive business outcomes for enterprises

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

Abhishek Singh, Vice President: abhishek.singh@everestgrp.com

Nitish Mittal, Vice President: nitish.mittal@everestgrp.com

Chunky Satija, Practice Director: chunky.satija@everestgrp.com

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

Nisarg Shah, Senior Analyst: nisarg.shah@everestgrp.com

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

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
+91-80-61463500

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

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