



Life Sciences State of the Market – Key Trends, Service Provider Performance in 2019, and Outlook for 2020

Life Sciences IT Services (ITS)

State of the Market Report – February 2020: 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)
– [Life Sciences IT Services \(ITS\)](#)
- 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

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Background and methodology

In 2019, the LS industry continued to bring in innovation despite the challenges of rising pressure to reduce drug prices and policy changes. Digital transformation has been identified by many LS enterprises as a strategic imperative and they continue to look for thought leaders and execution champions that can help them on their transformation journeys. The overall LS IT services market is projected to grow at a CAGR of 9% from 2019 to a value of US\$31 billion by 2025.

Service providers and technology vendors continue to make significant investments for ramping up their digital capabilities and proprietary solutions portfolio. In 2020, we expect IT services spend growth in LS to steady given a combination of market drivers, such as unaddressed cost and efficiency opportunities, onshore talent deficit, and market inhibitors, such as increased insourcing and rationalization.



The report talks about:

- Key enterprise themes that dominated the life sciences market in 2019
- The current and projected market for life sciences IT services
- Life sciences IT services deals up for renewal
- Market outlook for 2020 and beyond

Scope of this report:



Geography
Global



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



Service providers
IT service providers that were featured in Everest Group's Life Sciences IT PEAK Matrix[®] assessments in 2019

¹ Includes healthcare data & information services and medical products distribution

Overview and abbreviated summary of key messages

This report examines the global 2019 life sciences ITS service provider landscape and covers themes expected to garner greater interest in 2020. It focuses on the key global life sciences market trends, market size of multiple segments of the life sciences IT market, and provides a snapshot of life sciences IT services PEAK Matrix™ assessments carried out in 2019, covering life sciences clinical trials products, life sciences digital services, and life sciences data and analytics services for sales and marketing.

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

Industry trends

Key life sciences trends witnessed in 2019:

- Drug and device manufacturers are being pressurized to showcase value from their high-priced therapies. There has, consequently, been an increased interest in value-based contracting between life sciences firms and healthcare payers
- Firms are opening up to co-innovation. There is increased interest in participating in consortia and other non-asset-based partnerships
- There is an increased usage of RWD and RWE to improve research and commercial operations
- There's a rise in patient-centric business models as patients are increasingly expecting life sciences firms to take a greater interest in their health and aim for positive health and wellness outcomes

Outlook for 2020

Emerging developments to watch for in the life sciences IT services space include:

- Unaddressed cost and efficiency opportunities across the value chain, legacy modernization and upgradation initiatives and regulatory mandates such as patient data protection and patient privacy mandates are some of the market drivers for life sciences IT services in 2020
- Pricing pressures, legacy spend compression, and consolidation are going to be the major inhibitors in 2020

Research calendar – Life Sciences IT Services

Published
 Planned
 Current release

Flagship Life Sciences IT Services reports Release date

Life Sciences Sales and Marketing Data & Analytics Services PEAK Matrix® Assessment 2020	December 2019
Life Sciences State of the Market Report – Trends, Service Provider Performance in 2019, and Outlook for 2020	February 2020
Life Sciences Medical Devices Digital Services – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	Q2 2020
Life Sciences Medical Devices Digital Services – State of the Market Report	Q2 2020
Life Sciences Medical Devices Digital Services – Service Provider Profiles Compendium	Q2 2020
Life Sciences Clinical Development Platforms – Vendor Landscape with Products PEAK Matrix® Assessment 2020	Q3 2020
Life Sciences Clinical Development Platforms – State of the Market Report	Q3 2020
Life Sciences Clinical Development Platforms – Vendor Provider Profiles Compendium	Q3 2020

Thematic Life Sciences IT Services reports

Effective Value-Based Contracting in Life Sciences	February 2020
Future Readiness of Life Sciences Enterprise Supply Chains	Q2 2020
EU MDR and IVDR – How is the Medical Devices Industry Coping?	Q2 2020
Insourcing in Life Sciences – The Quest for Talent Supremacy	Q3 2020
Intelligent Manufacturing for Life Sciences Enterprises	Q3 2020

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 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. Unveiling the Impact of AI initiatives in Life Sciences** ([EGR-2019-46-R-3432](#)); December 2019. Artificial Intelligence (AI) is experiencing industry-wide adoption, with technology-intensive and customer-facing industries at the forefront of the adoption wave. Its adoption is at a relatively nascent stage in the life sciences industry, with digitalization accelerating life sciences enterprises' interest in AI. This interest is driven by the enormous amounts of health data that lies unexplored, high drug development costs coupled with low success rates, and growth in consumerism. In this report, Everest Group analyzes 20 leading life sciences enterprises in terms of their AI competency vis-à-vis roadmap, people, AI domain adoption across the value chain, and its associated impact, in order to identify the industry leaders.
- 2. Assessing the Cloud Maturity Journeys of Leading Life Sciences Enterprises** ([EGR-2019-46-R-3443](#)); December 2019. Many life sciences enterprises continue to struggle to achieve faster time-to-market, while R&D budgets remain tight. Cloud-based offerings, which can facilitate collaboration within the organization and streamline processes across the life sciences value chain, can help mitigate these challenges. On the consumer side, patients are demanding greater insights into their health. Consequently, medical device manufacturers are working on creating smarter devices and orchestrating an integrated cloud-based connected health ecosystem to drive a superior consumer experience. In this market report, Everest Group analyzes the cloud investments of 15 leading life sciences enterprises by mapping them on Everest Group's cloud effectiveness assessment model, a composite index of distinct metrics related to each enterprise's capability maturity and outcomes.
- 3. Life Sciences Digital Services – Service Provider Landscape with Services PEAK Matrix® Assessment 2019** ([EGR-2019-46-R-3324](#)); September 2019. 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. To support enterprises on their digital journeys, service providers are ramping up capabilities through life sciences-specific partnerships and acquisitions. 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.

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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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