Medical Devices Digital Services PEAK Matrix® Assessment 2020

Life Sciences IT Services (ITS)
Market Report – June 2020: Complimentary Abstract / Table of Contents

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● 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)

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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 medical devices industry is no exception. Digital technologies can make internal workflows more efficient, reduce product development timelines, tackle regulatory complexities, offer supply chain transparency, and combat counterfeits.

To support enterprises on their digital journeys, service providers are ramping up capabilities through life sciences-specific partnerships and acquisitions. Also, when we refer to capabilities in life sciences industry, most of the industry primarily refers to the pharmaceutical industry and does not emphasize on medical devices industry, which is heterogeneous in nature. This is driving the need for research and market intelligence on demand and supply trends in medical devices digital services. Everest Group's Life Sciences ITS research program addresses this market need by analyzing outsourcing trends and service provider capabilities in medical devices digital services.

In this report, we analyze the capabilities of 21 IT service providers specific to the medical devices 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 medical devices
- The landscape of service providers for medical devices digital services
- Assessment of the service providers on several capability and market success-related dimensions

Scope of this report:

Geography
Global

Industry
Medical devices

Services
Digital services

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Overview and abbreviated summary of key messages

This report examines the 2020 medical devices digital services provider landscape and its impact on the medical devices market. It focuses on service provider position and growth in the medical devices digital services market, changing market dynamics and emerging service provider trends, and assessment of service provider delivery capabilities.

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

Medical devices digital services market
- The overall medical devices digital services market is a US$1.8 billion+ opportunity
- Having been a laggard in the past, medical devices digital services market is currently witnessing an uptick in demand and is growing at a CAGR of 22-24% from 2018-2021

Drivers for digital adoption
- Digital adoption is largely driven by initiatives focused on reducing product development timelines, developing smart medical devices, and adapting to the evolving regulatory landscape
- Driving optimization and efficiency across other value chain elements, including clinical trials, manufacturing, supply chain, and sales & marketing are next in line

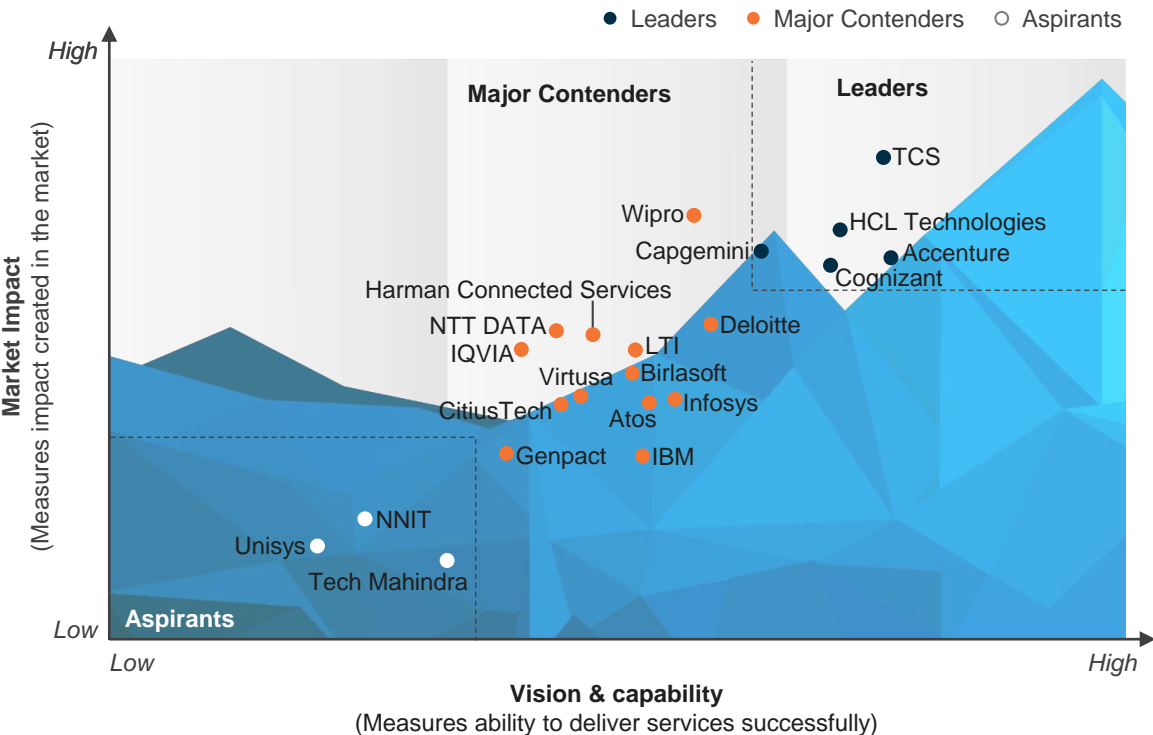**Emerging medical devices digital services trends**
- Growing adoption of remote monitoring and telehealth solutions is giving rise to significant opportunities in IoT and cybersecurity
- Given the extensive focus on patient safety and health outcomes, industry is witnessing changes in regulatory landscape and traditional pricing engagements

Service provider delivery capability
- Medical devices digital service providers can be categorized into leaders, major contenders, and aspirants on a capability-market-share matrix
- Accenture, Capgemini, Cognizant, HCL Technologies, and TCS are the current leaders in the medical devices digital services market. However, several service providers are emerging as major contenders

This study offers three distinct chapters providing a deep dive into key aspects of medical devices digital services market; the exhibits below illustrate the depth of the report

Assessment of Medical Devices Digital Service Providers[1,2]

Illustrative example

● Leaders   ● Major Contenders   ○ Aspirants

Market Impact (Measures impact created in the market) — vertical axis: Low to High

Vision & capability (Measures ability to deliver services successfully) — horizontal axis: Low to High

Major Contenders
- Wipro
- Capgemini
- Harman Connected Services
- NTT DATA
- IQVIA
- Virtusa
- LTI
- Birlasoft
- Deloitte
- Infosys
- CitiusTech
- Atos
- IBM
- Genpact

Leaders
- TCS
- HCL Technologies
- Accenture
- Cognizant

Aspirants
- NNIT
- Unisys
- Tech Mahindra

Capability assessment

Illustrative example

Measure of capability: ● High ◔ Low

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

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1 PEAK Matrix® specific to medical devices digital services
2 Assessments for Atos, Deloitte, IBM, Infosys, IQVIA, Tech Mahindra, and Unisys 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 buyers

Source: Everest Group (2020)

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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
Medical Devices Digital Services PEAK Matrix® Assessment 2020	**June 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
Regulatory Overhaul of the EU Medical Device Market	April 2020
Future Readiness of Life Sciences Enterprise Supply Chains	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

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Additional Life Sciences ITS research references

The following documents are recommended for additional insight into 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. **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.

2. **Life Sciences State of the Market – Key Trends, Service Provider Performance in 2019, and Outlook for 2020** (EGR-2020-46-R-3578); February 2020. In 2019, the life sciences industry continued to bring in innovation despite the challenges of policy changes and rising pressure to reduce drug prices. Digital transformation has been identified by many life sciences enterprises as a strategic imperative and they continue to look for thought leaders and execution champions that can help them on their transformation journeys. 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 life sciences to steady, given a combination of market drivers, such as unaddressed cost & efficiency opportunities and onshore talent deficit, as well as market inhibitors, such as increased insourcing and rationalization.

3. **Regulatory Overhaul of the EU Medical Device Market** (EGR-2020-46-V-3703); April 2020. A series of device malfunctions, coupled with technological and scientific advances in the medical device industry, drove regulators to revamp the EU Medical Device Directive or MDD and the In Vitro Diagnostic Directive or IVDD. The European Commission introduced the European Medical Device Regulation (EU MDR) and the In Vitro Diagnostic Regulation (IVDR) on May 26, 2017, with the actual launch expected in May 2021 and May 2022, respectively. The primary goal was to strengthen the safety and effectiveness of medical devices commercialized in the European market. EU MDR was earlier set for launch in May 2020, however, a series of overwhelming events – primarily the global COVID-19 pandemic, along with the industry's under-preparedness to comply – has forced EU regulators to consider a one-year implementation delay

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

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