Life Sciences Digital Services – Service Provider Landscape with PEAK Matrix® Assessment 2021

December 2020: Complimentary Abstract / Table of Contents

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- 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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Background of the research

The Life Sciences (LS) industry has been at the forefront of the COVID-19 response, from carrying out drug trials and vaccine development to producing Personal Protective Equipment (PPE) and ventilators. The industry, which was already experiencing significant growth in digital technologies adoption, has been further pushed by the pandemic to adopt new and disruptive technologies to ensure business continuity. There is a historic surge in investment in digital services such as cybersecurity, cloud migration, virtual engagement models for clinical trials and sales and & marketing, and AI/ML for drug discovery. Digital transformation has become a strategic imperative for LS enterprises in a post-COVID-19 world, and they are looking for thought leaders and strategic partners that can help them on their transformation journeys.

To support enterprises on their digital journeys, service providers are ramping up capabilities by building industry-specific tools and accelerators and engaging in life sciences-specific partnerships and co-innovation initiatives. As the industry starts to recover, a key challenge for enterprises will be scaling up the digital initiatives and adopting a long-term digital strategy aligning business and IT goals. Everest Group's Life Sciences ITS research program analyzes service provider capabilities and their impact on the life sciences digital services market.

In this report, we analyze 27 IT service providers' digital capabilities specific to the life sciences sector globally. These service providers are mapped on the Everest Group PEAK Matrix®, a composite index of distinct metrics related to a provider's capability and market impact. We focus on:

- Digital services market trends for life sciences
- The landscape of service providers for life sciences digital services
- Assessment of service providers on several capability- and market success-related dimensions

Scope of this report:

Geography
Global

Industry
Life sciences
(biopharmaceuticals, medical devices, and Contract Research Organizations or CROs)

Service providers
Life sciences digital services

This report is based on four key sources of proprietary information

- Proprietary database of IT services contracts of major IT service providers and product vendors, with life science IT services in scope of work (updated annually)
- The database tracks the following elements of each contract:
  – Buyer details including size and signing region
  – Contract details including service provider, contract type, TCV & ACV, service provider FTEs, start & end dates, duration, and delivery locations
  – Scope details including share of individual buyer locations being served in each contract, Line of Business (LOB) served, and pricing model employed

- Proprietary database of IT service providers and product vendors (updated annually)
- The database tracks the following for each service provider / product vendor:
  – Revenue and number of FTEs
  – Number of clients
  – FTE split by different lines of business (LOBs)
  – Revenue split by region
  – Location and size of delivery centers
  – Technology solutions developed

- **Service provider and vendor briefings**
  – Vision and strategy
  – Annual performance and future outlook
  – Key strengths and improvement areas
  – Emerging areas of investment

- **Buyer reference interviews, ongoing buyer surveys, and interactions**
  – Drivers and challenges for adopting workplace services
  – Assessment of service provider performance
  – Emerging priorities
  – Lessons learnt and best practices

Service providers assessed

accenture · Atos · birlasoft
Capgemini · CitiusTech · CGI
Cognizant · Deloitte. · DXC.technology
epam · FUJITSU · genpact
HARMAN · HCL · IBM
indegene · Infosys · infostretch
HEXAWARE · LTI · NNIT
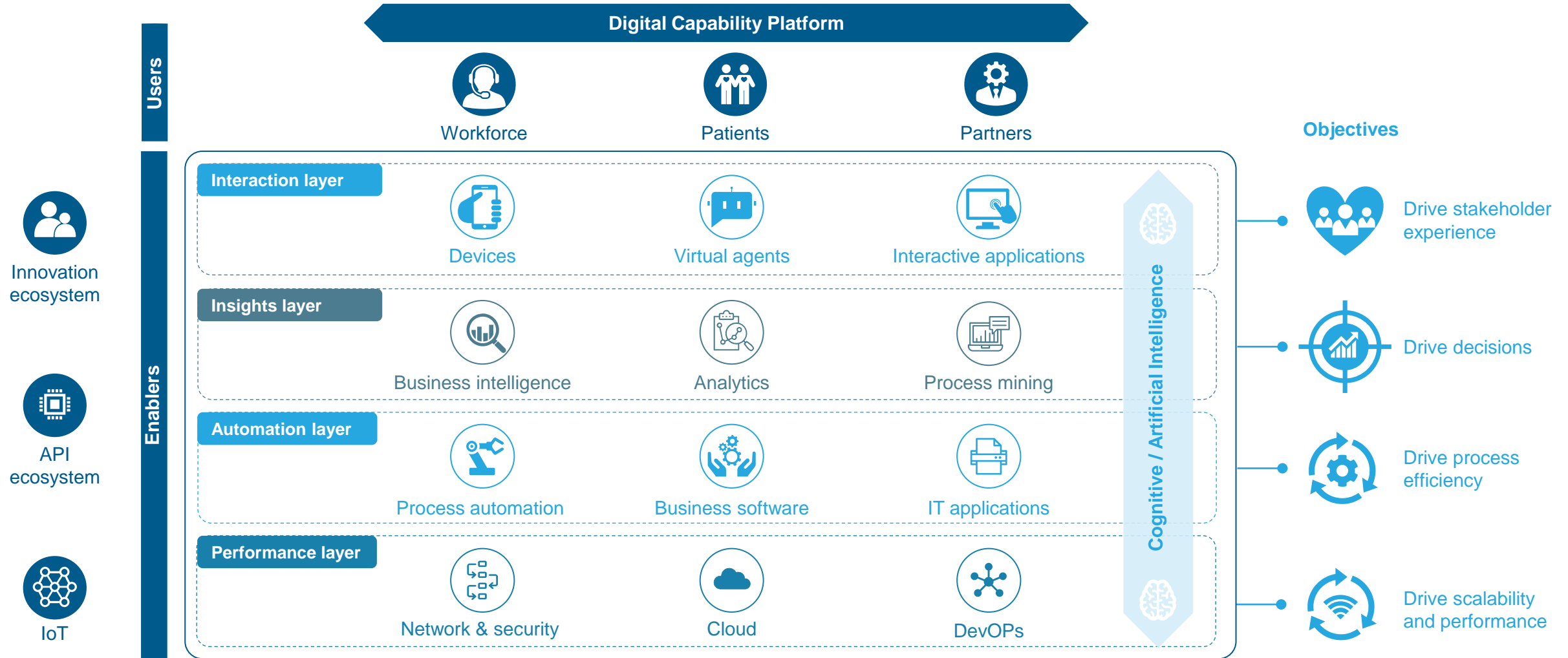NTT DATA · TATA CONSULTANCY SERVICES · Tech Mahindra
stefanini · virtusa · wipro

Source: **The source of all content is Everest Group unless otherwise specified**
Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information we collect that is contract specific will only be presented back to the industry in an aggregated fashion

Everest Group's digital capability framework

Digital Capability Platform

Users

Workforce

Patients

Partners

Objectives

Enablers

Innovation ecosystem

API ecosystem

IoT

Interaction layer

Devices

Virtual agents

Interactive applications

Insights layer

Business intelligence

Analytics

Process mining

Automation layer

Process automation

Business software

IT applications

Performance layer

Network & security

Cloud

DevOPs

Cognitive / Artificial Intelligence

Drive stakeholder experience

Drive decisions

Drive process efficiency

Drive scalability and performance

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RESEARCH

Life sciences digital services | scope of the research

NOT EXHAUSTIVE

| Drug discovery / medical device product development | **Clinical and pre-clinical trials** | Manufacturing operations | Sales and marketing | Supply chain and distribution |

Digital use cases

- Streamlined and accurate clinical trials
- Patient privacy and data security
- Sales force optimization
- Patient matching and site selection
- Smart medical devices development
- Internal workflow management, collaboration and efficiency gains

- Self-diagnosis
- Accelerated drug molecule discovery
- Counterfeit reduction
- Supply chain optimization
- Automation in manufacturing

Digital technologies

RPA   Internet of Things   Cognitive/AI   Blockchain   Analytics   Cloud   Social   Mobility   Digital Cybersecurity

Everest Group® RESEARCH

Overview and abbreviated summary of key messages

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

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

Life sciences digital services market
- The global life sciences outsourced IT services market is expected to grow at 9-10% CAGR over 2019-25. The demand for digital services is expected to grow at a CAGR of 14-15%, more than twice the expected CAGR of 6-7% for traditional IT services
- The overall outsourced IT services market opportunity is US$19.8 billion (2020) with digital services accounting for nearly 30-35% of that pie

Demand drivers
- Growth is being driven by increasing adoption of technology for ensuring optimization and efficiency across other value chain elements, including clinical trials, manufacturing, supply chain, and sales & marketing
- Rapidly increasing role and importance of consumers is forcing life sciences companies to change their business and operating models
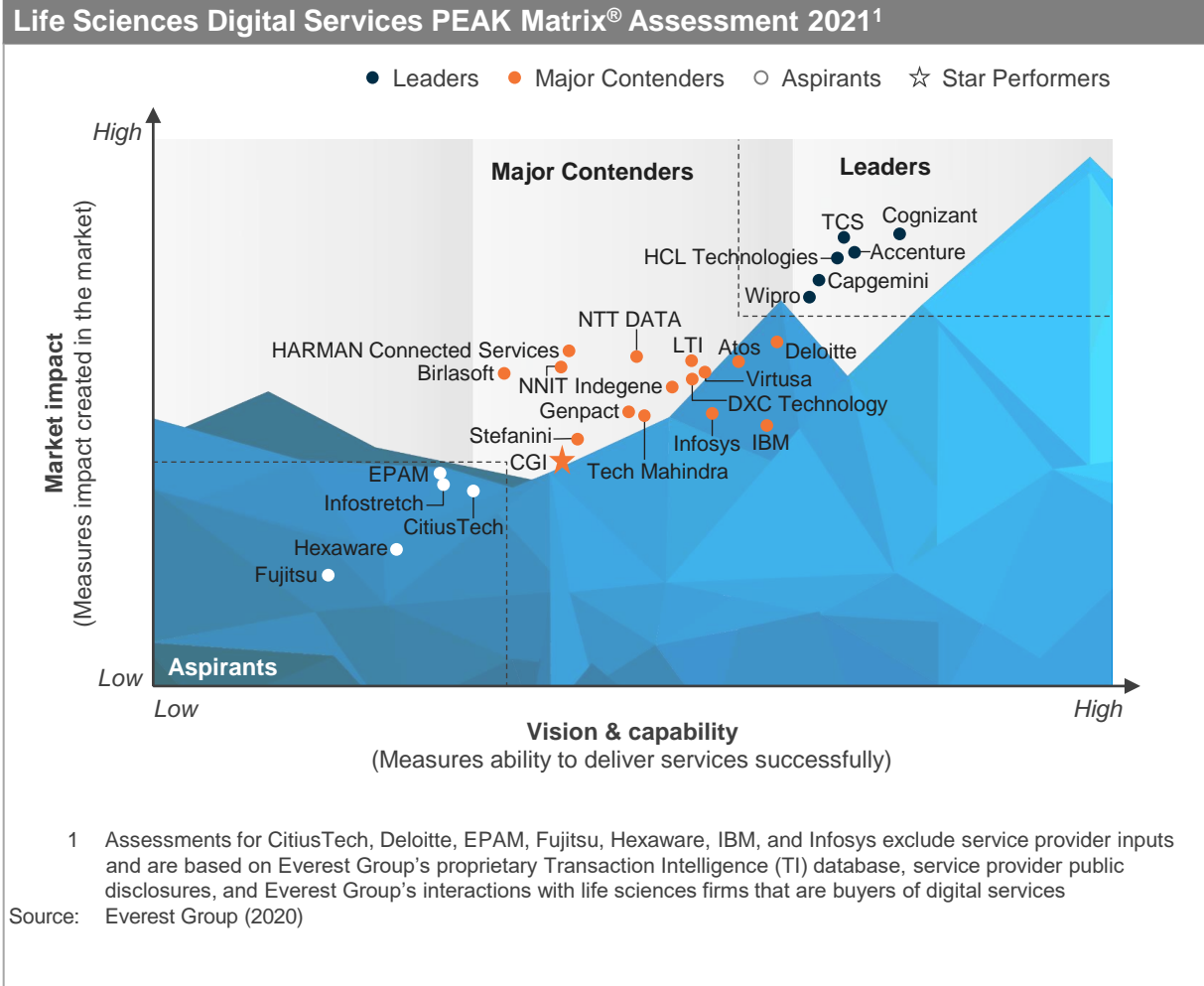
COVID-19 impact
- COVID-19 forced the industry to embrace technology at a much faster pace than before, accelerating the entire value chain's digitalization in ways that have benefited both patients and caregivers
- It has led to accelerated adoption of cloud-based data platforms, increased interest in virtual trials, rise in investments in cybersecurity and digital workplace services, shift to multi-channel engagement models, and higher adoption of AI/ML and analytics solutions across the value chain

Service provider delivery capability
- Life sciences digital service 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 life sciences digital services market; below are three charts to illustrate the depth of the report

Life Sciences Digital Services PEAK Matrix® Assessment 2021[1]

Illustrative example

● Leaders ● Major Contenders ○ Aspirants ☆ Star Performers

Market impact (Measures impact created in the market)

Vision & capability (Measures ability to deliver services successfully)

High / Low axes

Major Contenders

Leaders:
- TCS
- Cognizant
- HCL Technologies
- Accenture
- Wipro
- Capgemini
- NTT DATA
- LTI
- Atos
- Deloitte
- HARMAN Connected Services
- Birlasoft
- NNIT Indegene
- Virtusa
- Genpact
- DXC Technology
- Stefanini
- Infosys
- IBM
- CGI
- Tech Mahindra

Aspirants:
- EPAM
- Infostretch
- CitiusTech
- Hexaware
- Fujitsu

1 Assessments for CitiusTech, Deloitte, EPAM, Fujitsu, Hexaware, IBM, and Infosys 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 life sciences firms that are buyers of digital services

Source: Everest Group (2020)

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	Innovation & 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									

Everest Group's remarks on life sciences digital 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	Innovation & investments	Delivery Footprint	Overall

Strengths
- Service provider has established a clear vision for the life sciences domain that reflects its understanding of the industry's challenges
- It is co-creating with clients and engaging in outcome-based pricing models to drive digital engagements
- It has a consistently spread-out client base across the globe

Areas of improvement
- It can leverage its technical and domain expertise to expand its presence in the medical devices segment
- It should ramp up its marketing efforts to better position its automation and analytics capabilities to create market differentiation
- It should build readily implementable frameworks/tools/accelerators that complement its services and improve the time-to-value for clients

Everest Group® RESEARCH

Research calendar
Life sciences IT services

<table>
<tr><td colspan="2">🟦 Published   ⬜ Planned   ⬛ Current release</td></tr>
</table>

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	July 2020
Life Sciences Medical Devices Digital Services – Service Provider Profiles Compendium	July 2020
Clinical Development Platforms – Vendor Landscape with Products PEAK Matrix® Assessment 2020	September 2020
Clinical Development Platforms – Vendor Provider Profiles Compendium	October 2020
Clinical Development Platforms Market Overview	November 2020
Life Sciences Digital Services – Service Provider Landscape with PEAK Matrix® Assessment 2021	**December 2020**
Life Sciences Digital Services – Service Provider Profiles Compendium	Q1 2021

Thematic Life Sciences IT services reports	Release date
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	June 2020
Insourcing in Life Sciences – The Quest for Talent Supremacy	Q1 2021
Intelligent Manufacturing for Life Sciences Enterprises	Q1 2021

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

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