

# Market Vista™: Industry Insights – Life Sciences

December 2023: Complimentary Abstract / Table of Contents



# Our research offerings

This report is included in the following research program(s):

## Market Vista™

- ▶ Amazon Web Services (AWS)
- ▶ Application Services
- ▶ Artificial Intelligence (AI)
- ▶ Asset and Wealth Management
- ▶ Banking and Financial Services Business Process
- ▶ Banking and Financial Services Information Technology
- ▶ Catalyst™
- ▶ Clinical Development Technology
- ▶ Cloud and Infrastructure
- ▶ Contingent Staffing
- ▶ Contingent Workforce Management
- ▶ Customer Experience Management Services
- ▶ CX Excellence
- ▶ CXM Technology
- ▶ Cybersecurity
- ▶ Data and Analytics
- ▶ Digital Adoption Platforms
- ▶ Digital Services
- ▶ Digital Workplace
- ▶ Employee Experience Management (EXM) Platforms
- ▶ Employer of Record (EOR)
- ▶ Engineering Research and Development
- ▶ Enterprise Platform Services
- ▶ Exponential Technologies
- ▶ Finance and Accounting
- ▶ Financial Services Technology (FinTech)
- ▶ GBS Talent Excellence
- ▶ Global Business Services
- ▶ Google Cloud
- ▶ HealthTech
- ▶ Human Resources
- ▶ Insurance Business Process
- ▶ Insurance Information Technology
- ▶ Insurance Technology (InsurTech)
- ▶ Insurance Third-Party Administration (TPA) Services
- ▶ Intelligent Document Processing
- ▶ Interactive Experience (IX) Services
- ▶ IT Services Excellence
- ▶ IT Talent Excellence
- ▶ Life Sciences Business Process
- ▶ Life Sciences Commercial Technologies
- ▶ Life Sciences Information Technology
- ▶ Locations Insider™
- ▶ Marketing Services
- ▶ Market Vista™
- ▶ Microsoft Azure
- ▶ Microsoft Business Application Services
- ▶ Modern Application Development (MAD)
- ▶ Mortgage Operations
- ▶ Multi-country Payroll
- ▶ Network Services and 5G
- ▶ Oracle Services
- ▶ Outsourcing Excellence
- ▶ Payer and Provider Business Process
- ▶ Payer and Provider Information Technology
- ▶ Pricing Analytics as a Service
- ▶ Process Intelligence
- ▶ Process Orchestration
- ▶ Procurement and Supply Chain
- ▶ Recruitment
- ▶ Retail and CPG Information Technology
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ SAP Services
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
- ▶ Talent Genius™
- ▶ Technology Skills and Talent
- ▶ Trust and Safety
- ▶ Value and Quality Assurance (VQA)

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](mailto:info@everestgrp.com)

Learn more about our  
**custom research capabilities**

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: providers, locations,  
risk, technologies

Locations: costs, skills,  
sustainability, portfolios

# Contents

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

**Hrishi Raj Agarwalla**, Vice President

**Durga Ambati**, Practice Director

**Monalisa Modi**, Senior Analyst

**Ravi Joshi**, Senior Information Specialist

<b>1. Overview, scope, and value chain</b>	<b>4</b>
• Focus of the report	5
• Research methodology	6
• Key processes – life sciences	7
<b>2. Key trends and emerging themes in life sciences</b>	<b>13</b>
• Key trends in the life sciences industry	14
• Key trends for global sourcing in life sciences	15
• Emerging themes in life sciences and the adoption of next-generation technologies	16
<b>3. Offshore/Nearshore penetration and sourcing mix across key functions in life sciences</b>	<b>24</b>
• Sourcing mix summary	25
• Sourcing mix for key services and functions	26
<b>4. Global sourcing maturity across functions in life sciences</b>	<b>30</b>
• Maturity framework	31
• Global sourcing maturity across functions	32
<b>5. Leading offshore/nearshore locations leveraged for service delivery</b>	<b>38</b>
• Key offshore/nearshore locations leveraged by life sciences firms	39
• Key delivery locations landscape	40
<b>6. Case studies</b>	<b>41</b>
<b>7. Appendix</b>	<b>46</b>
• Glossary	47
• Research calendar	49

## Focus of this report

### Key questions addressed

- What are the key trends and emerging themes in life sciences firms?
- What are the offshore penetration and sourcing mix trends for life sciences firms?
- What is the maturity level achieved for global sourcing for the delivery of life sciences services by third-party service providers and GBS organizations?
- What are the key offshore/nearshore locations leveraged by life sciences companies?

### Key market players

- This report focuses on global sourcing adoption (of both GBS centers and third-party service providers) by leading life sciences firms
- Examples of key market participants:
  - Life sciences enterprises: Novartis, GSK, Novo Nordisk, AstraZeneca, Medtronic, Roche, Merck & Co, Johnson & Johnson, and Pfizer
  - Global service providers supporting the life sciences industry: HCL, IBM, Wipro, Cognizant, Accenture, and TCS
  - Industry-specific specialist service providers supporting the life sciences industry: IQVIA, Indegene, PRA Health Sciences, Lonza Group, Covance, and Certara

## Key trends in the life sciences industry

### Big pharma will fuel M&A activity

Big pharmaceutical companies are buying up small biotechnology companies that have promising scientific advancements. This is because big pharma wants to get its hands on the IP of these companies, which could lead to the development of new drugs and treatments. This trend is expected to continue in the coming years, and it could lead to a lot of Mergers and Acquisitions (M&A) activity. Small companies with liquidity issues will be the most likely targets for these buyouts.



### Interest in beyond-the-pill treatment approaches

There is increasing interest in wearable technologies, digital pills, and even gamification for disease prevention and treatment. For instance, VR is promising a way to distract a person facing chronic pain. Meanwhile, personalized therapies will be increasingly preferred, and companies will receive tremendous momentum for developing digitally driven treatment solutions.



### Enhancing Customer Experience (CX) in life sciences: the role of CX platforms

As CX continues to be a top priority for enterprises, organizations are exploring experience-focused solutions and tools to supplement traditional CRM functionalities. Life sciences enterprises are increasingly adopting CX platforms, which leverage customer data management, content management, sales and marketing, and real-time analytics and insights to enhance the customer's experience across all interaction touchpoints.



### Value-based pricing

The rising cost of drugs and the increasing focus on patient outcomes are driving the adoption of Value-based Pricing (VBP), a pricing strategy that sets the price of a drug based on its clinical value. VBP is seen as a way to control the cost of prescription drugs and is likely to become more common in the future.



### Research and development evolutions and refinement

Companies have increased their focus on Research and Development (R&D) evolutions and refinement for a number of reasons, including the rising cost of developing new drugs, increasing complexity of drug discovery, and increasing regulatory scrutiny of the life sciences industry. The life sciences industry is becoming increasingly competitive, as more and more companies are entering the market. This is forcing life sciences companies to focus on innovation in order to stay ahead of the competition.





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

## Key trends for global sourcing in life sciences industry

### The rise of Contract Manufacturing Organizations (CMOs)

The life sciences industry is a highly competitive one, and companies are always looking for ways to reduce costs and improve efficiency. One way to do this is to outsource manufacturing to CMOs. CMOs are companies that manufacture drugs and other life sciences products on a contract basis. This allows life sciences companies to focus on their core competencies, such as research and development, while CMOs take care of the manufacturing process.



### Increase in in-house center landscape in India

The scale of pharmaceutical in-house centers in India has tripled, with both new setups and expansions of the existing centers. The maturity of services delivered from India has also increased, with several in-house centers moving from supporting transactional/rule-based activities to more judgment-intensive/complex work. For example, several in-house centers now support core R&D activities such as pre-clinical and clinical trials, biostatistics, regulatory and medical affairs, as well as supply chain and commercial operations.



### Adoption of digital technologies

The life sciences industry is increasingly adopting digital technologies to improve efficiency, reduce costs, and decrease carbon footprint. For example, AI is used to analyze patient data to identify patterns and risks, such as the likelihood of a patient developing a certain disease. Blockchain is used to track the provenance of products, such as drugs and medical devices, to ensure their authenticity and traceability. IoT is used to monitor equipment and processes in real time, which can help to prevent breakdowns and improve efficiency. Global life sciences players are setting up research centers to develop digital capabilities, such as AI, Machine Learning (ML), and big data analytics.

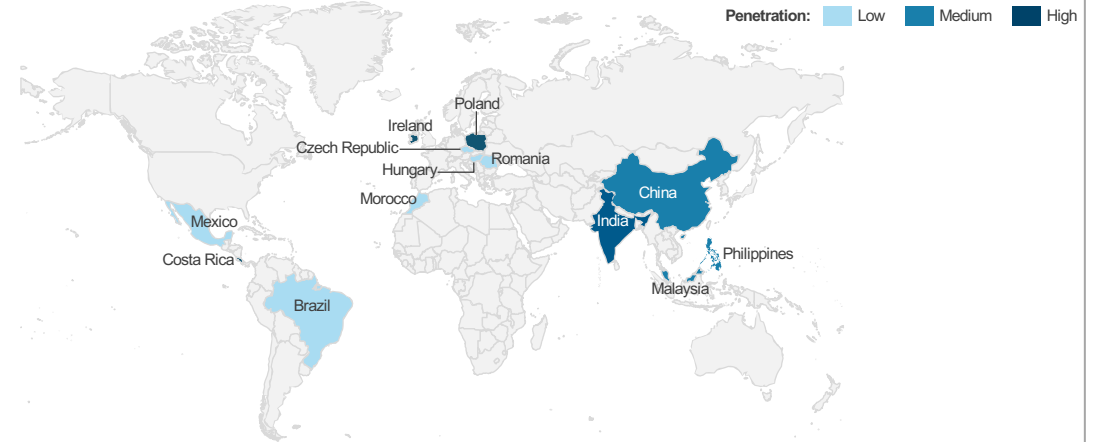


### Growing importance of strategic partnerships

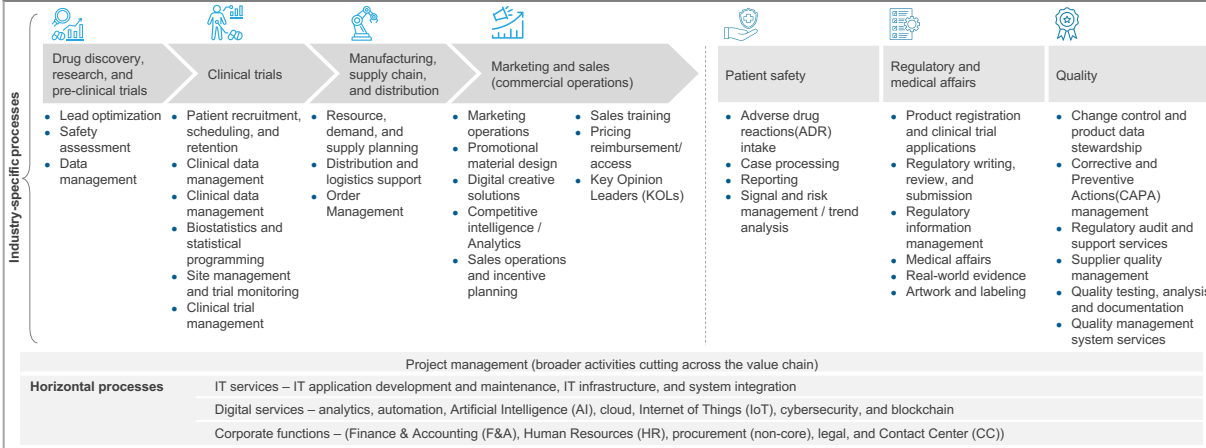
Strategic partnerships in the life sciences industry are increasingly gaining significance, with a shift toward more collaborative and mutually beneficial relationships, and with the aim to create a competitive advantage through innovation, efficiency, and enhanced capabilities. Life sciences organizations are collaborating with start-ups, academic institutions, and their peers to leverage the external ecosystem to gain access to specialized expertise, accelerate research and development, foster innovation, and co-create solutions to address and navigate through complex challenges in the industry. Strategic partnerships with suppliers are becoming more common, which involves a deeper integration of suppliers into the value chain to drive innovation and efficiency.



## Key offshore/nearshore locations leveraged by life science firms



## Key value-chain process in life sciences industry



## Framework to assess global sourcing maturity across functions

Factors	Dimensions of assessment	Assessment rating – how to interpret		
		Low maturity	Medium maturity	High maturity
Nature of work	Mix of rule-based vs. complex/ judgment-oriented work	Predominantly rule-based work supported	Both rule-based and complex work supported, with a skew toward rule-based work	Both rule-based and complex work supported, with a skew toward complex work
Average scale of operations for global/regional work	Size of teams handling the function	Evidence of small-scale centers (<100 FTEs per function for leading players) supporting global/regional operations	Evidence of medium-scale centers (100-200 FTEs per function for leading players) supporting global/regional operations	Evidence of large-scale center (200+ FTEs per function for leading players) supporting global/regional operations
Number of key players supporting global/regional work	Number of leading players leveraging back office for the function (supporting global/regional work)	No/limited companies supporting the function	Some companies (four to six) supporting the function	Multiple companies (seven to ten) supporting the function
Level of ownership	Degree of independence / end-to-end execution of a process	No independence in carrying out a process	Provides some level of independence in executing a process	End-to-end execution of a process

# Research calendar

## Market Vista™

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
Market Vista™: Q2 2022	June 2022
Market Vista™: Q3 2022	September 2022
Market Vista™: Industry Insights – Healthcare	October 2022
Market Vista™: Industry Insights – Retail and CPG	December 2022
Market Vista™: Q4 2022	December 2022
Market Vista™: Q1 2023	March 2023
Market Vista™: 2022 Year in Review and Outlook for 2023	April 2023
Market Vista™: Q2 2023	June 2023
Market Vista™: Industry Insights – Oil and Gas	June 2023
Market Vista™: Q3 2023	September 2023
Market Vista™: Q4 2023	December 2023
<b>Market Vista™: Industry Insights – Life Sciences</b>	<b>December 2023</b>
2023 Key Issues in Global Sourcing	Q4 2023
Market Vista™: Q1 2024	Q1 2024
Market Vista™: 2023 Year in Review and Outlook for 2024	Q1 2024
Market Vista™: Q2 2024	Q2 2024

Note: [Click](#) to see a list of all of our published Market Vista™ reports



Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at [www.everestgrp.com](http://www.everestgrp.com).

## Stay connected

**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

**Toronto**  
canada@everestgrp.com  
+1-214-451-3000

**Website**  
[everestgrp.com](http://everestgrp.com)

**Social Media**  
 @EverestGroup  
 @Everest Group  
 @Everest Group  
 @Everest Group

**Blog**  
[everestgrp.com/blog](http://everestgrp.com/blog)

## NOTICE AND DISCLAIMERS

**IMPORTANT INFORMATION. PLEASE REVIEW THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THROUGH YOUR ACCESS, YOU AGREE TO EVEREST GROUP'S TERMS OF USE.**

Everest Group's Terms of Use, available at [www.everestgrp.com/terms-of-use/](http://www.everestgrp.com/terms-of-use/), is hereby incorporated by reference as if fully reproduced herein. Parts of these terms are pasted below for convenience; please refer to the link above for the full version of the Terms of Use.

Everest Group is not registered as an investment adviser or research analyst with the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA), or any state or foreign securities regulatory authority. For the avoidance of doubt, Everest Group is not providing any advice concerning securities as defined by the law or any regulatory entity or an analysis of equity securities as defined by the law or any regulatory entity.

All Everest Group Products and/or Services are for informational purposes only and are provided "as is" without any warranty of any kind. You understand and expressly agree that you assume the entire risk as to your use and any reliance upon any Product or Service. Everest Group is not a legal, tax, financial, or investment advisor, and nothing provided by Everest Group is legal, tax, financial, or investment advice. Nothing Everest Group provides is an offer to sell or a solicitation of an offer to purchase any securities or instruments from any entity. Nothing from Everest Group may be used or relied upon in evaluating the merits of any investment. Do not base any investment decisions, in whole or part, on anything provided by Everest Group.

Products and/or Services represent research opinions or viewpoints, not representations or statements of fact. Accessing, using, or receiving a grant of access to an Everest Group Product and/or Service does not constitute any recommendation by Everest Group that recipient (1) take any action or refrain from taking any action or (2) enter into a particular transaction. Nothing from Everest Group will be relied upon or interpreted as a promise or representation as to past, present, or future performance of a business or a market. The information contained in any Everest Group Product and/or Service is as of the date prepared, and Everest Group has no duty or obligation to update or revise the information or documentation. Everest Group may have obtained information that appears in its Products and/or Services from the parties mentioned therein, public sources, or third-party sources, including information related to financials, estimates, and/or forecasts. Everest Group has not audited such information and assumes no responsibility for independently verifying such information as Everest Group has relied on such information being complete and accurate in all respects. Note, companies mentioned in Products and/or Services may be customers of Everest Group or have interacted with Everest Group in some other way, including, without limitation, participating in Everest Group research activities.