Everest Group PEAK Matrix™ for Life Sciences Digital Service Providers 2019

Focus on TCS

September 2019

EGR-2019-46-E-3331

Introduction and scope

Everest Group recently released its report titled "Life Sciences Digital Services – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019." This report analyzes the changing dynamics of the life sciences digital services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 23 service providers on the Everest Group PEAK Matrix™ for Life Sciences Digital Services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of life sciences digital service providers based on their absolute market success and delivery capability. Everest Group also identified three service providers as the "2019 Life Sciences Digital Services Market Star Performers" based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

Based on the analysis, **TCS emerged as a Leader**. This document focuses on **TCS's** Life Sciences digital services experience and capabilities and includes:

- TCS's position on the Life Sciences Digital Services PEAK Matrix
- TCS's year-on-year movement on the Life Sciences Digital Services PEAK Matrix
- Detailed Life Sciences Digital Services profile of TCS

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Source: Everest Group (2019) unless cited otherwise

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

Life sciences digital services PEAK Matrix™ characteristics

Leaders:
Accenture, Capgemini, Cognizant, HCL Technologies, TCS, and Wipro

- Leaders have established themselves as front runners to support large life sciences customers that prefer service providers to help them achieve transformation through digital initiatives
- These players have balanced portfolios, are able to come up with innovative digital use-cases for life sciences firms, and continue to keep pace with the market dynamics through continued investments in technology and services capability development (internal IP/tools, M&A, partnerships, etc.)
- Leaders have showcased high levels of proactiveness in taking their innovations and next-generation service offerings to clients
- They tend to be the providers of choice for large life sciences firms looking for partners with a similar global footprint
- That said, the current Leaders face a stiff challenge from progressive Major Contenders in terms of both digital services capabilities and commercials. Hence, they need to focus on building effective solutions that leverage next-generation technology trends and also address the cost-takeout mandate

Major Contenders:
Atos, Deloitte, DXC Technology, EPAM, Genpact, IBM, Indegene, Infosys, LTI, NNIT, NTT DATA, Tech Mahindra, and Virtusa

- The Major Contenders segment comprises a varied mix of global MNCs, large- & mid-sized firms, and life sciences specialists
- While some have built meaningful capabilities to deliver a wide range of digital services across the life sciences LoBs and value chain, others focus on differentiating by specializing in specific areas within the life sciences domain
- The service portfolios of Major Contenders are not as balanced as compared to Leaders, and also tend to be less comprehensive in value chain coverage
- However, these players are offering the Leaders stiff competition by making high-profile investments and meaningful partnerships around digital offerings. For instance, NTT DATA's partnership with Bloqcube, NNIT's acquisition of Halfmann Goetsch Partner AG, DXC Technology's acquisition of Luxoft, etc.
- For such players, an opportunity lies in engaging small and medium-sized buyers, especially since this market segment has not been addressed meaningfully by Leaders

Aspirants:
CGI, Fujitsu, Hexaware, and Unisys

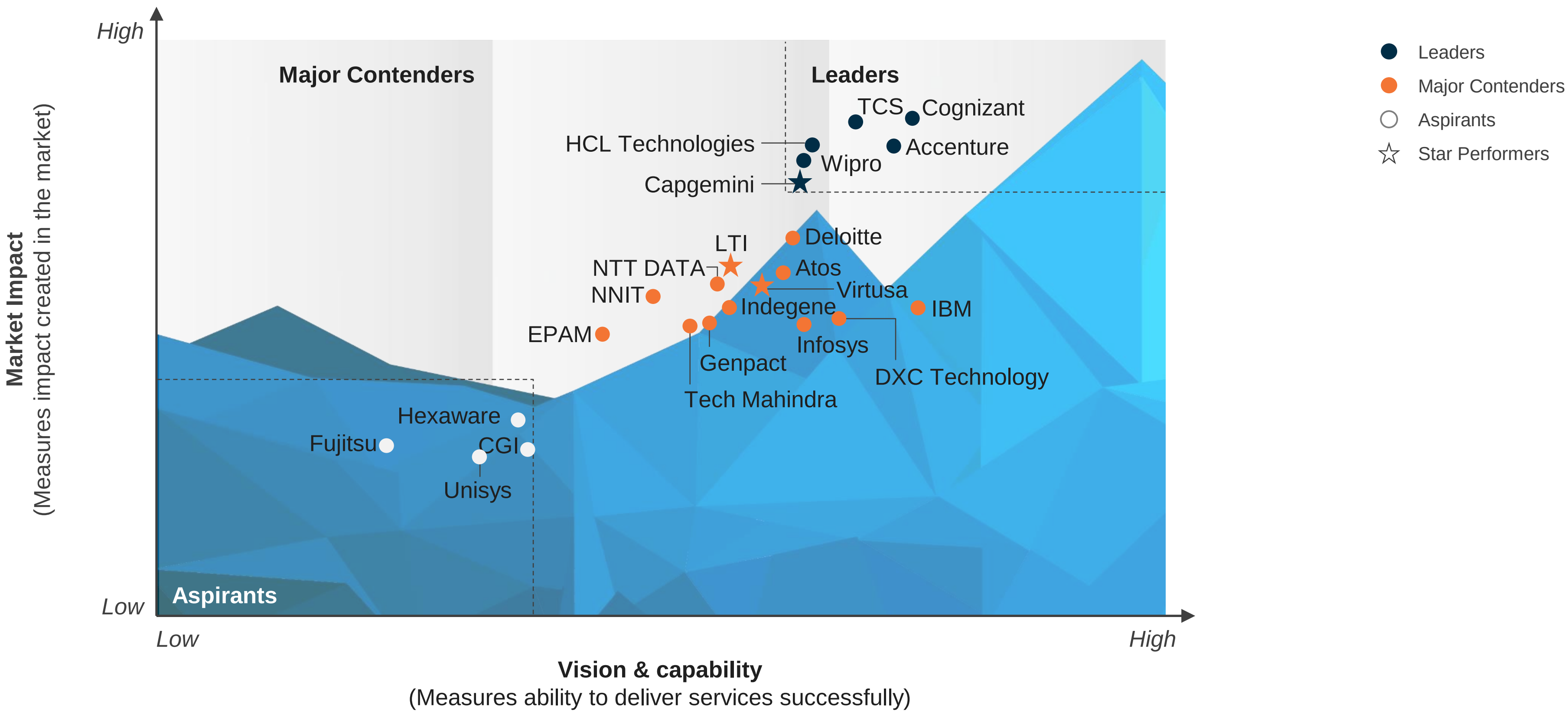
- Aspirants are majorly focused on mid-sized clients with low focus on large and very large clients
- Players such as Fujitsu are using their existing capabilities around infrastructure legacy as a foothold to drive digital transformation
- Some of the players are trying to grow their life sciences businesses through industry-specific offerings, such as Hexaware's Digital trial monitoring solution

Source: Everest Group (2019)

Everest Group PEAK Matrix™

Life Sciences Digital Services PEAK Matrix™ Assessment 2019 | TCS positioned as Leader

Everest Group Life Sciences Digital Services PEAK Matrix™ Assessment 2019



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

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

Overview

Strengths

- Credible digital transformation capabilities with scale and consistency of performance
- Focus on next-generation digital solutions such as Advanced Drug Development Platform leveraging AI and IoT for drug development and patient engagement

Areas of improvement

- Creating greater impact in the mid-market, given existing presence in big pharma
- Enabling greater proactive engagement and helping clients identify areas for further investment in digital

LS digital services revenue

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

Scope of digital services for LS

AI/ML, 3D printing, big data and analytics, blockchain, cloud, IoT/wearables, NLP, RPA, cognitive computing, digital content factory, digital marketing and marketplace, platform, advisory/consulting services, UI/UX design, social media

LS line of business coverage[2]

High (>20%) | Medium (10-20%) | Low (<10%)

Medical devices	Medium	Pharmaceuticals	High
Biotechnology	Medium	Others[1]	Low

Adoption by buyer groups[2]

High (>20%) | Medium (10-20%) | Low (<10%)

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

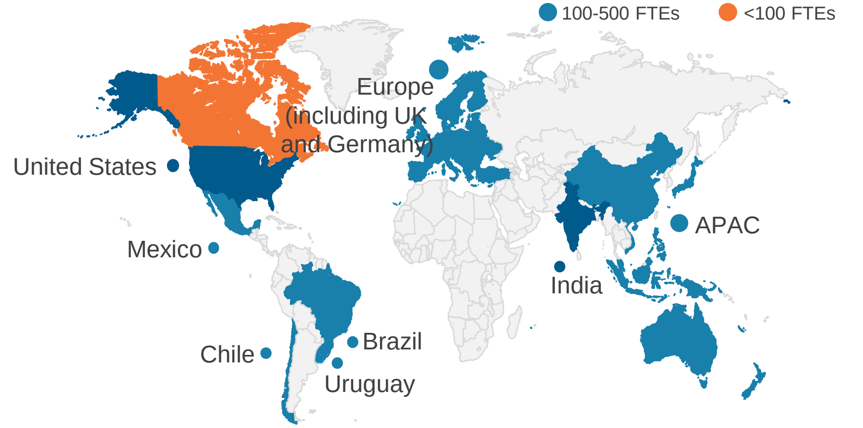
LS value chain coverage[2]

High (>20%) | Medium (10-20%) | Low (<10%)

Drug discovery and research	Low	Sales and marketing	High
Clinical and pre-clinical trials	High	Supply chain and distribution	Medium
Manufacturing operations	Medium		

LS digital services delivery map

>1,000 FTEs | 500-1,000 FTEs | 100-500 FTEs | <100 FTEs



1 Includes healthcare data & information services and medical products distribution
2 Classified as high/medium/low, based on contribution to revenue

TCS | Life sciences digital services profile (page 2 of 2)

Offerings

Vision statement
TCS' vision for life sciences digital services is to be continuously involved in the process of increasing digital maturity in their customers by leveraging its Business 4.0™ framework and Machine First Delivery Model™ (MFDM) model. It aims to help in defining and developing a common vision for transformation to reshape business portfolio planning, drug development, direct-to-consumer marketing, manufacturing & supply chain, finance, and other administrative functions.

Proprietary solutions (representative list)

Solution	Details
Advanced Drug Development (ADD) platform	Suite of products for digital transformation of clinical trials. It covers various phases of clinical trials like study setup, clinical ops, clinical data management, patient connectivity, pharmacovigilance, and regulatory
Decision Fabric Engine	AI based cognitive solution providing NLP and ML capabilities with strong lexical analysis. It is enabling varied use cases in clinical development areas like case intake in PV, predictive models in clinical ops, and intelligent response to regulatory queries
Real World Evidence (RWE) platform	TCS RWE platform provides end to end value evidence lifecycle management capabilities including real world data, knowledge & evidence management, study conduct & management, evidence generation and synthesis, and value communication
Translational Research platform	A Platform for Tata Medical Center (TMC) for personalized clinical care for cancer patients
Collaborative Platform for Tech Transfer	This solution reduces dependency on human factor for technology transfer. It facilitates recipe transfer from R&D to global manufacturing sites
CCI Platform (Cognitive Commercial Intelligence Platform	The platform helps sales, marketing, pricing, and market access functions within life sciences organizations make smarter decisions at scale by providing transformational and flexible analytics solutions

Recent activities (representative list)

Development	Type	Details
TCS ADD Vantage on Connected Clinical Trials, Paris	Forum	TCS exclusive Thought Leadership Forum for pharma ecosystem that brought together leaders and SMEs from global pharmaceutical companies including four of the top five players
SAP	Partnership	To launch an Intelligent Field Inventory Management (iFIM) solution, powered by SAP Leonardo, which leverages IoT and blockchain to help medical device manufacturers streamline surgical kit handling
Digital skin (2019)	Investment	The platform is capable of modeling and can emulate the physicochemical properties of human skin, thereby facilitating the study of how constituents of new formulations are transported through its layers
Bio-Pharma Continuous Manufacturing (2019)	Partnership	To involve bio-pharma unit operations modeling, continuous process monitoring, analysis, and control & process automation

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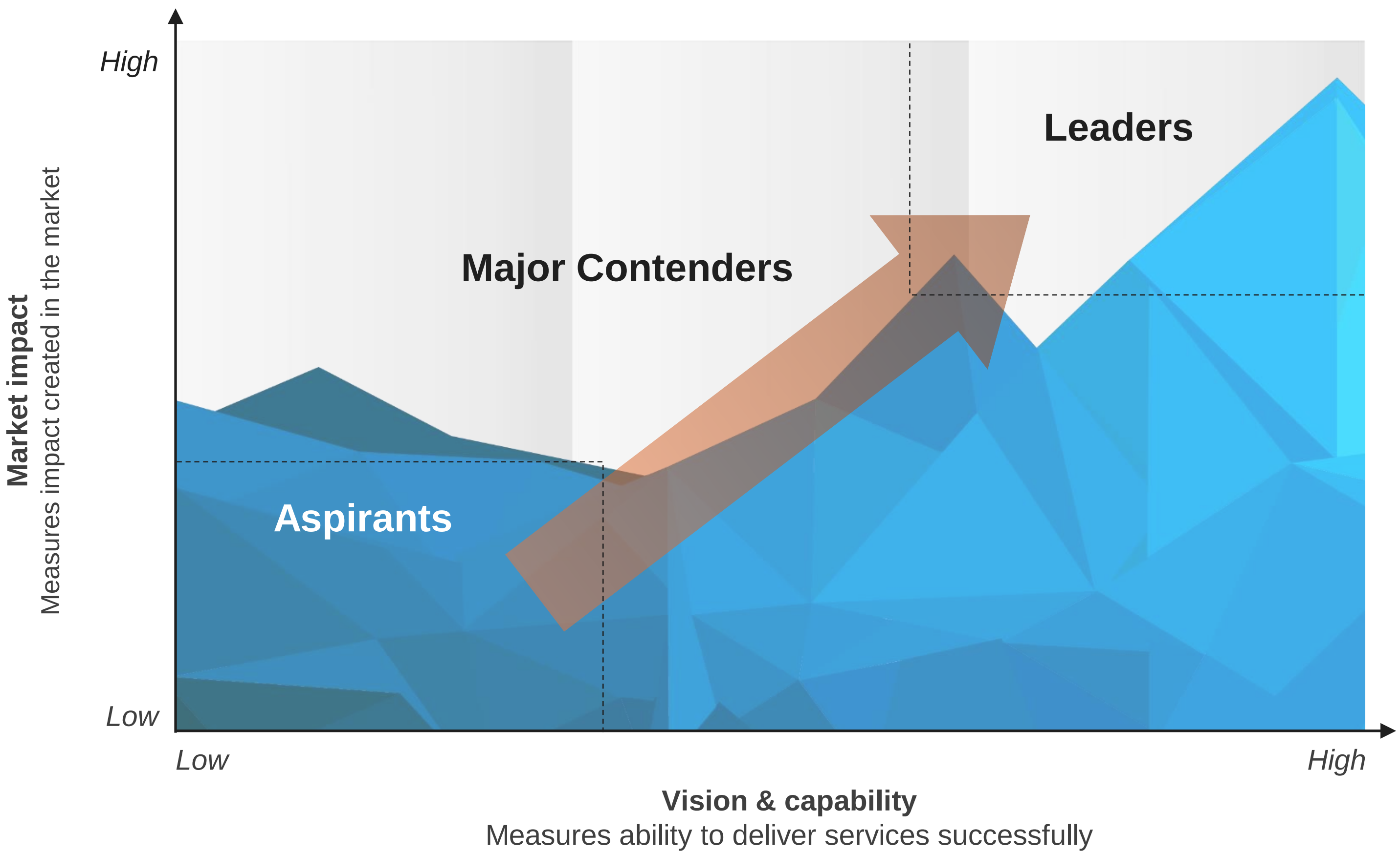
Appendix

Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix



Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

No. of clients, revenue base, and YOY growth, deal value/volume

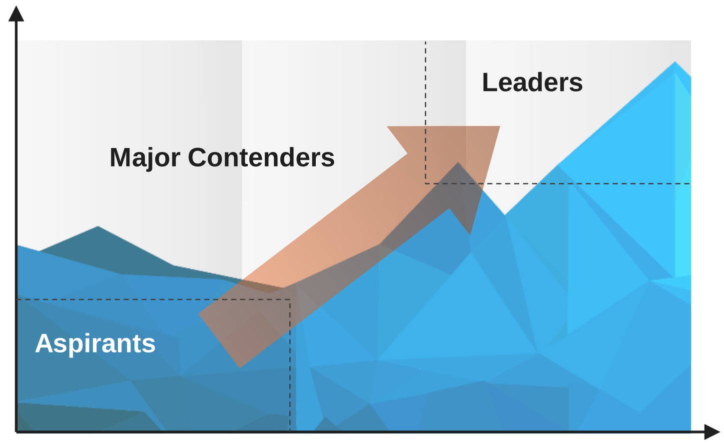
Portfolio mix

Diversity of client/revenue base across geos and type of engagements

Value delivered

Value delivered to the client based on customer feedback and transformational impact

Market impact



Vision & capability

Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy

Vision for the client and itself; future roadmap and strategy

Scope of services offered

Depth and breadth of services portfolio across service sub-segments / processes

Innovation and investments

Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

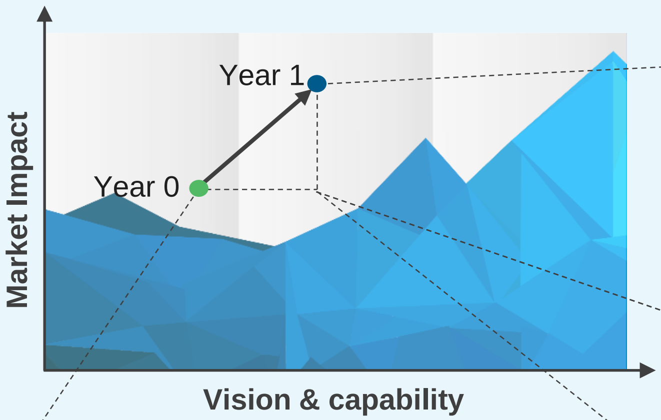
Delivery footprint

Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix™

Methodology

Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix



In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:

- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:

- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:

- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YOY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix™ assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
- Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  - Issue a press release declaring their positioning. See citation policies
  - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  - Quotes from Everest Group analysts could be disseminated to the media
  - Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

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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