Everest Group PEAK Matrix™ for Life Sciences (LS) Operations Service Providers 2020

Focus on TCS

January 2020

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PEΛK MATRIX™

Introduction and scope

Everest Group recently released its report titled "Life Sciences (LS) Operations – Services PEAK Matrix™ Assessment 2020." This report analyzes the changing dynamics of the LS operations – services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 24 service providers on the Everest Group PEAK Matrix for LS operations – services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of LS operations – services service providers based on their absolute market success and delivery capability. Everest Group also identified 5 service providers as the "2020 LS Operations – 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 and a Star Performer**. This document focuses on **TCS'** LS operations – services experience and capabilities and includes:

- TCS' position on the LS operations – services PEAK Matrix
- Detailed LS operations – 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.

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Background and methodology of the research

As we enter a new decade, the global life sciences industry is undergoing momentous changes and facing major headwinds including continued M&As, decline in blockbuster drugs and shift towards specialty drugs (including orphan drugs and personalized medicines such as cell therapies), threat from biosimilars and generics, data explosion, maintaining price competitiveness and ensuring affordability, focus on R&D virtualization/digitization, complex supply chain, and complying to stringent regulatory norms. Further, operational and technological challenges too are contributing to the above factors and hampering speed-to-market for new innovative drugs.

To address these challenges and keep up with the rising cost pressures, pharma companies are relying on traditional and technological capabilities of outsourcing service providers to streamline and optimize the life sciences value chain. As a result, there is a notable shift from the legacy monolithic outsourcing service model to a more strategic and relationship-based model, where core judgment-intensive processes are being outsourced.

Such a complex market landscape is generating new opportunities for the operations service providers to drive innovation, address key bottlenecks, digitize value chain, and ultimately become a strategic and transformational partner. Service providers are responding by upgrading their services with technology-enabled solutions (including ML/AI, automation, and IoT), developing analytics-driven enterprise-wide platform to break silos and increase cross-functional collaborations, deepening domain expertise, upskilling resources, developing innovation labs and CoE, and providing flexible pricing models.

Scope and methodology

In this research, we analyze the global LS operations – services provider landscape. We focus on:
- Relative positioning of 24 service providers on Everest Group's PEAK Matrix for LS operations – services
- Analysis of service provider's market share
- Everest Group's analysis of service providers' strengths and areas of improvement

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Everest Group PEAK Matrix™ for LS operations – services – summary

Everest Group classified 24 LS operations service providers on the Everest Group PEAK Matrix into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework to assess the absolute market impact and overall vision and capability of service providers:

Leaders:

Accenture, Cognizant, Genpact, Iqvia, and TCS

Major Contenders:

Ashfield, Atos, Conduent, Covance, HCL, ICON plc, Indegene, Parexel, PPD, PRA Health Sciences, Syneos Health, Tech Mahindra, Wipro, WNS, and ZS
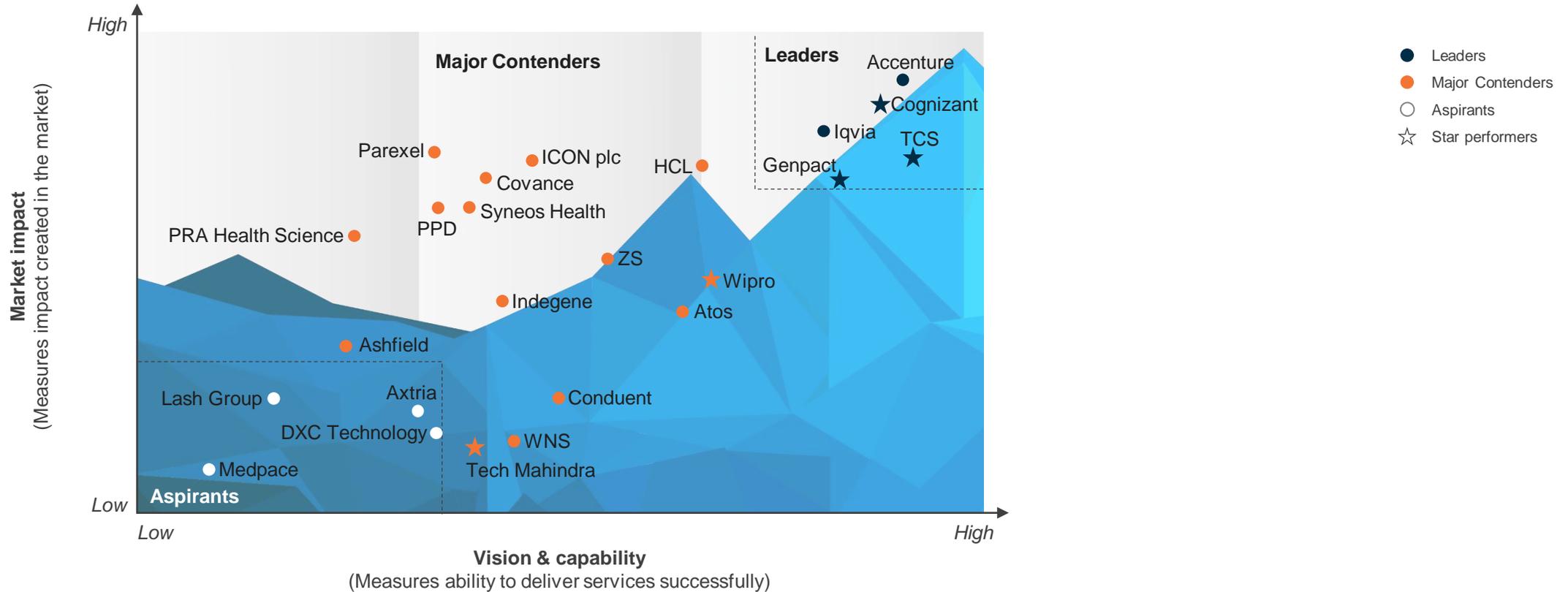
Aspirants:

Axtria, DXC Technology, Lash Group, and Medpace

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Everest Group PEAK Matrix™
Life Sciences Operations – Services PEAK Matrix™ Assessment 2020 | TCS positioned as a Leader and a Star Performer

Everest Group Life Sciences Operations – Services PEAK Matrix™ Assessment 2020

Note 1: Service providers scored using Everest Group's proprietary scoring methodology

Note 2: Assessment for **Ashfield**, **Covance**, **ICON plc**, **Iqvia**, **Lash Group**, **Medpace**, **Parexel**, **PPD**, **PRA Health Sciences**, **Syneos Health**, and **ZS** excludes service provider inputs on this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers

Note 3: DXC Technology's evaluation does not consider the management decision to seek strategic alternative to its horizontal business process services units

Source: Everest Group (2019)

TCS is an LS operations – services Star Performer based on strong forward and upward movement over time on the Everest Group PEAK Matrix™

2020 LS Operations – Services Star Performers

Distinguishing features in market success in the 12 months that ended June 2019

- Significant increase in revenue base helped it strengthen its position in the LS operations – services market
- Addition of new clients has not only fueled its revenue growth but also increased the contribution of clinical trials and regulatory affairs value chain segments

Distinguishing features in capability enhancements in the 12 months that ended June 2019

- Significant investment into Advanced Drug Development (ADD) platform for drug discovery and clinical trials value chain segment has started witnessing traction
- Invested in building solution and talent pool to expand into new processes such as commercial ops and supply chain

Change in positioning on the PEAK Matrix for LS operations – services

Moved up in the Leader's quadrant in the PEAK Matrix assessment for 2020 when compared to the 2017 assessment

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Company overview

TCS is a leading IT and consulting company that offers an integrated portfolio of business and technology services and solutions, including a full set of digital transformation solutions, by leveraging its Business 4.0TM framework and Machine First™ Delivery Model (MFDMTM) through an onshore-offshore model, i.e., Global Network Delivery Model™. The company is a provider of clinical research services including clinical data management, regulatory affairs, pharmacovigilance, risk-based monitoring, biostatistics and programming, and medical writing & publishing. In addition, the portfolio of services also covers solutions pertaining to customer experience, social media analytics, and sales and marketing services for biopharma companies. It caters to the top 15 global pharmaceutical companies, 9 of the top 10 medical devices players, and 40+ Forbes 2000 companies

Key leaders

- Debashis Ghosh, President, Business Group, Life Sciences and Healthcare, Energy & Resources and Public Service
- Vikas Jain, Head, Life Sciences, UK and Europe
- Vikram Karakoti, Head, Life Sciences, North America

Headquarters: Mumbai, India

Website: www.tcs.com

Suite of services

- Clinical study support services
- Manufacturing, supply chain, and distribution
- Pharmacovigilance
- Regulatory and medical affairs
- Sales and marketing
- Medical writing services

Life sciences BPS[1]	2017	2018	2019
Revenue (US$ million)	160-180	160-180	180-200
Number of FTEs	~5,250	~5,700	~6,000
Number of clients	29	29	30

Recent acquisitions and partnerships

- Partnered with two service providers based in Europe to deliver scientific translation
- Partnered with Academia to launch a joint research program addressing digital manufacturing use cases

Recent developments

- Invested in:
  - Innovation using TCS COIN™ (a co-Innovation ecosystem covering Research Institutions, startups, alliance partners, academic institutions, and student community)
  - Life sciences research labs
  - Life sciences strategic offerings and solutions
- Invested in genomics and translational research
- Launched an in-house DNA sequencing lab to contribute in cancer genomics and microbiome studies
- Invested in upgrading functionalities of its "Advanced Drug Development" platform (ADD) that offers a wide range of cloud-based clinical solutions and services, including clinical data management, metadata management, pharmacovigilance, and data analytics and insights. It is a multi-tenant, GxP compliant suite of platforms comprising multiple modules including ADD Site Feasibility Platform, CCT Platform, Risk Based Monitoring (RBM), and ADD powered by AI engine

1   12 months ending June 30 of any particular year, i.e., from July XXXX to June XXXX+1

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Key delivery locations

Capabilities and key clients

Key life sciences operations – services engagements

| Client name	Processes served	Region	Client since
One of the top 20 US-based pharma companies	Regulatory services	North America	2017
One of top 50 Japan-based pharma companies	Regulatory services and pharmacovigilance	North America	2015
One of the top 10 US-based pharma companies	Clinical data management, regulatory services, pharmacovigilance, clinical pharmacology and PK office, medical writing, biostatistics and statistical programming (B&SP), and platforms	North America	2012
One of the top 20 Europe-based pharma companies	Pharmacovigilance, medical writing, and customer analytics	Europe	2011
One of the top 20 Europe-based pharma companies	Clinical data management, regulatory services, and B&SP	Europe	2011
One of the top 10 Europe-based pharma companies	Clinical data management, regulatory services, and B&SP	Europe	2011
A US-based biopharma company	Regulatory services, pharmacovigilance, clinical operations, and B&SP	North America	2009
One of the top 15 UK-based pharma companies	Regulatory services and pharmacovigilance	UK	2008
One of the top 10 UK-based pharma companies	Clinical data management, regulatory services, pharmacovigilance, clinical operations, medical writing, and B&SP	UK	2006
One of the top 10 Europe-based pharma companies	Pharmacovigilance, clinical data management, regulatory services, medical writing, B&SP, clinical operations, and customer analytics	Europe	2006

Life sciences BPO FTE mix by segment
Number of FTEs

100% = ~6,000

- Manufacturing, supply chain, & distribution (4%)
- Sales and marketing (2%)
- Regulatory & medical affairs
- Clinical trials 33%
- Pharma-covigilance 53%
- 8%
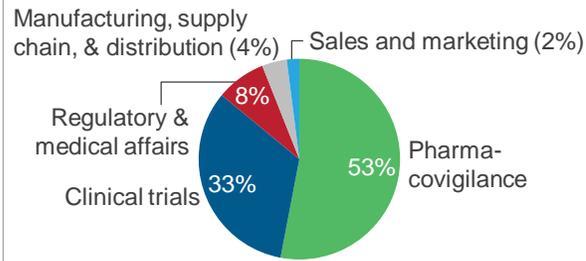
Life sciences BPO revenue mix by geography
Revenue in US$ million

100% = 180-200

- APAC (1%)
- UK 25%
- Continental Europe 44%
- North America 30%
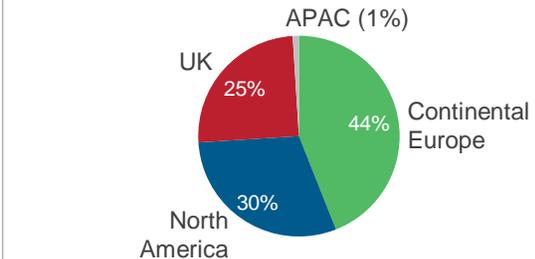
Life sciences BPO FTE split by delivery location
Number of FTEs

100% = ~6,000

- Nearshore 6%
- Onshore (1%)
- Offshore 93%
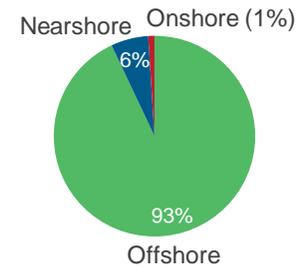
Life sciences BPO number of clients by buyer size[1]
Number of active clients

100% = 30

- Large 7%
- Small 16%
- Mega 37%
- Very large 17%
- Medium 23%
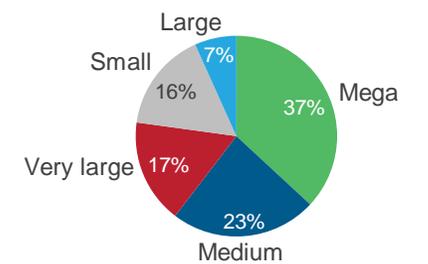
1 Buyer size is defined as mega (>US$20 billion), very large (US$10-20 billion), large (US$5-10 billion in revenue), medium (US$1-5 billion in revenue), and small (<US$1 billion in revenue)

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Technology solutions/tools

Application	Processes served	Year launched	Description	No. of BPS clients
Advanced Drug Development (ADD) – Site Feasibility	Clinical operations	2019	Site feasibility solution that enables site selection by facilitating data-driven decisions and predictions based on past performance and serves as a single integrated solution for all site feasibility needs	1
Clinical trial data entry assistant	Pharmacovigilance	2019	Automation solution that assists in data entry in Argus by referring the case in InForm	1
eTMF Readiness Metrics	Regulatory affairs and clinical operations	2019	TMF completeness and audit readiness percentage is derived by referring eTMF tracking report and populating study template	1
ADD – Regulatory	Regulatory affairs	2018	Features include: • Regulatory dashboard and submission tracking • Smart task manager: workflows for report • Regulatory intelligence (operational – response to query HaQ) tracking and market intelligence	1
Case Validity Assistant	Pharmacovigilance	2018	Segregates valid and invalid cases of XML's downloaded from Eudra vigilance website based on country and products criteria	1
Document Generation Assistant	Regulatory affairs and medical writing	2018	Generates draft document by populating various sections of a template from different sources of information	1
Annotation Generator	Regulatory affairs and medical writing	2018	Automates SDTM annotations as per defined mapping guidelines	2
Quality Review Assistant	Pharmacovigilance	2018	Solution to compare source document with ArisG downloaded reference document and highlight discrepancies in data entry	1
Lift & Shift	Regulatory affairs and clinical operations	2018	Facilitates upload of eTMF documents from shared drive, group email box, and source application to target eTMF application	1
Translator Tool	Regulatory affairs and clinical operations	2017	Translates PDF documents from 14 European languages and three Asian languages (Chinese, Japanese, and Korean) to English language	1

Technology solutions/tools

Application	Processes served	Year launched	Description	No. of BPS clients
ADD – Metadata Registry & Transformation	Clinical data management and B&SP	2016	Extracts data from a variety of structured and unstructured data sources and ensures cost-effective storage, governance, validation, and conversion of clinical information to CDISC formats; core features include: • Clinical standards library • Smart governance & workflow • Automated study build • Integrated compliance metrics • Automated SDTM & unique SAS code • Cross-departmental data lineage and oversight	1
ADD – Clinical data management	Clinical data management	2016	It is a robust electronic data capture and management system that customers can use to conduct trials in a cost-effective manner; it improves study design, and conducts and reports by integrating all the myriad CDM processes delivering lower costs and robust solutions	4
ADD – Connected Clinical Trials Platform	Patient engagement in clinical trials	2016	The CCT platform provides the following capabilities to clinical teams: • Intelligent trial medication – integration with smart medication packaging technologies for medication adherence, electronic drug labels, and automated drug accountability • Digital patient and site engagement – a 360-degree interaction between patients, sites, and sponsors through multiple channels and devices • Virtual trial – BYOD model for direct data capture from patients and connected devices, supported by algorithms for digital end-points and features to obtain direct patient feedback like eConsent, ePRO, and health logs	2
ADD – Patient Safety	Pharmacovigilance	2015	Safety case processing, analytics, and insight and cognitive (AI) solution for case intake and processing	2
ADD – Risk Based Monitoring Platform	Monitors Clinical Operations with Analytics and Insights	2014	Covers risk assessment, management and tracking, timely assessment of KPIs/KRIs with automated outliers, adaptive monitoring & utilize predictive modelling, and enables focused communication with investigator/sites	2

Everest Group assessment – Leader

Measure of capability: ● High ◔ Low

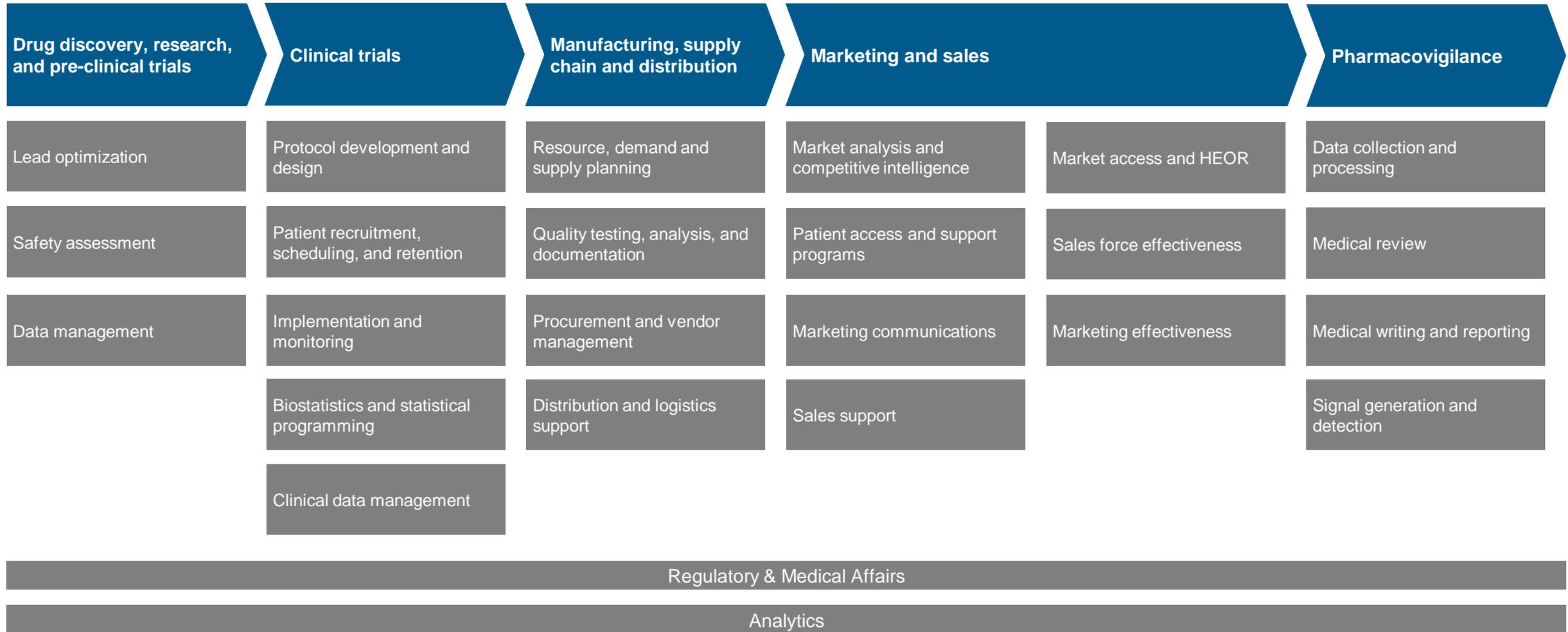| Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation & investments	Delivery footprint	Overall
◕	◔	◕	◑	◔	◔	◔	◔	◕

Strengths

- On the back of high degree of focus on the clinical trials and pharmacovigilance segment, TCS has amassed significant scale of operations in the LS operations – services market

- Its cloud-based Advanced Drug Development platform is witnessing increased traction in the market, particularly the Connected Clinical Trials module, which enables patient engagement and clinical supply process visibility

- It is deploying automation for multiple clients in pharmacovigilance, data management, and medical affairs segments, which is augmented by its in-house technology engine – TCS Decision Fabric

- As investment in next-generation themes, the service provider is scaling up its clinical research portfolio and moving into the precision medicine space with its genomics research services (offering genome sequencing and analysis)

- Strong relationship, efficient project management, and staff augmentation are the key strengths highlighted by referenced clients

Areas of improvement

- TCS has gained significant ground in Europe (including the UK), which contributes a large share to its total revenue. Going forward, it should look to increase its business from North America, which represents a decent share of the total market

- Its portfolio is concentrated around a few key biopharma accounts and business from medical device customers is notably lower than its peers. It should look to increase the number of logos and focus on expanding its business in the med-device space

- Referenced clients opined that the service provider is not proactively selling/driving its technology offerings with the operations – services portfolio. Going forward, it needs to market its solutions and platforms aggressively to showcase value to the clients and create additional business

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Appendix

Everest Group's view of the LS operations – services value chain

Drog discovery, research, and pre-clinical trials	Clinical trials	Manufacturing, supply chain and distribution	Marketing and sales		Pharmacovigilance
Lead optimization	Protocol development and design	Resource, demand and supply planning	Market analysis and competitive intelligence	Market access and HEOR	Data collection and processing
Safety assessment	Patient recruitment, scheduling, and retention	Quality testing, analysis, and documentation	Patient access and support programs	Sales force effectiveness	Medical review
Data management	Implementation and monitoring	Procurement and vendor management	Marketing communications	Marketing effectiveness	Medical writing and reporting
	Biostatistics and statistical programming	Distribution and logistics support	Sales support		Signal generation and detection
	Clinical data management				

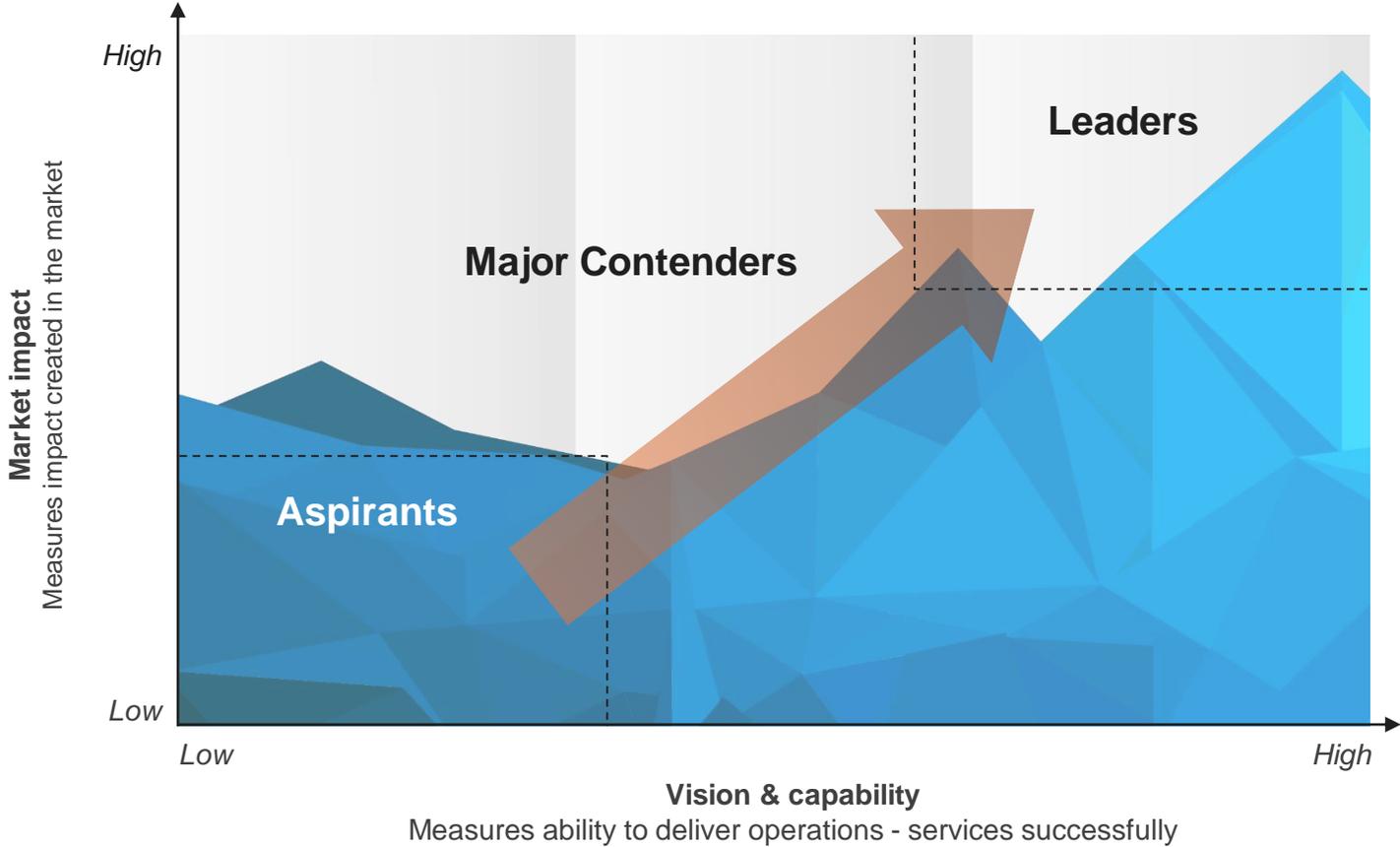| Regulatory & Medical Affairs |
|---|

Analytics

Note: This report covers vertical-specific operations – services within the LS space. It does not include coverage of horizontal business processes such as F&A, HR, procurement, and contact centers

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

Everest Group PEAK Matrix


Leaders

Major Contenders

Aspirants

Market impact
Measures impact created in the market

High

Low

Low

Vision & capability
Measures ability to deliver operations - services successfully

Low

High

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

Leaders

Major Contenders

Aspirants

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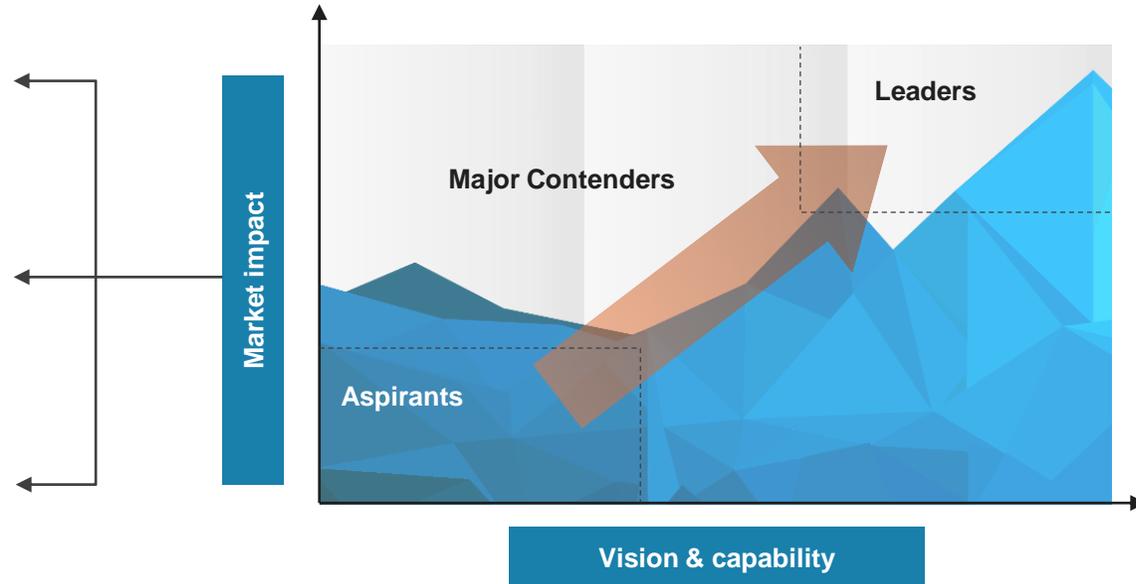
Measures ability to deliver services successfully. This is captured through four subdimensions

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
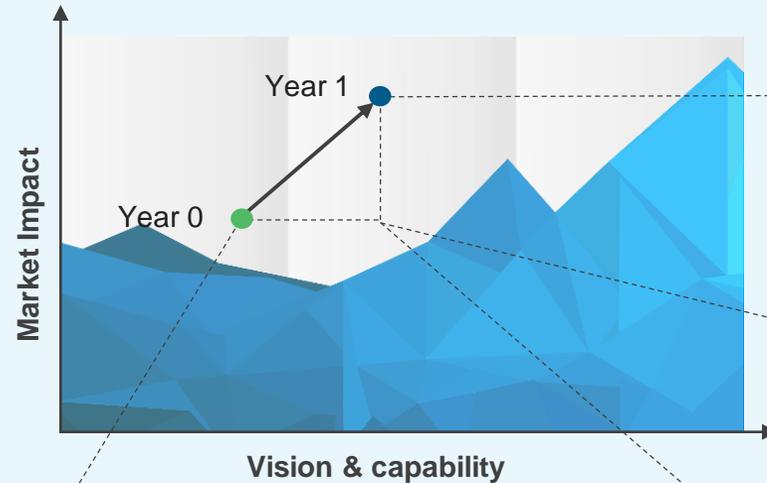
In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:
- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value 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

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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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