Everest Group PEAK Matrix® for Life Sciences Digital Service Provider 2021

Focus on Capgemini

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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

Life sciences digital services – 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
- 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, Birlasoft, CGI, Deloitte, DXC Technology, Genpact, HARMAN Connected Services, IBM, Indegene, Infosys, LTI, NNIT, NTT DATA, Stefanini, 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 such players, an opportunity lies in engaging small and medium-sized buyers, especially since this market segment has not been addressed meaningfully by Leader

Aspirants:

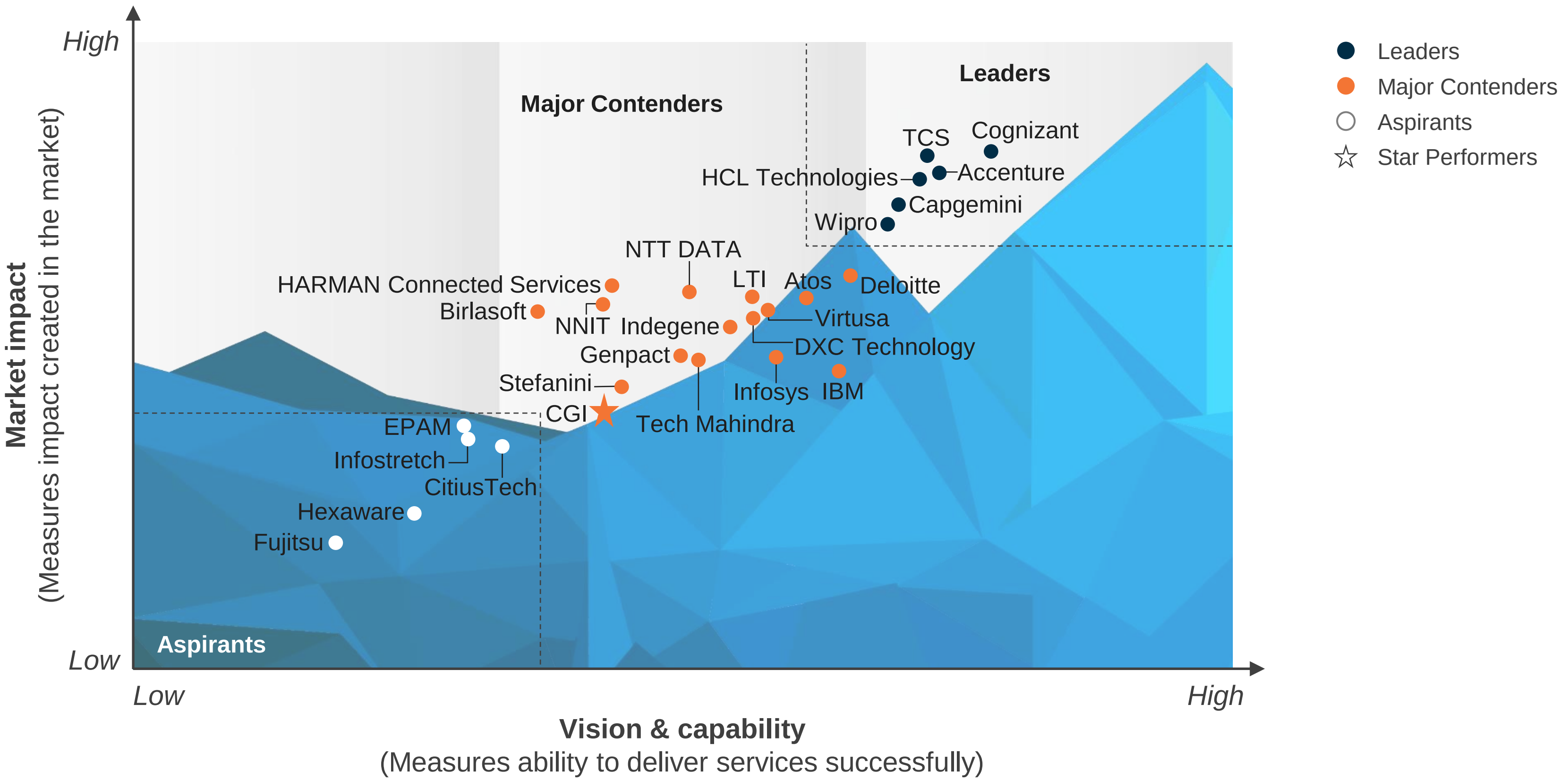
CitiusTech, EPAM, Fujitsu, Hexaware, and Infostretch

- Aspirants are majorly focused on mid-sized clients with limited presence in large and very large accounts
- Players such as Infostretch and CitiusTech have built in-house accelerators and products to grow their life sciences businesses but further need to build thought leadership and consulting capabilities to compete with major contenders
- Aspirants are increasing their investments in CoEs and strategic partnerships to build expertise in next-generation technologies but currently lack concrete proof points to gain client confidence

Everest Group PEAK Matrix®

Life Sciences Digital Services PEAK Matrix® Assessment 2021 | Capgemini positioned as Leader

Everest Group Life Sciences Digital Services PEAK Matrix® Assessment 2021[1,2]



1 PEAK Matrix specific to life sciences digital services
2 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)

Capgemini | Life sciences digital services profile (page 1 of 5)

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	Innovation & investments	Delivery Footprint	Overall

Strengths

- The Altran acquisition has strengthened Capgemini's capabilities in drug discovery (AI studio for data-driven R&D, genomic data analytics), clinical and preclinical trials, and manufacturing value-chain (Intelligent Industry set of offerings for life-sciences)
- The company has a well-rounded portfolio of vertical-specific partnerships (with Medidata, Javara, Veeva, Oracle Health Sciences) and in-house tools/accelerators (such as AI Activate, RAPIDE, clinical trial application framework, and clinical trial in-a-box solution) to enable the rapid design and development of customized data-driven solutions
- Strong domain understanding, supplemented with focused investments in innovation and thought leadership through a life sciences-specific CoE (Center of Excellence for Leadership in Life Sciences or CELLS)
- It is among the few global service providers with significant presence in both North America and Europe

Areas of improvement

- Capgemini should engage in co-investment models and innovative commercial constructs such as risk-sharing and outcome-based engagements to retain and further grow its market share among emerging mid-tier life sciences clients
- While Capgemini has invested in expanding its life sciences digital portfolio, it needs to further build medical devices-specific thought leadership and portfolio of offerings

Capgemini | Life sciences digital services profile (page 2 of 5)
Overview

Company mission/vision statement
Capgemini envisions to address critical issues in life sciences to create opportunities for business innovation and growth. It has expertise in areas specific to pharma, biotech, medical devices and agribusiness and continuously updates offerings in alignment with the industry challenges and demand. Capgemini's life science growth is expected to be in medical device and pharmaceutical ERP and manufacturing, pharmaceutical patient and healthcare provider experience, and marketing. It anticipates experience in providing digital transformation for clients will create opportunities in artificial intelligence and robotic process automation across the value chain including customer experience, manufacturing, medical affairs, and clinical and pre-clinical trials/ R&D, digital health, regulatory, quality & compliance.

Overview of the client base
Capgemini's go-to-market strategy for life sciences is built entirely around industry-specific client requirements with acquisition and management led by sector experts within the business. Some of Capgemini's key clients in life sciences include Bayer, Johnson & Johnson, Roche, Amgen, Becton-Dickinson, Sanofi, Abbott, and Cantel where it has experience in service delivery, project, and program management

Life sciences digital services revenue

<US$50 million	US$50-150 million	US$150-300 million	**US$300-450 million**	>US$450 million

Scope of digital services
Analytics, big data, blockchain, cognitive computing, cloud, cybersecurity, digital marketing, IoT devices, RPA, VR/AR

Revenue by line of business[1]
High (>35%) Medium (10-35%) Low (<10%)

Biopharmaceuticals | Medical devices | Others

Revenue by buyer size[1]
High (>40%) Medium (20-40%) Low (<20%)

Small (annual revenue < US$1 billion) | Medium (annual revenue = US$1-10 billion) | Large (annual revenue > US$10 billion)

Revenue by value chain element[1]
High (>20%) Medium (10-20%) Low (<10%)

Drug discovery and Research | Supply chain and distribution | Sales and marketing | Clinical trials | Manufacturing

Revenue by geography[1]
High (>40%) Medium (15-40%) Low (<15%)

North America | Europe (excluding UK) | UK | Asia Pacific | Middle East & Africa | South America

1 All the revenue components add up to a total of 100%

Capgemini | Life sciences digital services profile (page 3 of 5)
Case studies and solutions

Case study 1	Architected a Drupal-based customer experience solution for a pharmaceutical company	
	Business challenge Boehringer Ingelheim needed to improve customer experience on its online properties with personalization and better customer retention of product messages.	**Solution and impact** Architected a global solution comprised of a large-scale common platform with integration, QA, review, and production environments. Along with Drupal-based customer-experience solution to host and support personalization in all web properties.

Case study 2	Helped GSK in achieving a better clinical-trial experience	
	Business challenge GSK needed to reimagine and execute a better clinical-trial experience with patients at the center.	**Solution and impact** Defined the fundamental principles of patient-centricity, developed ideas that make them real, and produced an inspirational video to provide a unifying vision.

Life sciences digital frameworks (representative list)

Framework	Details
LifeSciencesPath	SAP-certified SAP S/4HANA package solution that is preconfigured with validation artifacts for accelerated implementation and enables life sciences companies to streamline operations, providing greater visibility and control of core business processes.
Specialty Channel Insights Platform	Helps track the patient journey from script to adherence, produced insights for over 75 specialty brands leading to increased speed time-to-market for product launches, Improve overall data quality & contract compliance and enhance operational efficiency through process streamlining & automation
SaMD/Digital Health	End to end capabilities to define, design, and develop digital health solutions. Capgemini provides end-to-end capabilities across the following: • Portfolio strategy & landscape mapping • Business case development • Design, development & regulatory • Implementation & maintenance
Smart Engineering	Supports medical device OEMs with mature design services across the entire product development life-cycle while harnessing new generation technologies like AI/ML, IoT, and cloud

Capgemini | Life sciences digital services profile (page 4 of 5)
Offerings

NOT EXHAUSTIVE

Proprietary digital solutions (representative list)

Solution	Details
TrialNext - Virtual Trial Transformation	Capgemini Invent in collaboration with Medidata seek to offer a solution for a Virtual Trial Transformation. This offer presents organizations with a tailored solution to enable trial virtualization to meet the rapidly evolving needs of patients and customers.
Digital Manufacturing and Operations	The solution, jointly delivered with IBM, encompasses predictive maintenance and quality through analysis & self-learning, cognitive robotics, and cognitive plant supervision
Salesforce CRM Reboot	A customer-centric commercial operating model that delivers a Salesforce CRM solution with improved data model and enhanced functionality with a clear overarching governance framework
Patient Services 2.0	Formulation of patient-centric strategies, uncovering patient insights and perspectives, inventing new services and experiences that advance the patient cause while realizing their ambitions effectively and efficiently
E2Open supply chain solution	A supply chain solution jointly delivered with E2Open that includes analytics & insight planning, order fulfillment, after-market services, and Master Data Management (MDM)
Fast Digital 4 Discrete Industries (FD4DI)	The solution, jointly delivered with SAP, helps manufacturers create smart, connected products, assets, and operations that offer the potential for time-to-market reduction, productivity gains, cost savings, and new revenue streams
DigiCare	A patient and provider digital care experience to support patients with chronic conditions

Capgemini | Life sciences digital services profile (page 5 of 5)
Recent developments

NOT EXHAUSTIVE

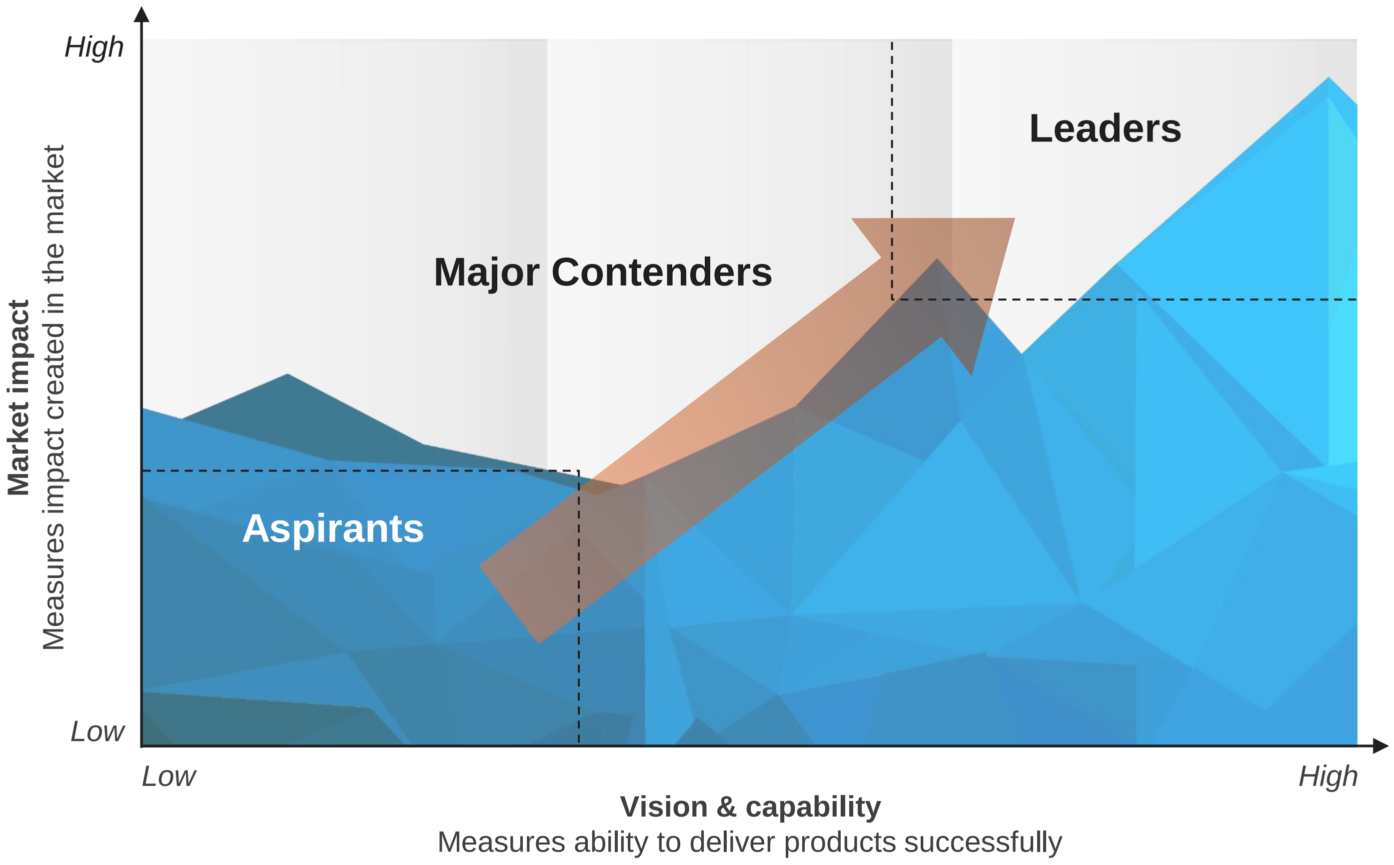
Key events (representative list)

Event name	Type of event	Details
WhiteSky labs	Acquisition (2020)	To offer services for end-to-end integration solutions to enterprises across Australia and the Asia region and provide consulting services on the MuleSoft Anypoint platform including managed support services, license management, and training services
Advectas	Acquisition (2020)	To strengthen its business intelligence solutions, data management, data science services, consulting, planning, and simulation. Advectas joined Capgemini's Insights & Data business unit with focus on data, analytics, and AI
Altran	Acquisition (2019)	In April 2020, acquired Altran Technologies, a global innovation and engineering consulting firm to strengthen leadership in the fast-growing market of engineering and R&D services. Acquired Frog Design (UX and customer experience) and Cambridge Consultants (strategy and technology consulting) as part of Altran.
Leidos Cyber	Acquisition (2019)	Leidos Cyber is the commercial cybersecurity division of Leidos, a leading US scientific engineering defense company. Capgemini acquired it to provide a holistic platform that services its entire security architecture demands, including integrated offerings for security combined with managed security services
LiquidHub	Acquisition (2018)	To generate tangible business value through data-driven insights including digital customer/patient experience, specialty data hub/analytics, and commercial/sales/marketing consultancy

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

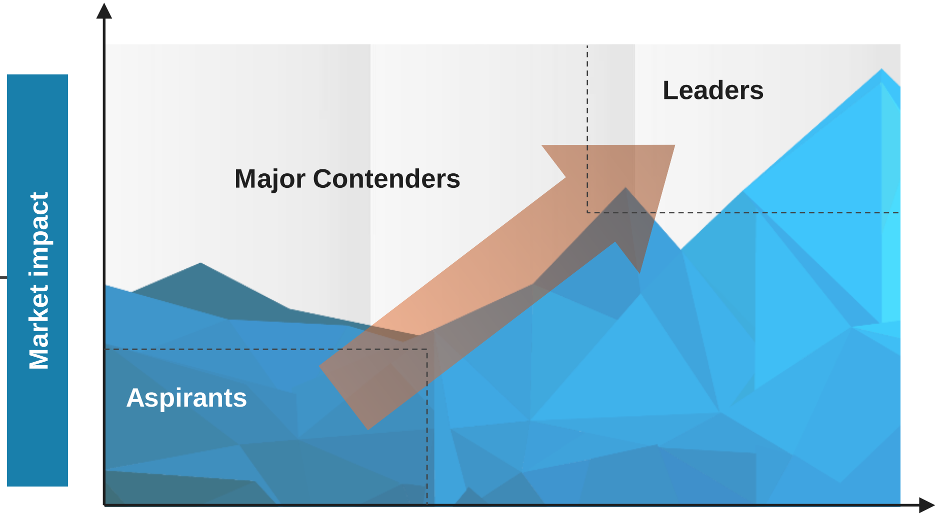
No. of clients, revenue base, and YOY growth, deal value/volume

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



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 subsegments / 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.

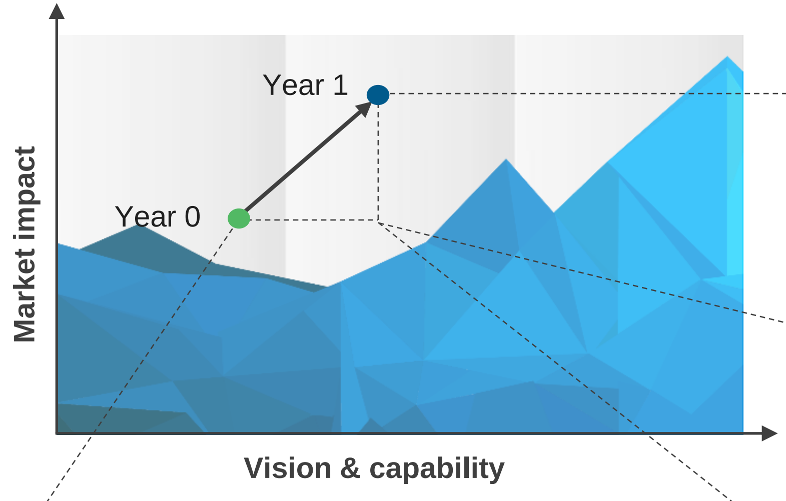
Delivery footprint

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 vendor's performance across a number of parameters including:

- YoY revenue growth
- Number of new licenses and extensions
- Value of license signings
- Improvement in portfolio mix
- Improvement in value delivered

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

- Innovation
- Increase in product scope and functionality
- Expansion of product associated consulting, training, support, and maintenance capabilities
- Technology-/domain-specific investments

We identify the vendors whose improvement ranks in the top quartile and award the Star Performer rating to those vendors 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?

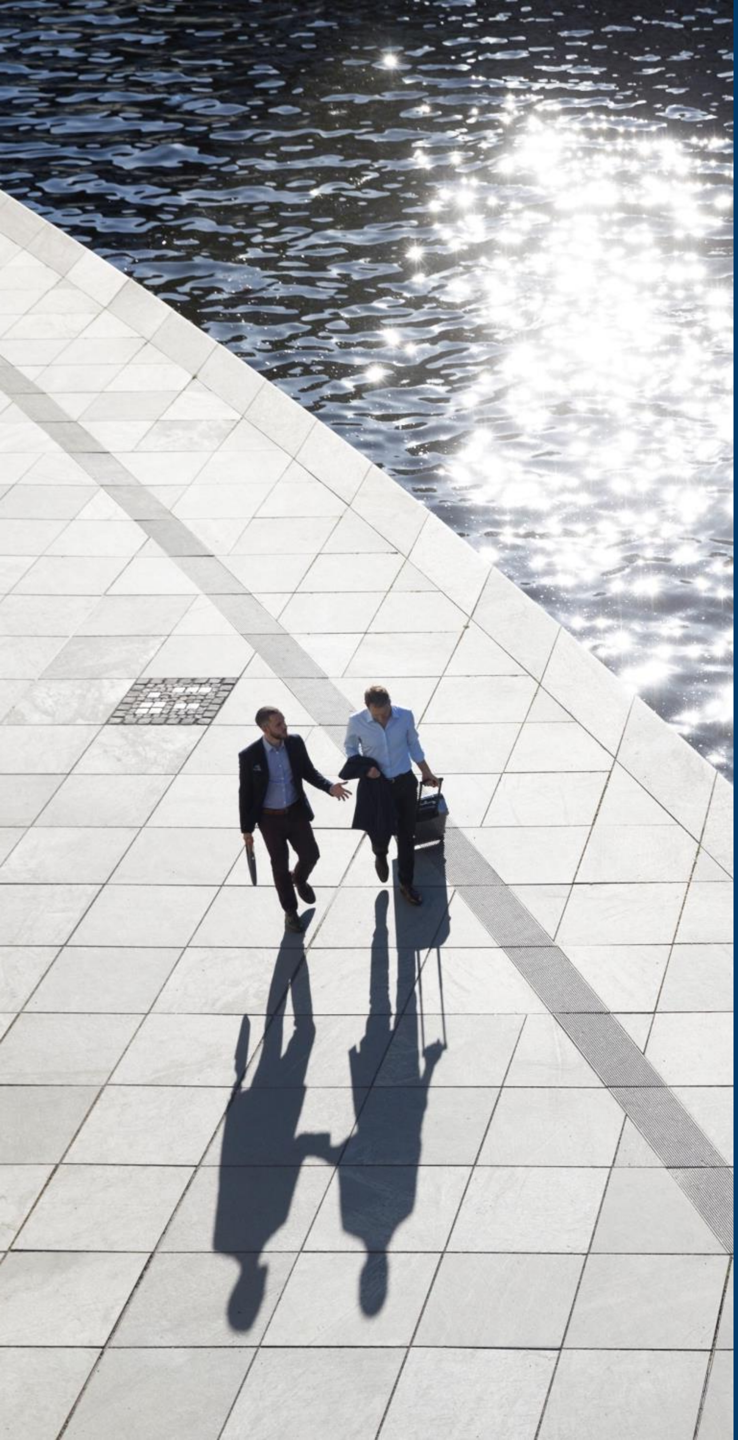
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published 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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