

## **Life Sciences organizations expect more than one-fifth of revenue to come from connected health in the next five years**

***Sixfold increase in biopharma organizations with market-ready connected health products since 2021; three in four medtech organizations already have connected health products on the market***

Paris, June 18, 2024 – The majority (63%) of life sciences organizations, across biopharma and medtech, have connected health products already on the market or under development. Irrespective of their stage of product development, life sciences organizations anticipate that connected health will contribute more than one-fifth of their total revenue in five years, yet a lack of essential data capabilities could hamper this ambition. This is according to the Capgemini Research Institute’s latest report, [“The Connected Health Revolution”](#), which also found that three in five life sciences organizations are currently developing a roadmap for integrating generative AI, and over half are already piloting generative AI for interactions with patients and healthcare providers (HCPs).

While around half of organizations believe their connected health efforts have matured, most admit that robust data management capabilities are still lacking. Despite a more mature approach to connected health strategy and planning compared to three years ago, the research finds there is a general lack of a common framework, standards, and tools for data handling in relation to connected health.

Thorsten Rall, Global Life Sciences Industry Leader at Capgemini, said, *“Life sciences organizations, across biopharma and medtech, are making real progress towards realizing the potential of connected health. Unlocking the power of healthcare data and leveraging the possibilities posed by breakthrough technologies, such as generative AI, will be at the heart of this connected health revolution. They can accelerate drug development, enhance patient care, and have the potential to reshape what “product” actually means for pharmaceuticals, especially medtech companies. Establishing robust data-driven frameworks will be key in ensuring that data is accessible and reliable, laying the groundwork for advanced AI analytics and insights generation required to reinvent healthcare.”*

### **Connected health surge in biopharma and medtech**

The report also finds that there has been a sixfold increase in biopharma organizations with market ready connected products since 2021. While preventive care and fitness remain top priorities for a majority of biopharma organizations, there is a growing emphasis on previously underserved areas, including diagnosis and monitoring. Oncology, immunology, and cardiology are primary focuses for most biopharma companies, with emerging areas such as mental health, diabetes, obesity, and dermatology also showing huge growth since 2021.

Connected health also remains a top priority for medtech organizations, with three in four of them already having connected health products on the market or in development. Digital health solutions and wearables are their top focus areas.



## **Data and AI implementation is on the rise**

According to the report, biopharma organizations have made considerable progress in leveraging artificial intelligence (AI), machine learning (ML) and cloud in the last three years. Biopharma organizations using AI for predictive analysis of real-time data from connected health products has almost doubled since 2021 from 24% to 46%. The report also found that more than two-fifths (42%) also have a cloud platform in place for data integration from different sources.

However, only a minority of life sciences organizations surveyed mentioned that they had an adequate supply of technical skills such as AR/VR and generative AI. To bridge this gap, nearly two-thirds of organizations prefer upskilling of the existing workforce, while 56% would hire new talent.

## **Life sciences organizations are piloting a wide variety of generative AI use cases**

Generative AI has the potential to add value throughout the healthcare value chain, which includes research, clinical development, operations, regulations, compliance, commercialization, and post-launch operations. The report reveals that over half of organizations are currently piloting generative AI for interactions with patients and HCPs. They are also piloting generative AI applications to produce synthetic data, analyze existing data, automate documentation and reporting, manage suppliers, design products, and identify sites for clinical trials.

While connected health presents new opportunities for the industry, it is imperative that life sciences organizations define a clear vision and tailor offerings to specific healthcare and wellness needs to provide measurable impact, concludes the report. Investing in developing a scalable, secure, and compliant data infrastructure, and strengthening collaborations with other stakeholders in the ecosystem will also enable them to drive tangible value for all stakeholders.

## **Methodology**

The research is based on a targeted survey of 420 industry executives from various biotechnology, pharmaceutical (biopharma), and medtech organizations exploring connected health initiatives with annual revenues exceeding \$500 million. In addition, Capgemini conducted in-depth discussions with 15 executives from biopharma and medtech organizations to complement the survey findings. This research serves as an update to the Capgemini Research Institute's 2022 connected health report, '[Unlocking the value in connected health](#)', which assessed the maturity and adoption levels of connected health and explores how biotechnology and biopharmaceutical organizations can manage and grow their connected health portfolios more effectively.

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