



Everest Group PEAK Matrix[®] for Life Sciences Digital Services 2021

Focus on Cognizant
December 2020



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 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

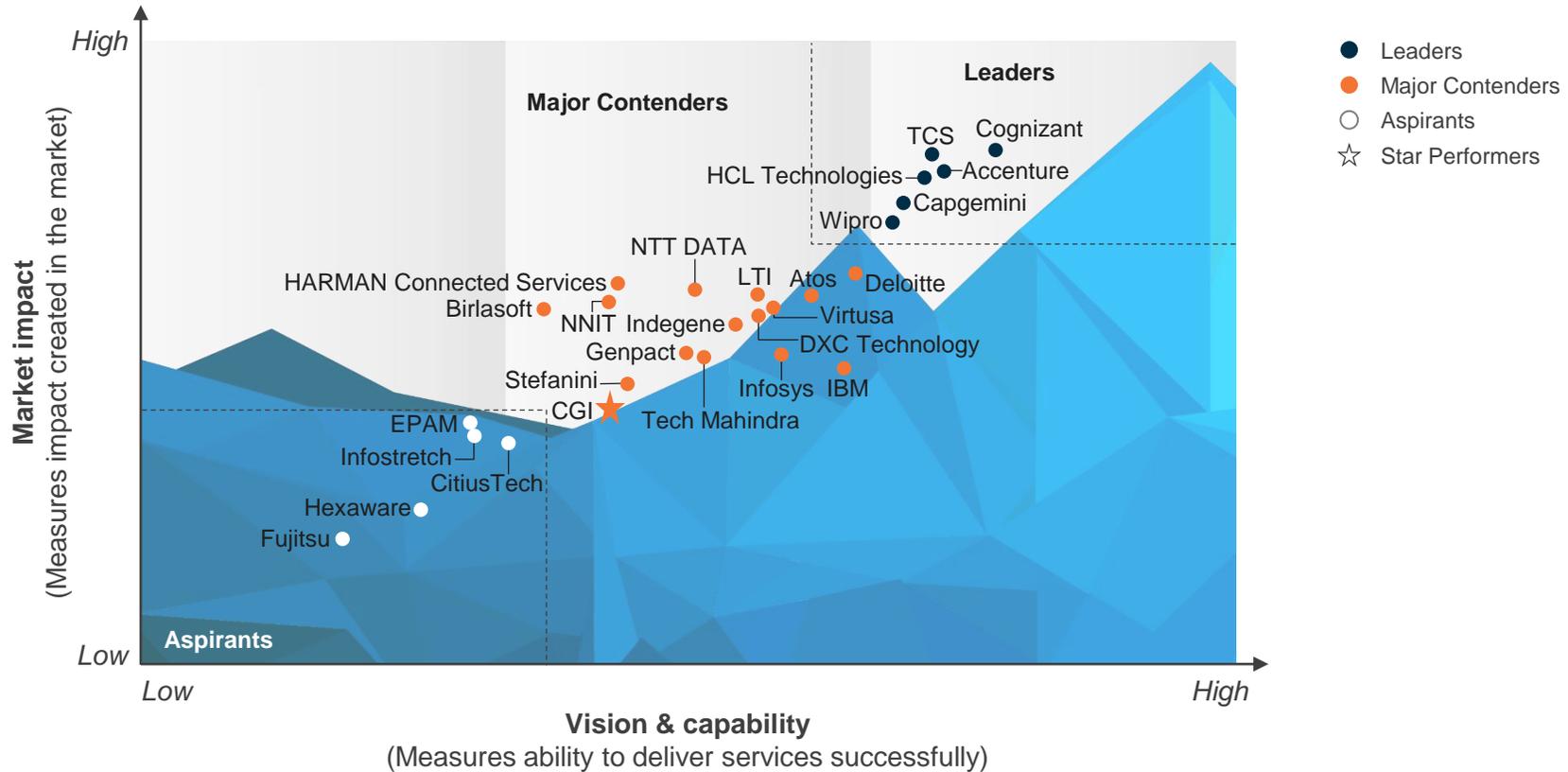
- Aspirants are majorly focused on mid-sized clients with limited presence in large and very large accounts
- Players such as Infostretch and CitiusTech have built in-house accelerators and products to grow their life sciences businesses but further need to build thought leadership and consulting capabilities 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 | Cognizant positioned as Leader



Everest Group Life Sciences Digital Services PEAK Matrix® Assessment 2021¹



¹ 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)

Cognizant | 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 company has a well-defined future vision and growth strategy for both biopharma and medical devices segments, with focus on mitigating challenges due to COVID-19
- Cognizant’s strategy expertise combined with Zenith’s implementation capabilities has strengthened its Industry 4.0 positioning, especially in manufacturing automation and IIoT transformation services
- It demonstrates strong thought leadership that complements its consulting-led approach in digital engagements
- It has a well-balanced portfolio of strategic acquisitions, life sciences-specific partnerships (e.g., Medidata, Veeva, Salesforce, and Zenith), accelerators, and IP across all life sciences value-chain elements
- It has built long-standing strategic relationships with clients by being an innovation partner and leveraging its domain expertise and access to industry experts

Areas of improvement

- Certain clients have cited the need for greater price-competitiveness. It should proactively explore innovative commercial constructs such as outcome-based and risk-sharing pricing models to gain client confidence
- Clients have stated the need to have deeper understanding of their strategic needs to seamlessly translate business requirements into technical requirements
- There is scope for improvement in client engagement and communication, especially during the integration of acquired firms and clients to Cognizant’s portfolio

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

Overview

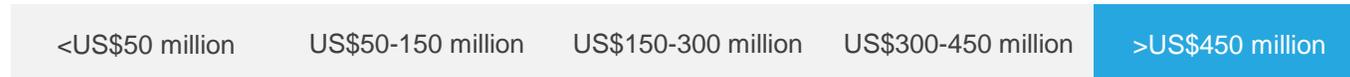
Company mission/vision statement

Cognizant’s vision is to digitally transform life sciences enterprises by integrating consulting, technology and operational expertise to improve patient outcomes. It focuses on enabling digital transformation of life sciences enterprises allowing them to address key market trends such as the disaggregation of care which is driving the growth of wearables, remote monitoring and telemedicine, the rise of value-based care contracting models and an evolving regulatory environment. Cognizant’s purpose is to engineer modern businesses to improve everyday life, and a vision to become the pre-eminent technology service partner to the Global 2000 C-Suite

Overview of the client base

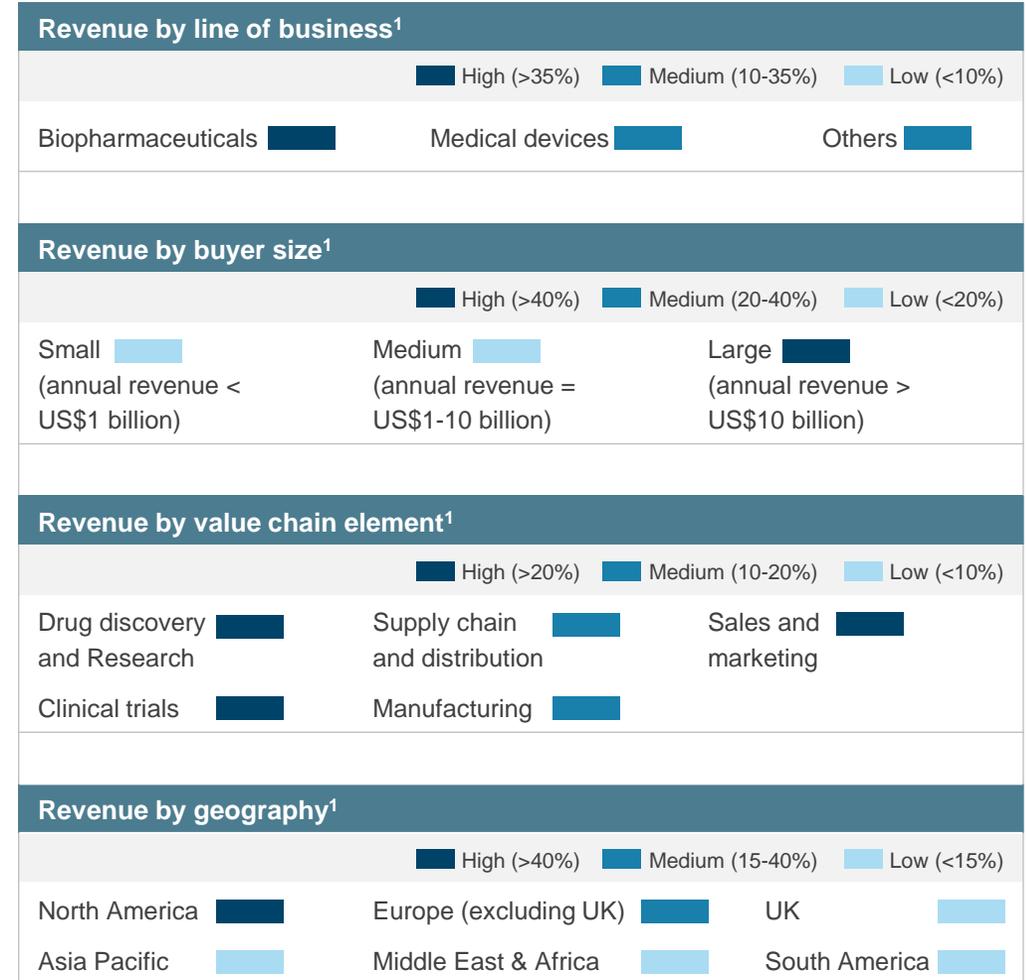
Cognizant is engaged with leading global life sciences clients, which include clients within bio-pharma, medical devices and diagnostics. It works with 30 out of the top 30 pharma companies, 10 out of the top 10 biotech companies, 18 out of the top 20 medical devices and diagnostic companies, and 7 out of the top 10 generics companies

Life sciences digital services revenue



Scope of digital services

Analytics, AR/VR, blockchain, cloud, digital marketing, IoT, machine learning / AI, mobility, process automation, and social



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

Cognizant | Life sciences digital services profile (page 3 of 5)

Case studies and solutions

Case study 1	Designed an end-to-end technology blueprint for a new greenfield BioPharma contract manufacturing vaccines facility in Dublin	
	Business challenge The client was using single use and flexible scale out production technology. It needed a consulting partner to design an end-to-end technology blueprint for their greenfield/ brownfield plant of the future.	Solution and impact Cognizant helped with a full stack basis of design for the IT and OT for a GMP manufacturing facility, built high level architecture drawings for the IT and automation networks, and conducted workshops to provide cutting edge options against traditional capital build for cyber security, IoT, cloud, data architectures, visualization, and analytics. It simplified the design, removed cost, and created value for the client by creating the 'basis of design' for the full stack at the beginning of the project lifecycle.
Case study 2	Built a mobile product for a public health company dedicated to providing the knowledge, guidance, and tools to keep communities healthy	
	Business challenge The client had initially launched a basic MVP-type application to fulfill the baseline needs of their customers and wanted to bring complexity and new features to the application. The company needed rapid development however it had limited staff to support this initiative internally.	Solution and impact Cognizant Softvision helped in building a mobile product, that was integrated with the everyday patient-facing diagnostic tools feeding data into a live "heat map" showing real-time patient data across the globe. Working on cloud-native and mobile-native environments for modernizing applications, while engaging as agile pods, the program involved building a new mobile app product that enabled patients to continuously monitor themselves. It enabled the client to perfectly predict outbreaks in specific locations 10 days before the actual release of the COVID test results in that location

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

Offerings

NOT EXHAUSTIVE

Proprietary digital solutions (representative list)	
Solution	Details
Unified Clinical Platform (UCP)	<p>UCP is a pre-integrated ready to deploy platform for delivering end-to-end solutions from protocol to CSR. It consists of Cognizant products including:</p> <ul style="list-style-type: none"> • Cognizant document accelerator • Cognizant SetupSmart • Cognizant shared investigator platform • Cognizant clinical data insights, along with products from our partner companies <p>UCP can be offered with all or some of the features in an outcome-based pricing model. It supports digitization of end-to-end clinical processes such as patient management, data management, content management, supply management, payments and site engagement, and reduces administrative hassle through a turnkey and ready to deploy solution</p>
Sentient LEAF	<p>Sentient AI is a learning evolutionary algorithm framework that offers patented AI technologies to create unique solutions to help customers make decisions faster. It models complex business problems, simulates trillions of possible solutions, and determines best outcomes for clients to affect prediction rates by 20-30%</p>
OneConnect IoMT platform (Eywa)	<p>A new product development platform for medical devices that includes technology consultation, design, process consultation, verification and validation support, tools implementation, and regulatory support</p>
Medvantage	<p>Cognizant's integrated service and complaint management cloud solution based on the Salesforce platform. It uses the latest digital technology and drive enhanced customer reach, guarantees customer satisfaction, and ensures regulatory compliance</p>
Patient prime	<p>A patient engagement hub solution that offers specialty treatments/therapies that require extensive collaboration between physicians, caregivers, insurers, and pharma companies</p>

Cognizant | Life sciences digital services profile (page 5 of 5)

Recent developments

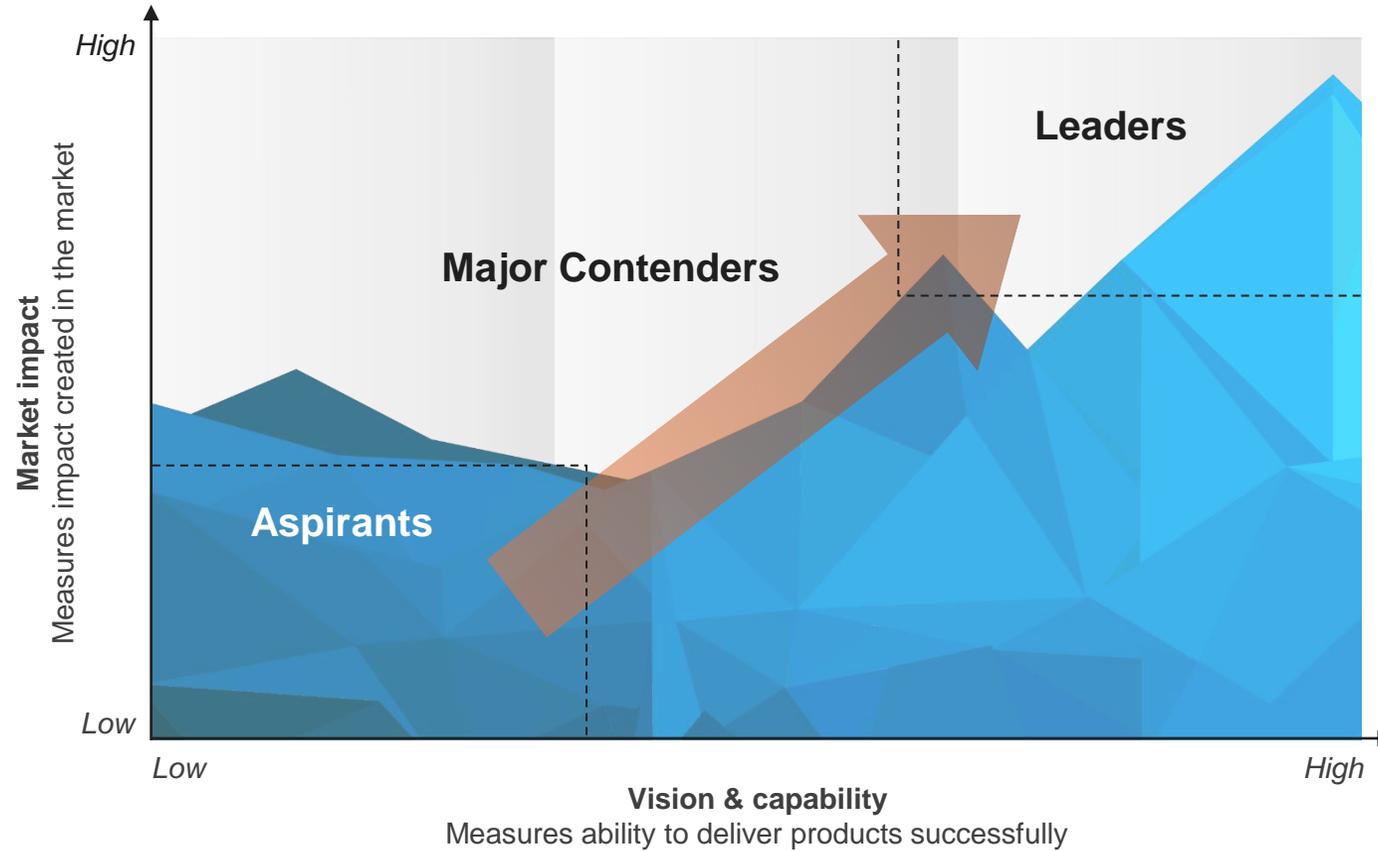
NOT EXHAUSTIVE

Key events (representative list)		
Event name	Type of event	Details
Lev+	Acquisition	In March 2020, acquired Lev, a privately-held, digital marketing consultancy in the US, to expand Cognizant's consulting capabilities and help marketers implement marketing cloud, personalize customer connections, and generate better leads
Code Zero	Acquisition	In February 2020, acquired Code Zero, a privately-held provider of consulting and implementation services for cloud-based Configure-Price-Quote (CPQ) and billing solutions to enrich Cognizant's cloud offerings, bring deep domain capabilities, and strengthen its strategic relationship with Salesforce.com
Zenith	Acquisition	In June 2019, acquired Zenith Technologies, a privately-held life sciences manufacturing technology services company, to deliver business transformation through Pharma 4.0 architectures and solutions, covering all IT, OT, and IoT applications, infrastructures and services, thus empowering Life sciences through business transformation
Medidata	Partnership	In February 2019, partnered with Medidata, an American technology company that develops and markets software as-a-service for clinical trials, to offer Life sciences clients comprehensive solutions that leverage the market's leading cloud platform with improved business and technology services and enable them with digital capabilities to simplify operational complexities and drive digital transformation
Softvision	Acquisition	In October 2018, Softvision, a digital products design and engineering company, to transform the way it delivers solutions for its clients using the Guilds model with talent spread across Romania, US, and other markets. This is fully integrated into Cognizant to help in mobile/rapid prototypes/patient engagement applications.
ATG	Acquisition	In September 2018, acquired ATG, a privately-held provider of customer and revenue management consulting and implementation services focused on the Salesforce platform, to leverage its deep Q2C domain capabilities and extensive Salesforce CPQ and billing implementation offerings to strengthen Cognizant's cloud solutions portfolio based on recurring revenue streams, subscriptions, consumption, IoT, and as-a-service offerings
Cloud migration with AWS (MAP)	Partnership	As an AWS Migration Acceleration Partner (MAP), Cognizant has experience in helping businesses move successfully to AWS, through all phases of complex migration projects, discovery, planning, migration, and operations
Veeva	Partnership	Partnered with Veeva, an American cloud-computing company focused on pharmaceutical and life sciences industry applications, to modernize regulatory information management and quality document management by driving digital transformation and end-to-end regulatory information management

Appendix

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

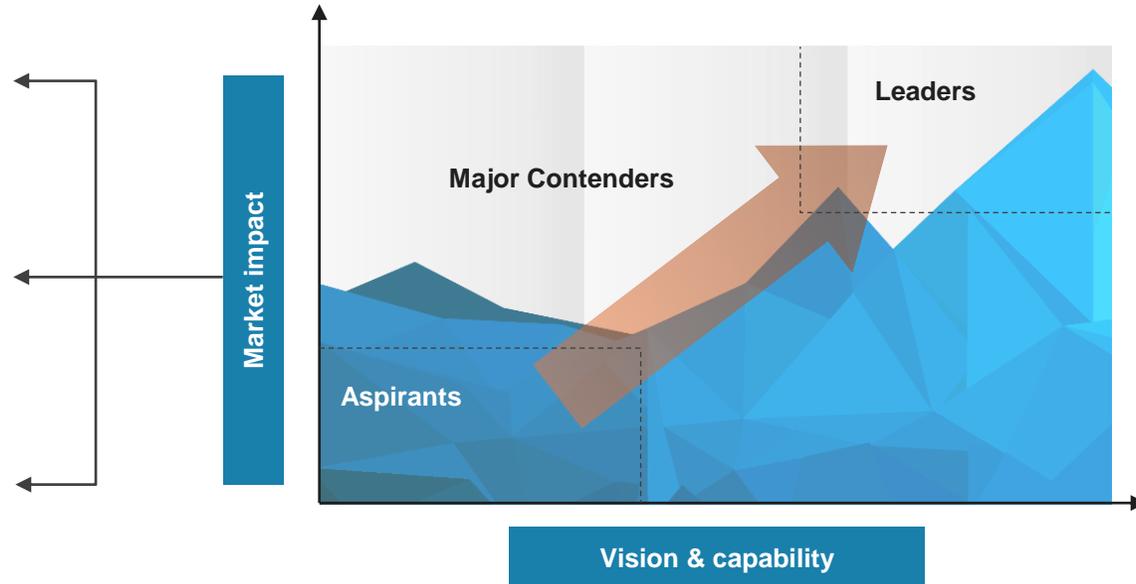
Everest Group PEAK Matrix



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



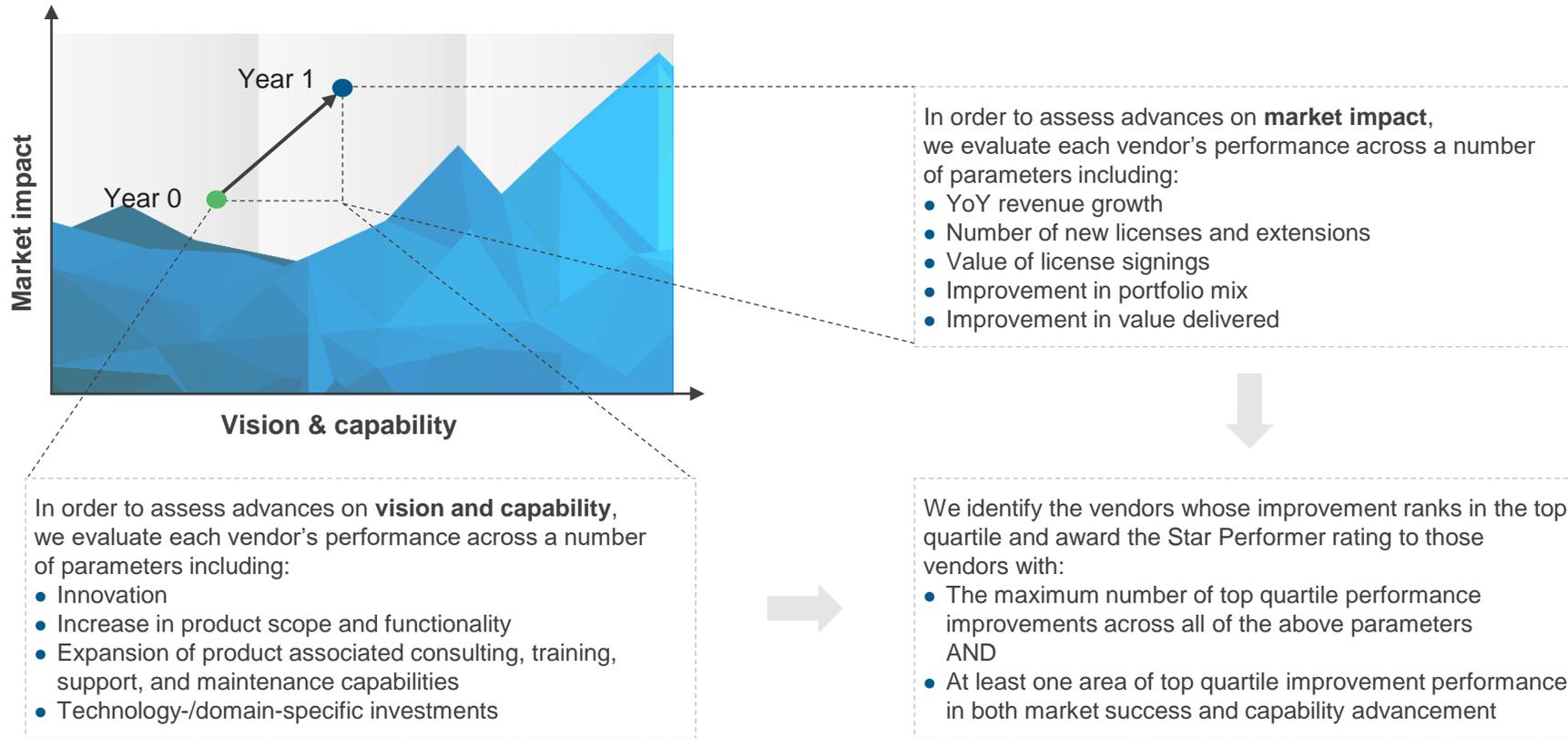
Vision & capability
Measures ability to deliver services successfully. This is captured through four subdimensions

- 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



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



With you on the journey

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