



## IDC MarketScape

# IDC MarketScape: Worldwide Life Science Manufacturing and Supply Chain Digital Transformation 2016 Vendor Assessment

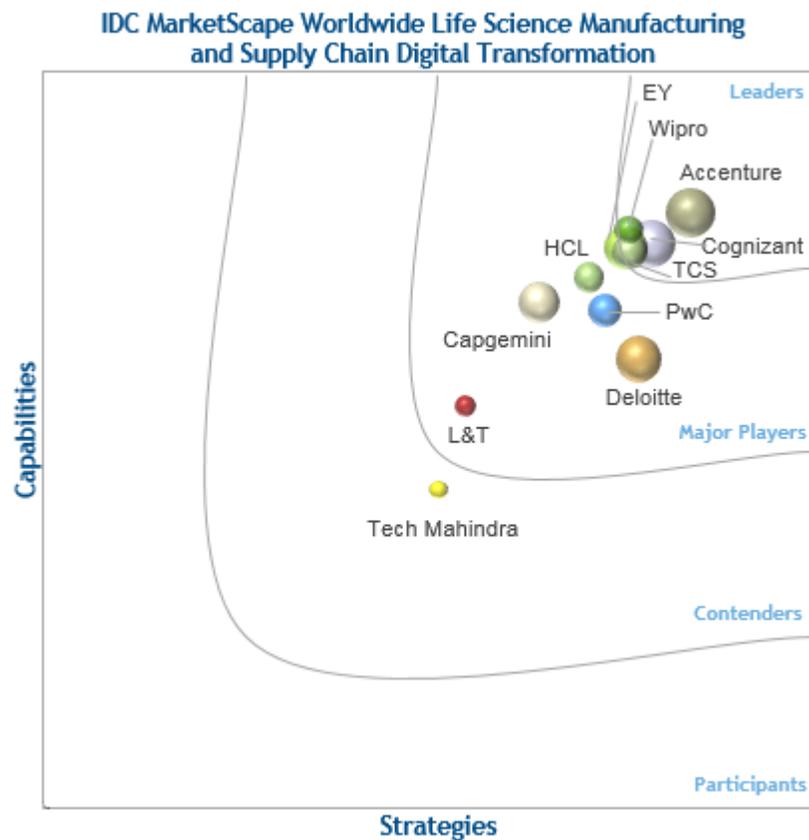
Michael Townsend

**THIS IDC MARKETSCAPE EXCERPT FEATURES: COGNIZANT**

### IDC MARKETSCAPE FIGURE

FIGURE 1

## IDC MarketScape Worldwide Life Science Manufacturing and Supply Chain Digital Transformation Vendor Assessment



Source: IDC, 2016

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC MarketScape: Worldwide Life Science Manufacturing and Supply Chain Digital Transformation 2016 Vendor Assessment (Doc # US40510516). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

## IDC OPINION

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A few months ago, IDC wrote about digital transformation in life science companies in the sales and marketing space. Critical and transformational work is also being done in life science manufacturing and throughout the supply chain. As manufacturing IT platforms have migrated to the cloud, IoT and mobile devices are proliferating in life science factories and distribution networks, helping to connect far-flung manufacturing and supply chain partners in real time. New regulatory requirements such as the Drug Supply Chain Security Act (DSCSA) within the Drug Quality and Security Act of 2013 require life science companies to provide identification and tracking of drug shipments by lot level in 2017 and by item level by 2023 in the United States. Combined with globalization of manufacturing networks within global pharmaceutical makers, the use of contract manufacturing organizations, and proliferating distribution and supply networks, supply chain complexity is increasing at the same time as regulatory requirements. Digital transformation of manufacturing and supply chain processes hold the promise to not only meet these new requirements but also simultaneously improve quality, visibility, lead times, and security for these products. As an industry, life science traditionally lagged behind its counterparts in other industries such as retail and financial services in digital transformation of business processes. However, great strides are being made, especially with the help of technology vendors that have expertise in transforming business processes at life science companies, leveraging digital competencies in areas such as cloud computing, mobility, social business, and big data and analytics. To help life science companies better evaluate the vendors in this space, in this IDC MarketScape, we evaluate the capabilities of several prominent providers of consulting and services in the areas of digital transformation in life science manufacturing and supply chains, including those that transform manufacturing and supply chain operating models, leadership, work sources and collaboration, supply channel optimization, and new ways of collecting, aggregating, and analyzing digital information. As a standard policy, IDC always recommends caution when considering vendors that are unwilling or unable to supply us with customer references and recommends that life science companies considering these vendors first undertake conversations with multiple customers. When evaluating vendors, the key criteria companies should consider (all of which are discussed in this study) include:

- Breadth of experience and offerings in life science manufacturing and supply chain digital transformation efforts and the number of customers the vendor has served
- Geographic footprint and global delivery capabilities, level of priority, and focus by the vendor on the life science manufacturing and supply chain sector, including the pace of sector investment by the vendor
- Life science industry expertise, corporate financial stability, and the size and experience of global life science delivery teams
- Thorough vetting of customer references to evaluate vendor capabilities in project management, IT technical skills, account management, and overall value delivery to clients

## IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

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IDC frequently has unique visibility into vendor selection processes within life science companies through clients and contacts in the industry. For a vendor to be considered for inclusion in this study, the vendor's services must have been significantly evaluated for purchase within a recent deal with which IDC is familiar. Further research and due diligence were then conducted to narrow the list of vendors to only those that had won deals and that IDC viewed as legitimate contenders for future deals within the life science manufacturing and supply chain digital transformation space.

## ESSENTIAL BUYER GUIDANCE

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Digital transformation in life science manufacturing and supply chain holds great promise for improving life science companies' financial performance, customer satisfaction, time to market, and quality.

Life science companies are increasingly looking for vendors that can combine deep industry expertise with global delivery capabilities. Successful vendors in this space must demonstrate:

- Deep, proven industry-specific expertise, with a strong book of references
- Proven understanding of industry regulations and compliance standards
- Willingness to provide dedicated resources onsite on an ongoing basis across sequential digital projects to maintain acquired best practices

Buyers should:

- Determine whether vendor teams are organized vertically (life science). This will ensure that the vendor leadership is aligned with industry-specific needs and that future development will be aligned with life science industry needs.
- Consider each vendor's breadth of service offerings, especially in the manufacturing and supply chain space; pricing flexibility; and willingness to share risk for project outcomes.
- Be sure that functional and technical requirements are signed off by all stakeholders within your organization by involving them early in the specification process.

## VENDOR SUMMARY PROFILES

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

### Cognizant

Cognizant was established in 1994 and has been serving the life science industry for over 20 years. Headquartered in Teaneck, New Jersey, Cognizant has over 50 delivery centers stationed in over 20 countries worldwide. IDC estimates that 13% of Cognizant's revenue is derived from the life science business unit and that 15% of this revenue is from manufacturing and supply chain engagements. After a careful evaluation of Cognizant's offerings and capabilities, IDC has positioned the company in the Leaders category in this IDC MarketScape.

## Strengths

Cognizant has extensive experience serving pharmaceutical, biotech, and medical device companies, particularly in North America and Europe, and has a wide distribution of delivery centers globally. Also, 90% of Cognizant's customers are large companies with over \$1 billion in revenue. Compared with other large vendors in this space, Cognizant was rated highly for project budget performance and has a large proportion of revenue derived from life science engagements.

## Challenges

With the life science industry becoming increasingly interested in risk- and profit-sharing contract arrangements, Cognizant could expand its business by emphasizing this newer pricing model.

## APPENDIX

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### Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

### IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

### Market Definition

For the purposes of this study, digital transformation in life science manufacturing and supply chain includes all process design, system design, platform design, system selection assistance, management consulting, regulatory compliance consulting, enterprise technology strategy or transformation, and other related services, which utilize or combine digital information or processes such as cloud computing, mobile technology solutions, and analytics/business intelligence tools that

automate, digitize, and improve processes such as supply chain visibility and monitoring, customer-supplier portals, data management, warehouse management, shop floor systems, product life-cycle management, contract management, chargeback/rebate/return reconciliation, supply chain lead time and inventory reduction, track and trace/serialization, process/system validation, RFID and mobile sensor data collection and analysis, and enterprise resource planning relating to manufacturing and supply chain operations.

## LEARN MORE

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### Related Research

- *IDC MarketScape: Worldwide Life Science Sales and Marketing Digital Transformation 2016 Vendor Assessment* (IDC #US40510716, July 2016)
- *IDC MarketScape: Worldwide Pharmaceutical Track and Trace Software 2016 Vendor Assessment* (IDC #US40511116, March 2016)
- *Digital Transformation: The Executive Mandate for 3rd Platform Investment* (IDC #DR2016\_GS2\_RP, March 2016)
- *IDC MarketScape: Worldwide Life Science Manufacturing and Supply Chain BPO 2015 Vendor Assessment* (IDC Health Insights #HI259302, October 2015)
- *IDC MarketScape: Worldwide Life Science Manufacturing and Supply Chain Strategic Consulting 2015 Vendor Assessment* (IDC Health Insights #HI259357, October 2015)
- *IDC MarketScape: Worldwide Life Science Manufacturing and Supply Chain ITO 2015 Vendor Assessment* (IDC Health Insights #HI259304, October 2015)

### Synopsis

This IDC study provides an assessment of 11 vendors providing consulting and services for digital transformation of manufacturing and supply chain processes in the life science industry. Digital transformation is occurring at a rapid pace in life science companies, including in the manufacturing and supply chain space. Internal and external sources of data are being aggregated in the cloud, and this information is being leveraged by manufacturing and supply chain groups to improve speed, efficiency, visibility, and harmonization in digital supply networks and manufacturing organizations at life science companies and global partners.

Mike Townsend, research manager for Life Science Business Systems Strategy at IDC Health Insights, says, "Life science manufacturing and supply chain networks are becoming more complex and global in nature. Companies are embracing digital transformation efforts within these areas, which can provide visibility and harmonization to stakeholders such as manufacturers, distributors, dispensers, contract manufacturing organizations, sales organizations, researchers, doctors, patients, and payers using a wide variety of digital technologies – including cloud computing, mobile technology, and social media and analytics – and leveraging a host of internal and external data sources. Life science companies will continue to see improved visibility, manufacturing and supply lead times, regulatory compliance, and productivity as they use these technologies to monitor, predict, and optimize manufacturing and supply chain performance in the life science industry."

## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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