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

Focus on Cognizant

January 2020

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, **Cognizant emerged as a Leader and a Star Performer**. This document focuses on **Cognizant's** LS operations – services experience and capabilities and includes:

- Cognizant's position on the LS operations – services PEAK Matrix
- Detailed LS operations – services profile of Cognizant

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.

Everest Group®
RESEARCH

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

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
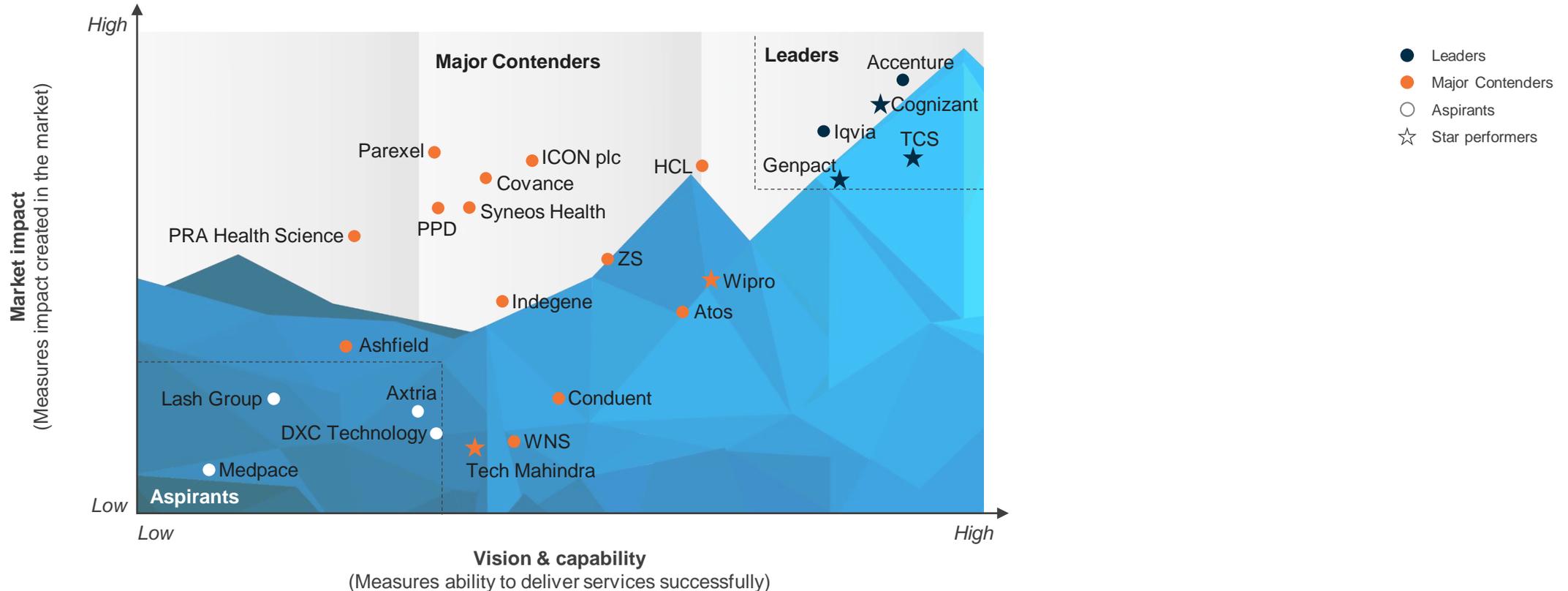
Aspirants:

Axtria, DXC Technology, Lash Group, and Medpace

Everest Group®
RESEARCH

Everest Group PEAK Matrix™

Life Sciences Operations – Services PEAK Matrix™ Assessment 2020 | Cognizant 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)

Cognizant 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

- Witnessed healthy revenue growth, especially from the North American market, and contributed significantly to the market growth
- Addition of clients in the mid-sized buying segment further helped fuel LS business segment growth

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

- Ramped up its FTE strength to cater to increased work from additional clients
- Investment toward providing operations services in a BPaaS construct in the pharmacovigilance space
- Additionally, partnership with RxLogix has further helped it provide BPaaS in a meaningful way

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

Everest Group®
RESEARCH

Overview

Company overview
Cognizant is one of the world's leading professional services companies, transforming clients' business, operating, and technology models for the digital era. The company facilitates enterprises by digitizing products, services, and customer experiences, automating business processes, and modernizing technology infrastructures, and has a large client base which includes some of the world's established companies.

Key leaders
- Ganesh Ayyar, Executive Vice President, CDO
- Roger Lvin, SVP and Global Market Leader, Digital Operations
- Krishnan Iyer, Global Delivery Head, CDO
- Narsimhan PVL, Vice President & Head of Markets, Life Sciences & Insurance Digital Operations
- Hemant Rehani, Global Head, Life Sciences Digital Operations Delivery

Headquarters: Teaneck, New Jersey, the US
Website: www.cognizant.com

Suite of services
- Clinical data management
- Scientific writing
- Pharmacovigilance
- Regulatory operations
- Complaints management
- Commercial operations

Life sciences BPS[1]	2017	2018	2019
Revenue (US$ million)	160-170	170-180	190-200
Number of FTEs	4,700+	5,300+	5,800+
Number of clients	50+	55+	60+

Recent acquisitions and partnerships
- **2019:** Partnered with Medidata to develop new solutions for pharma, biotech, and medtech companies
- **2019:** Partnered with the US-based RxLogix for pharmacovigilance automation
- **2019:** Acquired Ireland-based LS manufacturing technology services company, Zenith Technologies, to strengthen its IoT offerings and enhance life sciences domain capabilities
- **2018:** Acquired the US-based Bolder Healthcare Solutions to strengthen its RCM offerings
- **2018:** Acquired the US-based Mustache that specializes in content creation for digital, broadcast, and social mediums

Recent developments
- Established centers in El Salvador and Jessup; expanded its existing delivery centers in Florida, Texas, and Arizona
- Launched Digital PV, an end-to-end safety management service for customers using Cognizant people, process and technology/platform to deliver outcomes, i.e., regulatory submissions
- Developed a CDM FSP and BPaaS offering – CDM 2.0 – for pharma, biotech, and medical technology industry with expertise across 20+ therapeutic areas; further, it supports complex study design using Cognizant platform and tools such as SetupSmart, EDC Testing Automation, and SmartTrials (data management dashboards and data management console)
- Developed RCM 3.0 to offer a holistic solution for providers to manage their revenue cycle with reimagined processes, right automation, analytics, and specialized human talent

---

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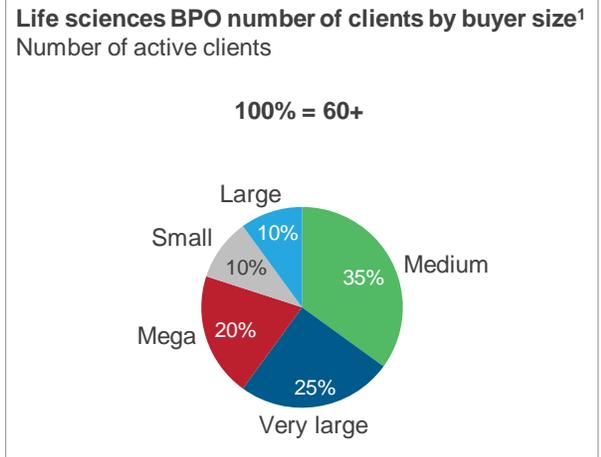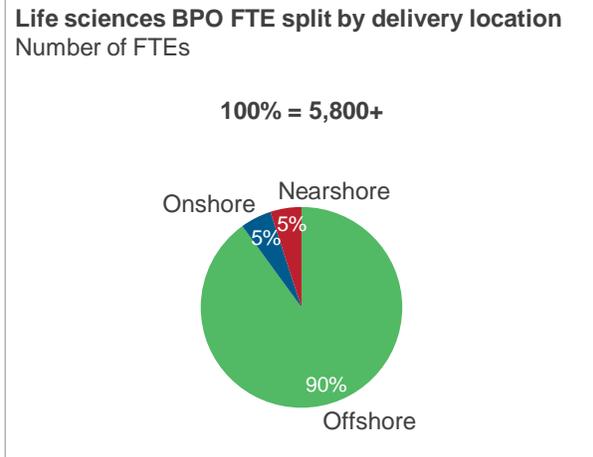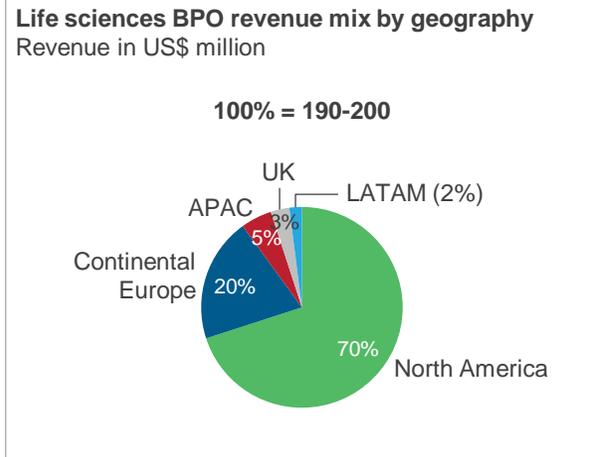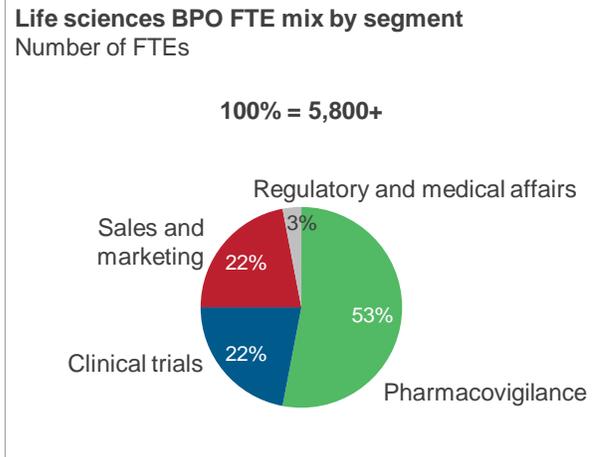
Key delivery locations

Capabilities and key clients

Key life sciences operations – services engagements

Client name	Processes served	Region	Client since
Global medical device and services company	Commercial operations	North America	2017
Global medical device company	Complaints management, clinical data management, and sales support	North America	2016
A US-based biopharma company	Clinical data management, pharmacovigilance, regulatory operations, and commercial operations	North America	2015
One of the top 20 pharma companies	Pharmacovigilance, clinical data management, and safety writing	APAC	2014
One of the top 20 UK-based pharma companies	Clinical data management, regulatory operations, and commercial operations	UK	2010
One of the top 20 Europe-based pharma companies	Pharmacovigilance and regulatory operations	Europe	2010
One of the top 10 global pharma companies	Clinical data management, pharmacovigilance, regulatory operations, and commercial operations	Europe	2009

Life sciences BPO FTE mix by segment
Number of FTEs

100% = 5,800+

- Regulatory and medical affairs 3%
- Pharmacovigilance 53%
- Clinical trials 22%
- Sales and marketing 22%

Life sciences BPO revenue mix by geography
Revenue in US$ million

100% = 190-200

- North America 70%
- Continental Europe 20%
- APAC 5%
- UK 3%
- LATAM (2%)

Life sciences BPO FTE split by delivery location
Number of FTEs

100% = 5,800+

- Offshore 90%
- Onshore 5%
- Nearshore 5%

Life sciences BPO number of clients by buyer size[1]
Number of active clients

100% = 60+

- Medium 35%
- Very large 25%
- Mega 20%
- Small 10%
- Large 10%

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)

Everest Group®
RESEARCH

Technology solutions/tools

Application	Processes served	Year launched	Description	No. of BPS clients
Digital PV	Pharmacovigilance	2019	End-to-end automation-driven pharmacovigilance solution	Multiple
Patient Ledger Blockchain	Clinical data management	2019	Patient consent, engagement, and device data collection tool	Not disclosed
ChatBots	Commercial operations	2018	Paging process automation tool	1-5
Protocol Creator	Clinical data management	2018	Digital clinical trials protocol creation solution	5-10
Setup Smart	Clinical data management	2014	Automated system configuration tool	5-10
Smart Trials	Clinical data management	2014	Risk-based monitoring platform in clinical trials, including a suite of clinical solutions including CDR and ODR	5-10
Shared Investigator Portal (Transcelerate)	Clinical data management	2014	Cross-industry platform designed to streamline investigator and site access through harmonized delivery of content and services	5-10
MedVantage	Manufacturing operations, sales and marketing, supply chain and distribution, and pharmacovigilance	2013	Integrated field service and complaint handling business cloud solution that drives enhanced customer reach, improves customer satisfaction and ensures regulatory compliance specifically for the medical devices industry	Multiple
Customer and Digital Analytics	Not disclosed	2012	Customer life cycle analysis, social media analytics, campaign management, cross channel optimization, and integrated marketing tool	Multiple
HealthActivate	Not disclosed	2012	Cloud-based platform that harnesses the power of social, mobile, analytics, and cloud to improve health and wellness	Multiple

Everest Group®
RESEARCH

Everest Group assessment – Leader

Measure of capability: ● High ◔ Low

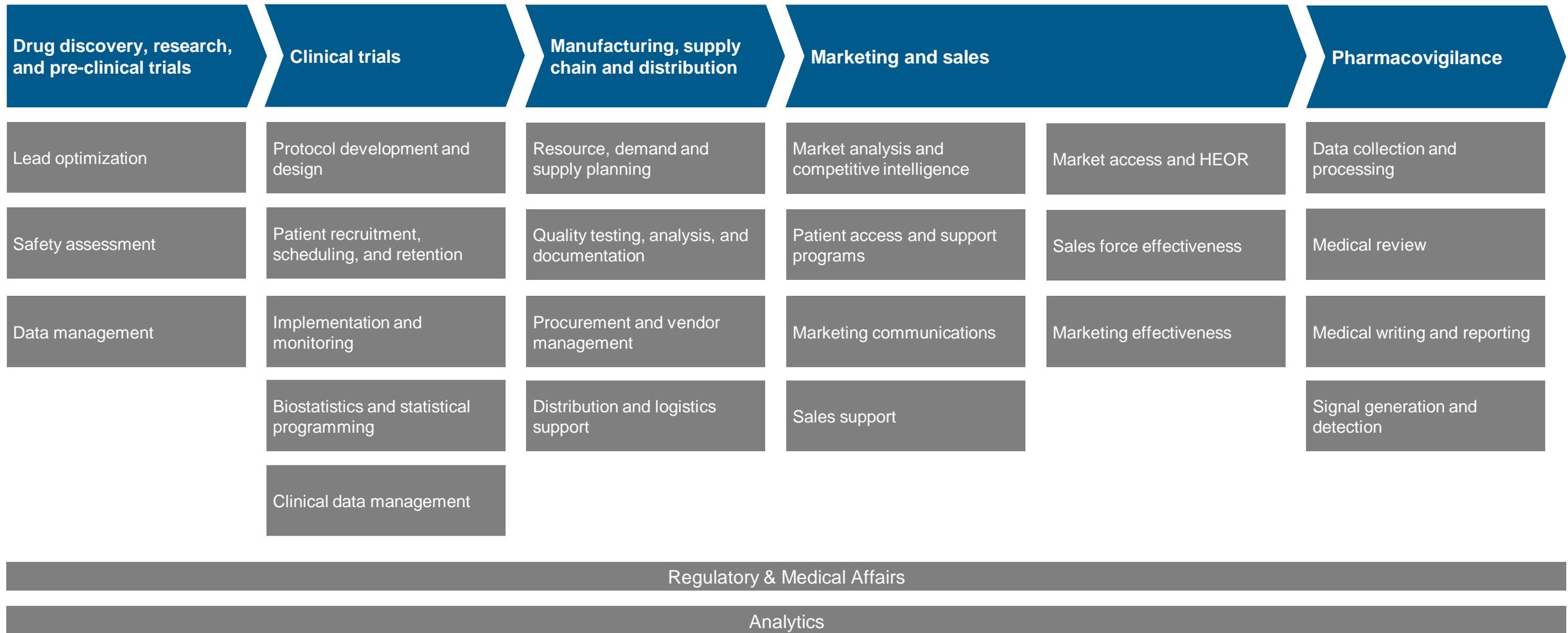| Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation & investments	Delivery footprint	Overall
◕	◔	◑	◕	◕	◕	◕	◕	◕

Strengths

- Cognizant has achieved substantial scale in terms of revenue, FTEs, and number of clients, largely driven by multi-year and multi-segment deals

- Recent partnership with RxLogix for PV automation and acquisition of Zenith Technologies to strengthen its IoT capabilities in med-device business backs its commitment to embed technology into its operations – services offerings

- It has a strong service portfolio in the pharmacovigilance segment and offers cost-efficient automation-driven end-to-end pharmacovigilance services, including judgment-intensive case processing

- Its Shared Investigator Platform enhances efficiency during clinical trial planning and execution, addressing a key challenge faced by the industry of having a unified platform for various sponsor-specific clinical trial portals

- Referenced clients appreciated the flexibility and client-centric approach; and added that the provider is well-integrated within their organization, working as an extended team

Areas of improvement

- Cognizant's heavy reliance on key contracts exposes it to revenue concentration risks. Going forward, it should focus on increasing wallet share from other customers to mitigate the risk

- Increasing penetration of its analytics capabilities in the sales and marketing segment can help the service provider enhance and increase the depth of its offerings in the segment

- Considering its current presence in the market and myriad of challenges faced by enterprises, it stands to gain by positioning itself as a proactive end-to-end transformation partner

- This has been highlighted by buyers, who opined that the company should consistently provide input on best practices and process improvement areas within the scope of work or engagement

Appendix

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

Drug 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

Everest Group®
RESEARCH

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

Everest Group PEAK Matrix
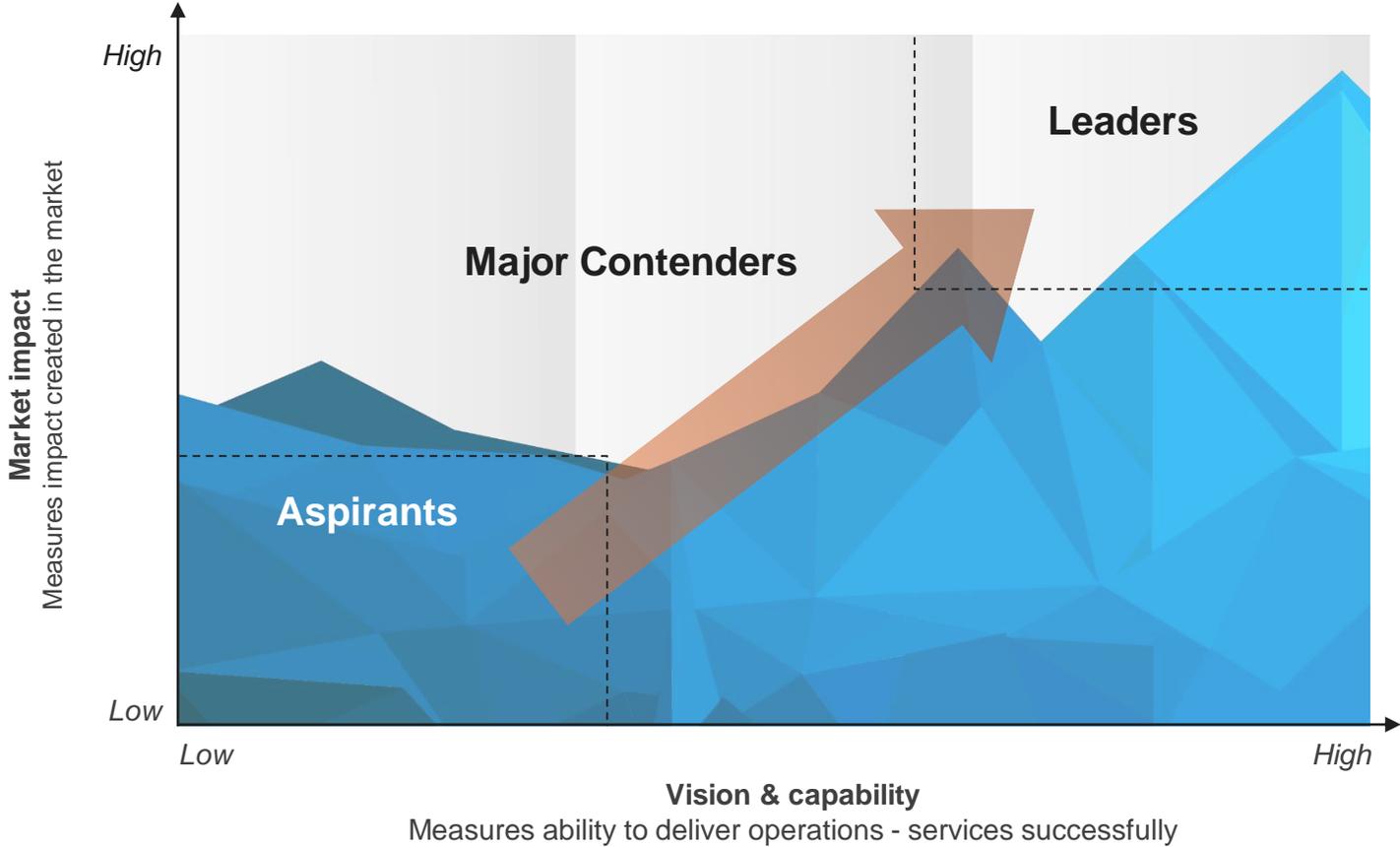
Services PEAK Matrix™ evaluation dimensions

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

Market impact

Leaders

Major Contenders

Aspirants

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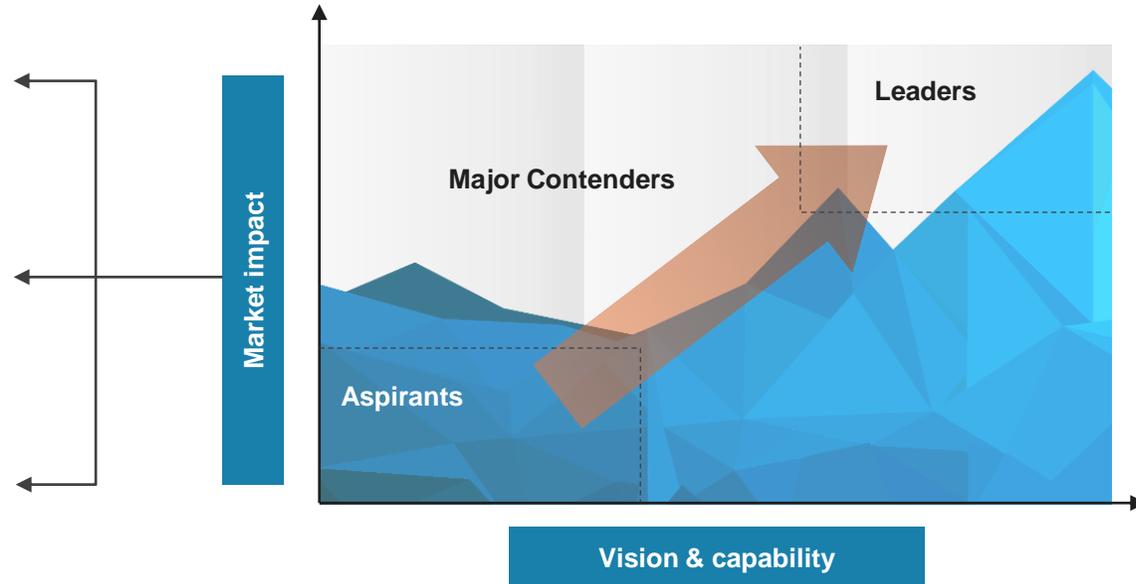
Measures ability to deliver services successfully.
This is captured through four subdimensions

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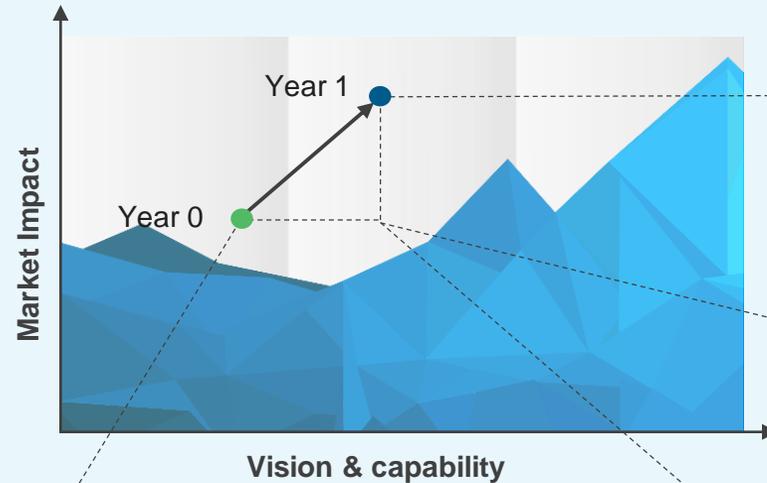
In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:
- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value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

Everest Group®
RESEARCH

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.

Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-416-388-6765

Stay connected

Website

www.everestgrp.com

Social Media

@EverestGroup

@Everest Group

Blog

www.everestgrp.com/blog/