



Everest Group's PEAK Matrix for European Life Sciences ITO Service Providers

Focus on Infosys
February 2015



Everest Group recently released its report titled “[IT Outsourcing in European Life Sciences Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2014](#)”. This report analyzes the changing dynamics of the European life sciences ITO landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group analyzed 15 leading service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix, specific for European life sciences ITO, categorizing them into Leaders, Major Contenders, and Emerging Players. The PEAK Matrix is a composite framework that provides an objective, data-driven, and comparative assessment of life sciences ITO service providers based on their absolute market success and delivery capability

Based on the analysis, **Infosys emerged as a Leader**. This document focuses on Infosys’ life sciences ITO experience and capabilities in the European market, and includes:

- | Infosys’ position on the European life sciences ITO PEAK Matrix
- | Detailed life sciences ITO profile of Infosys

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.

Life sciences ITO service provider landscape: Background and scope of the research

Background of the research

The healthcare industry is witnessing an unprecedented churn and transformation, leading to a surge in IT and business process outsourcing adoption. Driven by regulatory reforms, tenets of consumerization, market consolidation, and emergence of next-generation digital avenues, outsourcing has accelerated in the space. Service providers, across the spectrum, have beefed up their capabilities to cater to this growing market.

With healthcare companies stepping up adoption of outsourced delivery, there is an uptick in demand for relevant research and market intelligence on demand and supply trends in healthcare outsourcing across the three major market segments – payer, provider, and life sciences. The need is more pronounced for the vertical-specific IT outsourcing function, where business challenges are driving greater adoption. Everest Group's healthcare outsourcing research program addresses this market requirement by analyzing outsourcing trends and service provider capabilities specific to ITO in the healthcare vertical.

In this report, we analyze the capabilities of 15 ITO service providers specific to the European life sciences sector. These service providers are mapped on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix, which is a composite index of a range of distinct metrics related to a provider's capability and market success. We focus on:

- | The landscape of service providers for European life sciences ITO
- | Assessment of the service providers on a number of capability-related dimensions
- | Characteristics of Leaders, Major Contenders, and Emerging Players on the Everest Group PEAK Matrix
- | Implications for European life sciences ITO buyers and service providers

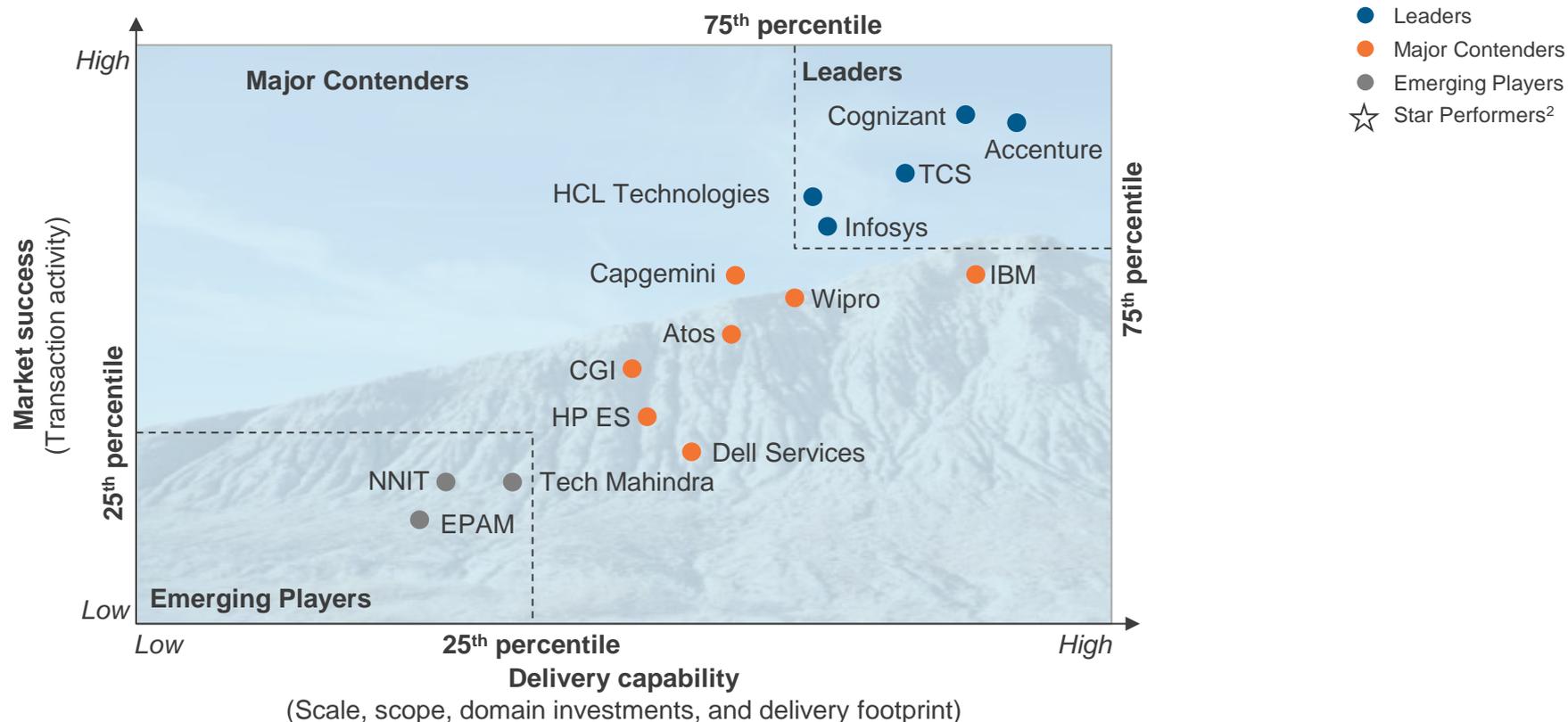
Scope of this report

- | **Industry:** Life sciences (pharmaceuticals, medical devices, biotechnology, and other life sciences¹)
- | **Services:** Large (TCV > US\$25 million), multi-year (>3 years), and annuity-based application outsourcing
- | **Geography:** Europe (including United Kingdom)
- | **Sourcing model:** Third-party ITO transactions; excludes shared services or Global In-house Centers (GICs)

¹ Includes healthcare data & information services and medical products distribution

Infosys is positioned as a Leader on Everest Group's PEAK Matrix for large European life sciences ITO relationships

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for large European life sciences ITO relationships¹



1 PEAK Matrix specific to large (>US\$25 million TCV), multi-year (>three years) application outsourcing relationships within the life sciences sector; the evaluation in 2014 is weighted more on Application Outsourcing (AO) as a majority of large deals have application outsourcing in scope

2 Since this is the inaugural Everest Group PEAK Matrix assessment for European life sciences ITO, no Star Performers have been identified

Note: Assessment for Accenture, Atos, Capgemini, EPAM, HP, IBM, and NNIT, excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with life sciences companies globally

Source: Everest Group (2015)

Infosys | Life sciences ITO profile (page 1 of 9)

Corporate and healthcare overview

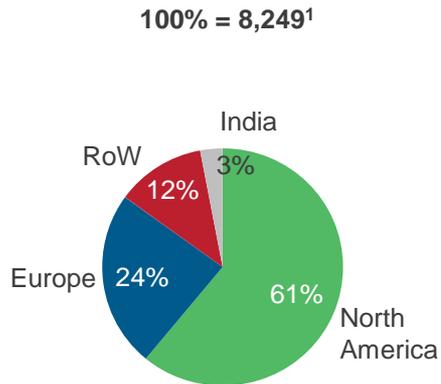
Company description: Infosys delivers IT-enabled business solutions for clients globally. Infosys' offerings span business and technology consulting, application services, systems integration, product engineering, custom software development, maintenance, reengineering, independent testing and validation services, IT infrastructure services, and business process outsourcing. Infosys has a global footprint with 68 offices and 70 development centers

Headquarters: Bangalore, India

Website: www.infosys.com

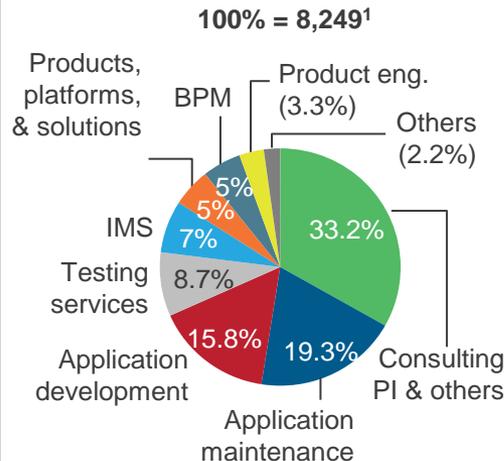
Geographical mix

2014; US\$ million



Service mix

2014; US\$ million



■ >US\$500 million ■ US\$100-500 million ■ <US\$100 million

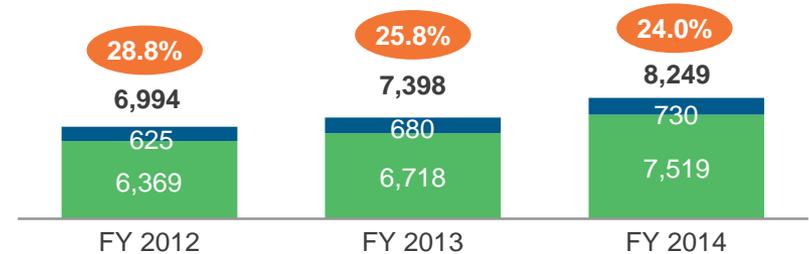
Scale of healthcare subverticals

■ Payer ■ Life sciences ■ Provider

Key financial parameters

Revenue figures in US\$ million

■ Revenue¹ from healthcare
■ Revenue¹ from other verticals
○ Enterprise operating margin



Services offered for the healthcare vertical: IT services across the payer, provider, and life sciences segments. Services for the life sciences segment span drug discovery, R&D, manufacturing, sales & marketing, compliance, commercial services, and supply chain, with specific solutions, such as digital marketing services, scientific innovation solution for drug discovery, safety data management solution for drug safety, clinical trial supply management, serialization, sales rep evaluation solution, mobility, Infosys Information Platform (IIP), and mBrochure

Major healthcare clients: AstraZeneca, GlaxoSmithKline, Aetna, BCBS, Avivia Health from Kaiser Permanente, CareFirst, and TriZetto

¹ Financial year ends on March 31. Healthcare revenue includes revenue from health insurance clients classified under Infosys' insurance vertical

Note: Infosys started reporting the "Healthcare & Life Sciences" segment revenue separately from FY 2012

Source: Everest Group (2015)

Infosys | Life sciences ITO profile (page 2 of 9)

Life sciences ITO capability assessment and market success

Headline assessment

Infosys has extended its global life sciences expertise and scale in Europe with *marque client wins*, specifically in new-age technology areas such as digital transformation, supported by a strong delivery presence.

Transaction success

- Exhibits strong deal characteristics comprising large-sized multi-year life sciences ITO contracts, with average TCV in the range of US\$75-100 million, and average deal duration of four years
- Over 80% of life sciences revenue attributable to large (>US\$25M TCV) annuity contracts; more than 20 active European life sciences ITO clients

Success dashboard¹

High Medium Low

Life sciences subsegments

Pharma Medical devices
Biotech Others

Geographic scope

North America EMEA
Latin America APAC

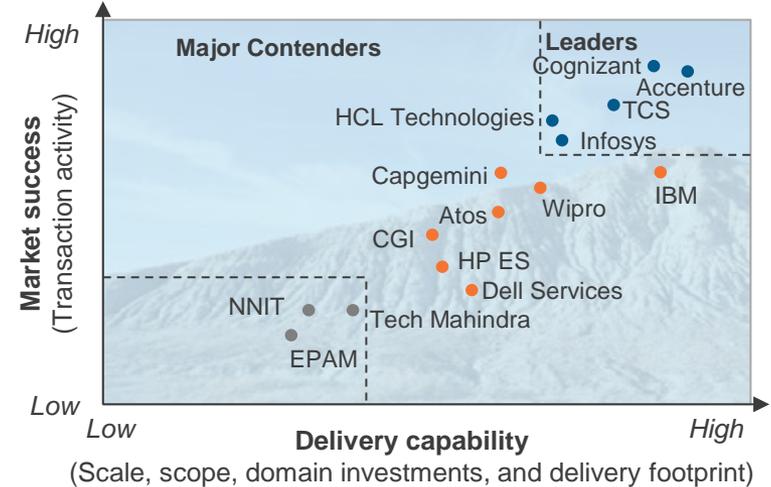
Scale

- Infosys started reporting healthcare as a separate segment from FY2012; this is one of the fastest growing verticals for the company
- Healthcare comprises around 10% of the total revenue; over 5,000 FTEs engaged in serving nearly 70 life sciences clients, comprising over US\$400 million in revenue (over 40% YoY increase in CY 2013)

Domain investments

- Proprietary solutions for drug discovery, clinical trial management, compliance, big data, mobility, pharmacovigilance, and sales & marketing
- Sustained focus on investments to ramp up expertise in next-generation technology areas including mobility, social, cloud, and analytics
- Alliances with Ecron Acunova, Fabric Worldwide, Microsoft, Oracle, etc.

Everest Group PEAK Matrix for European life sciences ITO



Scope

- Geographical scope of contracts spans the Americas, Europe, and Asia Pacific; notable expansion in European pharmaceutical portfolio
- Healthy AO-IO mix, with the former comprising 60% of LS revenue
- Demonstrated success in ADM, testing, ERP services, database, end-user computing, analytics, mobility, and regulatory support tenets

Delivery footprint

- Life sciences ITO services primarily delivered from multiple cities across India, with emerging presence in China, Eastern Europe, and South America
- Around a fifth of life sciences FTEs are based across client locations in North America, Western Europe (including UK), and Australia

¹ Transaction success for large-sized deals; assessment relative across service providers

Source: Everest Group (2015)

Proprietary solutions (representative list)

Line of business	Solutions
Life sciences	<ul style="list-style-type: none"> <li data-bbox="314 411 1889 682"> <p> Clinical trials</p> <ul style="list-style-type: none"> <li data-bbox="349 444 1889 511">– Clinical Trials Supply Management (CTSM) is a SAP-certified solution, which focuses on optimizing and integrating supply chain processes <li data-bbox="349 515 1889 682">– Infosys is making investments in developing RBM solution and platforms for the same. The Infosys RBM platform is being built on open source big data architecture that facilitates speed, flexibility, scalability, and reliability. The key differentiator of the solution is that it is ecosystem-independent. Along with the risk-based approach, the RBM solution brings predictive analytics that anticipate the trial outcomes and helps in minimizing the key risk indicators by giving early picture in near real-time basis. It thus helps in the overall success of the clinical trials <li data-bbox="314 686 1889 1068"> <p> Discovery and research</p> <ul style="list-style-type: none"> <li data-bbox="349 719 1889 786">– Biological Entity Management System helps scientists register research entities uniquely, track inventory efficiently, and manage entity transactions <li data-bbox="349 791 1889 925">– Scientific Innovation Solution provides a ready knowledge base, reducing cycle time and research redundancy during drug discovery to ensure faster time-to-market. It is a drug discovery information management solution, supporting systems for early stage ideation, designing of projects, and undertaking experiments to test hypotheses <li data-bbox="349 929 1889 996">– Ligand Identification and Matching Tool is a key component of the Scientific Innovation solution framework, and is used by chemists for screening chemical libraries to obtain a matching lead for new drug discovery <li data-bbox="349 1001 1889 1068">– Drug Repurposing Solution aims to save development time and minimize the risk of failure during drug development and repositioning/repurposing of currently available drugs to new therapeutic indications <li data-bbox="314 1072 1889 1173"> <p> Big data and analytics</p> <ul style="list-style-type: none"> <li data-bbox="349 1105 1889 1173">– Infosys Information Platform (IIP) helps clients integrate, aggregate, manage, analyze, disseminate, and act upon large volumes of multi-structured data, enabling clients build ready-to-use applications

Source: Everest Group (2015)

Proprietary solutions (representative list) (continued)

Line of business	Solutions
Life sciences	<ul style="list-style-type: none"> Sales and marketing <ul style="list-style-type: none"> – Infosys CRM offering leverages Veeva CRM package that is specifically developed for life sciences and biotechnology industry. Today, life sciences companies face a host of challenges with their existing CRM solutions. The Infosys CRM solution addresses these challenges by reducing cost of maintenance, easier mobile enablement, cross functional integration, and deployment of integrated features such as CLM, SFA, approved email, and analytics in the cloud-guided sales to help sales executives enhance customers’ shopping experience by helping select a product that matches their specific requirements – BrandEdge is a digital marketing solution for large-scale life sciences organizations incorporating analytics – Sales Representative Performance Evaluation Dashboard provides interactive reports regarding evaluation of sales representatives on multiple parameters such as time and territory management, paperwork and reporting, selling skills, sales performance, and individual participation IT operations <ul style="list-style-type: none"> – Transition Advantage enables streamlined reporting on the overall health of programs to provide clients with increased transparency during the transition phase – Virtual Operations Center tool provides virtualized physical collaboration by simulating same room presence and interactions across geographies – CxO Dashboard helps stakeholders get real-time and meaningful insights into IT operations by providing clients with visibility into their operational metrics. Also features a configurable dashboard, that can be accessed using any mobile device – ERP: Expertise in full SAP and Oracle health sciences product suites, application development, and maintenance Cloud <ul style="list-style-type: none"> – Cloud Ecosystem Hub helps enterprises build, manage, and govern a unified hybrid cloud environment Supply chain <ul style="list-style-type: none"> – Supply chain strategy, planning, execution, collaboration, and vendor relationship management

Source: Everest Group (2015)

Proprietary solutions (representative list) (continued)

Line of business	Solutions
Life sciences	<ul style="list-style-type: none"> Compliance <ul style="list-style-type: none"> – Compliant Management Solution is a web-based application integrated with SAP for meeting regulatory requirements, such as collaboration among stakeholders involved in case transparency and audit trails, to ensure consistent information reporting and tracking – Regulatory Submission Platform is an end-to-end platform that enables regulatory submission – Compliance Transformation Solution provides a single platform for managing regulatory compliance for life sciences companies by automating compliance processes and managing accountability – Safety Data Management solution is a comprehensive suite of pharmacovigilance solutions targeting drug safety issues Mobility <ul style="list-style-type: none"> – Infosys combines its expertise in cloud, mobility, analytics, and device engineering with domain experience in clinical processes, user ergonomics, and standards to help clients define and realize next-generation medical devices – mBrochure is an efficient way to deliver the latest brochures and promotions to customers Social media <ul style="list-style-type: none"> – SocialEdge Enterprise Suite focuses on employee engagement, next-generation Intranet, sales collaboration, and providing a platform for employees Customer experience <ul style="list-style-type: none"> – AssistEdge is an integrated customer service experience solution across channels including web, chat, phone, and social media, to transform contact centers Consulting <ul style="list-style-type: none"> – Domain consulting – Quality management and lab excellence, regulatory/compliance consulting, and LIMS strategy consulting – Process consulting: Business consulting (business architecture, BPR, business case, and roadmap), program/change management, and technology consulting (IT strategy and enterprise architecture)

Source: Everest Group (2015)

Key alliances (representative list) (continued)

Alliance partner	Purpose of alliance
Oracle	As a strategic partner of Oracle and with experience of handling over 500 large customer engagements, Infosys-Oracle practice has 25,000 consultants worldwide, with more than 60 specializations across the Oracle product portfolio. Infosys won the 2013 Oracle Excellence Award for “Specialized Partner of the Year” in North America and Asia Pacific
SAP	As SAP’s strategic services partner, Infosys combines technical and industry-best practices to deliver successful business solutions. Leveraging its extensive experience in SAP applications and SAP NetWeaver
(Several)	Enterprise-level alliances with Microsoft, HP, IBM, Informatica, Veeva, Adobe, SFDC, Service-Now, NetApp, Siemens, TIBCO, TriZetto, OpenConnect, and Pegasystems, among others

Source: Everest Group (2015)

Infosys | Life sciences ITO profile (page 7 of 9)

Life sciences ITO transaction activity

NOT EXHAUSTIVE

Recent transaction activity¹

Buyer's name	Announcement date	TCV estimate (US\$ million)	Duration (years)	AO/IO/both	Contract details and services
A global animal health company	January 2015	N/A	N/A	AO	SAP rollout and localization in Europe, Africa, and Middle East
U.S.-based global pharmaceutical and medical devices company	June 2014	N/A	N/A	AO	Application support and maintenance of 200+ applications including SAP, BI, and a host of packaged products and open technologies
Leading Switzerland-based pharmaceutical company	November 2014	N/A	N/A	AO	SAP BI OPS
Leading UK-based global healthcare company	August 2014	N/A	N/A	AO	GDS extension
Leading Japan-based pharmaceutical company	August 2014	N/A	N/A	AO	SAP AMS-support and maintenance

¹ Publicly-announced life sciences ITO transactions during 2010 to 2015

Source: Everest Group (2015)

Infosys | Life sciences ITO profile (page 8 of 9)

Life sciences ITO transaction activity

NOT EXHAUSTIVE

Recent transaction activity¹

Buyer's name	Announcement date	TCV estimate (US\$ million)	Duration (years)	AO/IO/both	Contract details and services
GlaxoSmithKline	March 2012	N/A	N/A	N/A	Deal encompasses optimization of digital channels across global consumer healthcare and pharmaceuticals business lines. The contract aims to improve the effectiveness of how GSK delivers digital engagement with consumers and healthcare professionals
Elan Pharmaceuticals	February 2010	N/A	N/A	AO	Design and implement the Research Informatics System (RISe) to accelerate discovery research using a co-creation engagement model that leverages Infosys' existing intellectual property. Future versions of the software may enable integration of RISe with electronic lab notebook and analytical dashboards to enhance more efficient research knowledge management. The co-creation engagement model will help Infosys retain ownership of the co-developed IP as part of the implementation

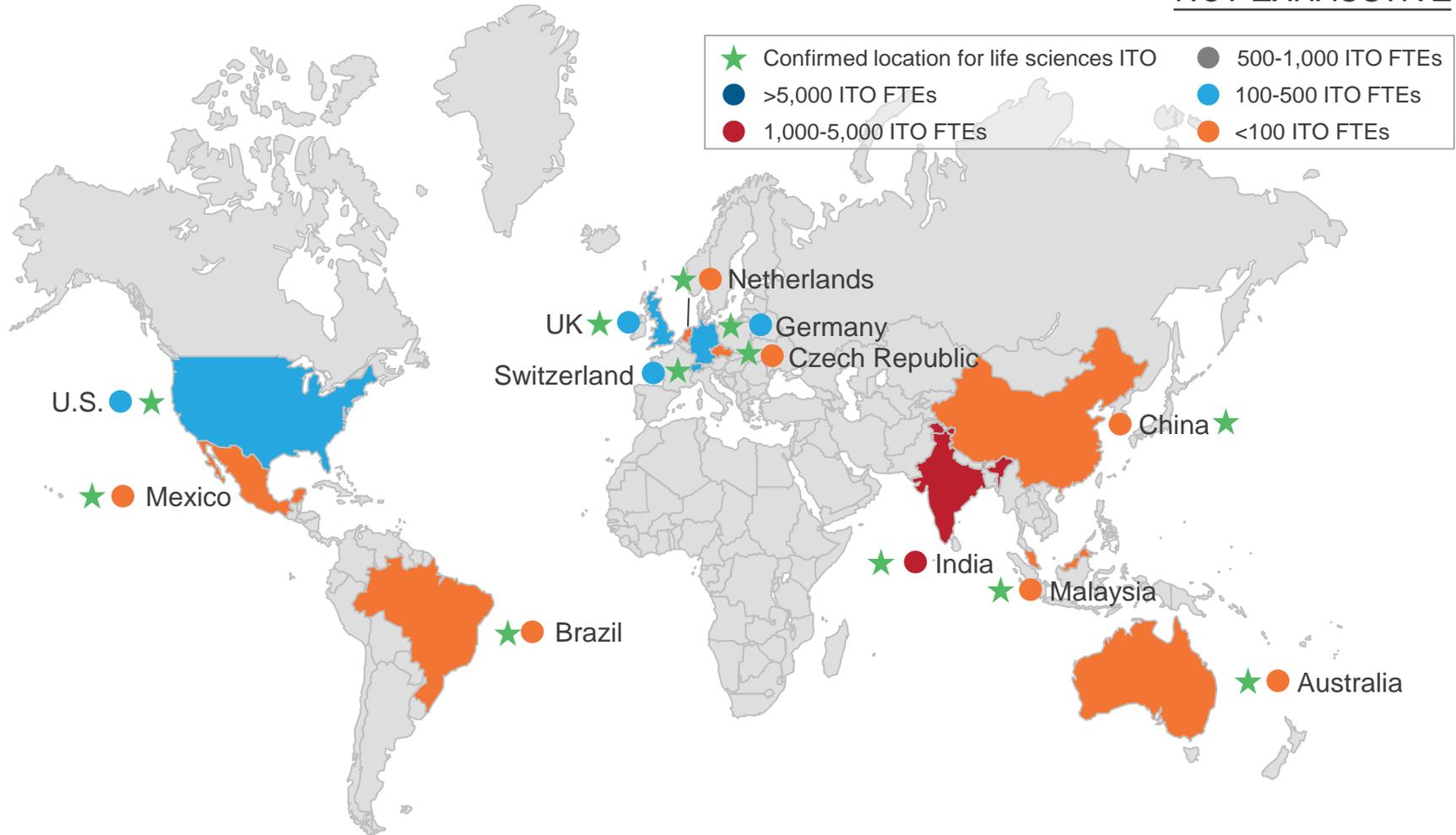
¹ Publicly-announced life sciences ITO transactions during 2010 to 2015

Source: Everest Group (2015)

Infosys | Life sciences ITO profile (page 9 of 9)

Key ITO delivery locations

NOT EXHAUSTIVE

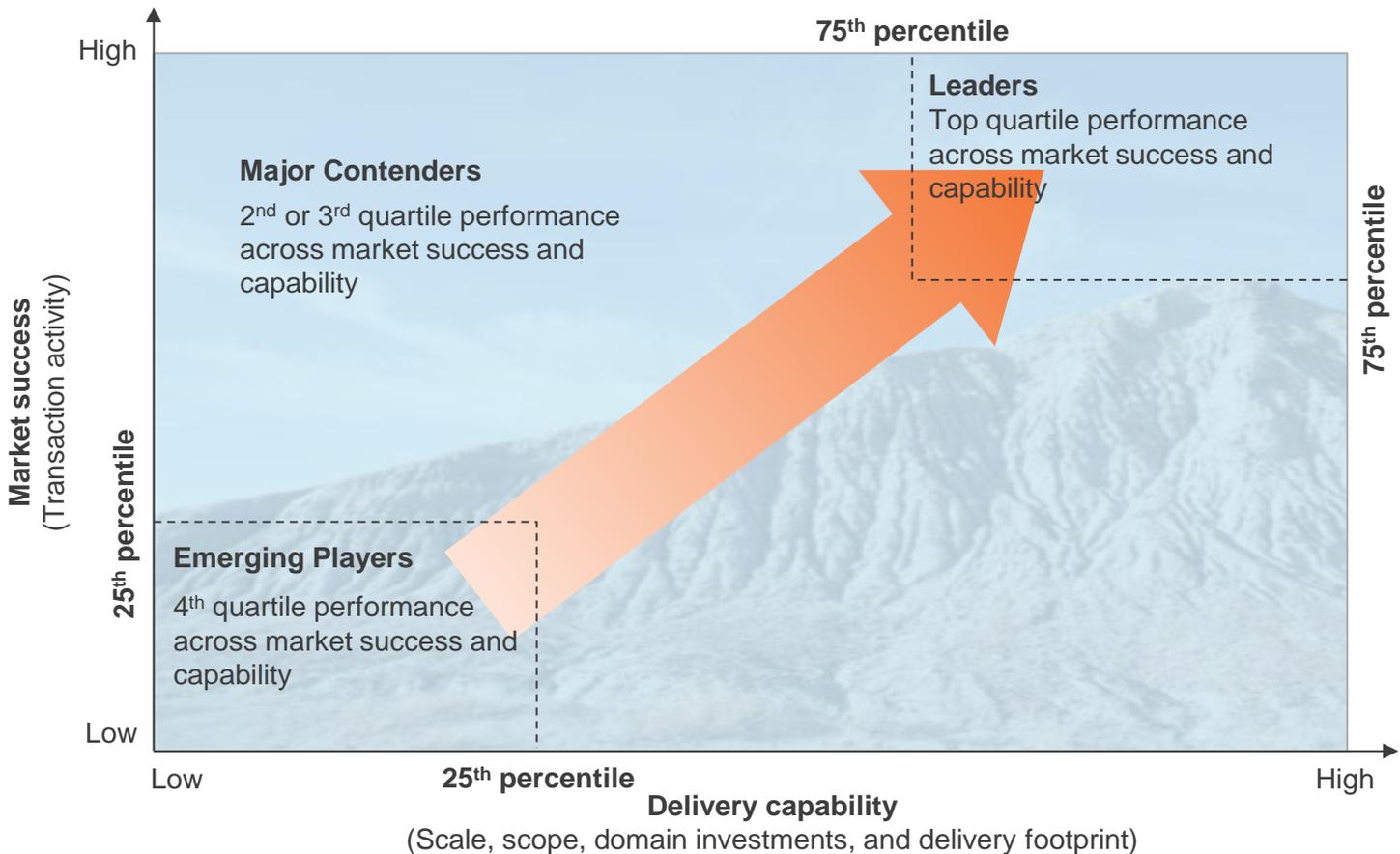


Source: Everest Group (2015)

Appendix

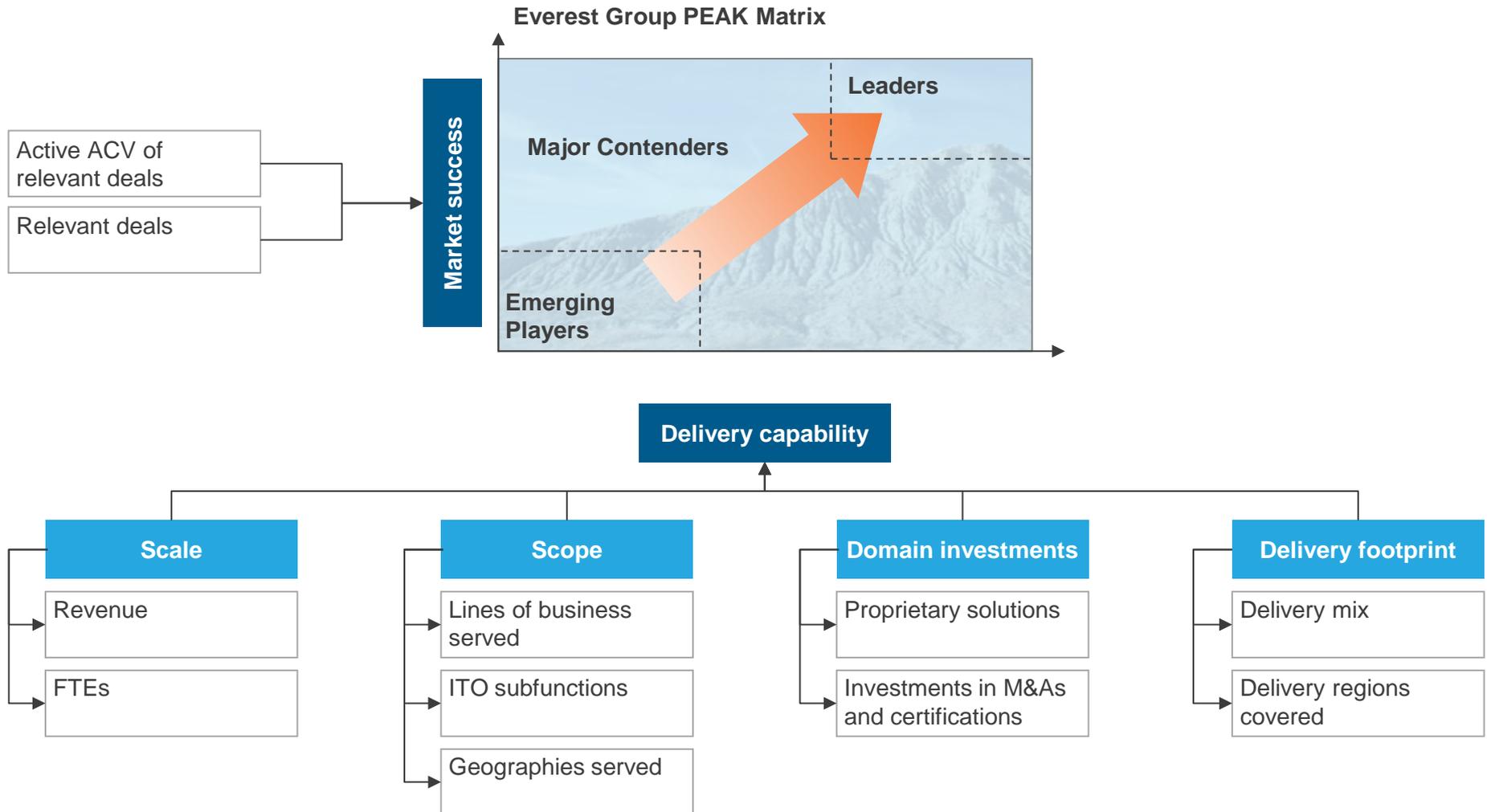
Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix classifies service providers into Leaders, Major Contenders, and Emerging Players

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for IT Outsourcing



Everest Group's PEAK Matrix is a composite index of a range of distinct metrics related to a service provider's scale, scope, technology/domain investments, delivery footprint, and resultant market success in the context of a given outsourcing function

Service providers are positioned on the PEAK Matrix based on evaluation across two key dimensions



Does the PEAK Matrix assessment incorporate any subjective criteria?

- | The Everest Group's PEAK Matrix assessment adopts an objective and fact-based approach (leveraging service provider RFIs and the 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 briefings

Is being a “Major Contender” or “Emerging Player” on the PEAK Matrix an unfavorable outcome?

- | No. PEAK Matrix highlights and positions only the best-in-class service providers in a particular functional/vertical. 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 in itself a favorable recognition

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

- | The PEAK Matrix position is only one aspect of the Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender” or “Emerging Player” 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 to the buyers in selecting particular providers for their specific requirements. It also helps providers showcase their strengths in specific areas

What are the incentives for buyers and providers to participate / provide input to the PEAK Matrix research?

- | Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- | Participation incentives for providers 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 to leverage their PEAK Matrix positioning status ?

- | Providers can use their PEAK Matrix positioning in multiple ways including:
 - Issue a press release declaring their positioning/rating
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from the Everest Group’s analysts could be disseminated to the media
 - Leverage the 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**



At a glance

- | With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of the next generation of global services
- | Through its practical consulting, original research, and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies, and management approaches
- | Established in 1991, Everest Group serves users of global services, providers of services, country organizations, and private equity firms in six continents across all industry categories

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