

IDC MarketScape

IDC MarketScape: Worldwide Life Science R&D Strategic Consulting Services 2023 Vendor Assessment

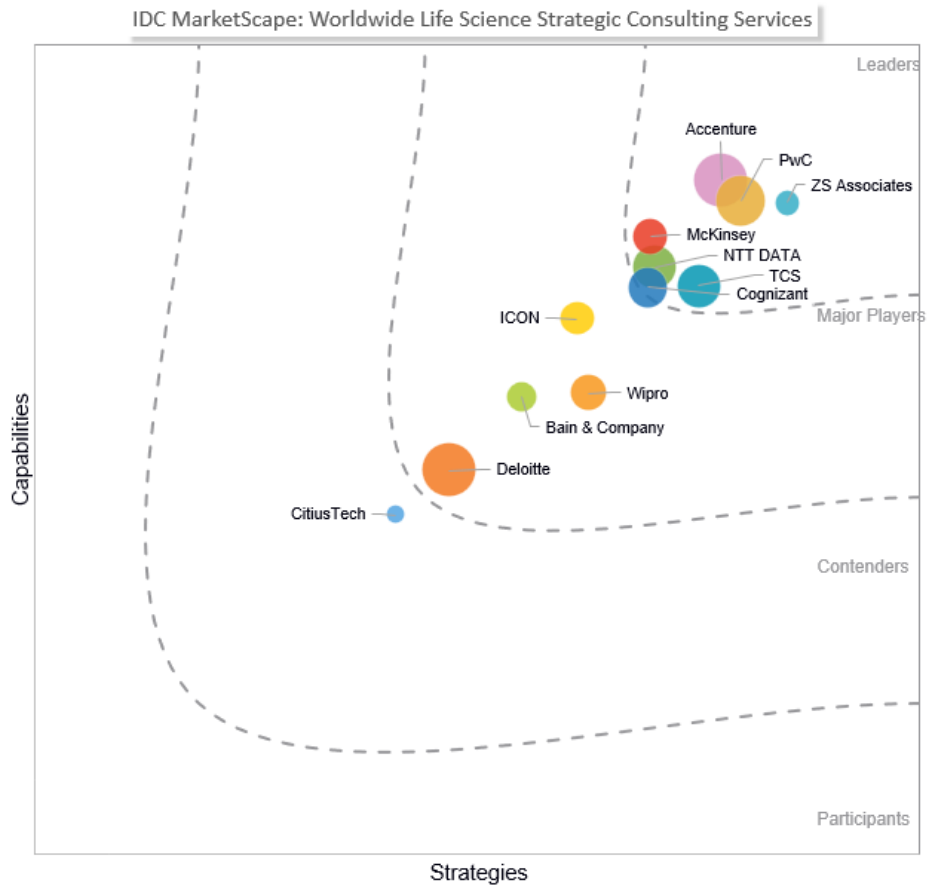
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THIS IDC MARKETSCAPE EXCERPT FEATURES ACCENTURE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Life Science R&D Strategic Consulting Services Vendor Assessment



Source: IDC, 2023

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Life Science R&D Strategic Consulting Services 2023 Vendor Assessment (Doc # US49950023). 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

The life sciences industry is struggling to reach a steady state. It has undergone wave after wave of disruption, owing to the COVID-19 pandemic, the evolving geopolitical scenario, and now, by generative AI. We saw technology adoption, remote patient monitoring, and decentralized clinical trials peak during the pandemic. For an industry that was once recalcitrant to technology adoption, it led by example by rapidly adopting technology to scale innovation and accelerate trials to bring drugs and vaccines to the market faster. Yet, after the pandemic, things gradually started slipping back to the old state, though many people were questioning this – should we really be regressing? If we could leverage technology to drive such significant efficiencies in the past, why can't we continue to do so? And the answers aren't simple. So, the industry is in flux, uncertain as to how it should navigate ever-changing global scenarios, comply with rapidly evolving regulations, and adopt disruptive technologies, such as generative AI, and yet come out as a winner. This is where the industry is looking to its strategic consulting (SC) partners for guidance.

SC companies are moving up on the maturity curve, bringing to the table strong technological expertise, deep scientific and therapeutic knowledge, as well as expertise in commercial strategy, portfolio management strategy, business process reengineering, mergers and acquisitions (M&A), and innovation and change management planning. They are also attempting to differentiate themselves by offering expertise in niche areas such as the "lab of the future," cell and gene therapies, medical imaging and interoperability, device design, modeling, and testing.

From a SC perspective, transformation initiatives that the life sciences industry is undertaking include:

- Analytics/business intelligence (BI) application development/data mining
- Predictive modeling
- Management consulting/advisory services
- Organization change management
- Clinical trial budget management
- Clinical efficiency and productivity improvement
- R&D reference architecture definition
- R&D operating model design and implementation
- Process optimization/simplification
- IT system blueprinting
- Decentralized clinical trials implementation strategy
- Digital health strategy
- Data integration strategy

- Data placement strategy
- Regulatory compliance services
- Partner selection and vendor oversight
- Therapeutic/disease area strategy
- Translational research strategy
- Clinical asset optimization
- Global pricing and market access strategy
- Asset value and evidence communication
- Due diligence and asset valuation
- Business model innovation
- Application rationalization
- Infrastructure optimization
- Turnaround strategy
- M&A strategy

The bucket list is large, the demand is expanding, and as "strategic consulting as a service" continues to grow rapidly, each SC services provider works to figure out their sweet spot.

But as organizations try to figure out which partners will make a difference to their growth trajectory, they are looking for players with depth and breadth of domain and technical expertise and the right cultural fit and strategic thinkers who can help them accelerate their innovation agendas. They're looking for a one-stop shop that will help drive digital and organizational transformation across the enterprise and help outline a strategic road map.

While SC service providers vary widely in the relative strengths of their offerings, there are multiple vendors with sufficient experience to compete for requests for information, requests for proposals (RFPs), and other service requests. Therefore, companies must shrink the broad list of prospective vendors to a short list of service providers based on a balanced scorecard that accurately captures specific company requirements and needs. Successful selection of a single service provider or a limited number of preferred providers depends on carefully considering key criteria. Building on contributions from major life science R&D SC service providers (including premier vendors and emerging new vendors in this space), this study examines the life science R&D SC vendor landscape today with a view toward expected growth over the next three to five years.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

IDC frequently has unique insights 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, its services must have been significantly evaluated for the potential to engage clients within the target IDC MarketScape space.

The key inclusion criteria included:

- Vendors should have had at least five customers for their SC offering for at least 12 months as of January 1, 2022.
- Vendors should provide consulting services for one or more of the areas listed below:

- High-level management consulting and advisory services (including portfolio and other R&D strategy development, new business model assessments and strategies, and globalization strategy development and implementation)
- Data and digital health strategy
- Operation and process optimization development and implementation services (including IT framework development, outsourcing strategies, and organizational change management support)
- Drug development strategy
- Technology adoption and implementation strategy development (including mobile, cloud, Big Data, and social communication strategy development)
- Vendors should have a minimum revenue of \$200 million.

Further research and due diligence were then conducted to narrow the list of vendors to only those IDC views as legitimate contenders for future deals within the life science R&D SC space. The 12 vendors selected to participate in this study are:

- Accenture
- Bain & Company
- CitiusTech
- Cognizant
- Deloitte
- ICON
- McKinsey
- NTT DATA
- PwC
- TCS
- Wipro
- ZS

ADVICE FOR TECHNOLOGY BUYERS

As per IDC's life sciences digital transformation survey concluded in May 2023, 90% of the life sciences industry considers digital transformation a top priority, and 45% saw up to a 25% increase in investment in digital transformation in 2023, whereas about 10% saw an increase in investment of up to 25%-50%. Companies are at different stages on the maturity curve of digital transformation, business process reengineering, organizational restructuring, and M&As to help set the company up for success.

As per the IDC's life sciences digital transformation survey concluded in May 2023, following data security and privacy, costs, and the ability to integrate digital projects across the organization, the industry saw the identification of the right strategic partners as their biggest challenge. As per IDC's view of the strategic consulting ecosystem, key attributes that life science companies should be looking for in their service providers include:

- The breadth and depth of life sciences R&D SC services

- Expertise in digital transformation in the life sciences industry
- Platforms and accelerators that the partner brings to the table
- Strong digital and analytical skills
- The number of prior related engagements the vendor has completed
- Geographical footprint and global delivery capabilities (typically associated with strategy implementation)
- The focus of the vendor on the life science R&D sector and the number of consultants with relevant expertise
- The ability to provide interdisciplinary expertise and bring an "outside-in" approach to add value to the conversation
- The vendor's pace of investment in innovation
- Flexible pricing models and the vendor's willingness to co-invest and share risk
- The depth of business-related, industry-specific knowledge and the ability to apply this knowledge to improve specific client performance
- Foundational service capabilities (where applicable), corporate financial stability, and the ability to accommodate different types and sizes of life science clients
- Customer references to examine vendor capabilities surrounding project management, change management, technical skills, account management, and overall value delivery
- Vendor's initiative to bring together industry leaders by building consortiums, providing mind share, and fueling innovation
- Life sciences regulatory expertise across geos and expertise in cybersecurity.
- Expertise in AI in general and in generative AI in particular
- The ability to serve as a change agent at an enterprise level

VENDOR SUMMARY PROFILE

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.

Accenture

After closely evaluating Accenture's offerings and capabilities, IDC has positioned the company in the Leaders category in the 2023 IDC MarketScape for worldwide life science R&D strategic consulting services.

Headquartered out of Dublin, Ireland, Accenture has served the life science industry for over 30 years and is present in 120 countries. Life sciences represents about a fifth of its products industry group's revenue. Accenture employs over 700,000 people, with over 30,000 dedicated to life sciences, 4,000 of which are focused on SC, with an even split between those that are technically and functionally focused. Close to 60% of its life sciences SC staff (including 400 medical professionals) come from the life sciences industry and have an average industry experience of 16 years in SC.

Many of Accenture's life sciences clients are companies with over a billion dollars in revenue, with a third of its customers coming from Europe and two-thirds from the United States. Accenture has over

600 life sciences customers, three-fourths of which represent pharma. About two-thirds of its customers are from the United States, and a third are from Europe.

Facts about Accenture include:

- **Strategic initiatives:** Accenture has embedded digitalization throughout its strategy and consulting business. It helps its customers navigate the convergence of business and IT functions, industry convergence, and the increased need for digital literacy within the business functions. It is investing in *in silico* biology and uses data/AI/ML/predictive techniques to influence R&D productivity and improve the probability of technical and regulatory success (PTRS). It is developing methods and accelerators to drive digital lab transformation to build the laboratory of the future. It is evolving offerings and assets across program and protocol design, site identification, patient recognition, and retention, streamlining clinical data flow, the use of data science to review cross-source data holistically, data-driven portfolio agility, submission excellence leveraging automation, AI/ML, and regulatory intelligence, and operating model optimization. In 2022, Accenture invested over a billion dollars in R&D.
- **M&As/partnerships:** In 2023, Accenture acquired Bionest, which focuses on go-to-market strategy in areas such as precision medicine and diagnostics, oncology, cell and gene therapy, and rare diseases. In 2021, it acquired the Beacon Group, a growth strategy consultancy firm, and the strategic management consultancy Homburg & Partner to expand its capabilities in commercial strategy, sales and pricing. In 2021, it also acquired Cirrus, a UK-headquartered leadership and talent consultancy, and Future State, a change management consulting firm with expertise in agile business transformation, specializing in product development enablement, business growth and post-merger integration. In 2020, Accenture acquired OpusLine, a health consulting company providing strategic advisory and transformational services. In 2019, it acquired Knowledgent, a data intelligence company. The company has strategically invested in Ocean Genomics, Geneyx, TripleBlind, and Good Chemistry to augment its life sciences SC capabilities.
- **Pricing Models:** Accenture usually uses a mix of time, materials, and fixed fees. In cases where Accenture and the client agree, Accenture establishes value-based agreements where a percentage of its professional service fees are tied to achieving client business outcomes with the potential for upside if the actual outcomes exceed the expected outcomes.

Strengths

Accenture's SC strength lies in its breadth, encompassing its expertise in business strategy and advisory, life sciences domain expertise, data analytics, new tech (e.g., AI, robotics, ML, and quantum computing), operations, Accenture Song (its digital agency), and its wide internal and external network, including the healthcare ecosystem, the hyperscalers, and enterprise platform and software leaders, that it leverages to fuel innovation. It applies an innovation lens to all its SC engagements, partnering with its worldwide innovation centers, leveraging its Fjord and ?WhatIf! teams. It has a portfolio of digital assets and platforms leveraging cloud and AI and uses the Accenture Innovation Architecture to improve how life sciences businesses operate. Accenture provides SC services to regulatory authorities. From a functional perspective, the bulk of Accenture's SC work lies in the clinical area, followed by lab informatics and, to a smaller extent, pharmacovigilance and regulatory. About 75% of its SC initiatives include an innovation component, and 100% have an IP component.

The top 5 areas in which Accenture supports its customers with its SC offering are:

- Improving R&D productivity and scaling efficiencies in clinical operations

- Enhancing strategy, road map, business case, and next-generation digital capabilities
- Providing data-driven strategic assessments, sourcing strategy, and operating model design and implementation
- Designing innovative and future-ready work environments, such as laboratory of the future
- Scaling the value of M&A deals through R&D integration support, including integration strategy, value realization, functional integration and organization mapping, and book of work integration

One of Accenture's most complex SC engagements involved leading the R&D integration for one of the largest biopharma acquisitions in the past decade. This included organization design across CEO-1 to CEO-9. Accenture reports achieving hundreds of millions in savings, cutting over the planning and execution of clinical trials to transition to a new operating model, completing the functional integration activities for multiple CEO-2 leaders, designing and implementing transformed operating models for the study team, global development operations, biostatistics and statistical programming, translational medicine, and the discovery research teams. In addition, Accenture helped the company to manage other smaller acquisitions. Accenture identified opportunities to accelerate clinical development from proof-of-concept to submission, developed an innovation road map, and outlined a governance model.

"We evaluated a couple of players, but Accenture won because they knew what they were talking about. We were looking for a strategic partner, not just an extended workbench. That's what we got with Accenture. The team was very well-educated and knowledgeable, I can vouch for them. It's a very trusted relationship. They will stay on our preferred list – our experiences were just so positive. Yes, they are expensive, but they are value for money. That's why we fall for them again and again," said a senior executive for process excellence, clinical development, and operations of a top global European pharma.

"Within three months, we wanted extensive benchmarking done and consultation regarding trends, opportunities to modernize, solution mapping and prioritization in the new therapeutic areas of cardiovascular and rare diseases – two ends of the spectrum. Accenture clearly had a lot of good experience in clinical operations. All others in the industry recommended Accenture. Their capability assessments were well received and credible, even though it was not good news for us. They didn't arrive with preconceived solutions. They did a lot of listening. I loved the solution cards – we used them to help our own people to think through problem solving. The experience was so positive for so many people, including senior executives, that we would be very open to working with Accenture again. The quality of the conversations was very high on time – yes, absolutely. Operated with flexibility and on budget – they were an excellent team to work with," said a leading global healthcare company's clinical operations executive. "In the pharmacovigilance (PV) consulting space, I have a lot of respect for Accenture. They supported us on process remediation and what we would need to do to compete in the future, the strategy and transformation for the future of PV, the project was really strategic. They really understand what PV is and how it interfaces with other functions within pharma. PV is definitively a niche asset for Accenture," said a senior executive for patient safety of a mid-size European pharma. "I have worked with them in a variety of different capacities, and I have been very impressed with their work on strategic ideation. Their strong internal network, their holistic approach, and their ability to build relationships and engage at the board level are their differentiators," said an executive for portfolio management at a leading pharma industry consortium.

Challenges

Accenture can strengthen its capabilities in drug discovery, translational research strategy, clinical asset optimization, and trial budget management. Only a third of its SC initiatives include an AI/ML component, and Accenture could work on scaling the same. While Accenture is seen as a valued partner, it is also seen as an expensive partner. Accenture could do better in proactively sharing its futuristic ideas with its customers to drive their innovation strategy. Accenture should dig deeper when starting an engagement and focus on ensuring compliance with timelines on technology builds.

Consider Accenture When

Consider Accenture when seeking support from an organization with a blend of strong technology capabilities, deep life sciences expertise, and vast SC consulting expertise, especially in (but not limited to) enterprise, data, IT, life sciences R&D (improving productivity in clinical trials, decentralized clinical trials implementation strategy, R&D reference architecture definition, R&D operating model design and implementation, digital health strategy, regulatory compliance services, therapeutic/disease area strategy) and life sciences commercial strategies (asset value and evidence communication, global pricing, and market access strategy).

APPENDIX

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 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 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 IDC experts in each market. IDC analysts base individual vendor scores and vendor positions on the IDC MarketScape on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

For this study, strategic consulting is defined broadly to include:

- High-level management consulting and advisory services (including portfolio and other R&D strategy development, new business model assessments and strategies, and globalization strategy development and implementation)
- Data and digital health strategy
- Operation and process optimization development and implementation services (including IT framework development, outsourcing strategies, and organizational change management support)
- Drug development strategy
- Technology adoption and implementation strategy development (including mobile, cloud, Big Data, and social communication strategy development)

This IDC MarketScope evaluates life sciences R&D strategic consulting services capabilities.

Market Overview

The life science industry is in a hurry to innovate, bring new products to the market, and transform and leverage new tech, yet it is an industry that wants to ensure that all the necessary guardrails are in place. The life sciences industry is expected to undergo the maximum disruption due to generative AI. A third of the life sciences industry envisions shifting the budget from other digital transformation projects. A third looks at increasing its overall IT budget to ensure timely investment in generative AI (source: IDC's *GenAI ARC Survey*, August 2023).

The evolving trends that are shaping the SC landscape include:

- The industry is seeing the convergence of business and IT functions. As a result, the industry is looking for guidance on organizational redesign, building digital literacy within business functions, and enabling it to develop a deeper understanding of business needs.
- There is a growing ask of the SC partner as a change agent to drive enterprisewide change, touching each stakeholder.
- While the COVID-19 pandemic fueled technology adoption and created an appetite for innovation, there has been a waning in this appetite post-pandemic. And the CXO focus has once again shifted from growth to sustainability. As a result, SC companies need to reset their focus from scaling innovation to driving efficiencies. However, the "Generative AI explosion" has sharpened this industry's appetite for technology adoption once again, as the industry explores use case after use case to find opportunities for disruption.
- "AI-everywhere" is happening here and now. While there is considerable excitement, uncertainty reigns high about the risks associated with the use of generative AI. Concerns regarding the use of responsible and ethical AI, how to address bias, model drift, and hallucinations, how to ensure data security and privacy, and how to ensure regulatory compliance and patient safety are the life sciences industry's top priorities.
- A turbulent geopolitical and uncertain economic environment has sharpened cost sensitivities within the life sciences industry, directly impacting how vendors structure their commercial arrangements.
- This is leading to the growth in innovative commercial pricing models, including outcome-based models, co-investment-linked gain-sharing models, and risk-sharing pricing models.

- There is an increased focus on "patient centricity" and a shift toward "participant-centricity," with a desire to address "caregiver fatigue" and garner critical insights from caregivers as well.
- There is an urgent need for guidance on driving decentralized clinical trials strategy, measuring ROI, integrating technology, and garnering evidence.
- There is an increasing ask to drive interoperability between EHRs and EDC.
- Shifting multiyear technology refresh cycles are presenting challenges to SC service providers in terms of finding niche talent and structuring contracts.
- Various maturity levels within organizations require expertise in adopting the right strategic levers to drive change management, yet one does not always see industry readiness to adopt new-age business models delivered through next-gen technologies.
- There is a high focus on diversity and sustainability and an ask for it to be integrated into all solutions.
- There is a significant focus on leveraging technology to improve the efficiency of PTRS.
- Never before has there been such a huge focus on using RWE/RWD, guiding market access and reimbursement strategy and supporting regulatory submission, fueling diversity, leveraging social determinants of health data, and predicting and influencing clinical outcomes based on digital biomarkers.
- There is a need for guidance on global alignment strategy to bridge the gap between global and local regulatory requirements related to data and technology.
- There are rising cybersecurity concerns and the need for partners to provide guidance and support.

LEARN MORE

Related Research

- *IDC FutureScape: Worldwide Life Sciences 2024 Predictions* (IDC #US51290923, October 2023)
- *IDC PeerScape: Lessons Learned from Generative AI Implementation in Life Sciences and Healthcare* (IDC #US51205523, September 2023)
- *IDC PlanScape: Developing Your Path to Impact with Generative AI* (IDC #US51157323, August 2023)
- *IDC Survey Spotlight: The Most Strategic Generative AI Technology Partners for the Life Science and Healthcare Industries* (IDC #US51184823, August 2023)
- *IDC Survey: Life Sciences Digital Transformation Survey Including Key Use Cases of Generative AI in the Life Sciences Industry* (IDC #US50985623, June 2023)
- *IDC Perspective: Real-World Evidence, Social Determinants of Health, and Digital Biomarkers in Driving Patient Recruitment* (IDC #US50382823, March 2023)
- *IDC MarketScape: Worldwide Life Science R&D Decentralized Clinical Trial Consulting Services 2022 Vendor Assessment* (IDC #US49648822, September 2022)
- *IDC MarketScape: Worldwide Life Science R&D Strategic Consulting Services 2021 Vendor Assessment* (IDC #US48159321, August 2021)

Synopsis

This IDC Health Insights study is a refresher of the life science R&D IDC MarketScape, which has a specific focus on strategic consulting in the life science R&D space. This document seeks to compare major service providers with each other based on criteria that should be important to life science companies when considering the selection of a strategic consulting partner to help provide guidance for strategic, operational, and tactical transformation issues within the R&D space. The IDC MarketScape assessment of strategic consulting outsourcing in life science R&D was previously performed in 2011, 2014, 2016, 2018, and 2021.

Dr. Nimita Limaye, research VP, Life Science R&D Strategy and Technology, IDC, notes, "Ongoing disruption, led by a pandemic, geopolitical turmoil, a recession, and the generative AI wave, have all resulted in a lot of uncertainty for the life sciences industry. As companies try to define the right strategy to forge ahead, they are trying to outline their digital transformation strategy, identify top priority use cases to guide their near-term and long-term IT investment road maps, and revamp their product portfolios while never losing focus on quality, risk, and compliance. The life sciences industry is leaning on its strategic consulting partners to lead the way and prepare their organizations to build digital resiliency and scale growth and innovation in a fast evolving, yet fluid world powered by 'AI everywhere.'"

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. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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