

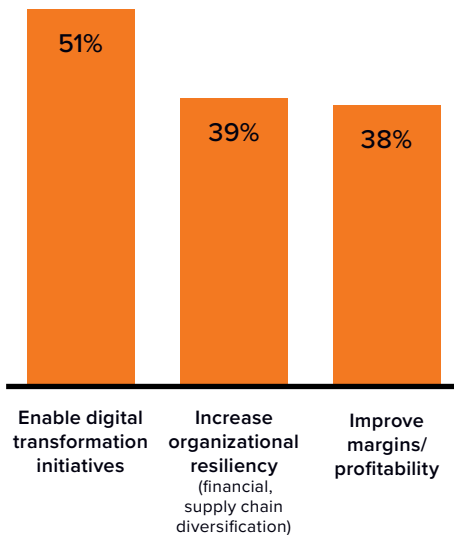
Midsize Life Sciences Businesses Look to Supercharge Growth

Digitalizing innovation processes in products, services, and business models



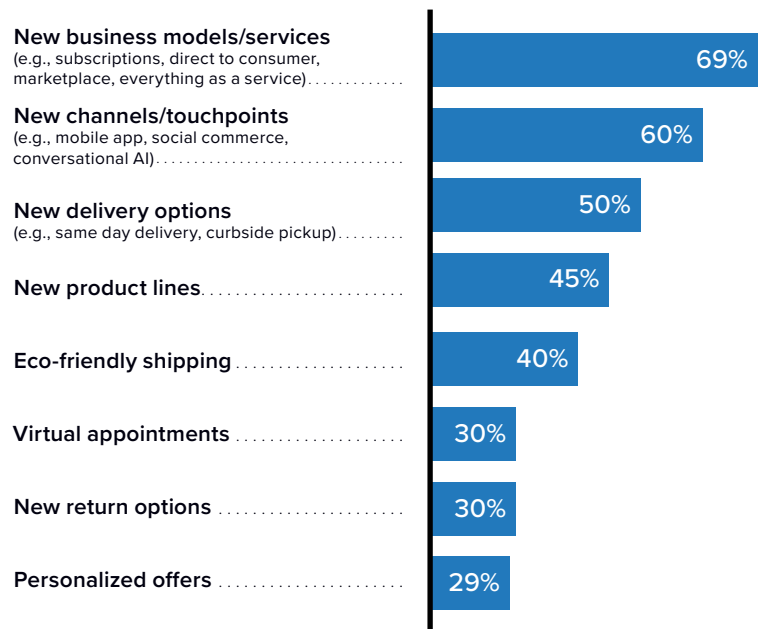
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Top Business Objectives in Life Sciences for 2023



Source: IDC, 2022

Value-added Services Planned in Life Sciences in 2023



Driving for Growth

According to IDC research sponsored by SAP, life sciences firms are focused on growth in order to remain viable, secure investment funding, and become attractive acquisition targets, while also improving patient care and outcomes. Life sciences companies described plans to enhance growth by developing value-added services such as new business models, new channels and touchpoints, new delivery options and new product lines. These new services will make it easier for customers to find and use their products and services.

The Importance of Technology

Of the wide range of industries included in the SAP-sponsored study, life sciences firms showed the greatest focus on digital transformation. The research revealed that the top business objective to drive growth for these firms in 2023 was enabling digital transformation initiatives (51%). Transformation and technology support their goals in several ways:

- **Acquisitions.** Large pharmaceutical firms looking for acquisition targets value sophisticated “tech stack” capabilities at smaller firms for faster integration into the large enterprise ecosystem. From a process perspective, these firms need an IT system foundation in place (including cloud ERP) to strengthen core business processes such as order-to-cash and procure-to-pay. As these companies grow and mature, these capabilities will ensure successful supply chain activities with third-party value chain entities.
- **Competition.** The midsize company respondents felt that they successfully differentiated their firms when competing with larger organizations by focusing on digital transformation (53%), by providing a better experience for their customers (49%), and through their ability to build customer loyalty with more personal service (45%).
- **Supply chain management.** Midsize life sciences companies recognize the importance of supply chain management technology to drive business growth, with 38% of respondents already investing in supply chain technology and another 26% planning new investments in 2023. Based on experiences with pandemic-related disruptions, these executives cited a number of supply chain resiliency strategies to safeguard their growth plans, including adopting supplier ranking/qualification to ensure they only work with reliable entities (47%), diversifying supply chains across many different suppliers (45%), and greater use of technology for supply chain management (43%).

Closing

Digital transformation is creating growth opportunities at midsize life sciences companies through value-added services, intelligent supply chain implementations, and other initiatives. By investing in next-generation, cloud-based IT systems, these firms are generating organic growth while demonstrating future value to potential acquirers and partners.

Message from the Sponsor



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