EXCERPT
IDC MarketScape: Worldwide Life Science CRM Software 2013 Vendor Assessment

IDC Health Insights: Life Science Business Systems Strategy

VENDOR ASSESSMENT #HI242172

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IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Life Science CRM Software 2013 Vendor Assessment by Eric Newmark (Doc # HI242172). All or parts of the following sections are included in this excerpt: IDC Opinion, In This Study, Situation Overview, Future Outlook, and Essential Guidance. Also included is Figure 1.

IDC HEALTH INSIGHTS OPINION

The life science customer relationship management (CRM) software market has experienced renewed growth over the past few years, due to both the emergence and maturation of cloud technology and the broad development of new regulations affecting traditional go-to-market sales and marketing operations. Cloud-based software has tipped in the industry and become the preferred software deployment platform for most sales and marketing organizations. This has led to wide-scale upgrading and replacement of older on-premise CRM implementations. Most next-generation CRM systems today are designed specifically to help better automate, simplify, and advance sales rep capabilities, possess greatly enhanced mobile features, and are designed to work on a variety of tablet PCs. However, among the many vendor solutions available today, there can be a significant difference in ease of use, user interface design, and system flexibility. Likewise, the ability to appropriately service customers and support their business needs through technical support and diligent account management can also vary significantly between CRM vendors. With these points in mind, it is not surprising that the qualities defining market share winners of the next few years are not necessarily the ones that brought success to today's leaders. This study is designed to provide life science companies with guidance on which CRM vendors serving the industry are best suited for consideration when evaluating a CRM upgrade or replacement. This IDC MarketScape, in addition to diligently vetting customer references to verify vendor claims, considered other key criteria:

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- Vertically oriented product design, level of life science–specific market knowledge, number of customers, and total base of active CRM users
- Deployment compatibility with PDAs/smartphones and various types of tablet PCs (iPads, Windows tablets. etc.)
- Breadth of functionality and functional flexibility (modularity)

IN THIS STUDY

This IDC MarketScape provides a comprehensive evaluation of the leading CRM applications for the life science industry.

IDC MarketScape reports are designed to identify factors conducive to success in a particular market, both long term and short term, and then assess vendors participating in the market against those factors. The evaluation is based on a comprehensive framework that includes both qualitative and quantitative metrics, as well as end-user feedback, and then provides vendors with market positioning relative to or compared with other market participants. This particular study provides a comprehensive vendor assessment of the life science CRM software market.

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, 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. The IDC MarketScape framework was developed in response to requests from IDC customers for an assessment of vendors in a given market that is transparent, consistent, and rigorous.

SITUATION OVERVIEW

The life sciences are going through a challenging period of industry change. Companies are accosted by regulatory changes, shifting market dynamics from U.S. healthcare reform, and simultaneously face significant pressure to continue reducing costs. Manufacturers face expiring patents, growing generic competition, shrinking product pipelines, pricing and formulary pressure from health insurers, and the cumulative effect of collapsing product margins. Consequently, companies have been working to shift more focus to specialized therapeutic niches, orphan drugs, and even OTC drug opportunities to help diversify product portfolios and insulate themselves from further healthcare legislative turmoil.

Further challenges and market changes endured by life science companies include widespread drug shortages, counterfeiting, changing Medicare and Medicaid calculations, and even upcoming serialization and drug pedigree regulations that will affect supply chain and manufacturing processes. Add on the political gridlock that exists in Washington, D.C., and it quickly becomes apparent why some life science companies feel like deer frozen in the path of oncoming headlights. However, despite these challenges, the ability to maneuver successfully through this environment of uncertainty will later help separate the leaders from the laggards in this market.

The life science sales and marketing space in particular continues to evolve and change as widespread adoption of cloud technology and significant regulatory pressure in recent years (gift ban laws, aggregated spend compliance, etc.) have caused most life science companies to reevaluate and reinvent their go-to-market sales and marketing strategies. Increased focus on electronic HCP interactions, greater reliance on mobile capabilities, and stronger emphasis on multichannel marketing optimization are just a few of the areas currently top of mind for life science organizations. Growing emphasis on "actionable" analytics and emerging interest in social media analytics are also worth noting as significant trends.

To manage all of these growing difficulties, companies are looking for IT solutions that help automate and simplify many sales and marketing tasks. Software vendors offering cost-effective, easy-to-use, and scalable solutions presented in a vertical manner are best positioned to experience the strongest growth going forward.

FUTURE OUTLOOK

IDC MarketScape: Life Science CRM Software Market Vendor Assessment

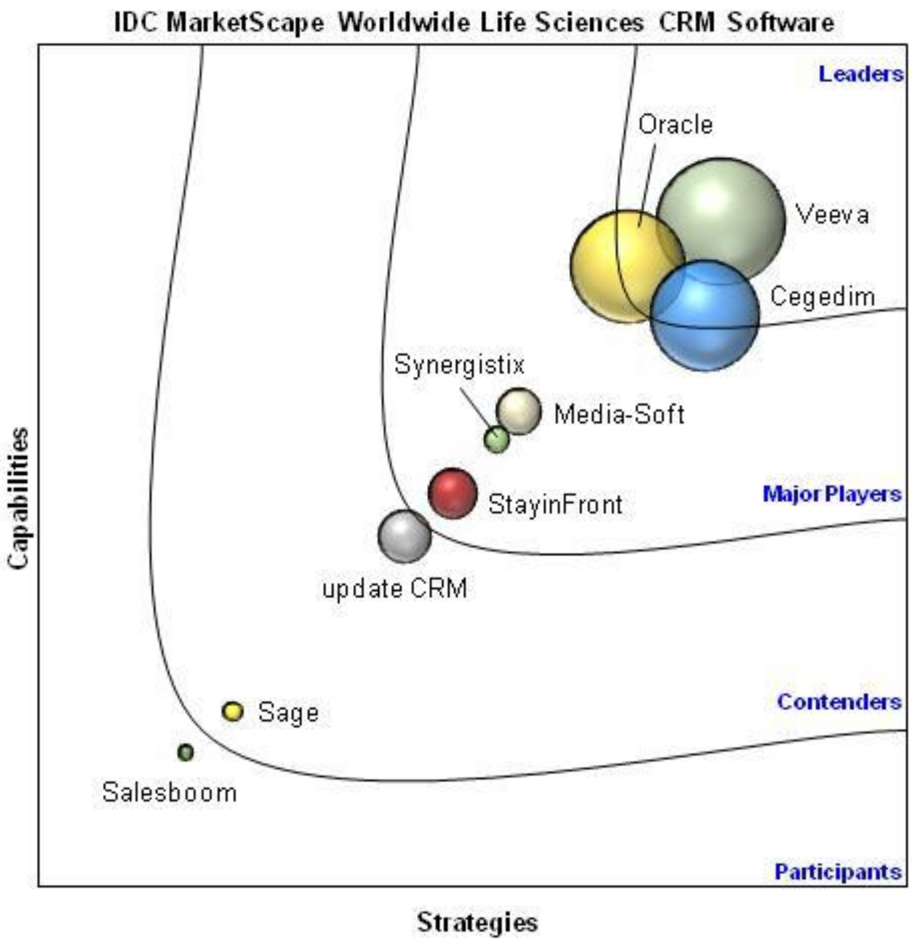
The IDC MarketScape vendor assessment for CRM in the life science industry represents IDC's opinion on which vendors are well positioned today through current capabilities and which are best positioned to gain market share over the next few years. Positioning in the upper right of the grid indicates that vendors are well positioned to gain market share. For the purposes of discussion, IDC divided potential key strategy measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and how well aligned it 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 the next three to five years. The strategies category focuses on high-level strategic decisions and underlying assumptions about offerings, customer segments, business, and go-to-market plans for the future, in this case defined as the next three to five years. Under this category, analysts look at whether or not a supplier's strategies in various areas are aligned with customer requirements (and spending) over a defined future time period. Figure 1 shows each vendor's position in the vendor assessment chart. Each vendor's market share is indicated by the size of the bubble.

FIGURE 1

IDC MarketScape Life Science CRM Software Vendor Assessment



Source: IDC Health Insights, 2013

Vendor Summary Analysis

This section provides brief profiles on each vendor evaluated in this IDC MarketScape, including commentary on each vendor's strengths, weaknesses, and positioning in the vendor assessment graph.

Veeva Systems

Veeva Systems has served the life science industry for the past six years, with its global headquarters in Pleasanton, California. Veeva is a privately held company and does not share its revenue publically, but IDC estimates it to be approximately $150 million. Veeva's CRM software is the fastest-growing offering in this space, with the company's revenue doubling annually since Veeva's inception. The company currently has approximately 130 customers, with more than 115,000 users live on its platform.

Veeva is the official partner solution of salesforce.com for life science CRM, and as such, Veeva exclusively provides its solution through a multitenant SaaS delivery model built on the salesforce.com platform. Veeva's CRM software is deployable on a PC, PDA/smartphone, and tablet PC, including iPad and BlackBerry, and Veeva recently announced support for Windows 8.

Veeva's CRM software scored extremely well in this IDC MarketScape, with Veeva positioned in the Leaders category. Veeva's CRM ease of use, user interface, and breadth of functionality are among the best in the industry, and the company's sole focus on the life science industry boosts Veeva's unique understanding of market wants and needs. This was echoed by the firm's customers, which gave Veeva's life science market expertise extremely high marks. While historically Veeva's inability to provide an on-premise deployment model might have been a slight weakness with some customers, the life sciences have now wholeheartedly moved to the cloud for CRM, primarily seeking multitenant CRM. One area for improvement mentioned by customer references is Veeva's ability to scale customer support capabilities to appropriately support global accounts. Veeva is working to meet this call with expanded use of partners and expanded support capabilities. Overall, Veeva continues to grow its customer base at an accelerated pace and has a strong base of customer references.

ESSENTIAL GUIDANCE

Actions to Consider

Platform Consideration

Though we live in an iPad-dominated market today, a growing number of life science companies are interested in exploring the potential adoption of Windows 8 tablets.

Few would disagree that laptops are not the best device for sharing information. Tablets do a much better job at displaying data and making interactions more intuitive and intelligent. But many companies also feel that most tablets today still function as companion devices rather than replacements for the traditional laptop (with the one exception to this being teams in the field that may not require much back-office work). For the non–field worker who still needs to spend extensive time typing and working with documents, spreadsheets, and other digital assets, laptops are still very much needed.

Supporting two devices for employees' long term is viewed as unsustainable by most IT organizations. For this reason, some believe Windows 8 tablets may be an appropriate long-term solution to this problem since it would allow companies to converge all non–field employees onto a single tablet PC. Additionally, Windows 8 tablets seamlessly integrate with the Microsoft Office suite — a somewhat obvious yet extremely important fact since the majority of applications owned by life science companies today are largely Windows based. Hence, running Window-based tablets would simplify the integration and significantly reduce the development time and effort involved in porting enterprise applications over to be used on employee mobile devices.

The vast majority of life science companies today are still running their field sales applications on iPads, but because of this early-stage emerging line of thinking, companies should spend some time considering the potential of this longer-term trend within their own organization. If it seems like a potential direction of movement for your organization in the future, you may want to consider using CRM software from a vendor that has already committed to supporting Windows 8 so you're not stuck waiting for your CRM vendor to catch up, if and when you organization decides to roll out Windows 8 devices.

The good news, however, is that several leading vendors in this space, such as Veeva, Cegedim, Media-Soft, and Synergistix, have already recognized this trend. Each of these vendors supports Windows devices and has already broadened its horizons to become more platform independent and provide its customers more freedom to choose their own platform.

LEARN MORE

Related Research

- *Best Practices: 2013 Life Science Sales and Marketing IT Benchmark Guide* (IDC Health Insights #HI241092, May 2013)
- *IDC MarketScape: Worldwide Pharmaceutical Social Media Analytics 2012 Vendor Assessment* (IDC Health Insights #HI236520, August 2012)

Synopsis

This IDC Health Insights report provides an assessment of the life science CRM software market, identifies how the major vendors in this space compare with each other, and discusses which criteria are most important for life science companies to consider when making a buying decision.

The life science customer relationship management (CRM) software market has experienced renewed growth over the past few years, due to both the emergence and maturation of cloud technology and the broad development of new regulations affecting traditional go-to-market sales and marketing operations. Cloud-based software has tipped in the industry and become the preferred software deployment platform for most sales and marketing organizations. This has led to wide-scale upgrading and replacement of older on-premise CRM implementations. This study is designed to provide life science companies with guidance on which CRM vendors serving the industry are best suited for consideration when evaluating a CRM upgrade or replacement.

Eric Newmark, program director, IDC Health Insights' Life Science Business Systems, noted, "Most next-generation CRM systems today are designed specifically to help better automate, simplify, and advance sales rep capabilities, possess greatly enhanced mobile features, and are designed to work on a variety of tablet PCs. However, among the many vendor solutions available today, there can be a significant difference in ease of use, user interface design, and system flexibility. Likewise, the ability to appropriately service customers and support their business needs through technical support and diligent account management can also vary significantly between vendors. The qualities defining market share winners of yesterday were significantly different than those that will define today and tomorrow's leading vendors."

