

HEALTHCARE IT SERVICES Q4 (NOVEMBER) 2016 UPDATE

M&A, Client Wins, Partnerships, Leadership Announcements

This report is a round-up of healthcare sector updates from IT and IT services companies. The focus of the report is on M&A activities, customer wins, partnerships and new product initiatives, and leadership announcements.



KEY UPDATES

- 1 NTT DATA closed its acquisition of Dell Services. At \$3.6 Billion, it is a strategic acquisition for NTT. The new entity, called NTT DATA Services, is expected to double the revenues of NTT DATA bringing specific strengths in healthcare, as well as BPO.
- 2 Infosys invests in TidalScale, a pioneer in software-defined servers that simplify the way companies can apply computing resources to tackle big problems. Infosys will have the ability to transform the economics and time constraints of working with big data.
- 3 HCL wins a \$50 Million contract with University of California, San Francisco, and picks up a new client, Health Care Service Corporation (HCSC), which operates Blue Cross and Blue Shield plans in five states.

ACCENTURE

- 1 Accenture appointed Herbert Hainer to the company's board of directors. He was CEO and Chairman of the executive board of Adidas from 2001 until his retirement in September 2016.
- 2 Accenture has completed the acquisition of a 47.4% shareholding in OCTO Technology – a technology consultancy specializing in digital transformation and software development – on a fully diluted basis.
- 3 Accenture appoints Chip Bell, a 29-year company veteran, to serve as its Cleveland office managing director, effective December. He will oversee the company's Northeast Ohio business, including its roughly 200 employees and relationships with local clients across industries, including healthcare, manufacturing, financial services, consumer products, and utilities.

CTS

- 1 Cognizant has entered into a definitive agreement to acquire privately-held Mirabeau BV, a Dutch digital marketing and customer experience agency specializing in industries such as travel and hospitality, financial services, retail and B2B sectors.

DELL-NTT DATA SERVICES

- 1 Dell Services acquisition by NTT DATA Inc has been completed in seven months. It is called NTT DATA Services, on an interim basis, Some of the deal highlights are:
 - More than doubles NTT DATA Services revenues from \$1.7 Billion to \$4 Billion.
 - Significantly strengthens the infrastructure and cloud business of NTT DATA Inc., which traditionally is supplied by parent company NTT Com (telecom services, data center, and hosting), security (NTT Security), and IT infrastructure services (Dimension Data). Dell Services generated \$1.68 Billion in IT infrastructure and cloud revenue in its FY 2016 (to January 29, 2016).
 - Brings in applications and BPO business (~\$1.16 Billion revenue in FY16), with specific strengths in healthcare (~50% of revenues of the former Perot Systems). The BPO capability, in particular, will significantly boost NTT DATA Inc.'s capabilities.
 - Brings in industry-specific capabilities in sectors such as healthcare.
 - More than doubles NTT DATA Inc.'s India delivery capabilities, from ~12k to ~26k personnel.

HCL

- 1 HCL wins a \$50 Million contract with University of California, San Francisco, helping them save \$30 Million over five years. About 80 IT workers at UC San Francisco are facing layoffs and have begun training their replacements who are lower-paid tech workers from HCL. If this proves successful, this trend to outsource could spread across the University of California campuses, as well as other universities.
- 2 500 IT workers in the infrastructure team at Health Care Service Corporation (HCSC) who were notified recently of their layoff will train their replacements from HCL.



- 3 HCL and IBM have entered into a 15-year partnership to build industry-leading Experience enhanced, Automation and DevOps solutions. The 15-year partnership takes the best of their shared knowledge and teaming experience to build industry-leading Experience enhanced, Automation and DevOps solutions, which are crucial to the success of their digital enterprises.

INFOSYS

- 1 Infosys completes the investment in TidalScale, a pioneer in software-defined servers in November. TidalScale's Software-Defined Server technology enables customers to

These tools enable them to react better to today's dynamic environment of new cloud platform and cognitive solutions. This partnership will help HCL to focus their technical teams on native cloud and cognitive solutions, as well as industry-specific opportunities.

glean insights from ever-growing data volumes by scaling systems quickly, easily and affordably across virtually any population of commodity servers.

TCS

- 1 Cyrus Mistry ousted as Chairman of TCS. Ishaat Hussain replaces him as interim Chairman.

WIPRO

- 1 Wipro appoints Gilles Grangé as regional head of its operations in France.

OTHERS

- 1 CitiusTech** received certification for its BI-Clinical platform from NCQA (National Committee for Quality Assurance) for its coverage of all Healthcare Effectiveness Data and Information Set (HEDIS) 2016 performance measures. BI-Clinical is one of the most widely used business intelligence (BI) and analytics platform in the healthcare industry, with deployments in over 4,500 provider locations across North America, covering more than 30 million lives and 700,000 physicians.
- 2 Persistent Systems** announced an alliance with Dell Boomi, the number one integration cloud, to focus on healthcare and financial organizations. The alliance bolsters Vega™ – Persistent's Digital Experience Framework that brings speed to digital transformation.
- 3 Sutherland Global Services** appointed Andy Zimmerman as the new president of Sutherland Digital. In this new role, he will further help customers plan and execute their digital process transformation strategies following the acquisition of Nuevora a top ten big data analytics firm.
- 4 EXL** appointed Suren Kumar as the Global Head of EXL Consulting. Suren Kumar with more than 20 years of experience in building and growing consulting organizations joins EXL from TCS. At TCS, he spent more than four years in multiple leadership roles, most recently as Global Managing Partner for the Global Consulting Practice for banking and financial services. He has previously worked in consulting roles for several large organizations including PricewaterhouseCoopers and Deloitte & Touche, as well as in other smaller privately held consulting organizations.

Readers may also be interested in our [mid-year analysis](#) of the major IT services firms. Subscribe to our newsletter [The Healthcare Leader](#) and our blog [The TAO of Health](#).

ABOUT DAMO CONSULTING

Damo Consulting is a Chicago-based management consulting firm that works exclusively in healthcare. Our clients include healthcare enterprises and technology firms. We provide growth strategy consulting, market intelligence and digital marketing solutions.

USA

One Lincoln Center, 18W140 Butterfield Road
Oakbrook Terrace Suite 1500
Oak Brook, Illinois, 60181

Phone: (630) 613-7200

INDIA

Mariam Center, 7M - 302,
2nd Floor, HRBR Layout,
Bangalore - 560 043

Phone: +91 8064051999

Email: info@damoconsulting.net | Website: www.damoconsulting.net

