



KPMG Managed Services

Industry snapshot: life sciences



Facing price pressure, expiring patents, and increasing R&D costs, life sciences organizations are prioritizing digitization and AI as ways to unlock growth and innovation. To offset related costs and talent requirements, they're also exploring new operating models, and many are finding them in managed services.

The information below provides a snapshot of recent KPMG research findings, followed by considerations for taking action.



Trends and challenges

 **Cyber risk and regulatory compliance**



61% of life sciences tech leaders worry that **cybersecurity** is treated as a box-ticking exercise and is not sufficiently embedded in operations.¹



Life sciences execs see cybersecurity, data privacy, and **compliance** as top factors that slow digital transformation.¹



63% of life sciences tech heads say **risk aversion** from senior leadership is causing transformation delays.¹

 **Technology**



60% of life sciences CEOs say **generative AI** and, more specifically, agentic AI solutions are a top investment priority.²



However, only 38% are confident their **data quality** is ready for AI.²



More than other sectors, life sciences is prioritizing investments in everything as a service (**XaaS**) and modern delivery. As innovation continues, they are starting to explore Service as Software (SaaS 2.0).¹



Life sciences processes are increasingly digital, with less on-premise infrastructure and more **software as a service**.³



36% of biopharma leaders are investing in AI or **machine learning** to **transform commercial capabilities**, while **12%** are using this tech for efficiency in the back office.³

¹Source: [KPMG Global Tech Report: Life Sciences Insights](#) | ²Source: [KPMG 2024 Life Sciences CEO Outlook](#) | ³Source: [KPMG 2025 Healthcare and Life Sciences Investment Outlook](#)



Many life sciences organizations are using managed services to help address these challenges.



More than 70%

say they have implemented managed services, either in a business function or at scale across the enterprise, for:

- **Regulatory compliance**
- **Risk**
- **Industry-specific core operations**
- **Innovation/R&D**



More than half say they have implemented managed services for **data management**

in a business function.



43% say they have implemented enterprise-wide managed services for **cybersecurity.**



86% use managed services for new endeavors, such as standing up a **GenAI** center of excellence.



Managed services are evolving from transactional to transformational.



85% of life sciences executives see modern managed services as the delivery of key processes on an **outcome-based, as-a-service subscription**, in contrast to more piecemeal or transactional outsourcing.



As managed services rise in

strategic value,

30% say the decision is made by C-level leaders, while **20%** say the board.



About **90%** of life sciences leaders say a managed service is not truly a managed service unless it has **embedded AI capability and domain expertise** including industry, process, and technology — to support ongoing transformation.



The two provider capabilities that life sciences companies value most in managed services are access to **global talent and advanced technology.**

Source: [KPMG and HFS Managed Services Outlook 2024-2025](#)

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Taking action

01 Look beyond cost savings

Managed services have the potential to reduce total cost of operations by as much as 15 to 45 percent, without prohibitive upfront investments.

And that's just the beginning. Leading providers also address outcomes such as accelerated innovation, stakeholder trust, agile regulatory compliance, and operational resilience — all on a multi-year subscription.

As-a-service solutions have predictable costs, any-shore delivery, and the option to flex up or down to meet changing priorities.

02 Add cybersecurity to GXP

In life sciences, ensuring product integrity and safety also means protecting data, applications, and intellectual property. That's why good practices (GxP) guidelines are expanding to include cybersecurity, and managed services can help. Providers offer identity & access management, automated applications testing, and threat detection & response — across both information technology and operational technology. In addition to protecting critical assets, these services help you comply with fast-changing regulations and accelerate processes by baking security into discovery and development.

03 Get more value from cloud platforms

From SAP to ServiceNow, cloud platforms are transforming global business functions in life sciences. However, to get lasting value after a cloud implementation, it's smart to view it as a journey, not a destination.

With the help of managed services, you can evolve your platform with ongoing strategic enhancements, such as systems integration that improve data visibility or process improvements that inspire regulator trust. Managed services also help you absorb software updates, capitalize on emerging innovation, and nimbly pivot amid changing priorities.

04 Continually upskill your workforce

As you invest in gen AI and other emerging technologies, how will you ensure your workforce has the skills to use them? Learning as a service (LaaS) is a way to upskill and reskill workers on an ongoing basis, helping them meet ever-changing job requirements. You can subscribe to a digital platform that makes learning a regular part of workers' daily experience — by combining content, delivery, administration, experience design, communications, and more into an integrated service. The best providers also use data analytics to forecast trends, quickly identify learning gaps in your workforce, and develop new training to answer the call.

05 Choose a multidisciplinary provider

No matter what kind of managed services you're exploring, it's wise to engage a provider with multidisciplinary expertise in life sciences processes — from strategy to implementation to ongoing value.

Savvy providers help you rethink your approach, modernize your data foundation, tap advanced technology, and design flexible operating models that continue to evolve. The right provider can help you achieve sustained transformation — and sustained advantage.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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...or get in touch:



Anand Sekhar

Principal, Technology Leader,
Life Sciences, KPMG LLP

M: +1 227 233 0928
E: anandsekhar@KPMG.com



Dipan Karumsi

Consulting Sector Leader,
Life Sciences, KPMG LLP

M: +1 614 301 7156
E: dkarumsi@KPMG.com

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