



Everest Group Services PEAK Matrix™ for Healthcare Consulting Service Providers

Focus on Optum
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Introduction and scope

Everest Group recently released its report titled “[Healthcare Consulting – Service Provider Landscape with Services PEAK Matrix™ Assessment 2017](#)”. This report analyzes the changing dynamics of the healthcare consulting landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group classified 20 service providers on the Everest Group Services PEAK Matrix for healthcare consulting into Leaders, Major Contenders, and Aspirants. The PEAK Matrix™ is a framework that provides an objective, data-driven, and comparative assessment of healthcare consulting service providers based on their absolute market impact and vision & capability.

Based on the analysis, **Optum emerged as a Leader**. This document focuses on Optum’s healthcare consulting services experience and capabilities. It includes:

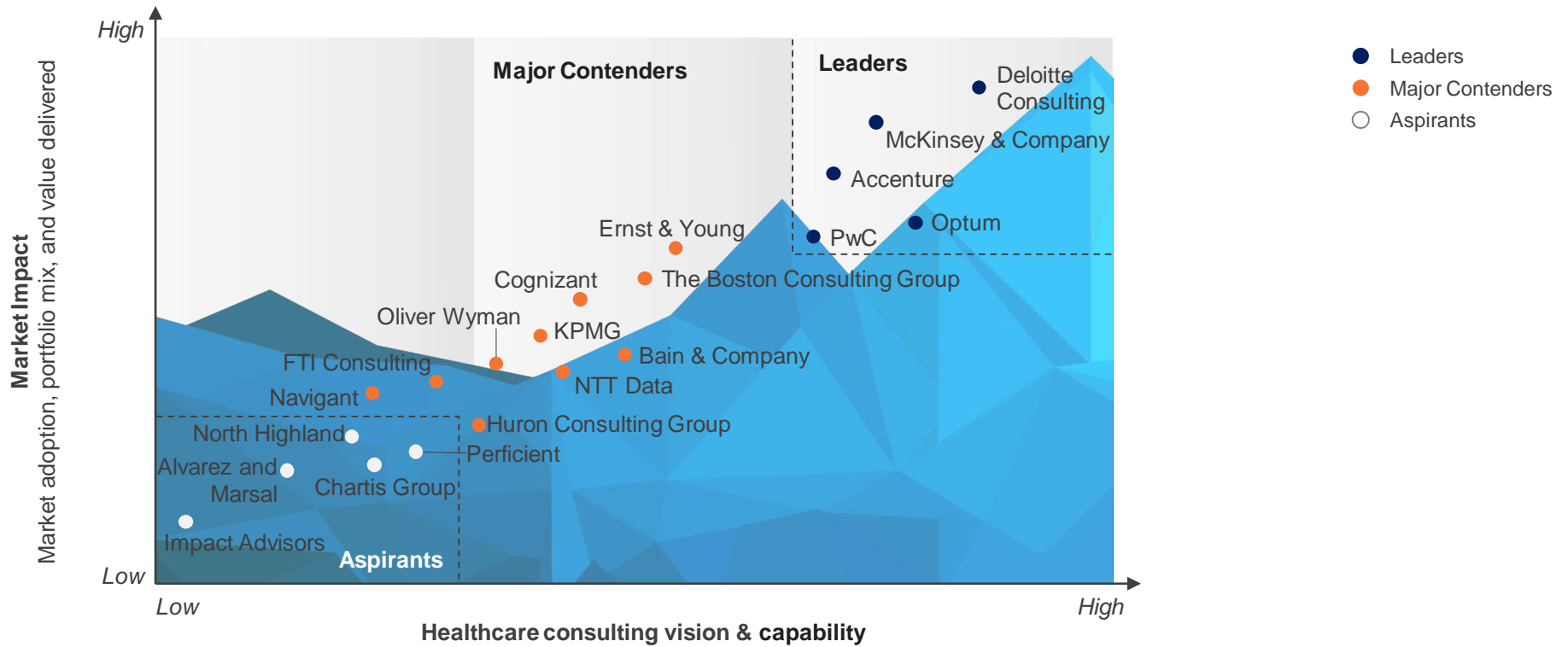
- Optum’s position on the healthcare consulting services PEAK Matrix
- Detailed healthcare consulting services profile of Optum

Buyers can use the PEAK Matrix™ to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix™ is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Everest Group PEAK Matrix™

Healthcare Consulting | Optum positioned as Leader

Everest Group Healthcare Consulting – Service PEAK Matrix™ Assessment 2017



(Vision and strategy, scope of services offered, enabling innovation and domain investments, and delivery footprint)

Note: Assessment for Accenture, Alvarez and Marsal, Bain & Company, The Boston Consulting Group, Chartis Group, Deloitte Consulting, Ernst & Young, FTI Consulting, Huron Consulting Group, Impact Advisors, KPMG, McKinsey & Company, Navigant, North Highland, Oliver Wyman, Perficient, and PwC excludes service provider inputs on this particular study and is based on Everest Group's estimates, which leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of Accenture, Alvarez and Marsal, Bain & Company, The Boston Consulting Group, Chartis Group, Deloitte Consulting, Ernst & Young, FTI Consulting, Huron Consulting Group, Impact Advisors, KPMG, McKinsey & Company, Navigant, North Highland, Oliver Wyman, Perficient, and PwC, service provider public disclosures, and interaction with buyers

Source: Everest Group (2017)

Optum | Healthcare Consulting profile

Areas of strengths

- Diverse capabilities spanning the entire consulting value chain and catering to payers, providers, and PBMs across the globe
- Valuable UnitedHealth Group (UHG) pedigree and strong product base provides distinct edge in the healthcare domain

Consulting value chain coverage



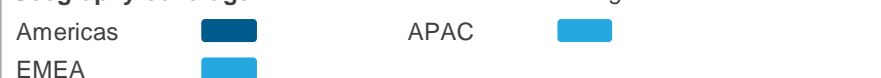
Client focus segments



Areas of improvements

- Use the acquisition of The Advisory Board Company's healthcare consulting business to position itself as a mainstream consulting player vis-à-vis an IT service provider with consulting adjacencies
- Leverage evolving pricing models to compete more effectively

Geography coverage



Overview of client base

Optum works with leading healthcare providers, health plans, and government agencies. Some of its major clients include UnitedHealthcare, Blue Shield California, Dignity Health, Florida Blue, Mission Health, Mayo Clinic, Northwell Health, Quest Diagnostic, and more than 35 state government Medicaid and HHS agencies, and multiple federal agencies

Overview of recent developments

| Development | Details |
|---|---|
| Acquisition of Advisory Board's healthcare business | August 2017: Optum has decided to acquire The Advisory Board Company's healthcare consulting and technology business for US\$1.3 billion. This will help Optum to diversify its business and to better serve its existing clients |
| Acquisition of Surgical Care Affiliates | January 2017: Optum acquired Surgical Care Affiliates for US\$2.3 billion to expand its provider footprint to fulfill its mission of serving about two-thirds of the U.S. population |
| Collaboration with Quest Diagnostics Partner | September 2016: Optum partnered with Quest Diagnostics Partner, a leading provider of diagnostic information services, to help make the health system work better for patients, physicians, health plans, and employers |
| Acquisition of Catamaran Corp. | July 2015: Optum acquired Catamaran Corp. to provide a complete pharmacy care solution for consumers and promote collaboration among pharmacists and care providers |

Vision and strategy

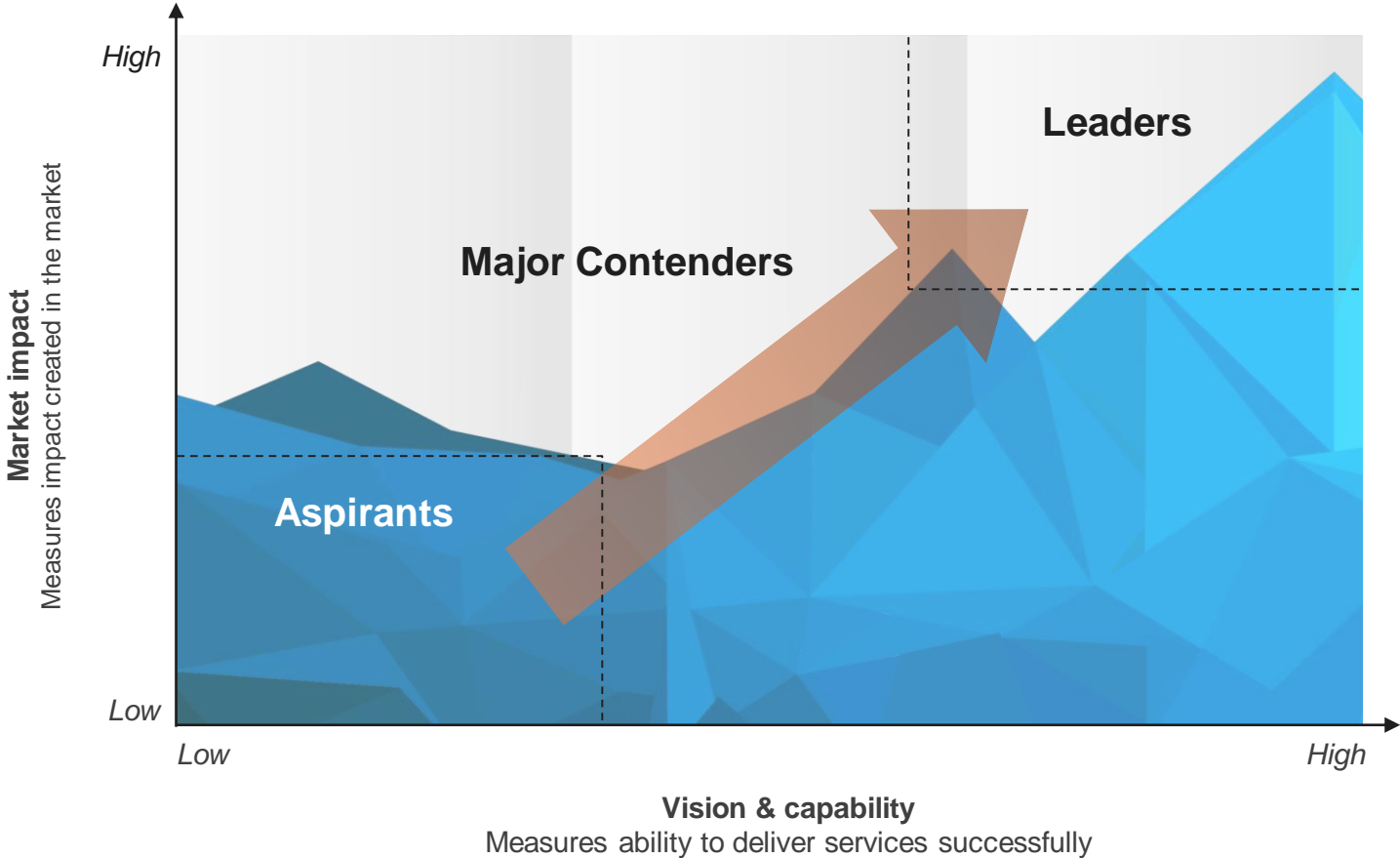
Optum helps healthcare payers, providers, and government agencies to transform their healthcare ecosystem by modernizing infrastructure, enhancing care, and empowering consumers.

Source: Everest Group (2017)

Appendix

Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix



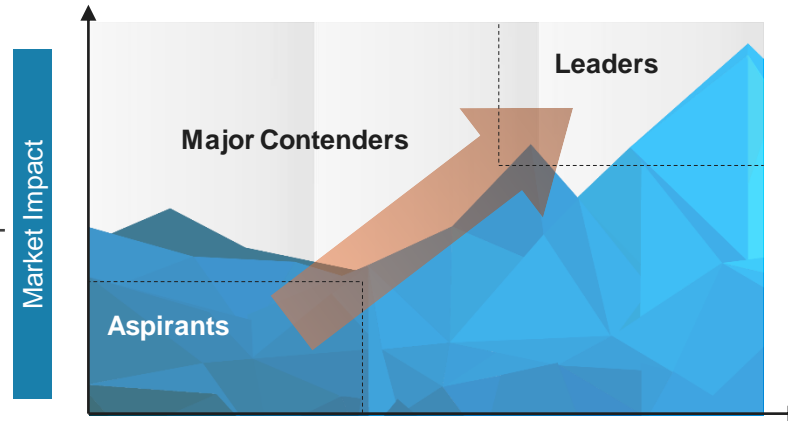
Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

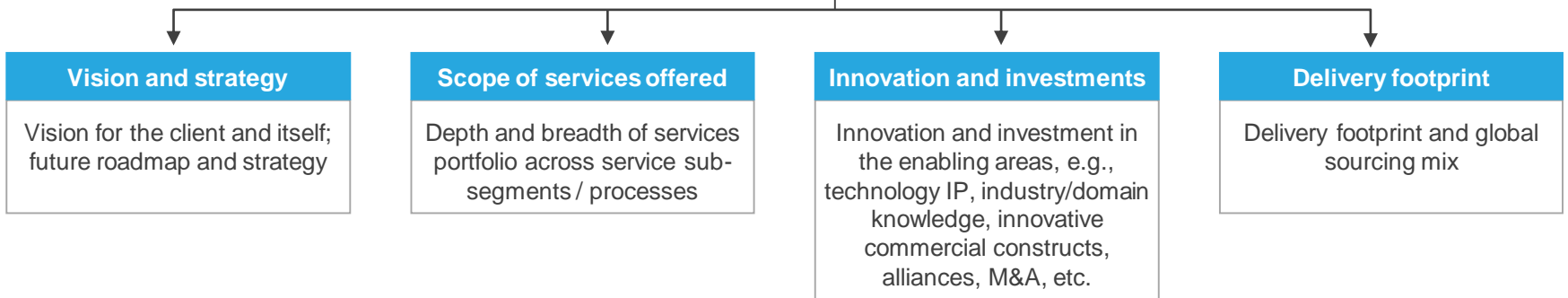
Portfolio mix
Diversity of client/revenue base across industries, geos, enterprise size class

Value delivered
Value delivered to the client based on customer feedback and other measures



Vision and capability

Measures ability to deliver services successfully. This is captured through four subdimensions



Does the PEAK Matrix™ assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix™ assessment adopts an objective and fact-based approach (leveraging service provider RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?

No. PEAK Matrix™ highlights and positions only the best-in-class service providers in a particular functional/vertical services area. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix™ at all. Therefore, being represented on the PEAK Matrix™ is itself a favorable recognition

What other aspects of PEAK Matrix™ assessment are relevant to buyers and providers besides the “PEAK Matrix™ position”?

PEAK Matrix™ position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix™ providers assessed in its report. The detailed metric level assessment and associated commentary is helpful for buyers in selecting particular providers for their specific requirements. It also helps providers showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix™ research?

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix™ assessment
- Participation incentives for providers include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix™ providers” profiles

What is the process for a service provider to leverage their PEAK Matrix™ positioning status ?

Providers can use their PEAK positioning rating in multiple ways including:

- Issue a press release declaring their positioning/rating
- Customized PEAK profile for circulation (with clients, prospects, etc.)
- Quotes from Everest Group analysts could be disseminated to the media
- Leverage PEAK branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)

The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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