HEALTH CARE PROVIDERS

What the Data Tells Us About Digital Transformation, by Industry

The key findings for health care providers

With only 16% of health care providers in the win zone, the sector lags the cross-industry average success rate for digital transformations by 50%.

The sector's biggest areas of weakness are modular tech and data platforms, agile governance, and deploying high-caliber talent.

Transformation priorities have included patient centricity and innovation (specifically, business model innovation and digital ecosystems).

The priorities going forward, in order of importance and planned share of investment, are digital care delivery and medical management, digital patient engagement, digital support functions, and smart operations.

Leaders are prioritizing telemedicine, making health knowledge available through digital channels, digitizing accounts receivable, and digitizing real-time and prescheduled task alerts for operations.

Health care providers emphasize the S and G in ESG; employee health and safety and protecting patient and employee data are the sector's top ESG digital priorities.

Source: BCG analysis.

The data in more depth

Rates of success in digital transformation

Topics of focus for health care providers

Top priorities for the future

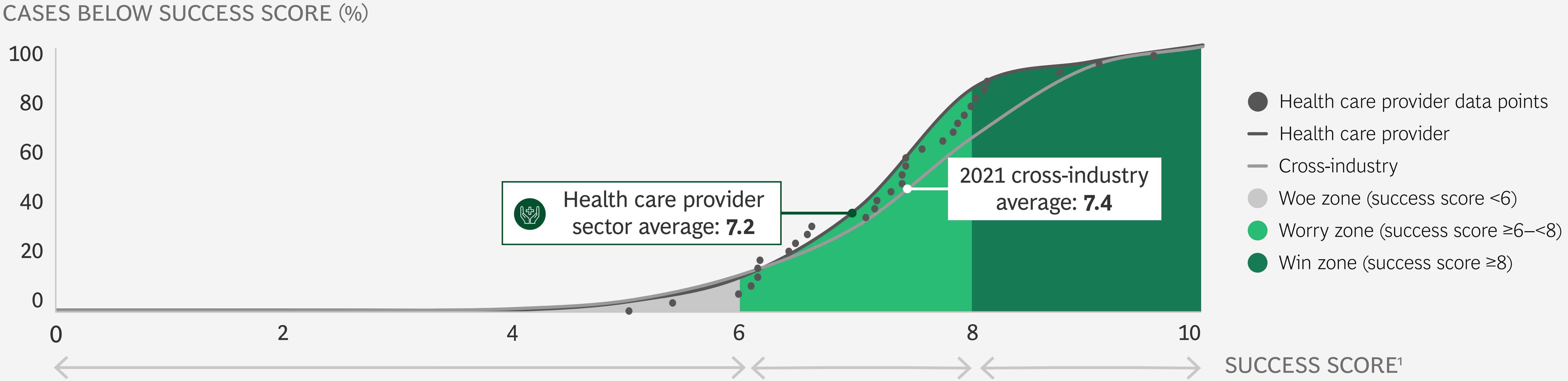
The critical human and tech enablers

The role of ESG in digital transformation

Source: BCG analysis.

RATES OF SUCCESS

Only 16% of health care providers are in the win zone, less than half the cross-industry average, while the worry zone is 1.4 times larger



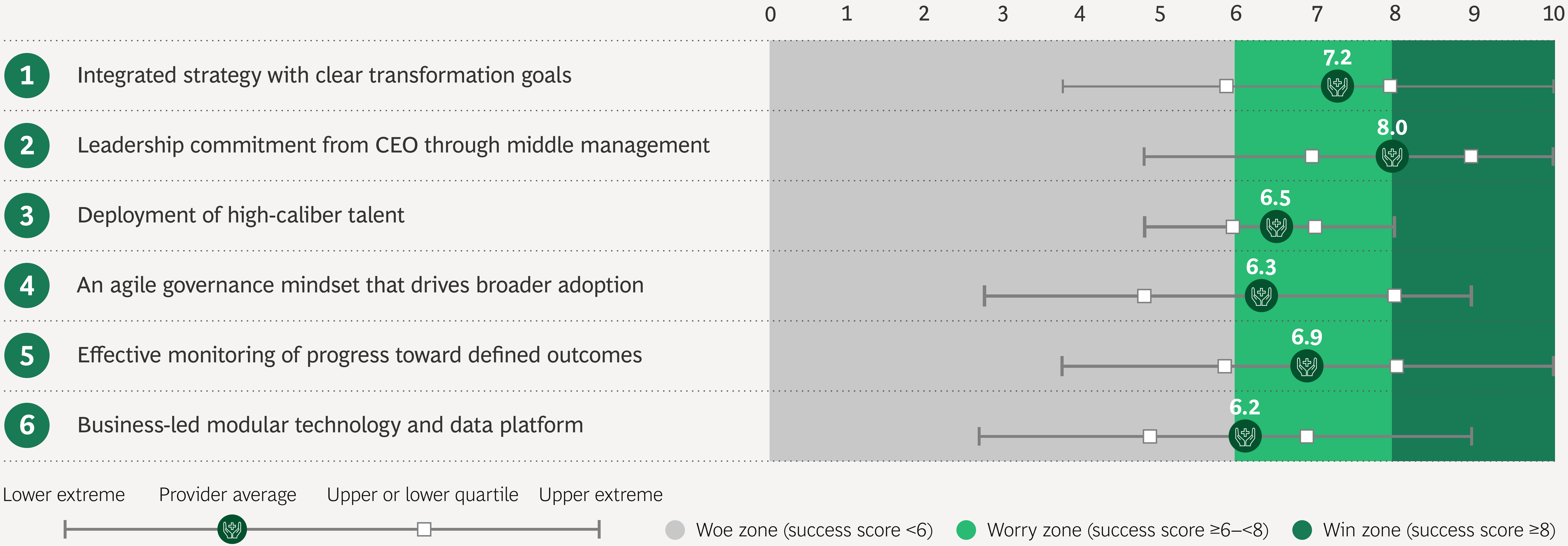
2021 BCG Global Digital Transformation Survey overall	**13%**	**52%**	**35%**
Health care provider sector	**13%** Limited value created (<50% of target); no sustainable change	**71%** Value created but total targets not met; limited long-term change	**16%** Target value met or exceeded; sustainable change created

Source: 2021 BCG Global Digital Transformation Survey.
Note: Survey question: "Across the following dimensions, please rate your organization's digital transformation experience to date on a scale of 1 to 10, using the guidelines in the table below."
[1]Success score is calculated from respondents' answers on six dimensions of transformation: strategy; leadership; talent; agility; monitoring; and tech and data.

RATES OF SUCCESS

Providers struggle most with business-led modular tech and data platforms, agile governance mindset, and deploying high-caliber talent

DISTRIBUTION OF SUCCESS SCORES ON INDIVIDUAL KEY FACTORS[1]



Source: 2021 BCG Global Digital Transformation Survey.

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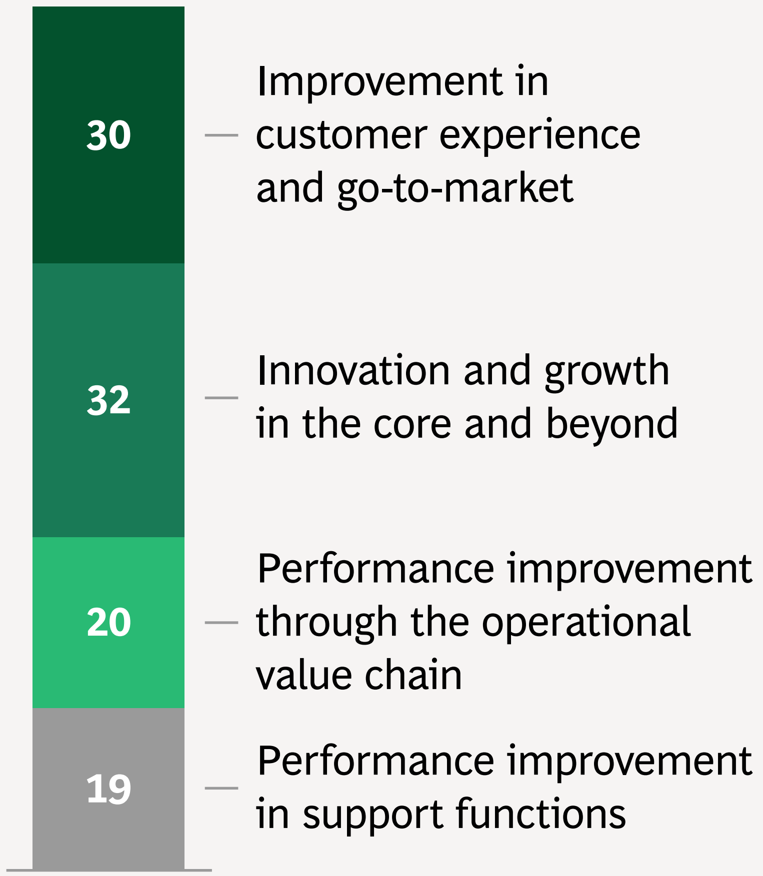
TOPICS OF FOCUS

The transformation priorities for providers include patient centricity and innovation (specifically, business model innovation and digital ecosystems)

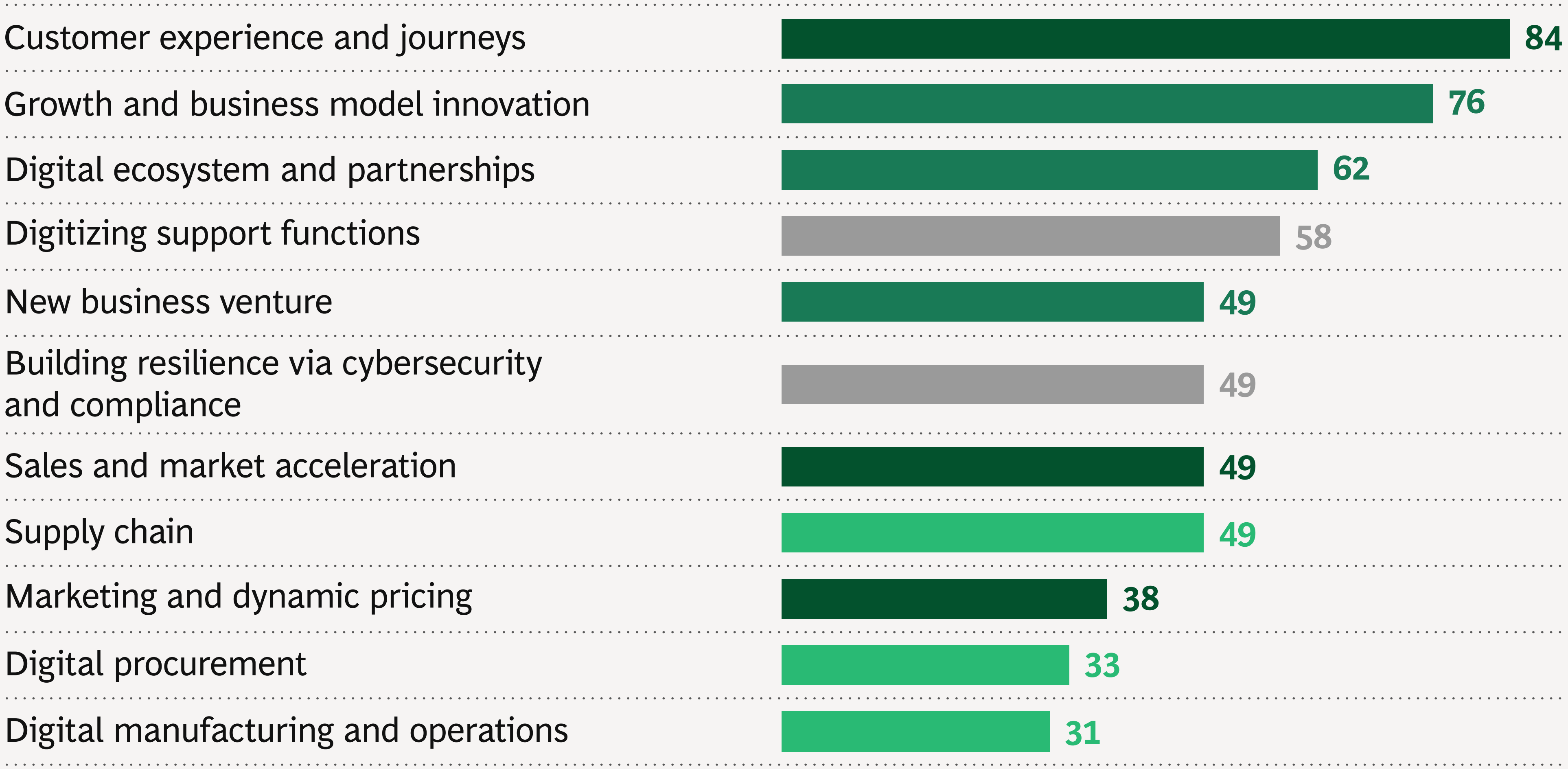
Strategic objectives

SHARE OF RESPONDENTS (%)



Scope of digital transformation[1]

SHARE OF RESPONDENTS (%)

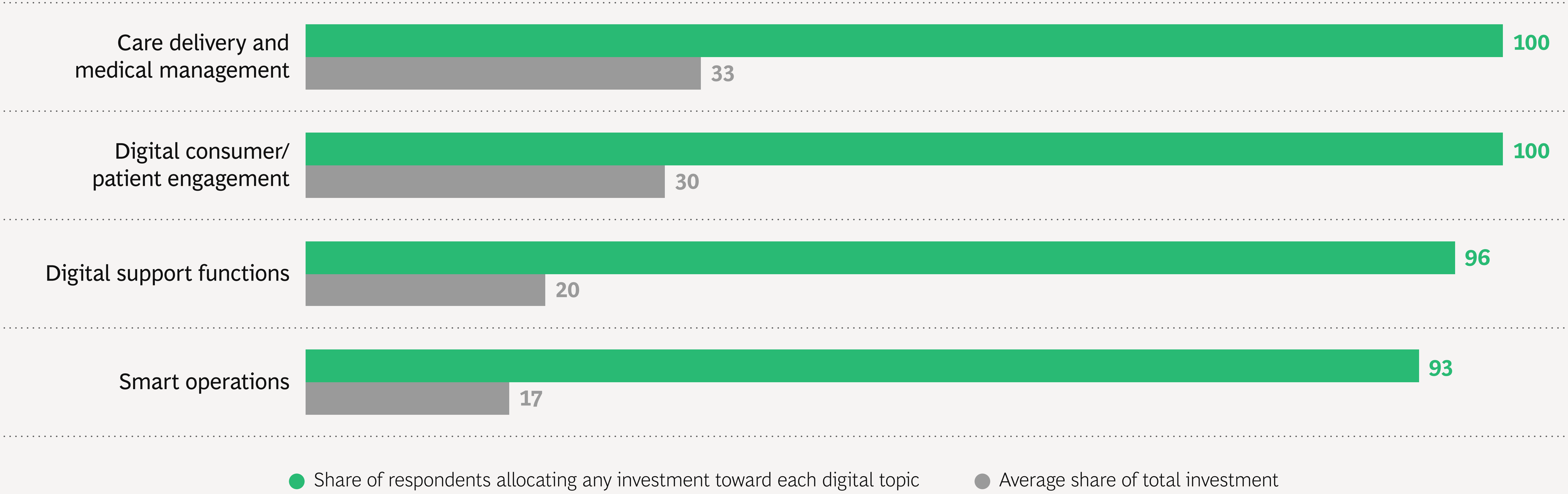


Source: BCG Global Digital Transformation Survey, 2021, n = 45.
[1]Respondents were asked to select all priorities that applied.

TOP PRIORITIES FOR THE FUTURE

All providers plan to allocate more than 60% of spending on care delivery and medical management and on consumer and patient engagement

PLANNED SHARE OF WALLET SPENDING ALLOCATED ACROSS DIGITAL TOPICS IN THE NEXT TWO TO THREE YEARS (%)[1]

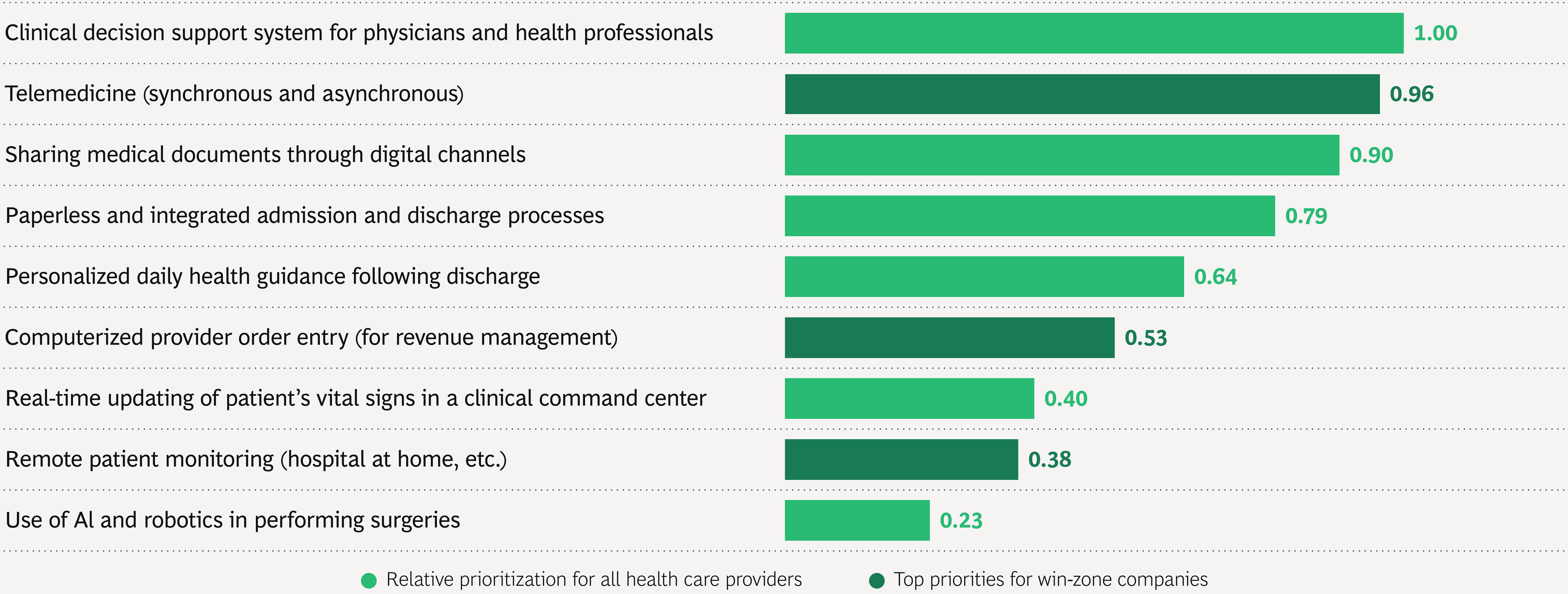


Source: 2021 BCG Global Digital Transformation Survey.
[1]For example, the uppermost pair of bars can be read as "100% of health care provider respondents plan to invest in care delivery and medical management, allocating an average 33% of total digital investment."

TOP PRIORITIES FOR THE FUTURE

Health care providers’ digital priorities: Care delivery and medical management

Digital initiatives (bars indicate relative prioritization of initiatives)

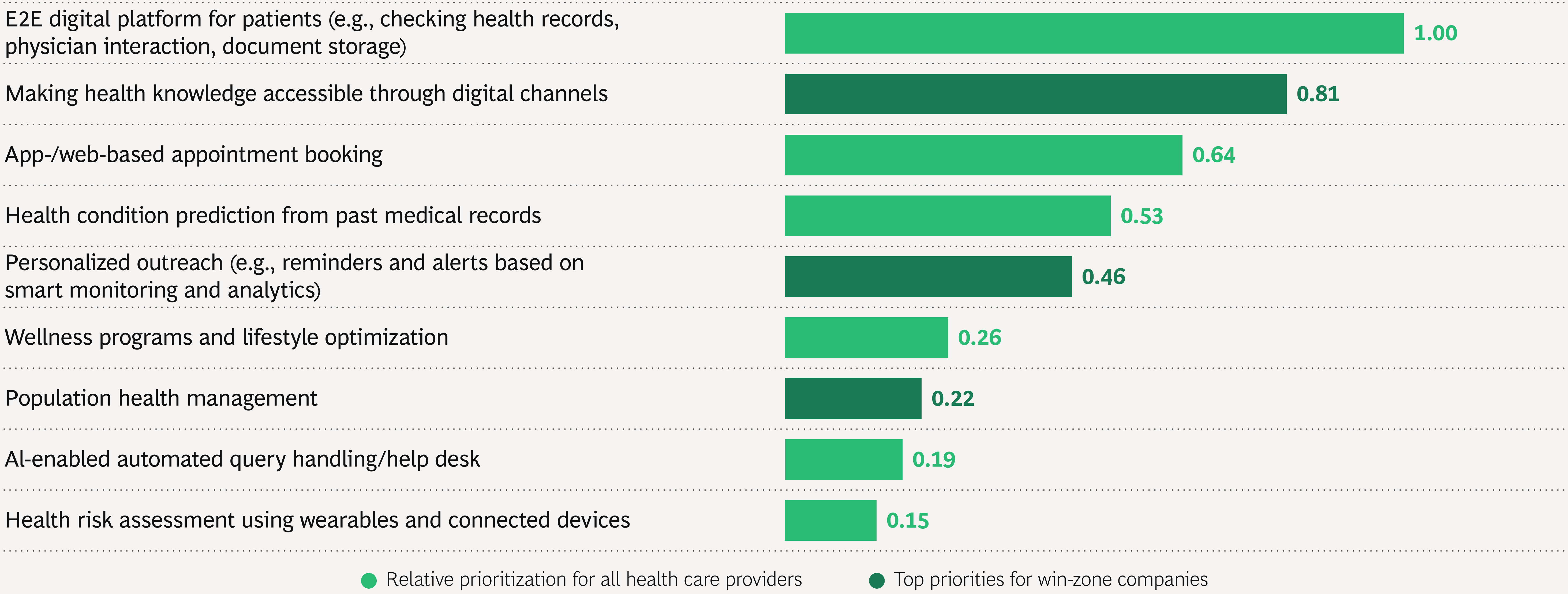


Source: 2021 BCG Global Digital Transformation Survey, n = 45.

TOP PRIORITIES FOR THE FUTURE

Health care providers' digital priorities: Digital consumer and patient engagement

Digital initiatives (bars indicate relative prioritization of initiatives)

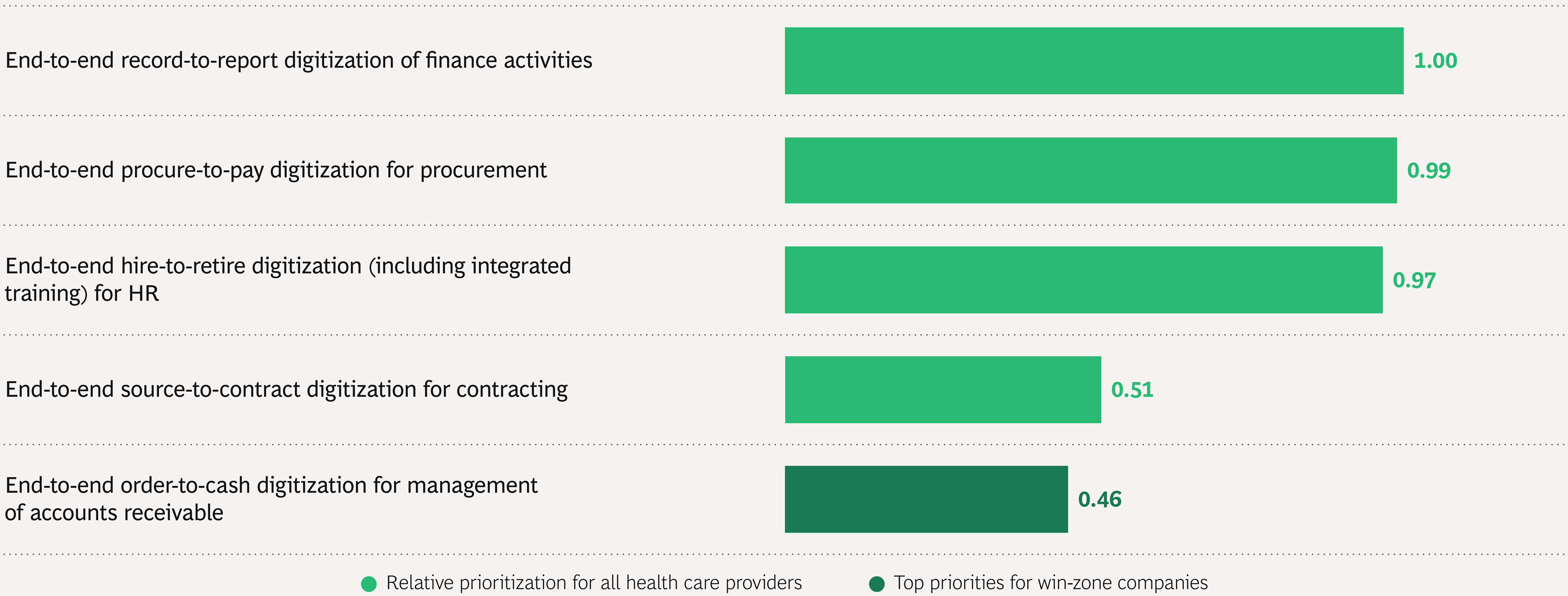


Source: 2021 BCG Global Digital Transformation Survey, n = 45.

TOP PRIORITIES FOR THE FUTURE

Health care providers’ digital priorities: Digital support functions

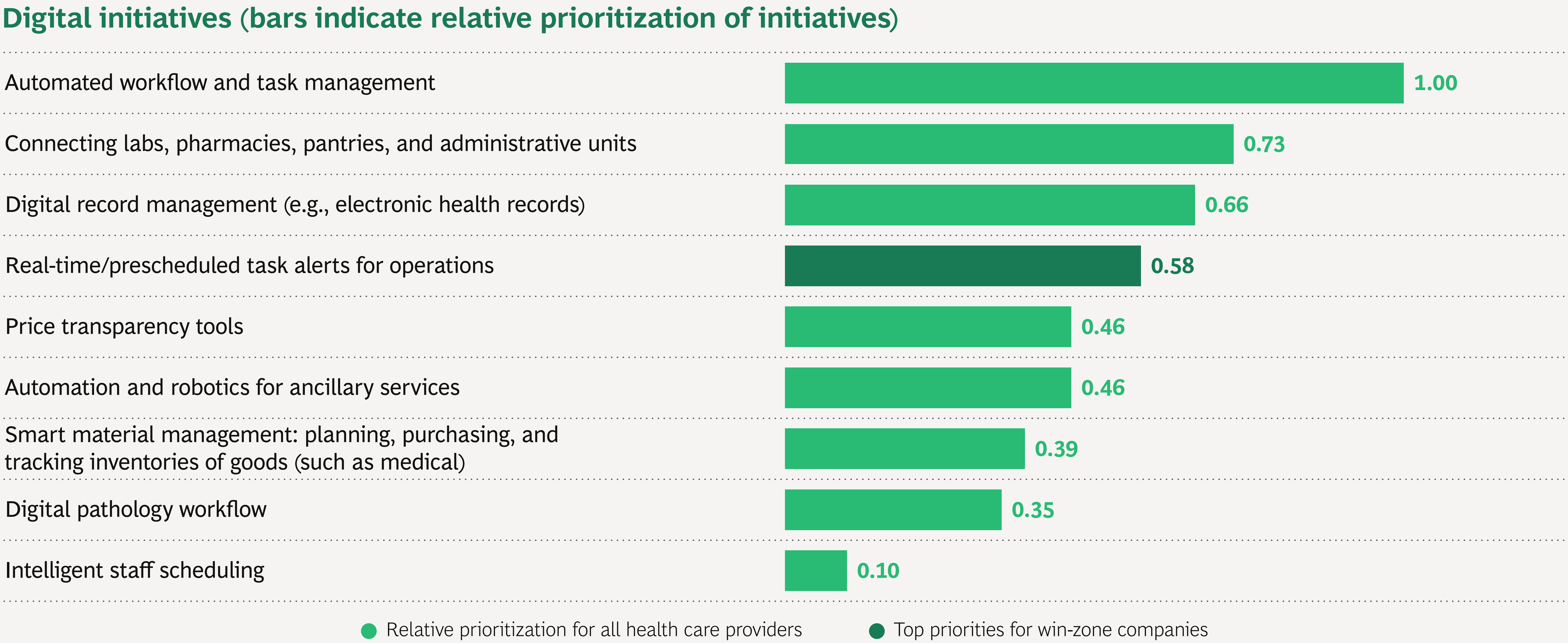
Digital initiatives (bars indicate relative prioritization of initiatives)



Source: 2021 BCG Global Digital Transformation Survey, n = 45.

TOP PRIORITIES FOR THE FUTURE

Health care providers' digital priorities: Smart operations



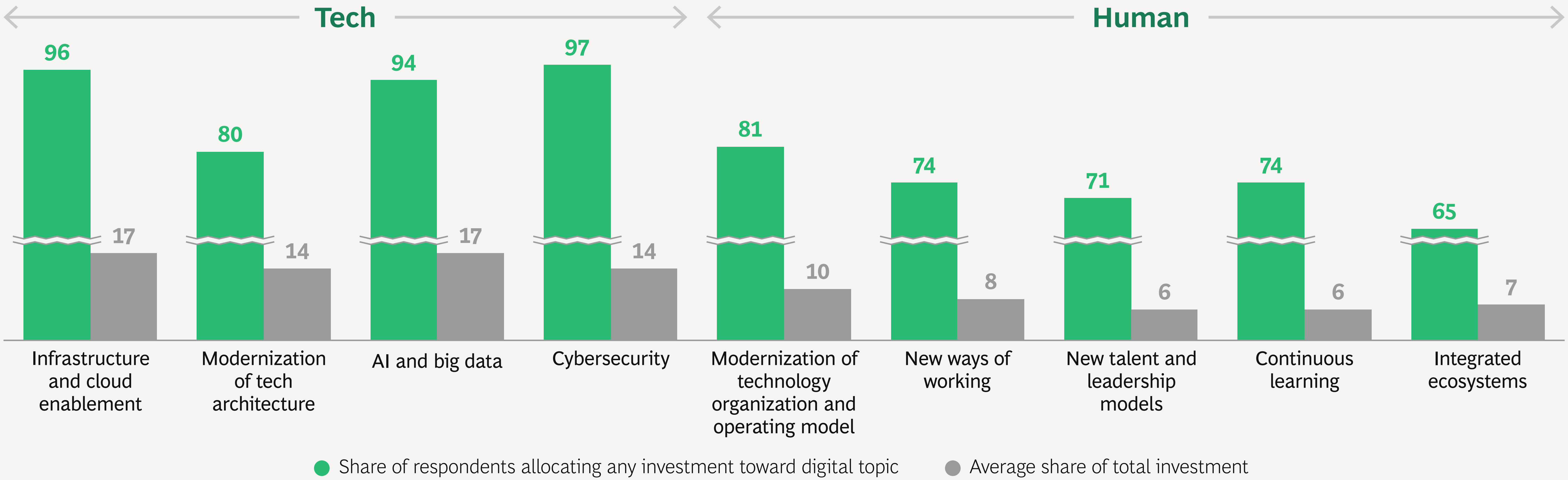
Source: 2021 BCG Global Digital Transformation Survey, n = 45.

THE CRITICAL ENABLERS

Health care provider companies intend to invest across a broad range of tech and human enablers, with especially strong emphasis on tech

Nine out of ten health care providers plan to invest in infrastructure and cloud enablement, AI and big data, and cybersecurity, allocating about 50% of total digital enablers spending to these areas

PLANNED SHARE OF WALLET SPENDING ALLOCATED ACROSS ENABLER DIGITAL TOPICS IN THE NEXT TWO TO THREE YEARS (%)[1]



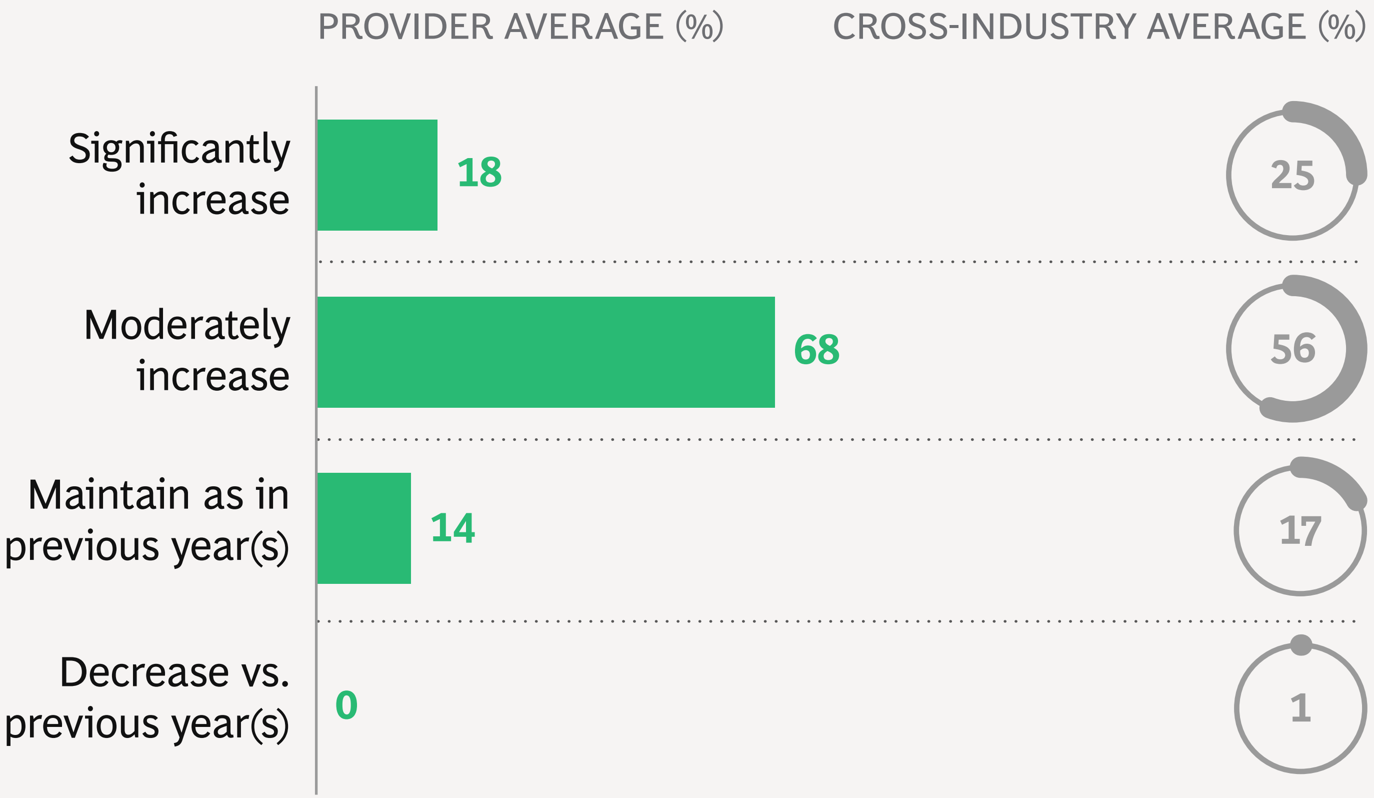
Source: 2021 BCG Global Digital Transformation Survey, n = 45.

[1]For example, the leftmost pair of bars can be read as "96% of health care provider respondents plan to invest in Infrastructure and cloud enablement, allocating an average 17% of their total digital enablers spending."

ROLE OF ESG IN DIGITAL TRANSFORMATION

About 86% of providers plan to increase ESG investments, above the cross-sector average

Share of respondents planning to increase/decrease/maintain investment toward ESG in coming years



… with greater emphasis on S and G

Leading digital initiatives being prioritized to support E, S, and G goals

SHARE OF RESPONDENTS PRIORITIZING (%)

Environment
- Reduction of energy consumption in hospitals, buildings, etc.
- Digital supply chain optimization

~38

Social
- Improving employee health and safety through software solutions, wearables, etc.
- Ensuring protection of employees and patient data (e.g., through cybersecurity measures)

~56

Governance
- Real-time tracking/monitoring of risk
- Critical risk incident management, building cyber resilience

~49

Source: 2021 BCG Global Digital Transformation Survey, n = 45.

If you would like to discuss this topic, please contact one of the authors:

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