

MEDTECH

What the Data Tells Us About Digital Transformation, by Industry



The key findings for medtech companies

About 30% of medtech companies have been successful with digital transformations, slightly below the cross-industry average.

Companies score well on leadership commitment but fall short on agile governance and deploying high-caliber talent.

Top priorities have been geared mostly toward digital reengineering of the value chain, led by digitizing support functions.

Going forward, medtech's priorities are shifting to digital products and services innovation—in particular, digitizing the supply chain, support functions, and next-generation sales.

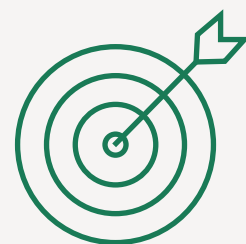
Priority initiatives include understanding customer needs and preferences, improving demand forecasting to increase supply chain agility, digitizing finance activities, prioritizing digital customer demand, and creating a digitally enabled salesforce.

Social priorities top the ESG agenda, including improving employee health and safety and creating personalized training programs.

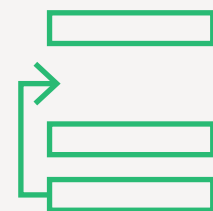
The data in more depth



Rates of success
in digital
transformation



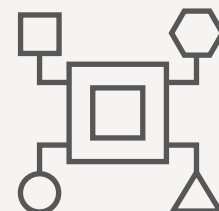
Topics of focus
for medtech
companies



Top priorities for
the future



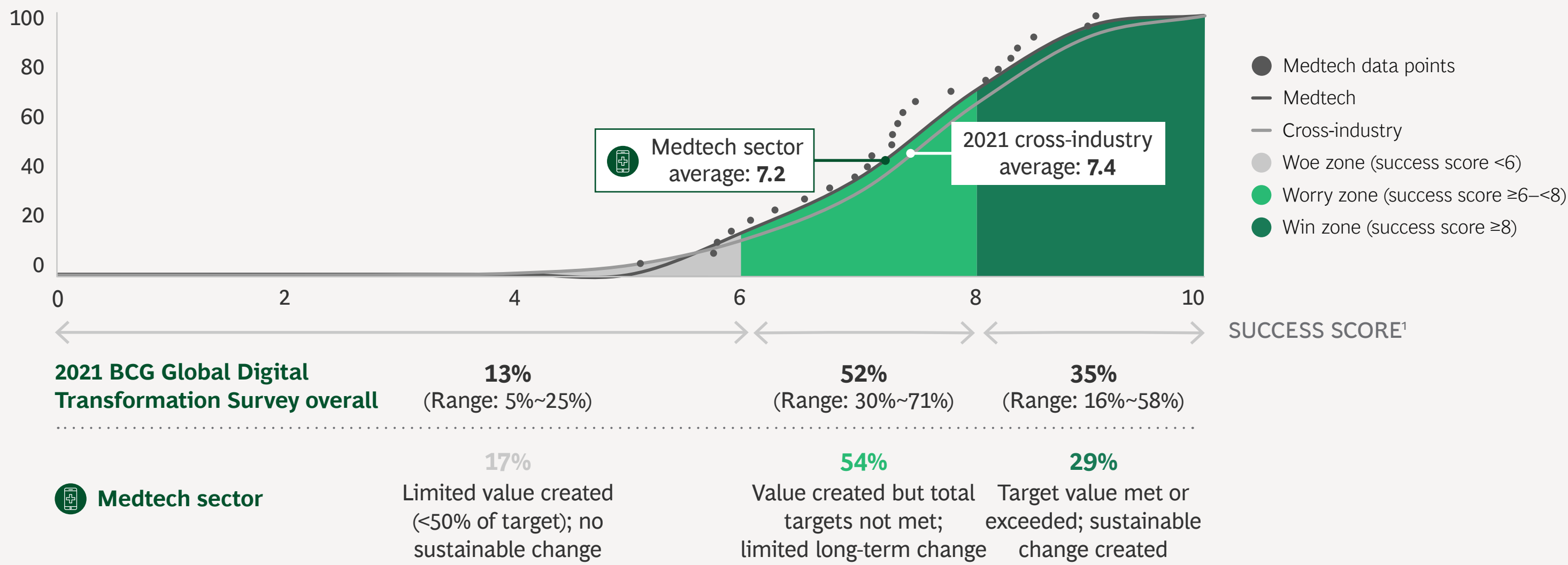
The critical
human and
tech enablers



The role of ESG
in digital
transformation

Only 30% of medtech companies fall in the win zone, slightly below the cross-industry average

CASES BELOW SUCCESS SCORE (%)



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.”
¹Success score is calculated from respondents’ answers on six dimensions of transformation: strategy; leadership; talent; agility; monitoring; and tech and data.

Medtech companies score well on leadership commitment, but most struggle to attain agile governance and deploy high-caliber talent

DISTRIBUTION OF SUCCESS SCORES ON INDIVIDUAL KEY FACTORS¹

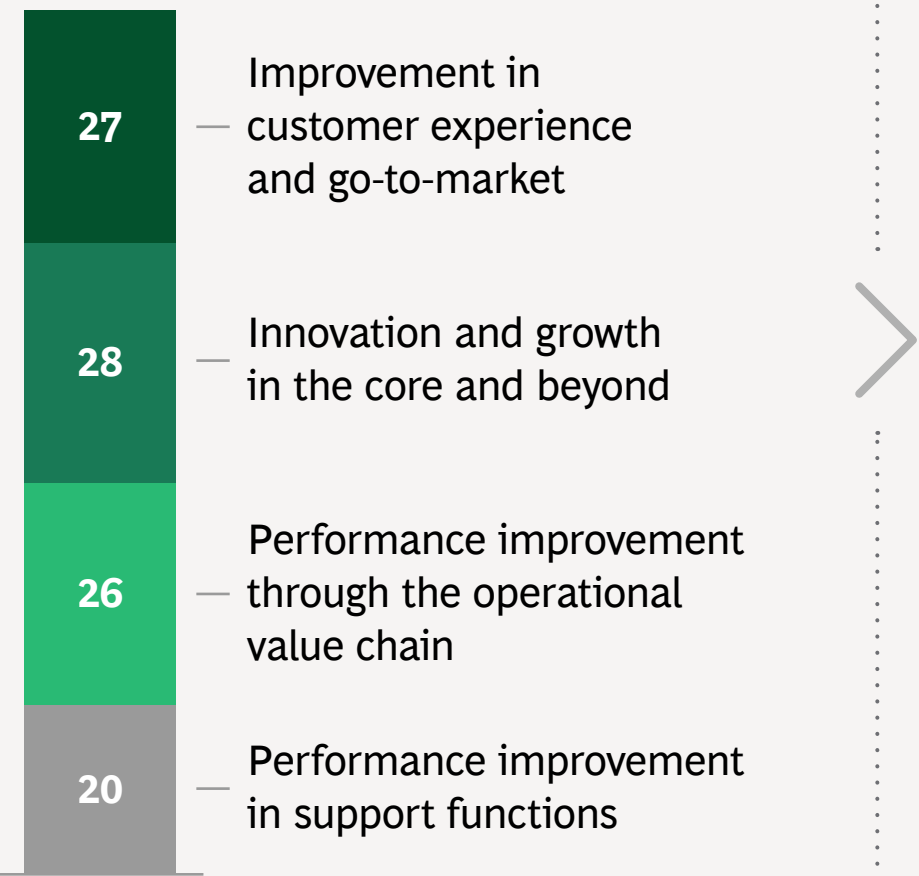


Source: 2021 BCG Global Digital Transformation Survey.
Note: Survey question: “Across the following dimensions, please rate your organization’s digital transformation experience to date on a scale of 1 to 10 using the guidelines in the table below.”
¹Success score is calculated from respondents’ answers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

Medtech’s transformation priorities have been geared primarily toward digital reengineering of the value chain

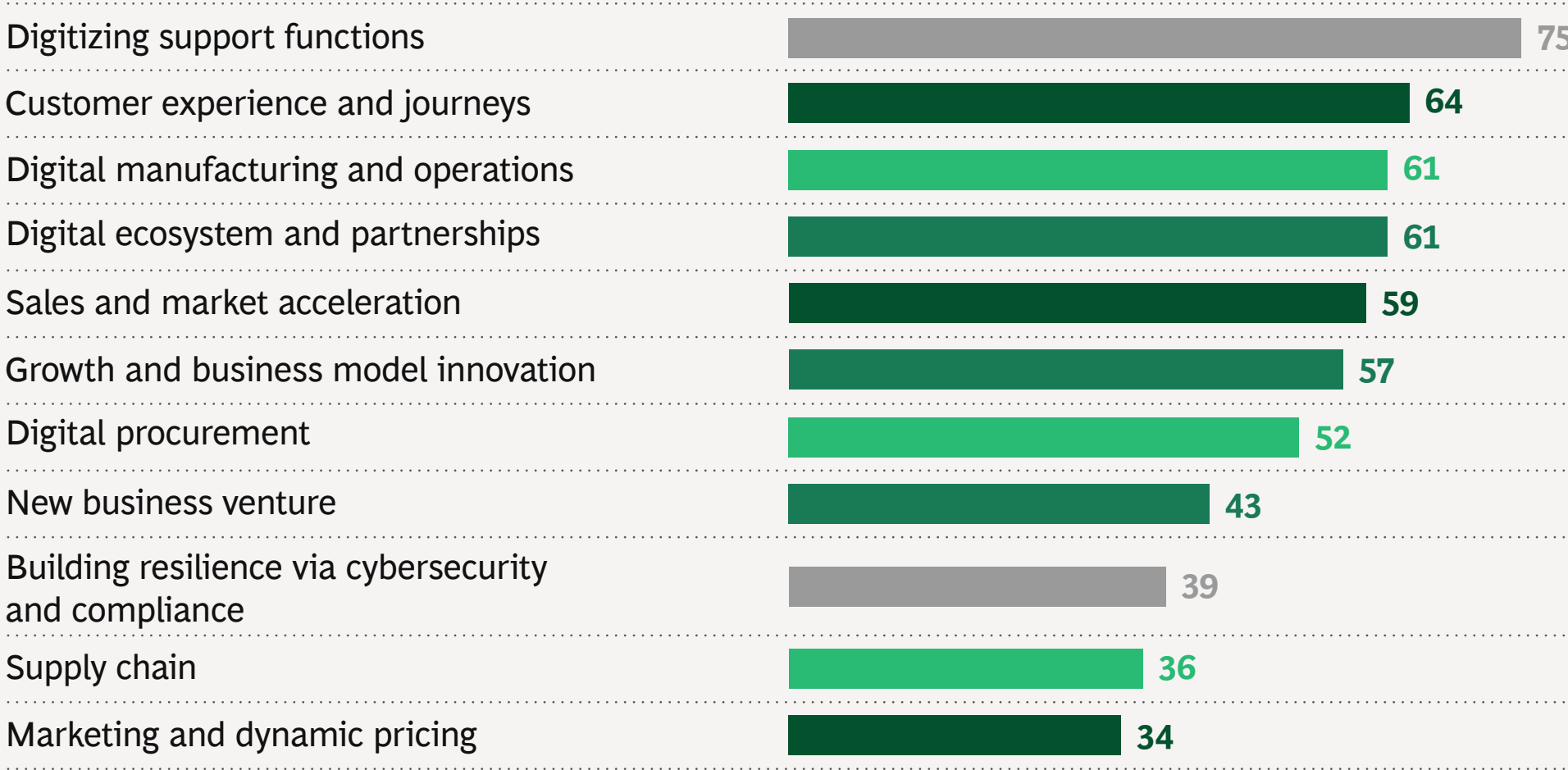
Strategic objectives

SHARE OF RESPONDENTS (%)



Scope of digital transformation¹

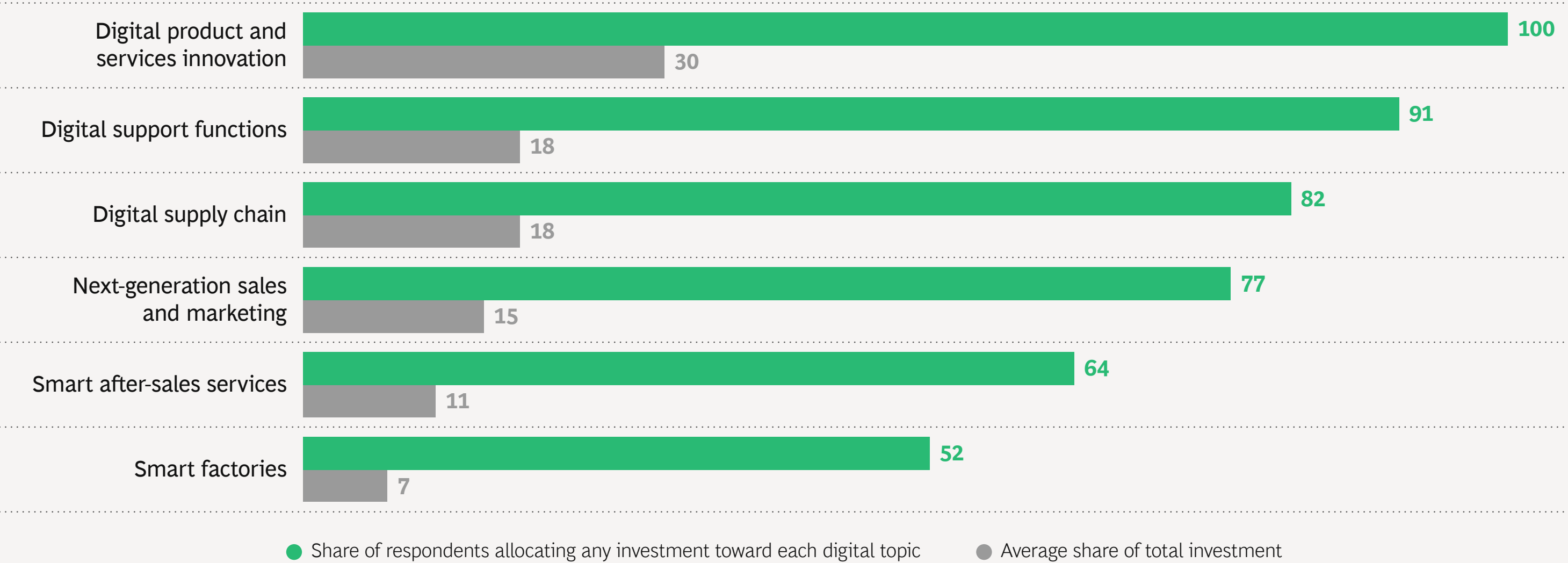
SHARE OF RESPONDENTS (%)



Source: BCG Global Digital Transformation Survey, 2021, n = 44.
Note: Because of rounding, the percentages given for the strategic objectives do not add up to 100%.
¹Respondents were asked to select all priorities that applied.

Medtech companies plan to devote 30% of spending toward digital product and services innovation

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

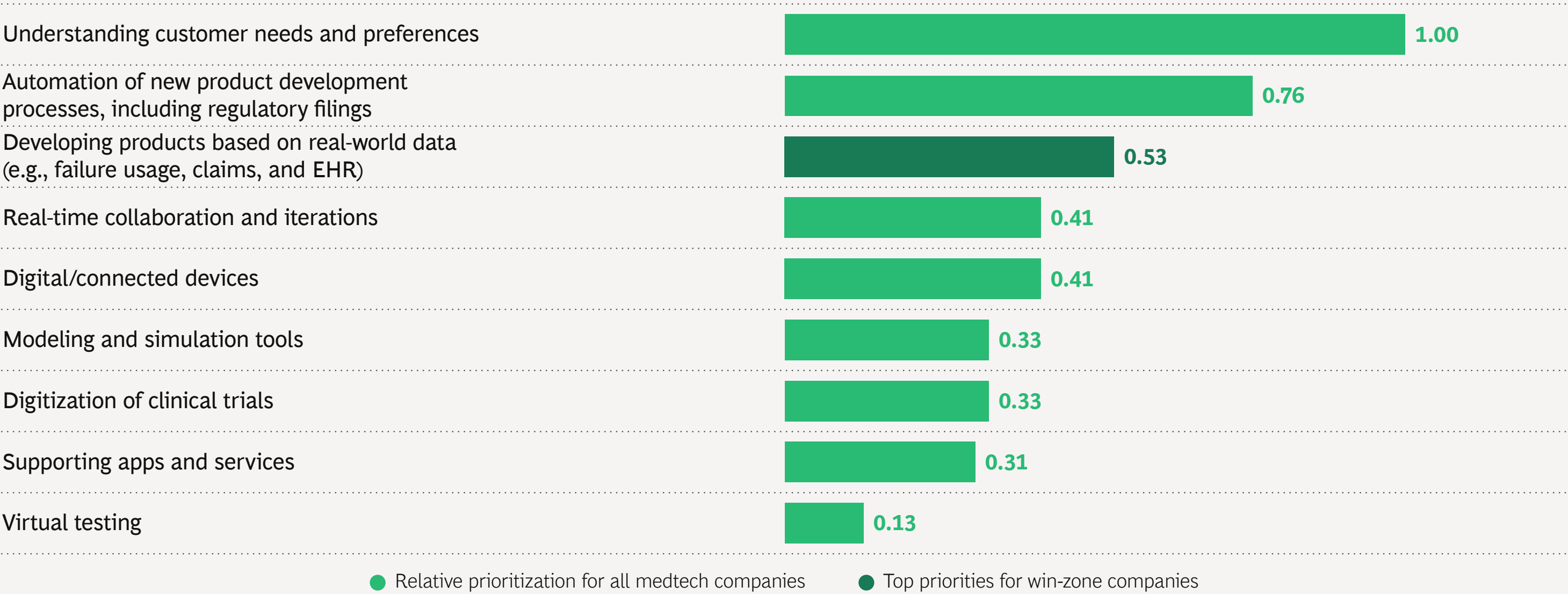


Source: 2021 BCG Global Digital Transformation Survey.

¹For example, the uppermost pair of bars can be read as “100% of medtech respondents plan to invest in digital product and services innovation, allocating an average of 30% of total digital investment.”

Medtech companies’ digital priorities: Digital product and services innovation

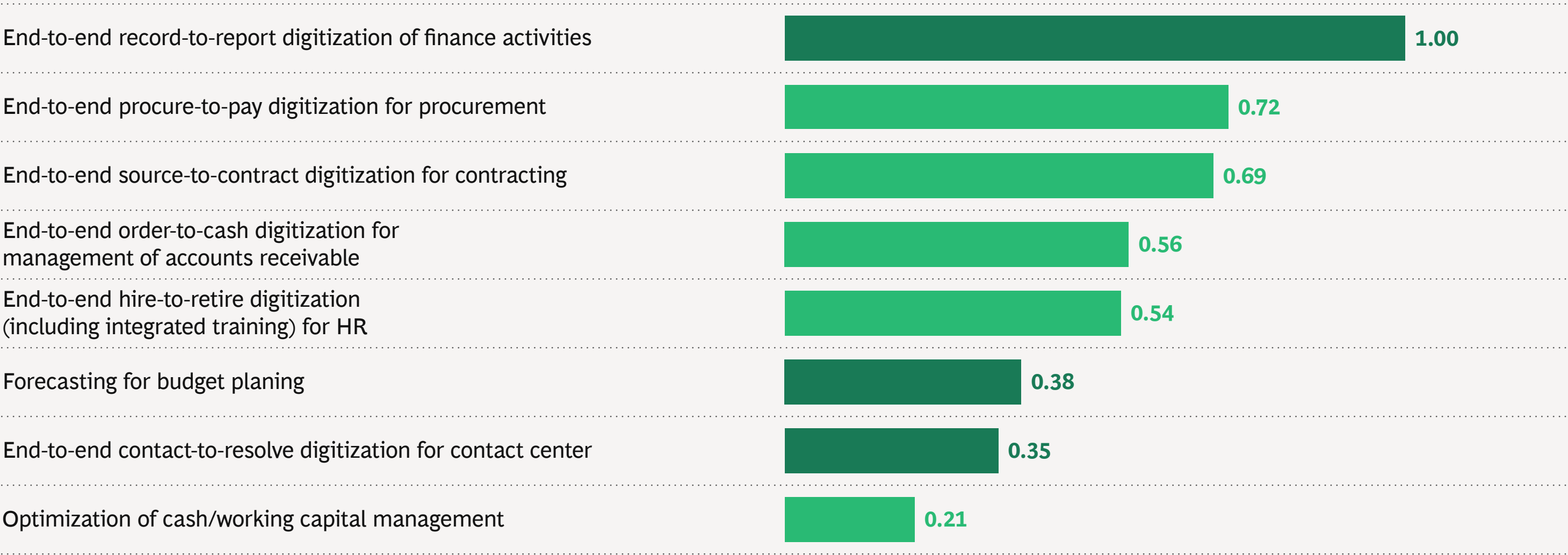
Digital initiatives (bars indicate relative prioritization of initiatives)



Source: 2021 BCG Global Digital Transformation Survey, n = 44.

Medtech companies’ digital priorities: Digital support functions

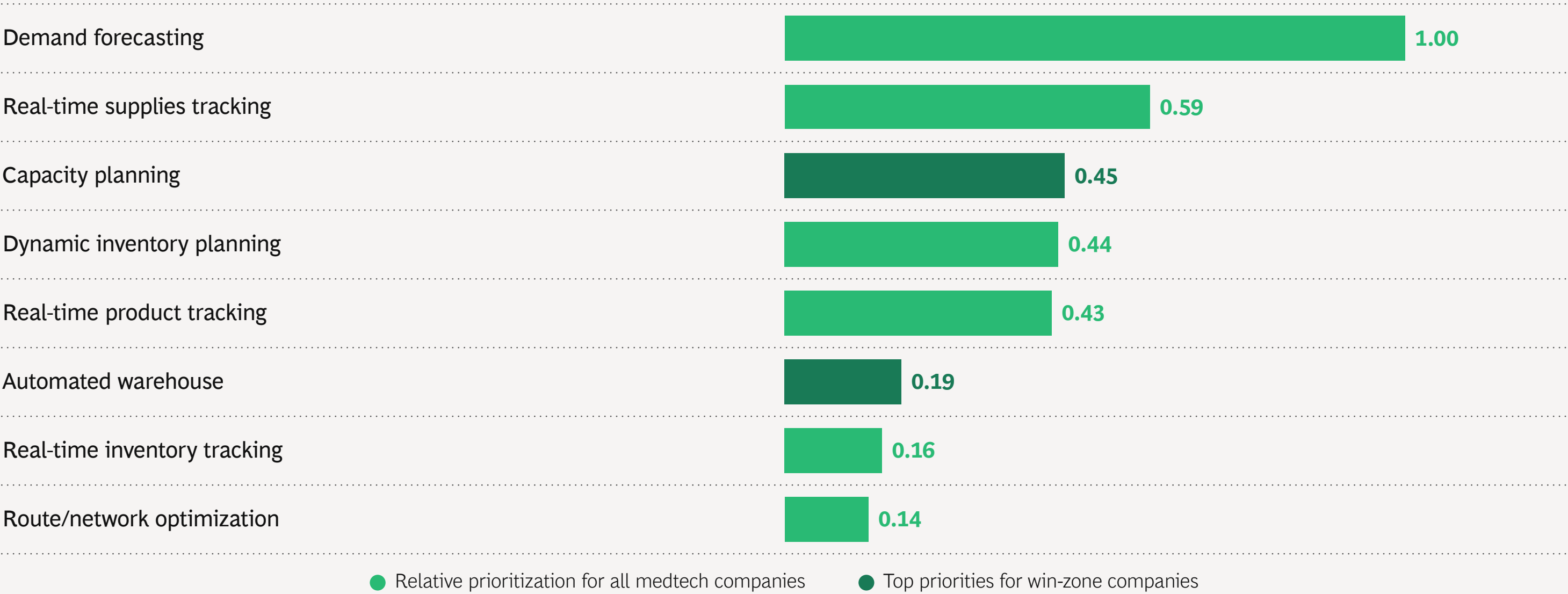
Digital initiatives (bars indicate relative prioritization of initiatives)



● Relative prioritization for all medtech companies ● Top priorities for win-zone companies

Medtech companies’ digital priorities: Digital supply chain

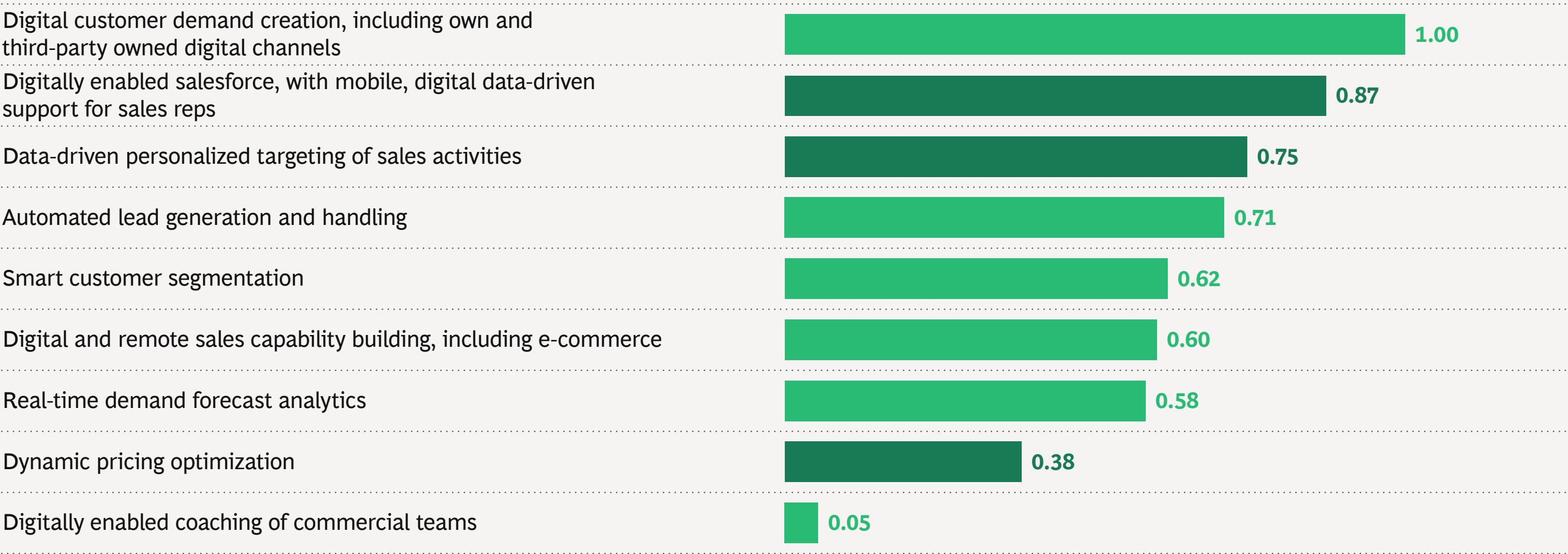
Digital initiatives (bars indicate relative prioritization of initiatives)



Source: 2021 BCG Global Digital Transformation Survey, n = 44.

Medtech companies’ digital priorities: Next-generation sales and marketing

Digital initiatives (bars indicate relative prioritization of initiatives)

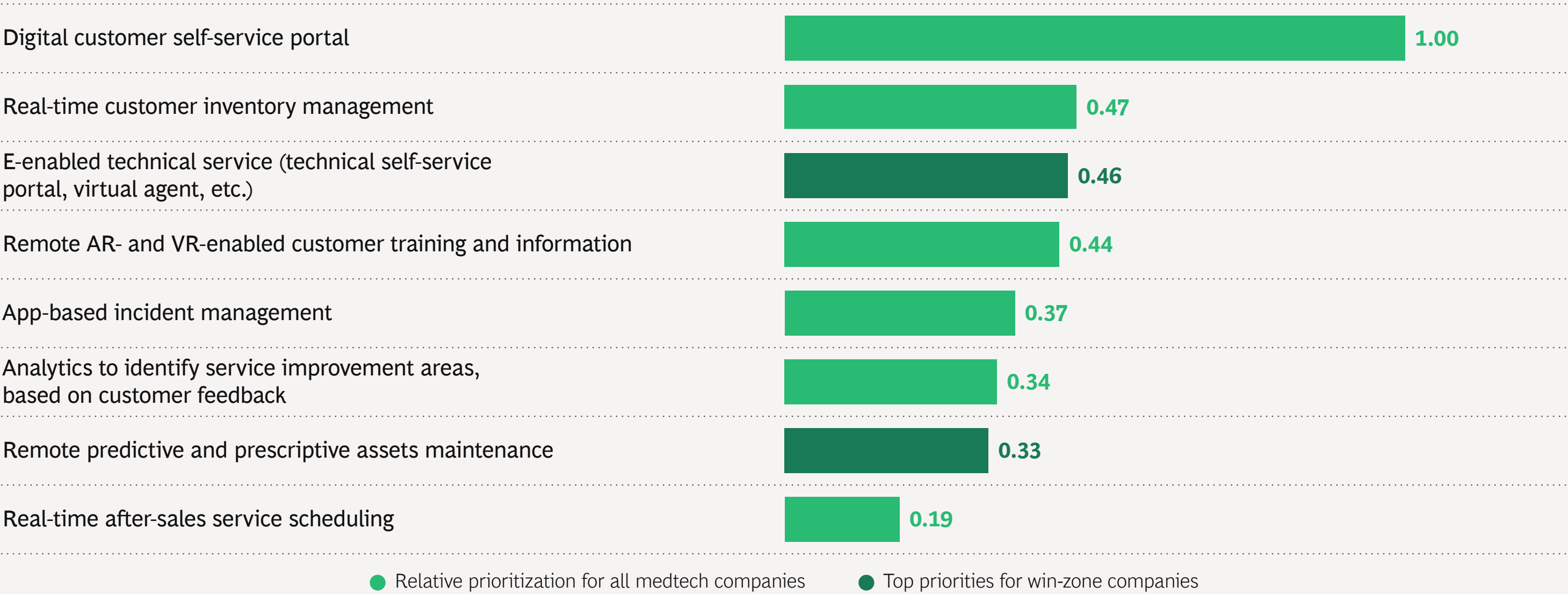


● Relative prioritization for all medtech companies ● Top priorities for win-zone companies

Source: 2021 BCG Global Digital Transformation Survey, n = 44.

Medtech companies’ digital priorities: Smart after-sales services

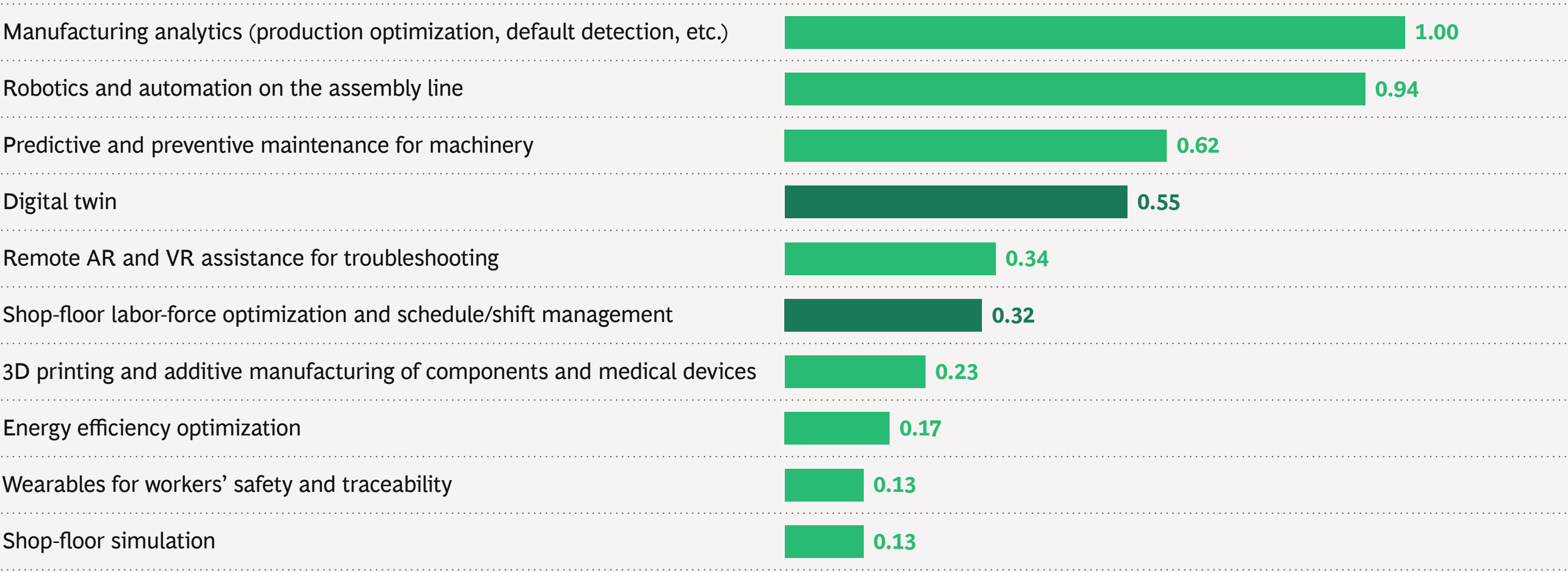
Digital initiatives (bars indicate relative prioritization of initiatives)



Source: 2021 BCG Global Digital Transformation Survey, n = 44.

Medtech companies’ digital priorities: Smart factories

Digital initiatives (bars indicate relative prioritization of initiatives)

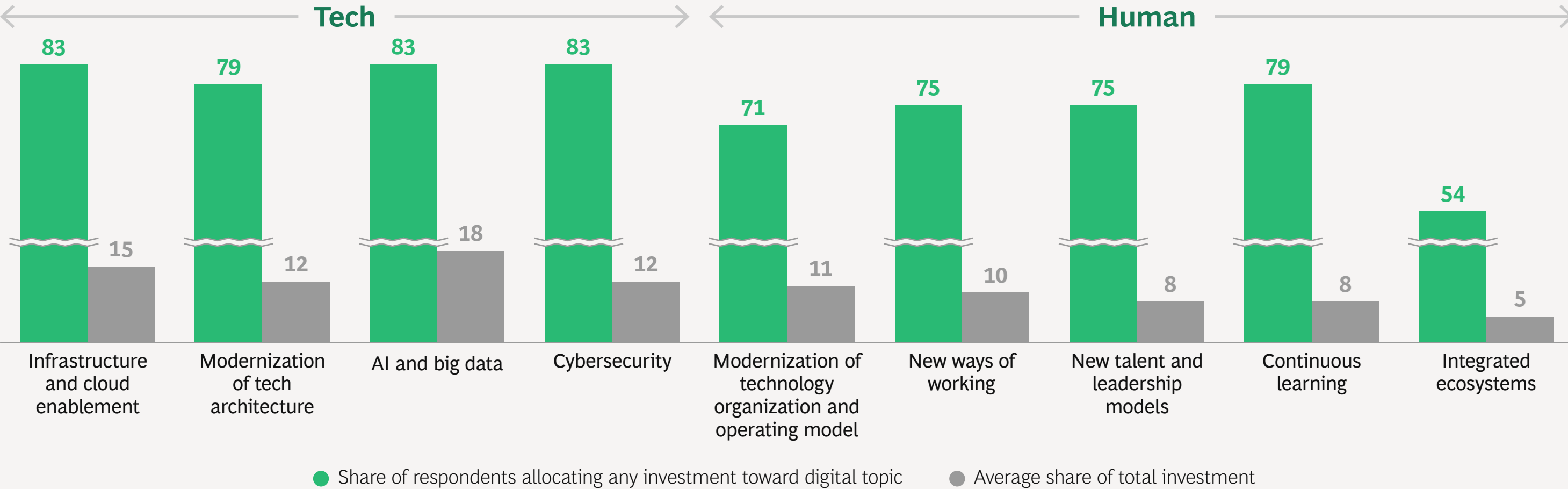


● Relative prioritization for all medtech companies ● Top priorities for win-zone companies

Medtech companies intend to invest across a broad range of tech and human enablers

Eight out of ten medtech companies plan to invest in infrastructure and cloud enablement, tech architecture modernization, and AI and big data, allocating about 45% 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

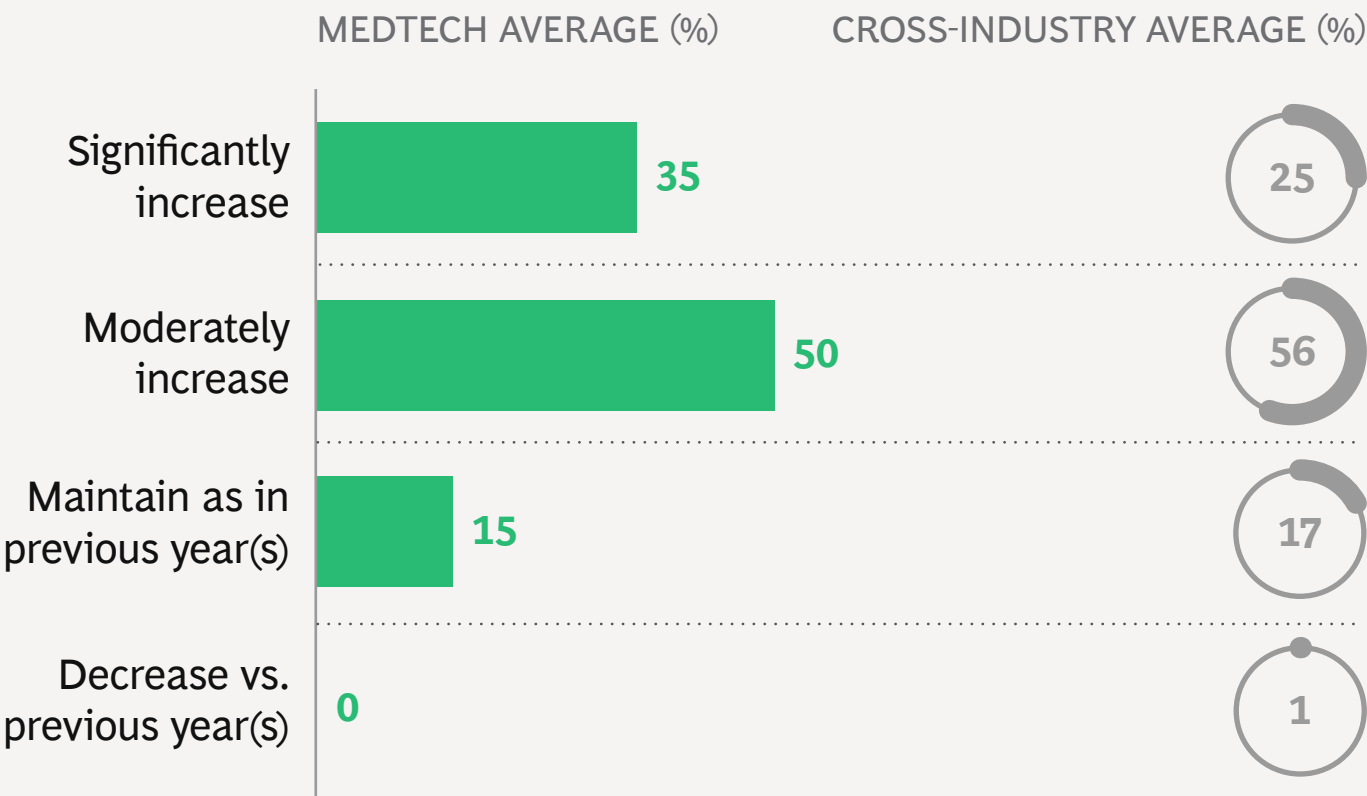


Source: 2021 BCG Global Digital Transformation Survey, n = 44.

¹For example, the leftmost pair of bars can be read as “83% of medtech respondents plan to invest in infrastructure and cloud enablement, allocating an average 15% of their total digital enabler spending.”

About 85% of medtech companies plan to increase ESG investments, above the cross-industry average

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



Source: 2021 BCG Global Digital Transformation Survey, n = 44.

... with greater emphasis on S and G

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



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



JOHANNES THOMS

Managing Director & Partner, London

thoms.johannes@bcg.com

+44 207 753 6235



TORBEN DANGER

Managing Director & Senior Partner, New York

danger.torben@bcg.com

+1 646 509 8566

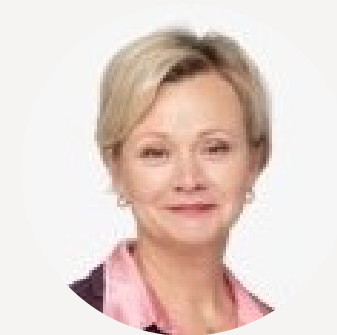


BARRY ROSENBERG

Managing Director & Senior Partner, Chicago

rosenberg.barry@bcg.com

+1 312 715 2288



KARALEE CLOSE

Managing Director & Senior Partner, London

close.karalee@bcg.com

+44 207 753 6273

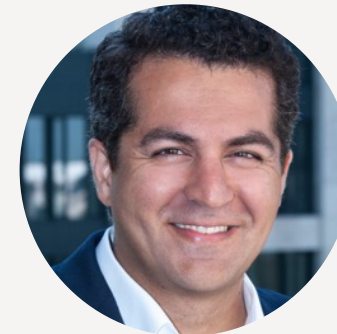


STEPHEN WADDELL

Managing Director & Senior Partner, Austin

waddell.stephen@bcg.com

+1 214 468 2310



BASIR MUSTAGHNI

Managing Director & Partner, Frankfurt

mustaghni.basir@bcg.com

+49 699 150 2227
