

# The transformation imperative: Healthcare

A difficult balancing act

## Key research findings:

- Healthcare is unique among eight industries surveyed for giving top priority to employee engagement in its use of technology, both in the pre-covid years and since the pandemic started
- Technology infrastructure in healthcare organisations was not well prepared to enable staff to model how the pandemic might play out across assets and workforces
- Yet respondents from healthcare report at above-average rates that their organisation's investment in digital transformation has increased during the pandemic

The global healthcare industry has been tested to its limits by the pressures of tackling the covid-19 pandemic, while simultaneously continuing to deliver on its wider social function of providing people with preventive, curative, rehabilitative and palliative responses to a wide range of health conditions and situations.

Digital transformation in the sector has been invaluable in helping healthcare organisations balance the demands on their time and resources. In a global survey of 800 executives across eight industries conducted by The Economist Intelligence Unit and sponsored by Microsoft,<sup>1</sup> respondents from the healthcare industry report at above survey-average rates that their organisation's investment in digital transformation has increased during the pandemic.

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<sup>1</sup> Automotive, education, financial services, government/public sector, healthcare, manufacturing, media and communications, and retail and consumer goods.

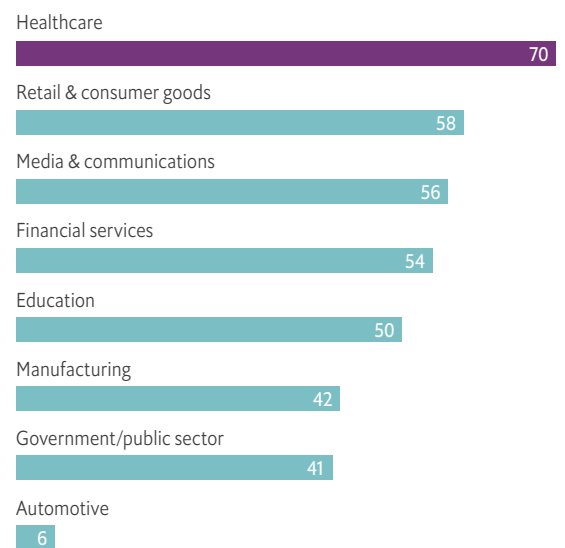
Technology advances have helped to cut costs and boost staff productivity in clinics and hospitals and to keep non-urgent patients under remote monitoring at home, while improving overall care and outcomes. Life sciences companies, meanwhile, have used digital technologies to monitor and track the pandemic's spread and to formulate pharmaceutical responses to it, including the development of vaccines. Other advances include electronic health records systems, connected health equipment, wearable devices for patient monitoring, virtual healthcare or telehealth, and online pharmacies.

Despite industry reports that pandemic-related cancellations and postponements of elective procedures have resulted in lost revenue for the sector, healthcare respondents report that their organisations are now in a significantly improved financial position. More than two-thirds (70%) of healthcare respondents say their organisation's revenues are up on pre-pandemic levels, compared with a survey average of 47% (Figure 1).

This may help fund future investments in digital technology; the industry's reported levels of preparedness to respond to the pandemic suggest several potential areas for improvement. When asked how prepared their technology infrastructures were to support pandemic-related resilience measures, healthcare respondents report above-average levels in just one area: real-time decision-making.

The sector reported only average levels of preparedness in monitoring employee safety and was less prepared than other sectors in areas such as making supply-chain/procurement adjustments (as demonstrated via shortages of personal protective equipment), remote

**Figure 1: Respondents by industry who describe their organisation's current financial situation as "somewhat better" or "significantly better", compared with its pre-pandemic revenue (%)**



Source: The Economist Intelligence Unit

work and collaboration, and modelling how the pandemic might play out across assets and workforces. That last finding, on modelling, is an unexpected one, given that the healthcare industry is expected to be able to handle a whole range of public-health crises, from infectious disease outbreaks to natural disasters involving mass casualties. Opportunities thus abound for the sector to improve its performance on various preparedness factors, given its place at the epicentre of pandemic response.

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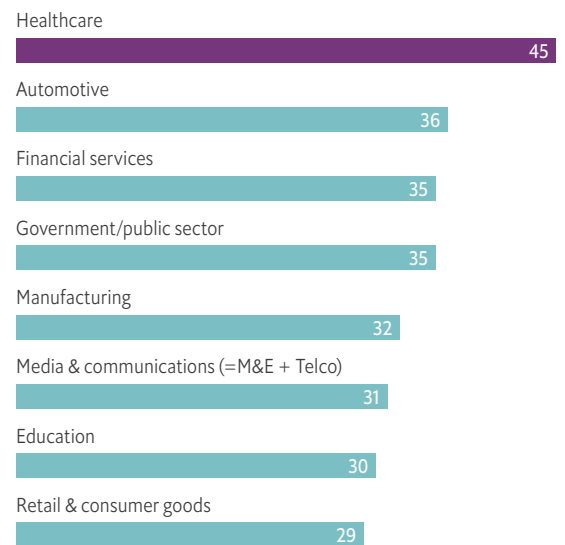
## Overstretched human resources opens door for more automation

Healthcare workers' struggles on the frontline of the pandemic have brought their needs sharply into focus, but the sector is unique among all industries surveyed in terms of rating employee engagement as its top priority for technology investment, both in the pre-covid years and the current covid era. Today, healthcare comes second only to manufacturing—another industry in which many workers simply cannot work from home—in its prioritisation of employee-engagement technology.

Healthcare respondents view cloud computing as the most important technology for meeting these objectives, followed by apps and devices for remote work and collaboration. The Internet of Things comes in third place, signalling an interest in smart medical equipment and wearable health trackers and monitors.

At the same time, respondents from the sector believe at above-average levels that the pace of technological change may present a barrier to digital transformation in three years' time. They are also far more likely than respondents from other sectors to view increased cyber-security threats as a likely consequence of remote work and collaboration (45% versus a survey average of 34%; Figure 2). This may be a result of recent ransomware attacks on hospitals around the world, combined with ongoing and justified concerns for the security of sensitive patient health records.<sup>2</sup>

**Figure 2: Respondents by industry who said "increased cyber-security threats" were the most prominent work-related drawbacks for their industry from the rise of distributed/remote work due to the covid-19 pandemic. (%)**



Source: The Economist Intelligence Unit

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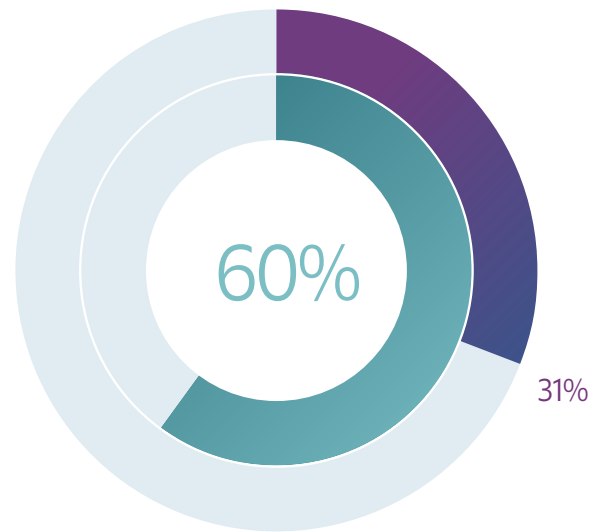
<sup>2</sup> "Hackers Hit Hospitals in Disruptive Ransomware Attack", *The Wall Street Journal*, October 29th 2020; "Patients fall victim to health ransomware", *Financial Times*, January 26th 2021; "Woman dies during a ransomware attack on a German hospital", *The Verge*, September 17th 2020.

## Better treatments for all

The digital transformation of healthcare offers the potential to achieve time and cost efficiencies that could make it possible to offer improved services to wider audiences. Unsurprisingly, it is the group most likely to place public health and welfare at the top of the list of positive societal impacts of digital transformation in their industry (60% versus a survey average of 31%), followed by public safety.

At the same time, they are also the most likely to agree that public health and welfare will benefit from the wider use of digital technology in society at large (37% versus 30%). In particular, they see a big role for digital technology in disaster relief (cited by 24% of healthcare respondents as a societal benefit, compared with a survey average of 17%).

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