Innovation Index:

How healthcare providers are preparing for an era of constant disruption

The last two years have been a challenge for healthcare providers, perhaps more so than anytime in industry history. Across North America, point-of-care institutions were pushed to the limit; years of technology investments were tested alongside the skills of a driven workforce to deliver care to a high volume of patients. Along the way, decision-makers adjusted processes to changing government policies—and then readjusted when those policies changed in a matter of weeks.

Our research shows that those most likely to be successful during these trying times placed a premium on the customer experience—or patient experience—as well as the experiences of their employees. Those who invested in the right technologies to influence care have improved performance and increased confidence by using data to inform decision-making. And while providers have ground to make up in many areas, there is reason for optimism as they prepare for a post-pandemic era.

In 2021, NTT DATA and Oxford Economics launched the "Innovation Index: Digital Strategies for an Era of Constant Disruption," a survey of 1,000 North American business and IT executives—100 of which came from executives at healthcare providers—to find out how organizations are approaching digital transformation initiatives.

Patient-first strategy

Healthcare providers forged a path through the pandemic with a core focus: everything revolves around the patient in order to meet the quadruple aim. Keeping patients satisfied with the care they receive is expected to be a top organziational priority over the next two years (77%), and more than four out of five providers say patient wants and needs are the top motivation behind big strategic or operational changes (81% vs. 59% in other industries).

Specific digital transformation efforts must be curated with these aspirational goals in mind. A large percentage of providers in our survey take patient experience into account when plotting a course for innovation (29% more likely than other industries). Keeping decisions tied to strategy is a critical step to success—and with so many providers still unprepared for changes in the coming years, a unified direction could help build confidence that transformation efforts will pay off (see Fig. 1).

Fig. 1: Healthcare providers feel prepared, but confidence is tempered

55% of healthcare providers say their organization's strategic planning is increasingly long-term...

57% say their organization is proactive in setting an agenda for the marketplace

58% feel equipped to deal with constant, rapid change

How prepared is your organization to deal with change related to the following factors over the next two years?

29%	Workforce and workplace disruptions
33%	Supply chain and operational disruptions
45%	Pace of technology change

"Highly prepared" responses

OXFORD ECONOMICS

NTT DATA
Trusted Global Innovator

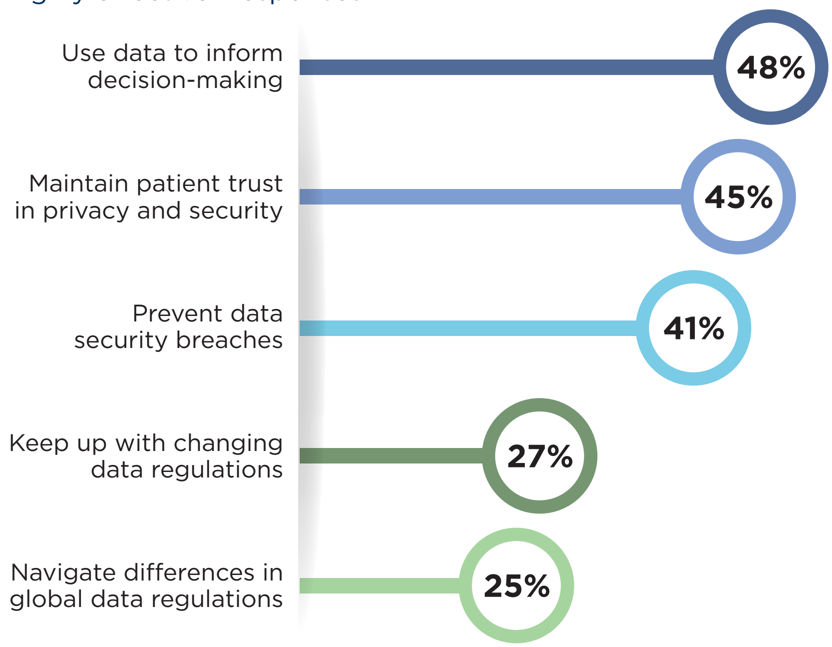
Patient value + data

For many providers, the focus on patients is not translating into actionable insights because they face significant data challenges. Most say they place a premium on patient satisfaction (73%), but a similar number also struggle to keep up with patients' changing expectations and needs (67%).

This is likely driven by a lack of informed decision-making, as almost half of providers say decisions around patient interaction methods are not highly influenced by data. Regulatory issues around data are also a challenge for seven out of 10 providers. This translates into a lack of confidence in data privacy and security: Nearly three out of four (72%) are not highly effective at delivering peace of mind around data to healthcare recipients. And the lack of data prowess has compounding effects; more than half do not provide high product or service quality (55%) or digital experiences (56%) to patients.

Fig. 2: Data a priority, but regulatory expertise lacking

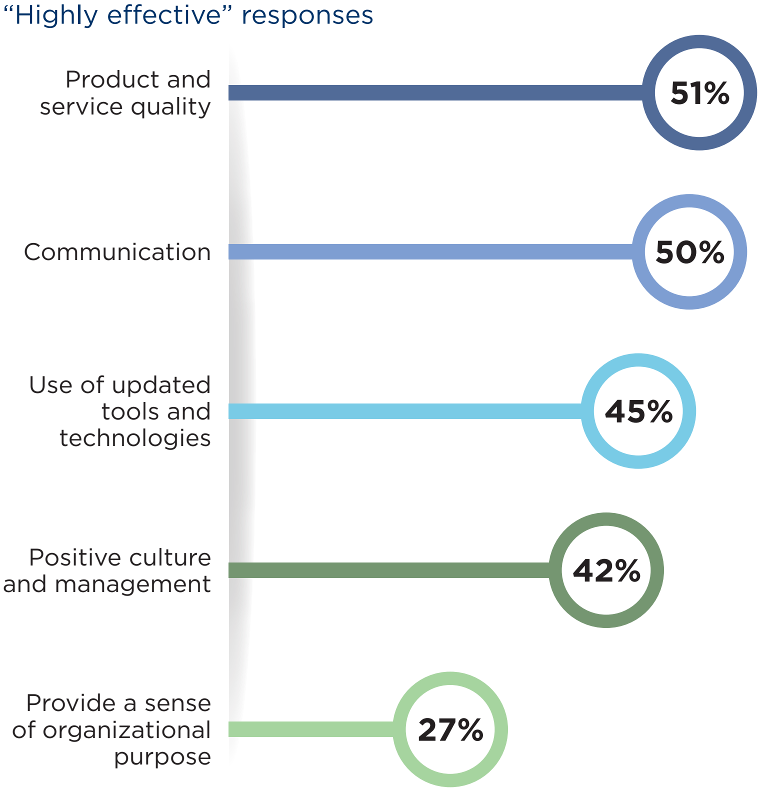
"How effectively does your organization do the following?"
"Highly effective" responses



The underappreciated frontline

Fig. 3: Purpose not seen as important to workers

"How effectively does your organization deliver on the following to your employees?"
"Highly effective" responses



With the overwhelming focus on patients, healthcare workers on the front lines have had a difficult few years, and our research shows leaders are not focused on using technology to help improve their day-to-day operations.

Less than half of healthcare providers say employee satisfaction is driven by providing the workforce with updated tools and technologies (46%), ensuring staff have top-level resources to provide care (45%), or opening clear lines of communication with the workforce (43%). And although healthcare providers are more likely than other industries to provide these things to their workers, roughly half are not delivering on what they say is important, revealing an opportunity for improvement (see Fig. 3).

Workforce oversights leave many healthcare providers vulnerable to future crises. Four out of five providers admit they are not prepared for any future workforce or workplace disruptions. And with barely one out of four providers saying they are highly confident in their ability to provide a sense of organizational purpose, many will have to find ways to deal with an unfortunate scenario—one where workers find new fields of work during what is being characterized as the Great Resignation.

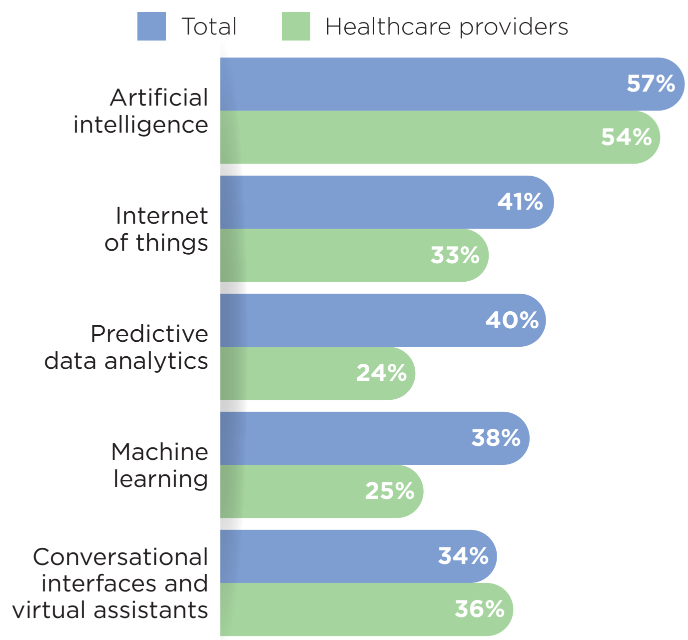
The technology gap

Improving their digital standing may help providers in their quest to become future focused—and on the surface, they appear well positioned to succeed. Many have strong foundational technologies in place: enterprise needs like CRM (79%) already drive processes, and investments in public cloud (64%) provide many with effective storage and internal data-sharing capabilities.

But organizations must look forward to an increasingly digital future—and many providers are behind their counterparts across other industries when it comes to investing in the next wave of established and emerging technologies. Barely half have invested in artificial intelligence in at least some functions (54%), and even fewer have implemented specific AI-applications. They are less likely than all other industries in our survey to have implemented IoT (33%), machine learning (25%), or predictive analytics (24%) in some or all areas. Yet these capabilities will become increasingly important to providers as services like virtual care (like telehealth), remote patient monitoring (RPM), and clinical device integration gain popularity.

Fig. 4: Advanced technologies still finding a place in healthcare

"Has your organization implemented any of the following AI-enabled technologies?" "In use in some" and "in use in most or all" responses combined



Working toward an innovative and digital future

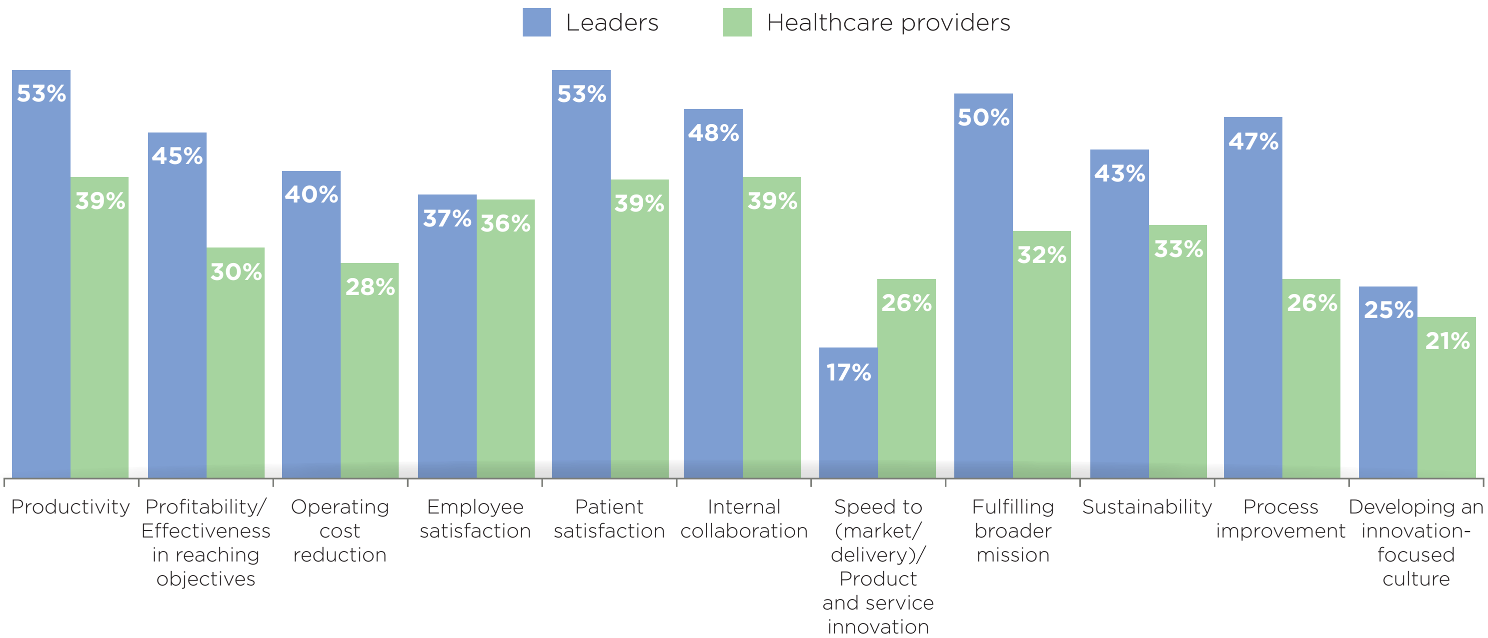
Our research suggests that healthcare provider executives would do well to increase their focus on technology investments, workforce needs, and strategy—because these things pay off.

A select group of our total respondent pool (about 6% of the sample) have invested in artificial intelligence, developed culture and organizational purpose for their workers, and ensured all strategic and operational changes put customer/patient needs first. These leading executives are 85% more likely to keep up with rapid changes in data regulation, 35% more likely to experience growth, and 33% more likely to provide higher-quality products and services to their customers/patients.

Healthcare providers would do well to follow the traits of these established leaders. Many in our survey fall well behind this cohort when rating their status across key performance metrics. They are significantly less likely to say they are above average at productivity (39% vs. 53% leaders), patient satisfaction (39% vs. 53%), profitability (30% vs. 45%), and process improvement (26% vs. 47%). For providers to act on their patient-first strategies and goals—and close the performance gap between them and their competitors—they must stick to the strategy of enabling these patient-driven changes and take actions that drive digital transformation.

Fig. 5: Providers have a lot to learn from Leaders

Please rate your organization's performance in the following areas. "Above average" responses



To close these gaps—and better prepare for an uncertain future—executives at healthcare providers should reconsider their view of the workforce and how established and emerging technologies can improve care delivery. A patient-centric approach may be best, but this cannot come at the expense of employees. Redefining strategy to include healthcare workers will guide data use and technology investments—which in turn, will help build their reputations as leading healthcare organizations.

To review how other North American organizations are prioritizing and valuing their digital investments in the wake of constant disruption, read the full Innovation Index at *https://us.nttdata.com/en/engage/innovation-index*.