



Podcast transcript

The future of human and social services: Connected care and support

Episode 6



Michael Capus

Hi, everyone, thanks for joining KPMG stay in our podcast series where we're talking about Connected Support and Care: The future of human and social services and the key themes that are really reshaping the sector today. I'm Mike Capus, one of the partners who leads our work in the human and social services sector across Canada. And today, we're talking about technology and human and social services organizations, particularly around how HSS organizations can work with technology, work with vendors, and work with each other, to take advantage of new relationships and deliver on a digital experience. And I'm really happy that today we have a great guest, Lydia Lee, a partner who leads our digital national healthcare practice, Lydia, welcome.

Lydia Lee

Hey Mike, thanks for having me.

Michael Capus

Thanks so much for being here today. You know, Lydia, one of the things that we're seeing in the HSS space is that a lot of organizations, whether they be nonprofits, or government or other providers, really are challenged in terms of adopting technology. And certainly, the pandemic has heightened that as they've had to shift delivery models and think differently about how they deliver. And I know one of the conversations that always comes up when we talk to HSS organizations is around the investment required in technology. And I guess, you know, we've been talking a bit about how can HSS organizations take advantage of technology vendors, and who may be looking to partner with organizations that are like them, maybe to help lift them up, maybe to help them, you know, try something new or innovative because it benefits both organizations? And I was wondering, maybe from your perspective, why would technology organizations be interested in HSS organizations?

Lydia Lee

Well, I think there's kind of two major reasons, Mike, why this is a particularly exciting time for HSS organizations and tech vendors actually partner and why would vendors be interested? One is that I think the pandemic has shown the just sort of the general worldwide effect of you know, what a pandemic can do to every

element of the economy and HSS, because of their, I'll say, mission driven nature of what they all support, is something that I think all companies, not just tech vendors, but all industry actually wants to get behind, right, like everybody's now ceised with the need for making sure that their work is aligned to purpose and purpose of the human condition. So I think that's sort of the general comment, I would make tech vendors in particular. But the other thing is, it's a business issue, and that is that human and social services is a massive addressable market. You know, in Canada, in every country. In 2019, I know this includes health care, but 61% of the total budget of governments is on social protection, health care, education, and Human Services. Like it's a massive, massive market. And if you think about, normally healthcare organizations that I work with spend, you know, two to 3% of their budget on IT. So even if you took 2% of that total number, it's like \$16 billion in Canada alone. So I mean, these are big numbers. And so why would tech vendors want to be interested in that? Is to get a piece of an addressable market?

Michael Capus

Yeah, it's quite large. I like what you said about social purpose and sort of that purpose organized around human centered, right? Because I think that's often kind of what HSS organizations really rally around and are really interested in. So if there are other organizations like that, they probably don't think about those technology organizations, though, right? What do you think is the barrier for if I think about like a large nonprofit organization, or someone who maybe is just starting their digital journey, what do you think the barrier is for them in terms of approaching maybe a technology vendor to have a conversation and might be some things that you might offer that they that might help them?

Lydia Lee

The advice I would give to human social service organizations is actually from my own experience. So before I was at KPMG, I was the Chief Information Officer for for a big hospital network. And so I was on the buy side for a really long time before coming back into consulting with KPMG. And so the advice I would give is, you know, look for somebody, a technology company or a partner who actually understands your business, your organization, your population that you serve, because a lot of technology

vendors, well, I would say they differentiate based on their actual understanding of what human social services organizations are about. And when I say understanding, I'm talking about the kind of data that they collect about their populations that they support, the workflow of their team members and the kinds of processes they actually enable, through their agencies or organizations. So I think really understanding kind of what the nature of the business is, is really critical thing that they should look for in vendor partners. And I know that each of every human and social service organizations very different so I don't want to paint them with the same brush. But I would say that also because in Canada, the public sector nature of the business, generally publicly funded, right. A lot of these tech vendors, especially the large companies that we're talking, you know, the major major companies are not Canadian based, right? They're US based, or their global organizations. And they may not necessarily appreciate the nuanced elements of human and social services in Canada, versus potentially the way things may be, let's say, funded in other jurisdictions, like in the US or whatnot. So I think a vendor that really understands the Canadian landscape, and the social services specific work environment is critically important. And then you know, what I think what I would also say is that, vendors are looking for a great client to work with, because they want to reference at the end of the day, they want to be able to say, Hey, we actually help somebody solve a real world problem. Or we use our methodology and actually worked to address the need that the client have. So you know, I think that it's not so much of the barrier that help human social services organizations need to work through, but I think actually looking at that as an opportunity to pick a vendor, or a vendor partner, who actually wants them to solve a real problem with them, is a great way to kind of identify who's the right fit for your organization. And it's not just because they're trying to transact a piece of business, right?

Michael Capus

Yeah, it's more of that long standing relationship, right? Like you're saying. I think what you offered about that affinity and understanding the business of an HSS organization is a really, really important point, because I think you're right, no two HSS organizations are ever going to be the same. You know, because of the types of clients they serve disability, children, youth, families, people fleeing domestic violence, whatever. But I think there has to be some sort of patience between both sides. And in some vein of that, like, the HSS organization needs to bring the technology vendor along, and the technology vendor needs to help with the HSS organization to imagine the art of the possible, right. Yeah, like there's, there's certainly that sort of combination between the two that I think is really important for those organizations.

Lydia Lee

When I think about this, really, and this is both from my experience as a buyer, but also, you know, experience over the years at KPMG. These collaborations are really a two way street, right? Like where a human resources services organization has a real problem they need to solve and they think that potentially in this environment, digital solutions, or some sort of an IT solution, technology can actually support them, improve efficiencies, operational effectiveness, being more client centric, and responsive to the needs of their client base. At the same time, the companies that are selling these technologies, they want to actually demonstrate that the technology

is serving a real need. And if they focus on human social services, or if they're targeted on really addressing the needs of these organizations, then the technology vendors actually can take that to other points down the road. Right. So they definitely, it's a fit thing, though, too. And so I think that's finding those companies, where that fit really exists, as opposed to just a big marketing play is hard, you got to ask some really deep questions in order to understand if the technology vendor really understand your business.

Unknown Speaker

Yeah, no, for sure. And I think part of it too, this kind of leads into my next question is a bit of like, I think HSS organizations have this big fear that technology is going to be a huge investment for them. That in many respects, it's going to require, you know, millions upon millions upon millions of dollars. And I think what we're seeing now is that there's more, there's more variety in the types of scale that technology vendors can actually bring to help organizations bring forward right. And I think we're also seeing too, or at least I've heard, technology vendors have a willingness to say, you know, I'm willing to make a bit of an investment with you as an HSS organization, that collectively we can build something that like, I can use for my clients like you said, but also really helps you for your purposes as well. Are you seeing similar things?

Lydia Lee

Yeah, for sure. So there's a few things I'll say. One is that, and in public sector, I mean, I've been involved in very large sort of government funded projects in the past, where, you know, provincial government would spend like, hundreds of millions of dollars on these massive transformation projects, right, that would take 4, 5, 6, 7 years to implement. And I think generally speaking, and especially with the pandemic, with things moving much faster, because they had to, governments and just sort of the public persons is less of an appetite to fund these humongous transformations that take forever to deliver value. So for sure, I think the trend and the industry is responding, the trend is definitely to implement things that deliver value faster, you know, so they're using like agile development techniques to sort of get a proof of concept going or a minimal viable product going and then like, you know, actually deliver value quickly, or tweak it and then move on. And so I think that's a trend in all sectors publicly funded for sure it that's a huge trend, just because government doesn't actually have the appetite to pay for these massive transformations, and then flow down money to the HSS organizations in turn. The other thing I would say, though, I think that our publicly funded organizations are getting better at is understanding how to have procurement really work for them, like the procurement process. And so I've seen, for instance, like, more and more use of the open competitive dialogue approach where they actually have a big session, talk to a bunch of vendors publicly and say, here's our problem, and then individually have discussions with them about really, what can you do for us, given my problem and actually having that be part of the sort of innovation procurement process. So I would say that organizations are slowly becoming better at that. But that's not something that's widely done. But vendors love that. Vendors love that, because it allows them to spend time to basically tell you why they're differentiated. There's also examples where we've seen things like a sandbox approach. So this is where we give you a problem, we pay a little bit of money for you as a vendor to come in and show us what you can do in sort of a sandbox, there's no obligation to buy necessarily,

but will pay for your work time that it takes to develop something that's a prototype, for instance. So some jurisdictions have actually started to look at those kinds of opportunities, Mike, where you can, again, invite people in, get something quickly, see how it goes, right, and really try and encourage innovation, leading practice, and that's what gets technology vendors excited, because they want to show you why they're different and why they're better. And so that sandbox approach was part of procurement, it takes more effort on the part of the procuring organization, for sure. And then they have to be willing to pay some money up front. So they got to really know that they really want to make an investment on the road. But that's an approach as well. So those are just some of the examples of different approaches that I think people are starting to use.

Michael Capus

Yeah, the sandbox approach is a really interesting one actually, to try something right, with no obligation really, at the end. But to see if there's something there. What do you think are some of the preconditions then that HSS organizations need to think through? What do they need to have sort of either thought through or in their head around an idea or a concept when they go and talk to a technology vendor? Because obviously, just going in with an open conversation about like, Hey, is there an affinity here? Is there even enough? What do you think are some of the things that they should really have clarity on in their mind?

Lydia Lee

Well, so to answer that question, what I'll say is, let's look at what traditionally happens in procurement versus what happens in this kind of situation that I'm talking about this more innovative approach, right? So in traditional procurement, what we used to do as public organizations, and I'm now talking about my own old role as a CIO, we would spend months thinking about not only the problem we're trying to solve, but the specific requirements that we wanted the vendors to actually come to us with in their solution. So we give them a list of 3000 you know, features and functional requirements that they had to say whether they had them or not, and then prove it. And then it only if they prove that then we would say, Okay, well, we'll let you come to orals. So that's kind of the old school way. And it was almost like this prescriptive approach to vendors to say, this is not only the problem that we have, but how you must solve our problem. Whereas I think what is happening more now is that organizations aren't super clear about the problem that they've got. And that is always something that has to be done at the beginning by any organization. That's going through procurement, but they're not as prescriptive about like, and how it will be addressed, because that's where then you can allow the tech vendors who have really innovative or really sort of market edge stuff that they want to bring forward and allows them to actually demonstrate that without telling them how they're going to actually solve your problem ahead of time. So I would say if it's a bit of a mindset shift, Mike, where I think human and social service organizations need to be able to articulate the problem very clearly, also need to articulate how they know it will be solved, like, what indicators will they give to, let's say, the companies and say if you do what you do best, and if you can address these KPIs, or whatever indicators of success, then we'll know that we've got a winner here, right? So they have to be clear on those things, but not being as prescriptive about how a tech company would come forward and actually solve that I think if they can actually do that, then they're perfect candidates for this innovation approach.

Michael Capus

That's really helpful advice. I think a lot of HSS organizations would appreciate hearing that, because they're probably, you know, unsure where to start, depending on their level of maturity and sophistication, right.

Lydia Lee

The last thing I'd add Mike, really quick is that the competitive dialogue part of the process, if they're not 100%, sure, or what the problem even is like, they think they know what their problem is, but they're not positive, then having this open, competitive dialogue approach allows companies come in and say, like, hey, we've actually seen your situation with other clients in the past, let us help you understand how you might think about this, right? And so then that helps the client, the HSS organization actually shape and refine the nature of their problem, if that makes sense. So yeah, organizations do not do that enough, in the beginning.

Michael Capus

Yeah, using it as a process to actually help you to ideate or to think through something right, your problem that you're trying to solve? Absolutely. Just the last question, because I know we're pushing up on time here, that I was wondering if you could weigh in on but it's, you know, part of this sort of investment side is that HSS organizations kind of think they have to go it alone. And maybe there are opportunities to work together as a bit of a sector, maybe that's, you know, 2, 3, 4 organizations that all kind of do something similar, maybe a similar client, or they're trying to solve a similar problem. Have you seen that worked before, where you have a bit of a consortium that goes together to do something and what have been some of the opportunities around that?

Lydia Lee

So it happens all the time in healthcare. So just speaking again, from my own past experience. I partnered with eight other health care provider organizations in Toronto, to go to market together for any referral solution. We had nine different organizations, you would think nine different ways of doing referral processes between primary care and specialty physicians know every single clinical program in every department did their referral process a little bit differently, right? So we recognize even within one organization that we had a bit of a mess, but then when we talked to our partner organizations across these nine, they said, like, Hey, we have the same problem. But because we all share patients, and we were essentially talking about a very limited pool of specialists also that were also shared amongst our organizations, we say like, we really need to kind of figure this out together and not do it nine times over and over again, what we want to do. So I've seen it happen, where we had within the nine organizations, we actually had to do some sort of the pre work to articulate kind of, here's the problem of the referral that we're trying to solve. Here's what we know about our processes. But quite frankly, we've got a bit of a mess on our hands. And we know we've got some process standardization to do or at least harmonization between our organizations. And then we're looking for a technology partner to actually help us address this and bring another you know, sort of person who can look at our processes at the same time. So that was an organization or that was a example of where we got nine organizations on the same referral solution. And we really significantly speeded up the wait times to get to

those specialty referrals. Another example is where a number of hospitals actually got together on a shared IT Service Management Platform to standardize our workflow automation for things like basic, you know how you run your IT, because we have an IT service organization going at the same time. So those are just two examples of where it's very possible. And they just basically have to agree to the same terms and conditions when they're going in on a shared purchase or something like that. And also they have to think about the data sharing elements of it, too. So that's important as a precondition, but yeah, there's examples of that.

Michael Capus

Well, Lydia, thank you so much for your time today. We really appreciate you sharing your insights with HSS organizations. I'm sure people will take a lot away from that. Thanks to our listeners, and we look forward to speaking with you again on some future topics on the Connected Care and Support: The future of human and social services. Have a great day.