

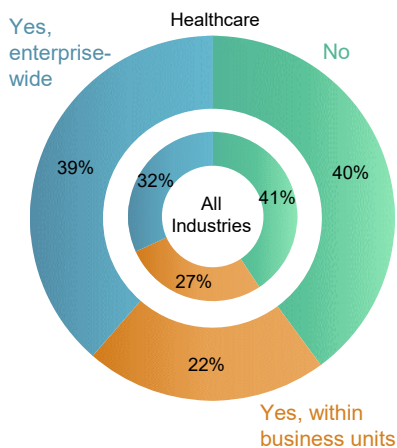


The Harvey Nash/KPMG CIO Survey is the largest IT leadership study in the world, with almost 4,000 respondents across 84 countries, representing over US\$300bn of IT budget spend.

This Healthcare industry snapshot provides survey responses from nearly 200 IT leaders on some of the key topics, and highlights several areas where this industry's responses differed significantly from those across all industries.

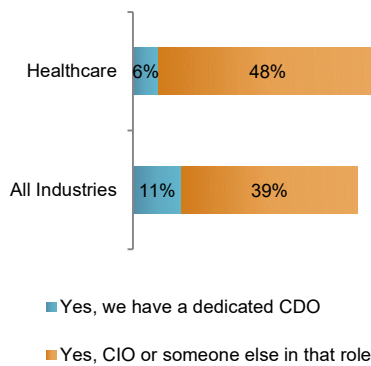
Digital Strategy

Does your organization have a clear digital business vision and strategy?



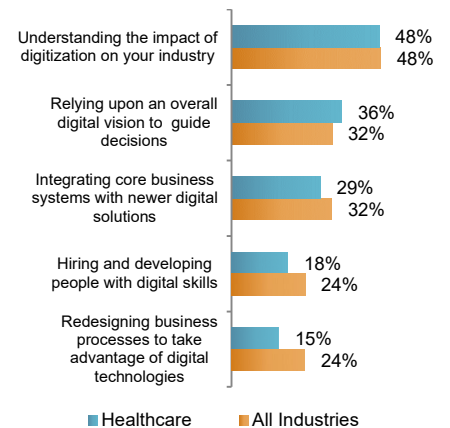
Healthcare companies are **more likely to maintain an enterprise-wide digital business strategy** than others (39% vs. 32% for all industries), but are less likely to have one within business units (22% vs. 27%). Overall, 61% have a clear digital strategy, similar to other industries.

Does your organization have a Chief Digital Officer or someone serving in that capacity?



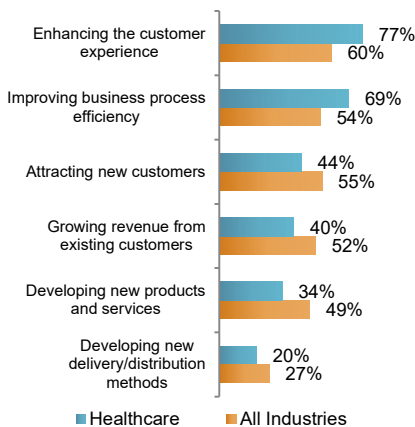
54% of Healthcare companies have a CDO or equivalent, with 6% having a dedicated CDO, and an additional 48% having the CIO or someone else acting in that role. Overall, Healthcare is somewhat more likely than other industries to have a single executive lead their digital strategy.

How effective is your organization at each of the following capabilities? (Very/Extremely Effective)



Healthcare effectiveness in key digital capabilities tends to lag peers in other industries. Healthcare companies are **most effective at understanding the impact of digitization (48%)**, but **struggle with redesigning business processes to take advantage of digital technologies (15%)**.

Which are the most important goals when prioritizing digital technology initiatives in your organization?



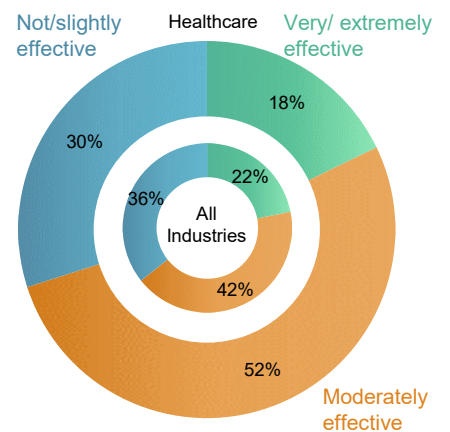
When prioritizing digital investments, Healthcare companies **most heavily focus on enhancing the customer experience (77% vs. 60% for all industries) and improving business process efficiency (69% vs. 54%)**.

How effective has your organization been in using digital technologies to advance the following goals? (Very/Extremely Effective)



Despite its high importance, **only 24% of Healthcare companies rate themselves as very effective or better at using digital to enhance the customer experience**. They are even less effective at using digital to improve business process efficiency (19%).

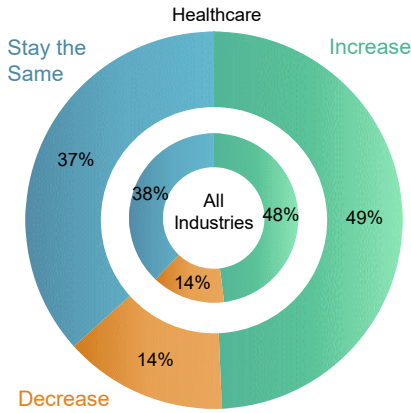
Overall, how effective has your organization been in using digital technologies to advance its business strategy?



Like other industries, Healthcare companies **report low overall effectiveness levels in their digital strategies**, with just 18% describing their digital strategies as very effective or better.

Budget/Priorities

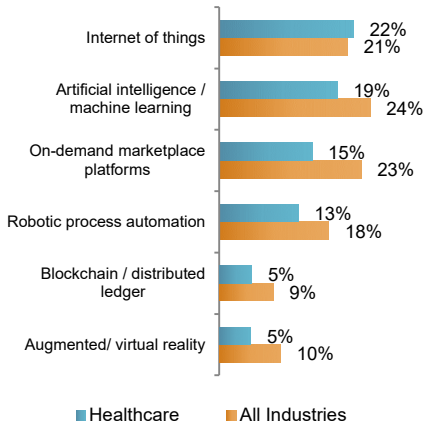
Looking forward, over the next 12 months, what do you expect your IT budget to do?



Healthcare companies are **slightly more optimistic about their IT budgets for next year** than companies in other industries, with 49% expecting an increase in their IT budgets, compared to an all-industries average of 48%.

Technology & Innovation

How would you characterize your investment in the following technologies? (Moderate/Significant Investment)



Of next-generation technologies, Healthcare companies are **most likely to have invested in the Internet of things** (22% vs. 21% for all industries) **and AI/machine learning** (19% vs. 24%).

Conclusion

The Healthcare results of the CIO Survey clearly reflect a strategic focus on the patient and operational efficiencies which are seen as the most important goals for healthcare organizations globally. However, despite its high importance, just 24% of healthcare organizations say they are “very/extremely effective” at using digital technologies to enhance the patient experience and are even less effective at using digital to improve operational efficiencies. In order to enhance the patient experience, healthcare CIOs will need to carefully consider how to ensure that their middle and back office capabilities are aligned to support that experience. Digital transformation focused on improving the patient experience will require that CIOs move away from the traditional “command and control” approach to managing IT, and instead prioritize collaboration with the business and allow more flexibility in applying standards and rules of engagement.

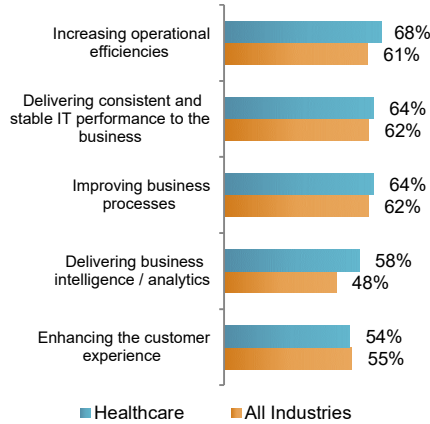
Healthcare CIOs, as in other industries, recognize that digital capabilities will underpin change or complete transformation in nearly every area of their organizations. At the same time, they still feel pressured to modernize their IT environments, as indicated by where the majority of budget allocations are being spent. Moving to the cloud, enhancing ITSM capabilities and cybersecurity still consume significant energy in the healthcare sector. It’s a balancing act – CIOs should strive to allocate a portion of their IT budgets to digital innovation even while they continue to reduce their legacy debt.

The vast majority of survey participants across healthcare globally, feel that having an innovative, experimental organizational culture is key to the success of their digital strategies. That said, more work needs to be done to successfully implement enterprise-wide digital strategies. Effectively harnessing the power of digital technology and data, having leaders in place that are focused on digital strategy, and effective integration of digital across the organization will all be crucial to Healthcare CIOs advancing in their transformation journey.

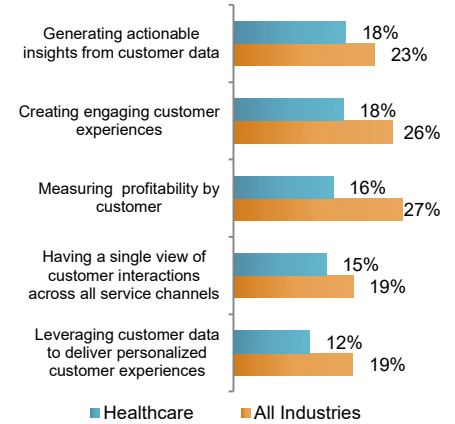
Customer Capabilities

How effective is your organization at each of the following capabilities? (Very/Extremely Effective)

What are the key business issues that your management Board are looking for IT to address? (top 5)

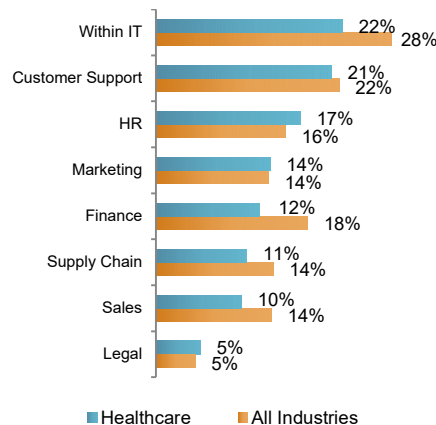


Compared to IT priorities in other industries, Healthcare management Boards **more heavily emphasize increasing operational efficiencies** (68% vs. 61% for all industries), **and delivering business intelligence/ analytics** (58% vs. 48%).



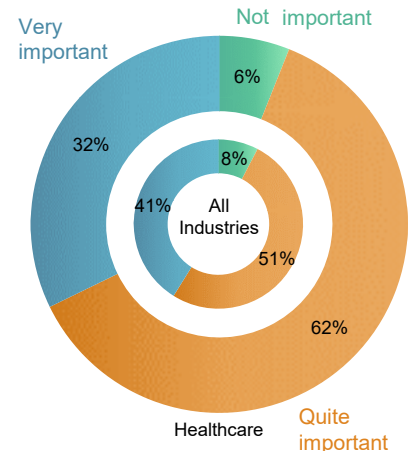
Despite its focus on enhancing the customer experience, Healthcare **struggles with its effectiveness in five critical customer-focused capabilities**, with no more than 18% rating themselves at least very effective at any, well below cross-industry benchmarks.

In which functions have you implemented digital labor / automation?



While digital labor remains in its relative infancy both in Healthcare and elsewhere, Healthcare has most focused its **digital labor/automation efforts within IT** (22% vs. 28% for all industries) **and in Customer Support** (21% vs. 22%).

How important is it to have an innovative, experimental culture in your organization to ensure its digital strategy is a success?



As with companies in other industries, Healthcare companies **view having an innovative, experimental culture as a critical component of the success of their digital strategies**, with 94% viewing it as very or quite important.

Further information

Magnus Sjöström
Partner
Digital Transformation & Innovation
KPMG in Sweden
T: +46 70 8757062
E: magnus.sjostrom@kpmg.se

www.kpmg.com/ciosurvey