



CIO Survey 2016

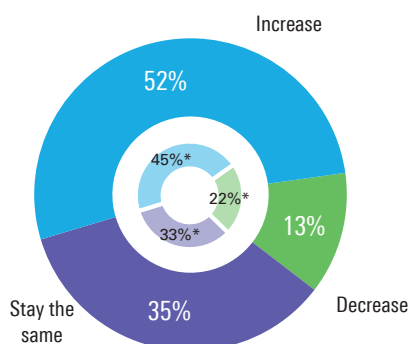
Healthcare Sector Findings

The Harvey Nash / KPMG CIO Survey is the largest IT leadership study in the world. Almost 3,400 respondents across 82 countries representing over US\$200bn of IT budget spend.

This **Healthcare industry** sector snapshot provides survey responses from over 190 Healthcare companies on some of the key topics, and highlights several areas where this sector's responses were significantly different from those from across all industries.

KEY TOPICS

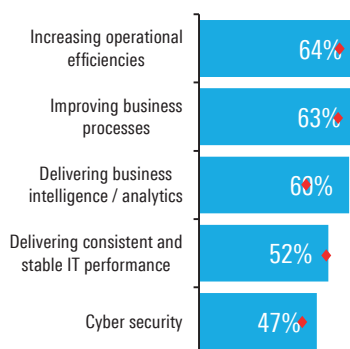
Looking forward, over the next 12 months, do you expect your IT budget to?



Healthcare companies are **more optimistic about their IT budgets** for next year than all industries. 52% of healthcare respondents expect an increase in their IT budget vs. only 45% for all industries.

*All-industries average

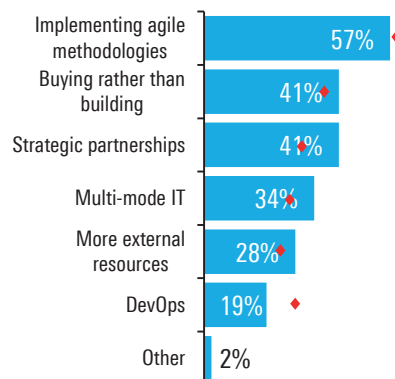
What are the key business issues that your management Board are looking for IT to address (top 5)?



Healthcare companies **place a higher priority on increasing operational efficiencies, improving business processes and delivering business intelligence/ analytics** than the all-industries averages.

◆ All-industries average

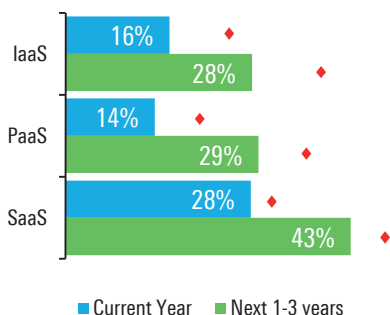
What steps are you taking to become more agile and responsive?



To become more agile and responsive, healthcare companies are **more likely to utilize strategic partnerships** (41% vs. 32% for all industries) and **multi-mode IT** (34% vs. 27%), and **less likely to utilize DevOps** (19% vs. 28%).

CLOUD

How would you characterize your current investment in the following cloud services and how do you expect that to change over time? (Significant investment)



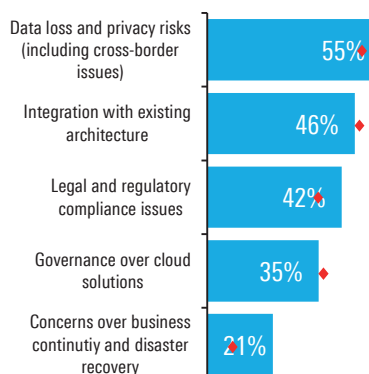
While healthcare companies plan to spend close to the all-industries average on SaaS cloud services, **they plan to invest less heavily in IaaS** (28% vs. 39% for all industries) and **PaaS** (29% vs. 37%).

What are your top three reasons for using cloud technology?



Healthcare companies are **more likely to invest in cloud services because it is the best solution available** (35% vs. 27% for all industries) and **due to simplified management** (29% vs. 21%).

What are your top three biggest challenges when adopting cloud?



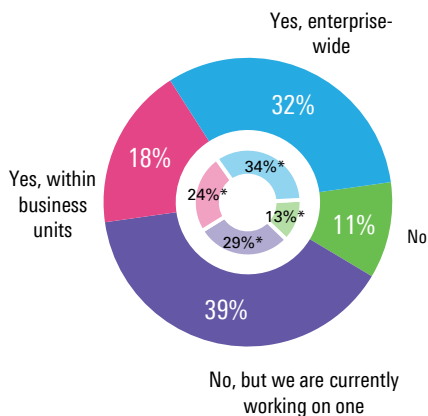
Healthcare companies are **more likely to face cloud adoption challenges due to legal and regulatory compliance issues** (42% vs. 35% for all industries) and **concerns over business continuity and disaster recovery** (21% vs. 12%).



Source: Harvey Nash/KPMG CIO Survey 2016

DIGITAL DISRUPTION

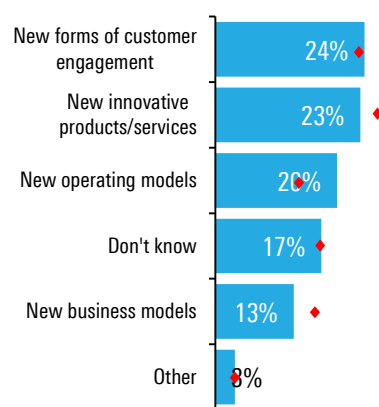
Does your organization have a clear digital business vision and strategy?



Healthcare companies are **less likely to have a digital business strategy**, within business units or enterprise-wide, than the all industries average (50% vs. 58% for all industries).

*All-industries average

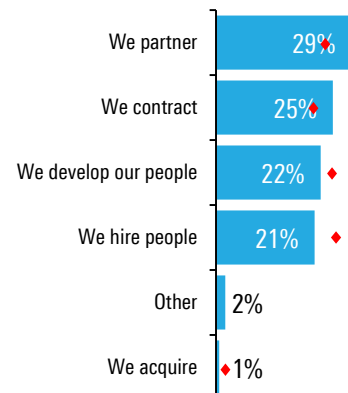
If you are currently experiencing digital disruption, what is the primary source of disruption?



Healthcare companies largely face the same sources of digital disruption as other industries, but are **more likely to face disruption from new operating models** (20% vs. 14% for all industries).

♦ All-industries average

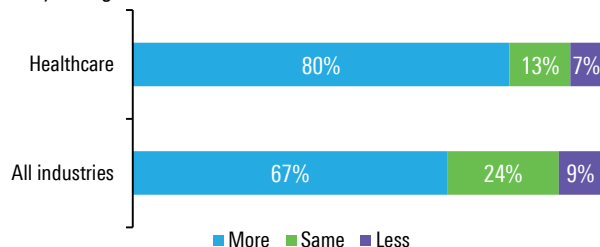
What is the primary method you use for coping with digital disruption?



Healthcare companies are **more likely to utilize outside resources to cope with digital disruption**, either by partnering (29% vs. 24% for all industries), or contracting (25% vs. 21%).

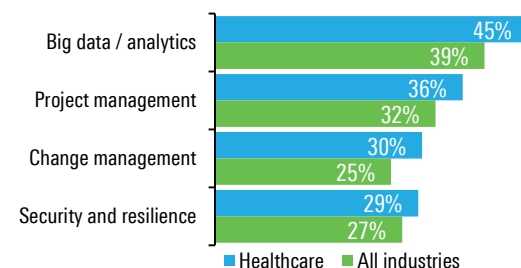
SIGNIFICANT DIFFERENCES

In your opinion, is the role of CIO / IT Director becoming more or less strategic within your organization?



The role of head of IT at healthcare companies is **more often becoming more strategic** than in all industries (80% vs. 67% for all industries).

Which functions do you feel suffer from a skills shortage?



Healthcare companies **face the greatest skills shortages in big data/ analytics, project management, change management, and security and resilience**, and greater skills shortages than the all-industries average.

CONCLUSIONS

Health Information Technology (HIT) is playing an increasing mission-critical role for the healthcare enterprise to meet its daily high availability and trusted operational commitments. In addition, HIT is a key enabler in achieving new and emerging strategic business objectives, leveraging big data and new digital delivery models. The Healthcare industry IT spend has been historically low, but recent high profile security breaches, concerns over regulatory compliance, increasing complexity of HIT systems and the deployment of digital and mobile health services to improve patient access, satisfaction and brand loyalty have elevated the priority and spend in the board room for near and longer term investments. In addition to having more resources to invest, proven cloud and other collaborative digital technology enhancements have improved HIT access, scalability, reliability and sustainability.

FURTHER INFORMATION

Richard S. Bakalar, M.D., FATA (College of Fellows, American Telemedicine Association)
 Managing Director, Healthcare Solution Advisory Practice
 KPMG in the US
 T: + 1 303 382 7014
 E: rbakalar@kpmg.com

www.kpmginfo.com/cioagenda

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2016 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent member firms affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.