KPMG

Digital transformation in the healthcare sector– the challenges

A KPMG and Forrester study

As the digital landscape evolves, healthcare organisations face a pivotal moment for self-reflection and change. A strategic evaluation of current digital transformation activities and how to improve them becomes imperative. Healthcare organisations increasingly want to adopt industry-specific solutions to speed up digital transformation and focus scarce resources on patient-centric programmes over costly legacy technology debt.

KPMG commissioned Forrester Consulting to explore the landscape of digital transformation in the UK public sector today.

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Key Findings

The healthcare sector has a significantly low level of digital maturity. While only 19% of UK public sector decision makers consider their digital transformation completely successful, this is still 2% higher than the wider public sector average of 17%.

The healthcare sector is facing severe obstacles to success. Decision makers in the sector admit lack technology specific skills or knowledge (36%), technology strategy (57%), and training (57%) as main challenges.

Organisations have experienced some impact from digital transformation success. Decision makers have seen a positive effect on customer journey mapping (50%) and improving agility in process (68%) from implementing digital practices.

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Challenges preventing departments from achieving successful digital transformation

1. Technology		**57%** Lack of technology strategy	**21%** Complex software and technology	**21%** Sharing data or drawing insights across departments
2. Process		**43%** Security	**21%** Disconnect between political timescales and project delivery timescales	**29%** Lack of agility to adapt to new processes and capabilities
3. People		**36%** Lack of technology-specific skills or knowledge	**57%** Lack of training	**14%** Reactive/risk-averse organisational culture blocking change
4. Governance		**43%** Budget constraints	**21%** Lack of a formal system to prioritise digital transformation activities	**21%** Lack of metrics to measure success of digital

Base: 31 decision-makers in the UK public sector involved in digital transformation decisions Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, October 2023

The status of digital transformation

- **There is still a long way to go.** Only a few decision makers are completely satisfied with their digital transformation journey. Many will increase efforts to meet their digital priorities.

- **The UK public sector still struggles with the basics.** Organisations face beginner-level challenges such as a lack of technology strategy, budgets, and skills.

- **Decision makers recognize they need help.** Many respondents will increase the budget to work with third-party service providers and expect them to be able to meet their evolving needs.