

Reimagine Growth With A Platform-Centric Digital Strategy: A Spotlight On The Healthcare Industry

Healthcare Results From The February 2024 Thought Leadership Paper, “Reimagine Growth With A Platform-Centric Digital Strategy”

A FORRESTER CONSULTING THOUGHT LEADERSHIP PAPER COMMISSIONED BY EDGEVERVE, FEBRUARY 2024



Executive Summary

Organizations in the healthcare industry are adapting to new digital capabilities in the face of looming recessions, legacy technologies, new healthcare entrants, workforce shortages, chronic disease prevalence and supply chain issues.¹ To ensure nimble competencies, businesses must leverage emerging technologies, such as AI, automation, and digital operating models, to develop robust customer insights to better translate business objectives into tangible value.

It does not come as a surprise that despite heavy investments in digital transformation, healthcare organizations remain in the intermediate stages of digital maturity and enterprise connectivity. The insufficient leverage of data and partnerships often contribute to a lack of a complete picture of the patient, contextualized experience, and trust. A paradigm shift toward a platform approach is a possible solution to outpace the pack with its modularity, ecosystem connectivity, and an AI-driven nature.

In August 2023, EdgeVerve commissioned Forrester Consulting to conduct a custom study to understand the effectiveness of digital transformation initiatives today, and the extent to which firms have embraced a platform-based strategy to drive connectivity and efficiency for growth. Forrester conducted an online survey with 105 respondents and two qualitative interviews with business and IT decision-makers from healthcare firms, responsible for their business, IT, supply chain and process automation strategy to explore this topic.



Key Findings

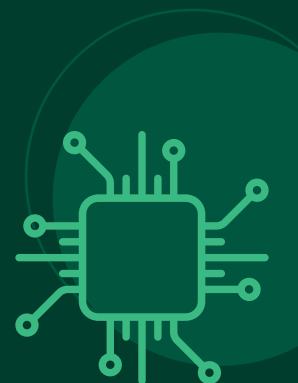
Even with significant investments, digital transformation success remains scant. Only 33% of healthcare decision-makers strongly believe their digital transformation efforts have been successful in achieving desired business outcomes. The lack of a data-driven culture, data rigor, and process inefficiencies continue to bog down the maturity in enterprise connectivity.



Healthcare firms must continue to push for progress while traversing in their digital maturity journey. Compared to the industry average, healthcare firms are in the intermediate stages of connecting systems and processes to improve business outcomes. However, a weak technical and process foundation continues to plague their digital advancement. Business resilience remains afflicted with siloed process and limited AI adoption.



A platform-based strategy fuels insurer's connectivity, digital, and AI approach for healthcare firms. More than seven in 10 (72%) of decision-makers in healthcare firms believe in the adoption of a platform-based strategy that unifies and orchestrates business and technology to drive business growth. Seen as a catalyst to unlock efficiencies and increase competitive differentiation, a platform-first mindset is seen to accelerate patient experience and clinician productivity.



A Connected And Customer-Driven Approach Defines Digital Transformation For Healthcare Firms

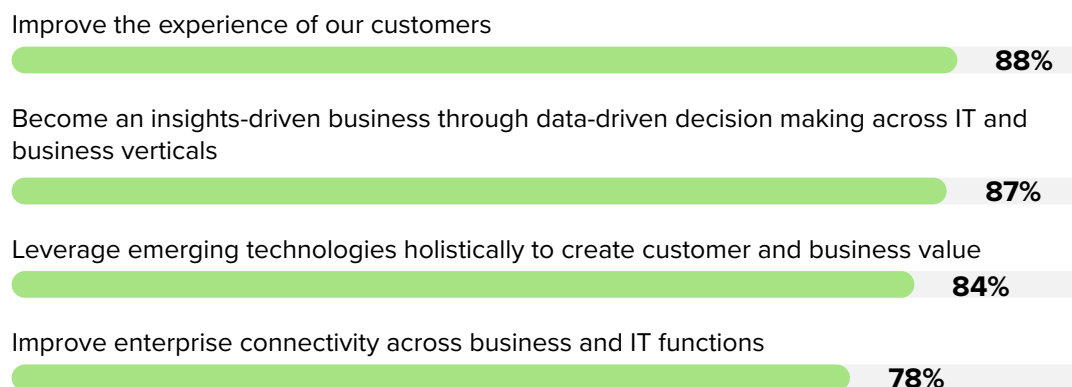
The healthcare industry experienced a decade of transformation in a matter of months — active steps have been taken to leverage technology as health systems evolve to harness the power of data analytics.² Beyond the plain adoption of technology and virtual care, enabling a human-centered technology approach to support patients and workers is now a priority for healthcare providers and vendors alike.

Prioritizing customer experience (CX), integration, and process efficiencies are essential components for digital transformation.

Improving CX runs as a top driver for digital transformation efforts, with 88% of healthcare decision-makers viewing this as a high and critical priority (see Figure 1). This also comes with the increasing trend of healthcare organizations investing in connected experiences to drive personalization and improvement of CX.³ Majority of respondents are looking to improve their CX with their operational capabilities, especially in IT reliability and resilience (78%), automation and intelligence capabilities in IT and business processes (78%), and integrated data, infrastructure, and applications (76%).

FIGURE 1

Top 4 Organizational Priorities Over The Next 12 Months



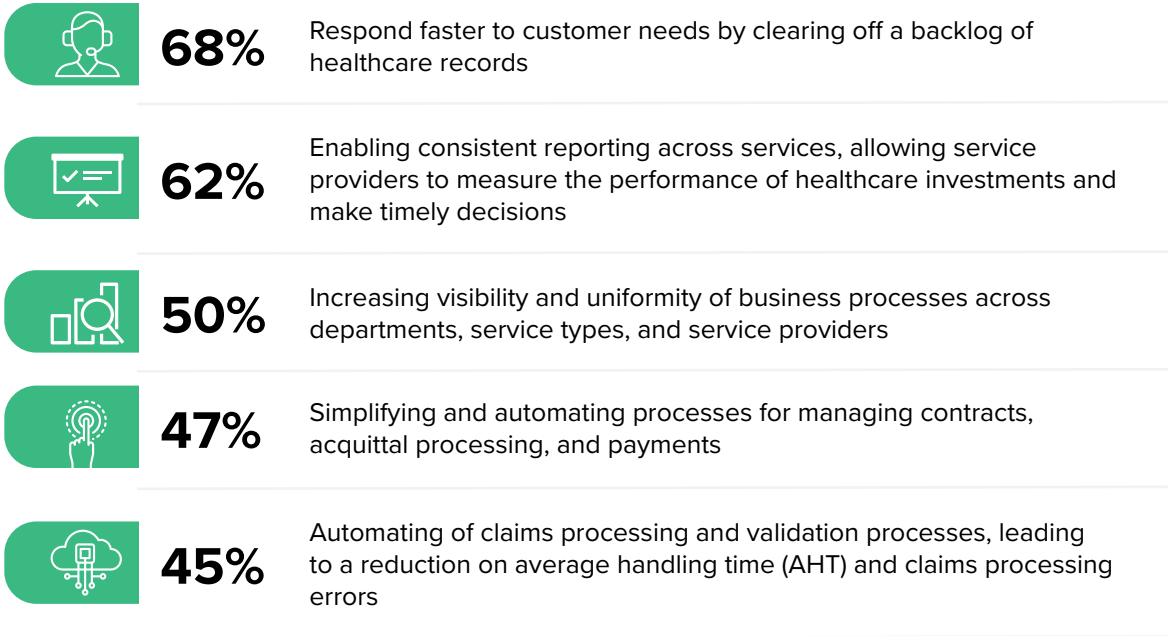
Base: 105 business and IT decision-makers responsible for their business, IT, supply chain, and process automation strategy in healthcare firms.

Source: A commissioned study conducted by Forrester Consulting on behalf of EdgeVerve, August 2023

Key digital experience (DX) use cases for healthcare firms revolve around operational visibility, efficiency and CX. At least six in 10 decision-makers stated that with DX, they have responded faster to customer needs with greater efficiency in clearing backlogs of healthcare records (68%) and experienced improved performance measurement of healthcare investments through consistent reporting across services (62%) (see Figure 2). This does not come as a surprise as a greater number of digital health companies develop solutions to maximize workflow efficiency in the face of workforce shortages and burnout challenges.⁴ Efficiency gains through DX also circles around greater uniformity and automation of business process — almost half of respondents (47%) report the increasing uniformity of business processes across departments, service types, and service providers, and automation of contracts management, acquittal processing, and payments as their key DX use cases.

FIGURE 2

Top Digital Transformation Use Cases for Healthcare Firms



Base: 105 business and IT decision-makers responsible for their business, IT, supply chain, and process automation strategy in healthcare firms

Note: Showing sum of responses for “Implemented” and “Expanding implementation”

Source: A commissioned study conducted by Forrester Consulting on behalf of EdgeVerve, August 2023

Data-driven decisioning and emerging technologies accelerate customer and business value.

Now more than ever, healthcare firms have to continuously test, iterate, and optimize digital assets and clinical workflow or risk falling behind their competitors in the industry. Close to four in five of respondents (84%) highlighted that it was critical to harness emerging technologies holistically to create customer and business value. Firms are looking to become an insights-driven business that embraces data-driven decision-making across IT and business (87%) and are looking to unlock the value of data (69%). These help brands adapt to market conditions that are rapidly evolving and ongoing pressure from competition and consumers.

A connected enterprise approach across business, operations and external partnerships remains a key transformation priority.

Close to four in five decision-makers are looking to leverage data insights as a core means to build a connected ecosystem across the organizations internally and externally to drive effective change (75%). Internally, they aim to improve the enterprise connectivity across business and IT (78%) and streamline business operations and costs (74%). Beyond the internal ecosystem, more than two in three decision-makers believed in the importance of the connection in their firm's partner ecosystem (70%) to build visibility and are actively looking to optimize value from external partners and suppliers (67%).

From Potential To Pitfall: The Repercussions Of Ineffective Digital Transformation

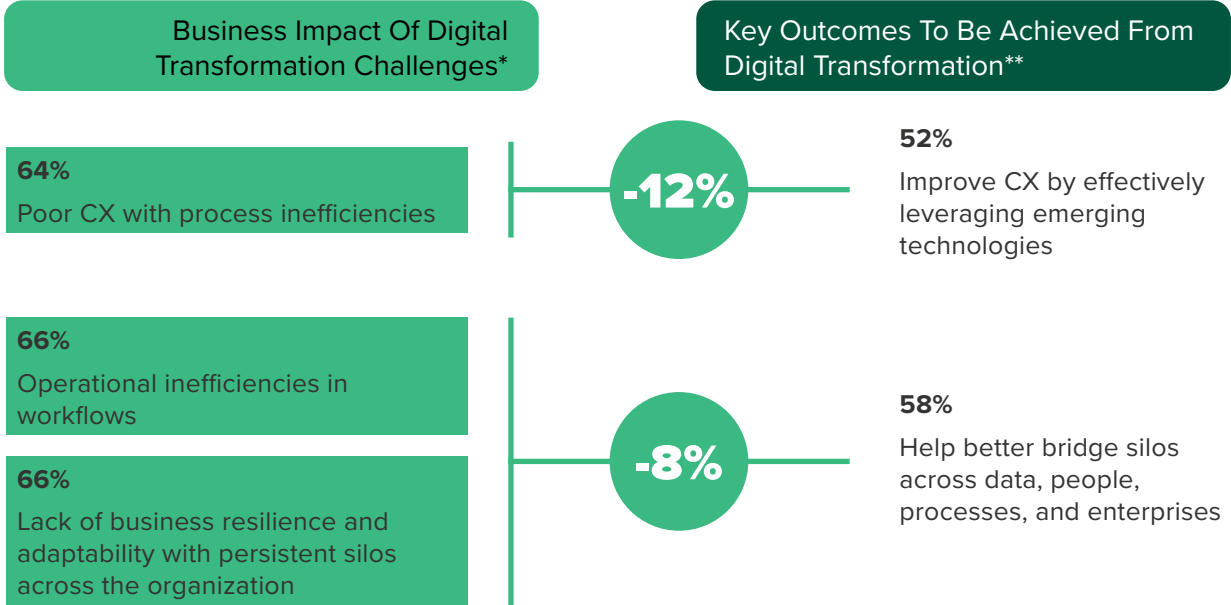
The prevalence of incorrect diagnoses, misinformation, inadequate care recommendations, and significant data biases in the healthcare industry continue to be prevalent in the face of inaccurate and unsuitable data sets in predictive algorithms.⁵ The speed at which digital transformation is forced to be implemented in the healthcare industry came with a mix of negative and positive changes in the business value, customer delivery, and trust.

Despite significant investments, attempts at digital transformation have largely been futile in driving business outcomes. Only close to one-third of healthcare decision-makers (33%) strongly believed that their digital transformation efforts have been successful in achieving desired business outcomes. Nearly half of the respondents (45%) have not been able to enable a positive ROI despite having a high total cost of ownership while executing digital transformation. Although 61% of decision-makers said their firms invested at least US\$100 million in DX initiatives over the past year, 65% of them said their firms have translated less than half of their DX investments into tangible business value.

Negative business impacts from DX challenges overrides desired outcomes in CX and integration. Although 52% of decision-makers considered it critical to improve CX with emerging technologies, an even greater percentage of them have yet to witness customer impact (69%) and are facing poor CX due to process inefficiencies (64%) (see Figure 3). The desire to bridge connectivity between data, people, processes, and enterprise (58%) is often overridden by operational inefficiencies in workflows (66%) and a lack of business resilience with persistent organizational siloes (66%) — seven in 10 decision-makers fail to see the impact on processes.

FIGURE 3

Digital Transformation Challenges Hinder Key Organizational Outcomes for Healthcare Firms



Base: 105 business and IT decision-makers responsible for their business, IT, supply chain, and process automation strategy in healthcare firms

*Note: Showing responses for "Agree" and "Strongly agree"

**Note: Showing sum of responses ranked by respondents as top 5

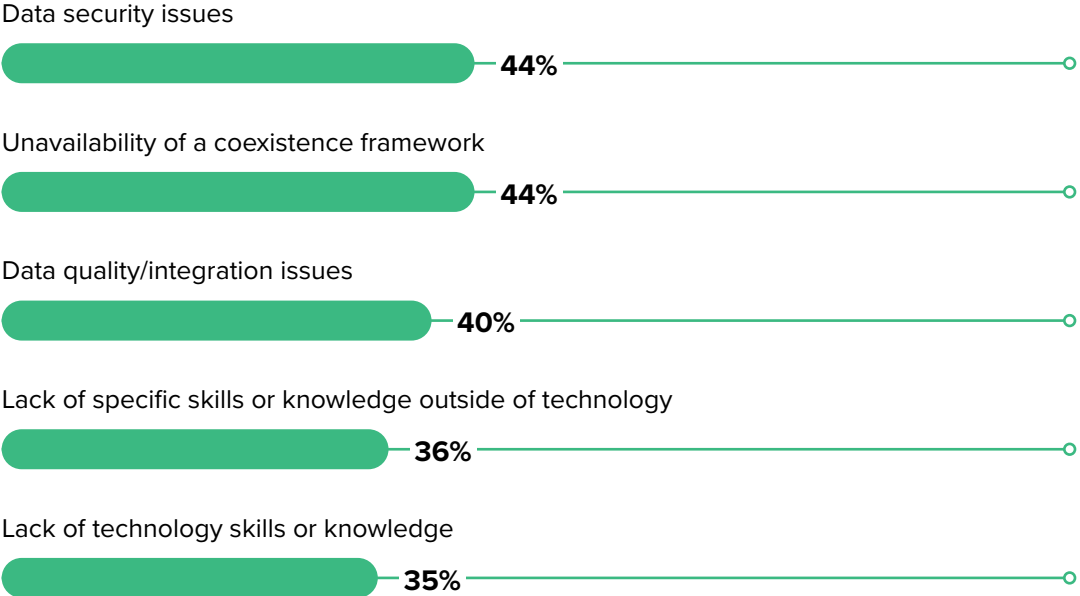
Source: A commissioned study conducted by Forrester Consulting on behalf of EdgeVerve, August 2023

DX expansion continues to be mired by the lack of a data-driven culture and quality rigor.

A hallmark of being customer-obsessed is the need to be insights-driven for better internal decision-making, performance and accountability, and customer value.⁶ That being said, although decision-makers in healthcare consider it crucial to enable an insights-driven culture with better data integration (45%), a much larger percentage of them (61%) have stated the lack of it as a key challenge. This had a trickle-down effect on respondent's lack of understanding of emerging technologies to optimize new technology initiatives (32%). The limited emphasis of a data-driven strategy also saw a lackluster quality rigor in the use of data. At least four in 10 respondents faced data security (44%) and data quality (40%) issues when executing DX, limiting firms to take a more strategic approach in their data usage (see Figure 4).

FIGURE 4

Top 5 Technological Challenges Healthcare Firms Face In Executing Digital Transformation



Base: 105 business and IT decision-makers responsible for their business, IT, supply chain, and process
Note: Showing sum of responses for all options that were ranked within the respondents' top 5 technological challenges
Source: A commissioned study conducted by Forrester Consulting on behalf of EdgeVerve, August 2023

"Healthcare is still largely about commercial and point solutions, and not integrated solutions. When thinking about platform-based capabilities on a technical capacity, we want to address connectivity on siloed point solutions. We are also looking at emerging technologies like genAI, to language processing, to RPA coming into a platform for automation at scale."

CIO, HEALTHCARE, USA

Healthcare Firms Must Not Rest On Their Laurels In The Pursuit Of Digital Maturity

This study explored the factors that distinguish the leaders from the laggards in maximizing strategy, processes, and people for the enhancement of connectivity. Healthcare firms that are more successful in their digital transformation have a higher adoption of AI and automation capabilities, emerging technologies, and are leveraging their partner ecosystem for digital success.

Competition heats up for healthcare firms in the intermediate stage in digital maturity. Our findings have shown that healthcare firms are in the intermediate stage of connecting systems and processes to improve business outcomes as compared to the industry average. The majority of healthcare firms are in the intermediate stages as compared to the industry average (58% vs. 40%), with only 21% of respondents from firms considered to be beginner as compared to a 36% industry average. Firms that fall within this range are proficient, but fall short of their potential at leveraging strategy, processes, and people holistically to improve connectivity to realize customer and business outcomes through digital transformation. This comes with how healthcare firms are still marginally behind in their prioritization of IT-business connectivity in their digital transformation initiatives (79% vs. 82% on average).

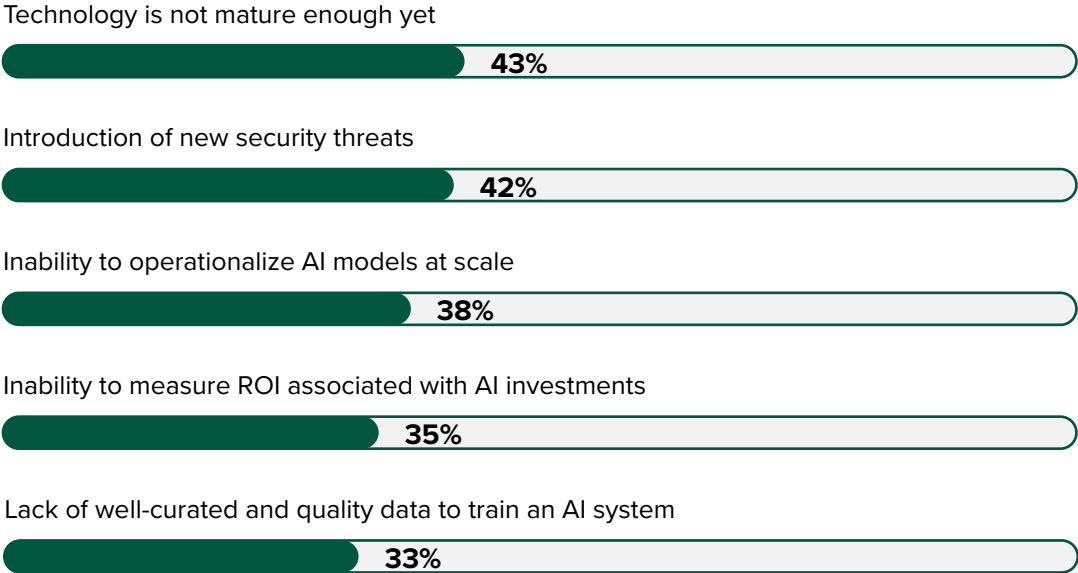
Enterprise connectivity is restrained by weak internal and external process structures in healthcare firms. Decision-makers from healthcare firms are less likely to believe that the connectivity across internal and external processes play a significant role in addressing digital transformation outcomes compared to the industry average (67% vs. 77%). This does not come as a surprise, with how respondents from the healthcare industry are mired in process challenges more significantly than those from other industries. They are more likely to lack business resilience and face adaptability challenges (66% vs. 60% on average) in the implementation of new processes and capabilities (64% vs. 56% on average) and face organizational silos with conflicting priorities (68% vs. 60% on average).

Healthcare firms have a journey ahead in advancing their technical foundation and embrace an AI-driven, platform-based approach. Decision-makers from the healthcare industry continue to struggle with industry counterparts in leveraging digital capabilities effectively. They continue to lack technology skills (35% vs. 31% on average) and a coexistence framework (44% vs. 35% on average) as compared to the other industries surveyed in the study. Decision-makers from the healthcare industry are in turn less likely than their industry peers to increase their investments in new technologies such as process mining (44% vs. 56% on average), generative AI (genAI) (50% vs. 60% on average) and TuringBots (18% vs. 26% on average) to improve their integration, automation, and intelligence capabilities.

The urgency to leverage AI capabilities is also marginally constricted by insufficient data readiness, skillsets and understanding of the technology. Decision-makers from healthcare firms are marginally less likely to have AI play a significant role in their firm's digital journey going forward as compared to the industry average (64% vs. 60% on average). Privacy concerns (30% vs. 23% on average) and the lack of skills to operationalize AI models at scale (38% vs. 33% on average) deter efforts (see Figure 5). Lack of trust in AI is also shown in how a marginally lower percentage of healthcare decision-makers believed that AI will connect tech stacks for business change (63% vs. 68% on average).

FIGURE 5

Top 5 Challenges Healthcare Firms Face In Scaling AI Usage



Base: 105 business and IT decision-makers responsible for their business, IT, supply chain, and process automation strategy in healthcare firms
Note: Showing sum of responses for all options that were ranked within the respondents' top 5 AI challenges
Source: A commissioned study conducted by Forrester Consulting on behalf of EdgeVerve, August 2023

Pave The Way To Digital Transformation Success With A Platform-Based Approach

To sustain a competitive advantage, healthcare leaders must reinvent their organizations to focus on deciphering and integrating data, asset management, innovation, and leverage on emerging technology to improve patient experience and clinician productivity. Digital leaders at healthcare companies must scale their platforms and partners strategically to accelerate business results and become adaptive and resilient in an uncertain market.

A platform-based strategy remains a priority for healthcare decision-makers to accelerate their organization's digital efforts. More than seven in 10 (72%) of healthcare decision-makers believe in the adoption of a platform-based strategy that unifies and orchestrates business and technology (see Figure 6). At least six in 10 expect that a platform-based strategy will enhance customer delight (64%) and unlock efficiencies at scale (55%).

Healthcare firms can more effectively lean on the partner ecosystem to bridge the knowledge and capability gap. Decision-makers from healthcare firms are well aware of the benefits that come with leveraging partnerships for innovation, reliability, and delivery speed. They are looking to optimize value from external partnerships (67%) to support greater visibility and demand sensing across the value chain to accelerate digital transformation (70%).

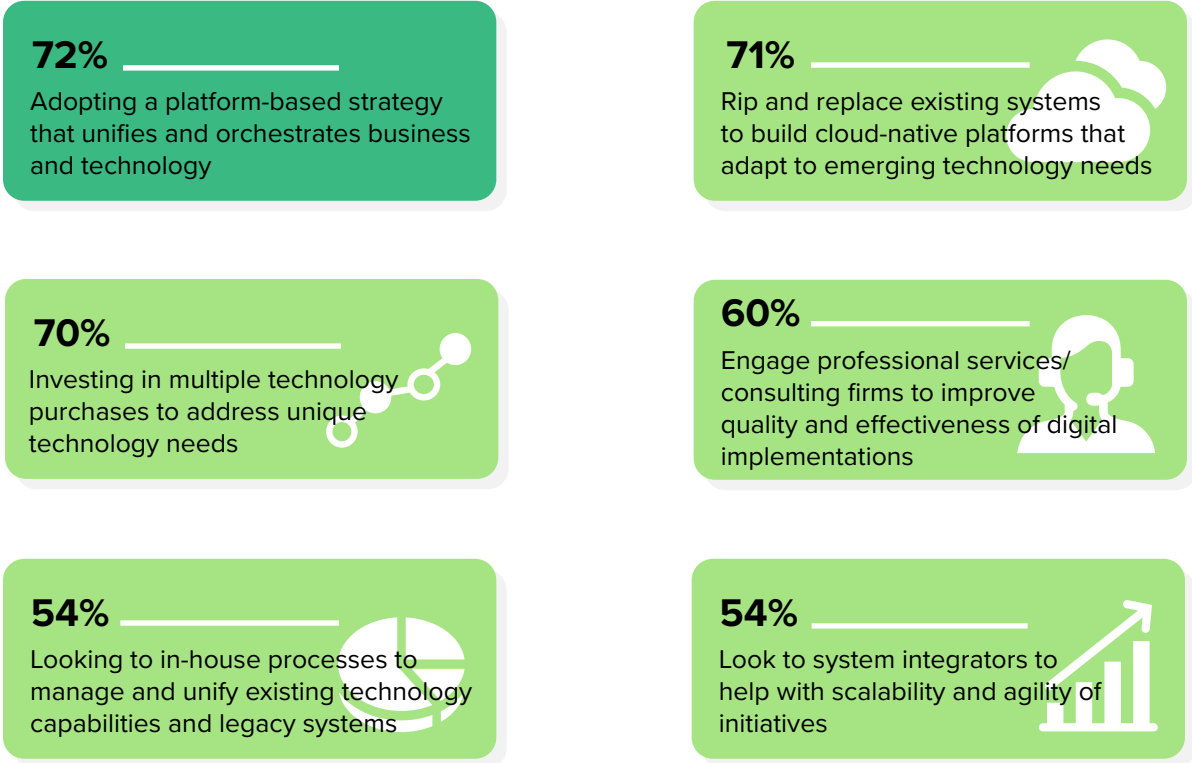
Despite recognizing the benefits that come with leveraging platform-based vendors, more than half of healthcare respondents are not optimally using their partner ecosystem to scale business outcomes when executing digital transformation (52%). This points to the need to strategically enable connectivity within partner ecosystems to leverage capabilities to drive change.

Healthcare firms rank connectivity, operational efficiencies, and customer value as top priorities in platforms. Majority of decision-makers (60%) are expected to harness the power of a connected ecosystem and seamless integration between systems and applications (87%) through a platform-based approach. Additionally, eight in 10 respondents are prioritizing built-in

capabilities that simplify integration, intelligent automation through the use of genAI, natural language processing (NLP), and robotic process automation (RPA) (see Figure 7).

FIGURE 6

Technology Approaches That Healthcare Firms Believe Will Drive Digital Transformation Initiatives



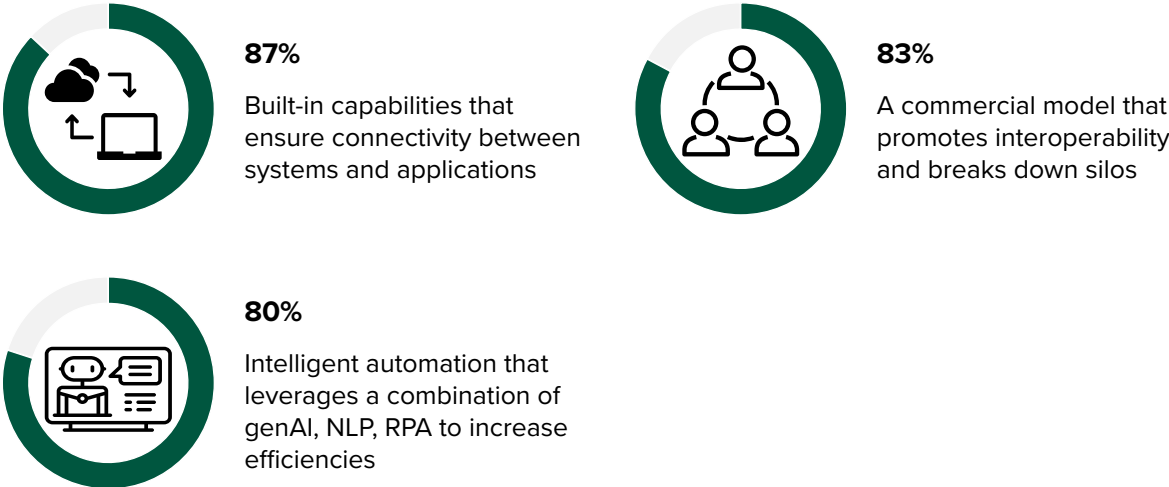
Base: 105 business and IT decision-makers responsible for their business, IT, supply chain, and process automation strategy in healthcare firms

Note: Showing sum of responses for "Believe" and "Strongly believe"

Source: A commissioned study conducted by Forrester Consulting on behalf of EdgeVerve, August 2023

FIGURE 7

Healthcare Firms' Investment Strategy Priorities For Platform-Based Capabilities



Base: 76 business and IT decision-makers responsible for their organization's business, IT, supply chain, and process automation strategy, who believe that adopting a platform-based strategy and unifying business and technology, will drive digital transformation initiatives in healthcare firms

Note: Showing sum of responses for "Will invest in the next 3 to 6 months" and "Will invest in the next 12 months"

Source: A commissioned study conducted by Forrester Consulting on behalf of EdgeVerve, August 2023

Key Recommendations

Forrester's in-depth survey of business and IT decision-makers yielded several important recommendations on how healthcare firms can breathe new life into their digital transformation journey and target their desired business outcomes with precision:

Build connectivity that drives a customer-centric tech strategy.

Healthcare digital leaders who have ensured synergy between business needs and IT priorities have been more effective in driving effective change. This involves a strategic focus on aligning business and IT stakeholders regarding transformation priorities in the early stages, while also ensuring tools, systems, and metrics build toward enabling a connected enterprise.

Remove traditional barriers with end-to-end capabilities.

With consolidation and partnerships taking off, flexible, resilient, and scalable digital capabilities are required more than ever to advance business and technology maturity and quash silos. To address the challenge of persistent organizational silos and workflow inefficiencies, healthcare digital leaders need to consider the extent to which their digital investments provide end-to-end capabilities.

Prioritize AI and automation capabilities that remain accountable to employee outcomes.

Digital leaders in healthcare have advanced their focus on AI and optimized their automation tools and processes to drive more self-service at scale. An example would be utilizing automation for application processing, thereby reducing process requesting time for financial services customers. Such capabilities augment human potential, employee productivity, and ultimately, CX.

Embrace emerging technologies with clearly-defined use cases.

With the advent of new technologies such as GenAI, healthcare firms are keen to understand how to leverage emerging tech to differentiate themselves. However, without a defined set of use cases and a map of capabilities and outcomes, firms will be stuck without a clear strategy to prioritize the right emerging tech capabilities for business success.

Optimize partner ecosystems to drive accountability and efficiency while cocreating new approaches.

As the digital journeys of healthcare firms are enmeshed in a myriad of partner networks, the complexity of partner ecosystems can be difficult to navigate in a way that primes healthcare firms for scale, rather than hindering success. Catering to the partner ecosystem with right platforms that enable visibility and accountability can partner ecosystems to be strategic differentiators.

Leverage a platform strategy that enables you to capture value through efficiencies, insights, and growth.

The current shortfalls and gaps in digital transformation effectiveness have highlighted the need to strategically connect business, IT, and partner ecosystem priorities, while also enabling technical connectivity across systems, data flows, and operational processes to drive change. Adopting a platform-based approach that focus on building needed visibility across internal and external ecosystems, driving the automation agenda to build efficiency, and providing the insights for accountable decision-making can drive digital transformation initiatives toward the strategic differentiators they intend to be.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 105 healthcare decision-makers and in-depth interviews with 2 senior decision-makers at organizations in the United Kingdom and United States to evaluate digital transformation objectives and effectiveness.

The study began in August 2023 and was completed in September 2023. To read the full results of this study, please refer to the Thought Leadership Paper commissioned by EdgeVerve titled, “Reimagine Growth With A Platform-Centric Digital Strategy”.

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Forrester’s [Technology & Architecture](#) research group

Appendix B: Demographics

REGION	
United States	48%
Germany	11%
New Zealand	11%
United Kingdom	9%
France	7%
The Philippines	5%
Singapore	4%
Vietnam	4%
Australia	3%
Spain	0%

POSITION	
C-level executive	31%
Senior vice president/vice president	32%
Director	37%

ANNUAL REVENUE	
\$5 billion and above	39%
\$3 billion to less than \$5 billion	34%
\$1 billion to less than \$3 billion	27%

INDUSTRY	
Healthcare	100%

FUNCTION	
IT	67%
Business	33%

RESPONSIBILITY FOR STRATEGY	
IT	70%
Business	47%
Process automation	42%
Supply chain	13%

Note: Percentages may not total 100 due to rounding.

Appendix C: Endnotes

¹ Source: “[The Five Key Takeaways From HIMSS22](#),” Forrester Research, Inc., May 11, 2022.

² Source: “[The Future Of Healthcare: Success In 2030 Hinges On Resilience And Agility In 10 Areas](#),” Forrester Research, Inc., December 21, 2021.

³ Source: “[The Next Phase Of Healthcare’s Digital Transformation Takes Hold](#),” Forrester Research, Inc., June 6, 2023.

⁴ Source: “[The Next Phase Of Healthcare’s Digital Transformation Takes Hold](#),” Forrester Research, Inc., June 6, 2023.

⁵ Source: “[The Future Of Healthcare: Success In 2030 Hinges On Resilience And Agility In 10 Areas](#),” Forrester Research, Inc., December 21, 2021.

⁶ Source: “[Create The Culture Needed To Be Insights Driven](#),” Forrester Research, Inc., June 6, 2022.

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