

# 2017 Global Digital IQ® Survey

## Healthcare, pharmaceutical & life sciences



### Executive Summary

Since 2007, PwC has conducted research on the Digital IQ of companies worldwide. This year marks the release of our 10th anniversary survey of business and IT executives, and it contains unique insights into how healthcare and pharmaceutical and life sciences (PLS) businesses are capitalizing on technology and what they think about technology's role in their strategic approach to digital transformation.

## The survey

The 2017 PwC DIQ Survey was fielded between September and November 2016 and included 237 respondents in the health industry—evenly divided between IT and business leaders—from 42 countries. Representative of this pool, 65% of executives work in organizations with revenues of \$1 billion or more, and 19% have revenues between \$500 million and \$1 billion.

**65%**  
of respondents work in organizations with revenues of \$1 billion or more

## Key survey takeaways

### Digital is a moving target

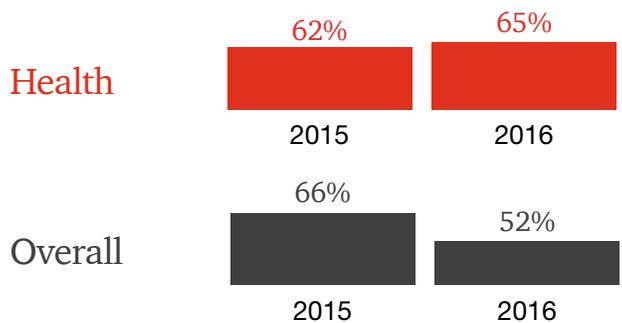
#### THE TAKEAWAYS

A decade ago, digital was just another name for IT. But today's definition of digital is often all-encompassing, referring to emerging technologies such as artificial intelligence (AI), the internet of things (IoT), robotics, and 3-D printing, among others. In 2007, healthcare and PLS executives reported that they viewed technology of both strategic and operational importance, and they expressed confidence in their ability to harness the power of IT to grow their businesses. But today, as competition mounts from inside and outside of the health sector, executives are not as sure of their leadership's ability to effectively leverage digital technologies. Only 63% of healthcare and PLS executives believe their CEOs are champions for digital, down from 72% in 2015. Nevertheless, healthcare and PLS execs rate their organizations' Digital IQs higher than other industry execs rate theirs.

#### THE DATA

Healthcare and PLS executives are gaining confidence in their organizations' Digital IQ, bucking a collective downward trend

Percentage of healthcare and PLS execs who rate their organizations' Digital IQs as strong/very strong:



### Industry barriers are in flux

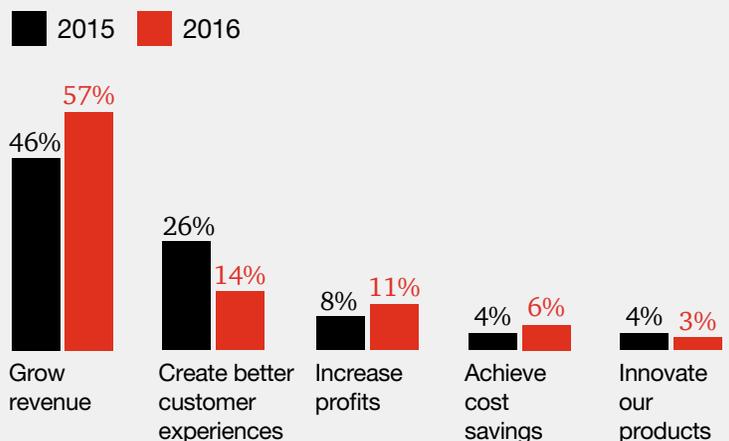
- Healthcare and PLS executives indicate that their most common obstacles to implementing digital technologies are: 1) lack of properly skilled teams (63%), 2) outdated technologies (59%), and 3) lack of integration of new and existing technologies and data (57%).
- These barriers shifted significantly in importance from those named in 2015. The #1 concern in 2015, "inflexible or slow processes," did not make the top three list in this survey. Several other obstacles that ranked high in 2015 dropped significantly in this survey.

### Healthcare and PLS execs expect monetary returns from their digital investments

- The majority of survey respondents from the health sectors say they expect their digital investments to pay off by adding directly to their coffers.
- This mirrors the growing collective sentiment of respondents in all industries, showing a definitive preference for cultivating immediate ROI from digital investments rather than seeking the longer-term payout that may be expected by investing in innovation, data analytics, talent, or branding.

### What value do you expect from your digital technology investments?

They will enable us to... (top-ranked choice)



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## People power: why human experience matters

### THE TAKEAWAYS

Digital IQ is about an organization's ability to adapt to change and use emerging tech to advance company goals as they apply to consumers. However, healthcare and PLS employees' emerging technology skills are lacking. Not all clinicians are overly troubled by this, as many continue to cling to the belief that too much tech can obstruct and hinder the patient/clinician relationship. Nevertheless, healthcare and PLS executives continue to push for tech that incorporates patient-centered design that enhances—rather than replaces—patient encounters, ultimately creating more time for one-on-one patient communication.

### THE DATA

#### Emphasis on customer service is declining

- In 2015, 26% of healthcare and PLS execs rated the creation of better customer experiences the top benefit they expected to reap from their digital investments. In the latest survey, that number dropped to 14%.
- Survey respondents also reported that their companies spent 10% of their digital technology budgets on customer service, on par with its 10% spending in 2015. Overall corporate investment in most industries mirrors this trend.

#### Skill gaps in emerging tech persist

- Healthcare and PLS executives gave their organizations' digital skills the highest marks in their application to 1) cybersecurity and privacy, 2) data analytics, and 3) technology architecture and design.
- Healthcare and PLS executives indicate a need for improvement in the areas of prototyping, user experience and human-centered design, and business deployment of new technologies.

Execs agree on importance of human/tech interface, but many lack skills to support it

69%

of healthcare and PLS executives agree/strongly agree that their companies focus on the new ways technologies will affect human experiences

46%

of those executives rate their organization's digital skills as highly/quite developed in user experience and human-centered design

## Emerging technology: next-generation digital

### THE TAKEAWAYS

Now that emerging technologies such as artificial intelligence, virtual reality, augmented reality, the internet of things, robotics, 3-D printing, and drones are attracting the attention of mainstream businesses, many executives are exploring how the applications of these technologies to different business sectors will affect operations, processes, and products. If business leaders continue to rely on outdated ideas and processes rather than keep up with the evolving capabilities of emerging tech, they run the risk of rendering themselves irrelevant in a transformed world.

19%

The average investment made by a health sector company in emerging technologies (as a percentage of its total digital technology budget).

### THE DATA

#### Moving toward a holistic definition of "digital"

- Today, 34% of healthcare and PLS executives define digital as synonymous with IT. This number hasn't moved much from 2015, in which 36% of healthcare and PLS executives also equated the two.
- But the definition of digital is in flux. Other up-and-coming definitions of digital technologies healthcare and PLS execs cite include all technology innovation-related activities (21%), investments that integrate technology across the business (19%), and all customer-facing technology activities (13%).

#### What healthcare and PLS execs plan to invest in within three years:

