

Global Digital Transformation Survey Report

Industry Report:
MEDICAL, HEALTH &
WELFARE



Digital Transformation Delivering Business Outcomes

shaping tomorrow with you



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Introduction: The Medical, Health and Welfare industry and digital transformation

This report contains analysis of data from medical, health and welfare industry (MHW) for the 2017 Fujitsu Global Digital Transformation Survey. The research was conducted to find out more about how business leaders are responding to digital transformation challenges, and to identify what initiatives they are undertaking in the area. We received 1,614 responses from business leaders across 15 countries, including 100 respondents from the MHW industry,

Digital technologies such as the Internet of Things (IoT) and Artificial Intelligence (AI) are being embedded into core value-generation processes in business and society, transforming people's work and daily lives and generating innovation. This is digital transformation. Business leaders around the world are becoming aware of the power of digital transformation, and taking action to realise its huge potential.

Today, digital technologies are moving into the heart of everything we do, changing the way businesses and people work, how they live and how they innovate. In the new digital society, digital transformation and digital co-creation become business norms. Digital co-creation means blending your business expertise and digital technology, and creating new value – together with ecosystem partners and customers – to shape a better future.

Digital transformation initiatives usually start from the testing phase, then a Proof of Concept (PoC) and a Proof of Business (PoB) phase, and then shift to the implementation phase. But new technology alone is not sufficient for digital transformation. New talents, and people who have different skills and innovative ways of doing things, are required. Leadership, agility and co-creation with partners are very important elements.

The theme of the Global Digital Transformation Survey is aligned with the story of Fujitsu Technology and Service Vision, which sets out our vision and insights into how business leaders can leverage digital transformation in business and society, enabling and creating a better future.

The Fujitsu Technology and Service Vision can be downloaded from the following link:

URL: <http://www.fujitsu.com/global/vision/>



Key findings

- Operations and maintenance is the top functional area for digital transformation in organizations in the medical, health and welfare (MHW) industry, with 27% of organizations reporting projects in that area.
- The most positive outcome of digital transformation is increased revenue, with 40% of respondents reporting this as the most positive outcome. Many organizations also report strengthened competitiveness of products (38%) and strengthened relationship with customers (34%) as positive outcomes.
- Key factors in delivering digital transformation are strong leadership (32%), talented staff with the right skills (16%) and streamlined organizations and processes (13%).
- Almost one fifth (18%) of MHW industry leaders say it is important to have a strong technology partner to achieve digital transformation. They believe these technology partners need to have an alignment with the organization's vision and strategy (19%) and strong technological capability (18%).
- Nearly three quarters (72%) of MHW respondents believe that artificial intelligence (AI) represents an opportunity, rather than a threat (just 3%). More respondents (81%) believe that AI will enhance people's capabilities in the future, but 62% believe that jobs may be displaced.
- Business leaders in the MHW industry believe that professional knowledge of digital technologies is the most important capability needed in the digital era. It was rated the most important capability by 17% of respondents. This was followed by creativity and imagination, and knowledge of specific industry (both 14%) and judgement and decision making capability (10%). These results indicate that a strong perception that a balance of skills is needed to drive digital transformation.

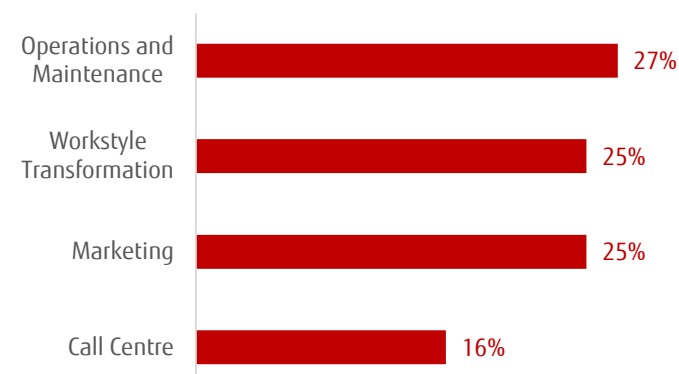
What is the focus of digital transformation?

Digital transformation is undertaken in many functional areas. The survey asked MHW industry business leaders about the extent to which digital transformation has been implemented in four key cross functional business infrastructure areas common to most organizations: marketing, work style transformation, operations and maintenance, and call centers.

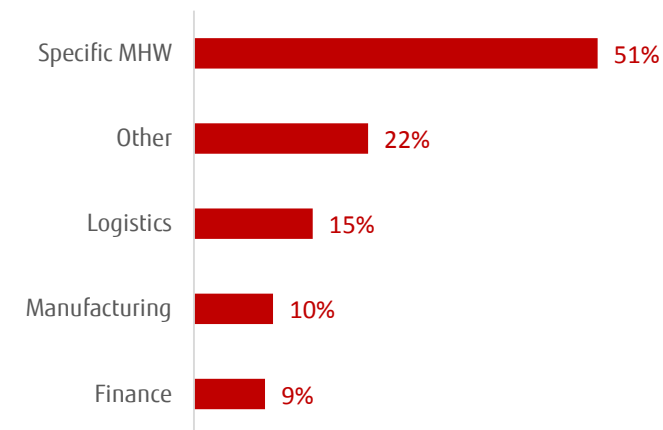
Of these functions, digital transformation is the most likely to take place in operations and maintenance, reported by 27% of respondents. Workstyle transformation and marketing (both 25%) and call centers (16%) are also areas where a significant amount of digital transformation is taking place.

The survey also asked about the status of digital transformation in more specific functions: those in the MHW industry, and logistics, manufacturing and finance. Half (51%) of organisations have implemented or are implementing digital transformation process in industry-specific MHW transformation, and 22% in other areas. For specific functions, 15% reported digital transformation projects in logistics, 10% in manufacturing and 9% in finance.

What is the functional focus of your digital transformation? (cross functional)



What is the functional focus of your digital transformation? (specific functions)



How advanced are organisations on their digital journey?

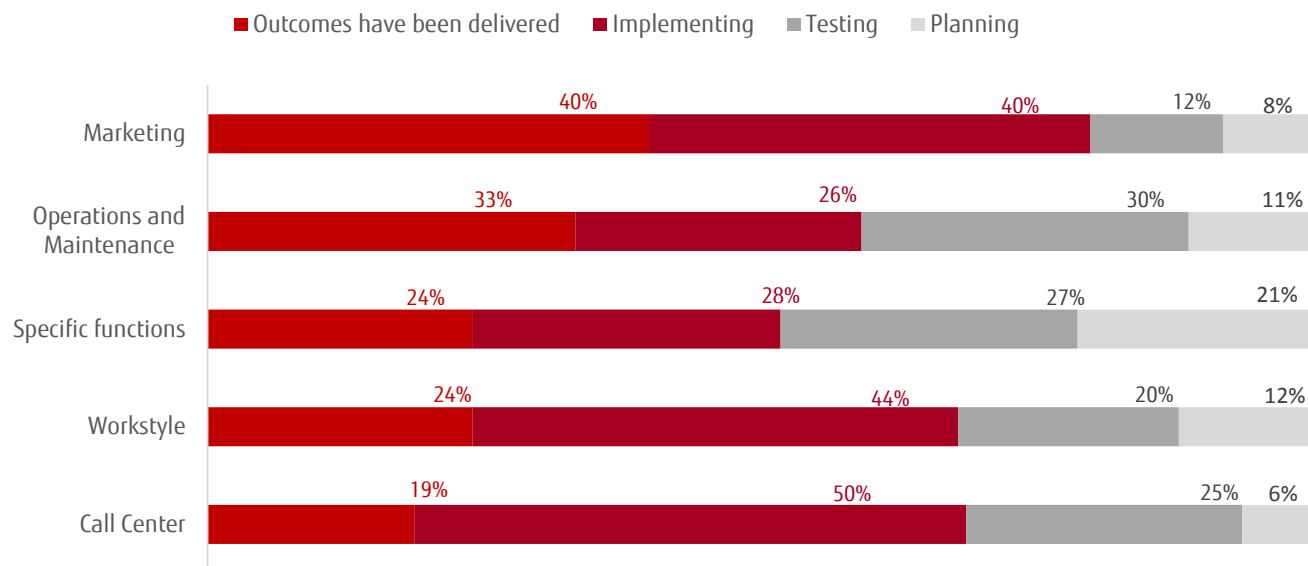
The highest level of delivered digital transformation outcomes in the MHW industry is in marketing (40%), operations and maintenance (33%) and specific functional transformation (24%).

Also delivered were workstyle (24%) and call center (19%).

(Note that this chart aggregates the specific functional areas on the previous chart.)

The results indicate that digital transformation are somewhat advanced amongst organizations in the MHW industry. While the majority of projects are in the process of being implemented or have delivered on their outcomes, many still sit in the testing and planning phases.

Which best describes the progress of the digital transformation?



What are the benefits of digital transformation?

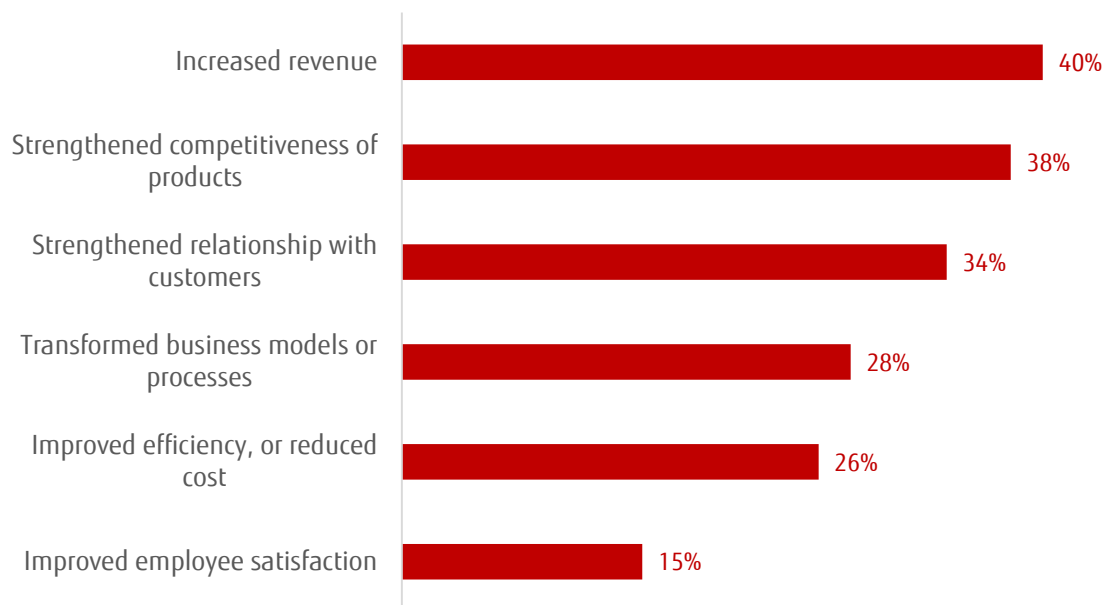
The survey asked MHW industry business leaders what kind of outcomes have been delivered through their digital transformation projects. The greatest benefit of digital transformation is increased revenue, reported by 40% of respondents.

38% say it has strengthened the competitiveness of products and 34% say it has strengthened the relationship with customers.

Other benefits are transformed business models or processes (28%), improved efficiency and reduced cost (26%) and improved employee satisfaction (15%).

The results indicate that there are many benefits of digital transformation in the MHW industry. The effects are felt across the organization, not just on the bottom line.

Which outcomes has digital transformation delivered to your organisation?



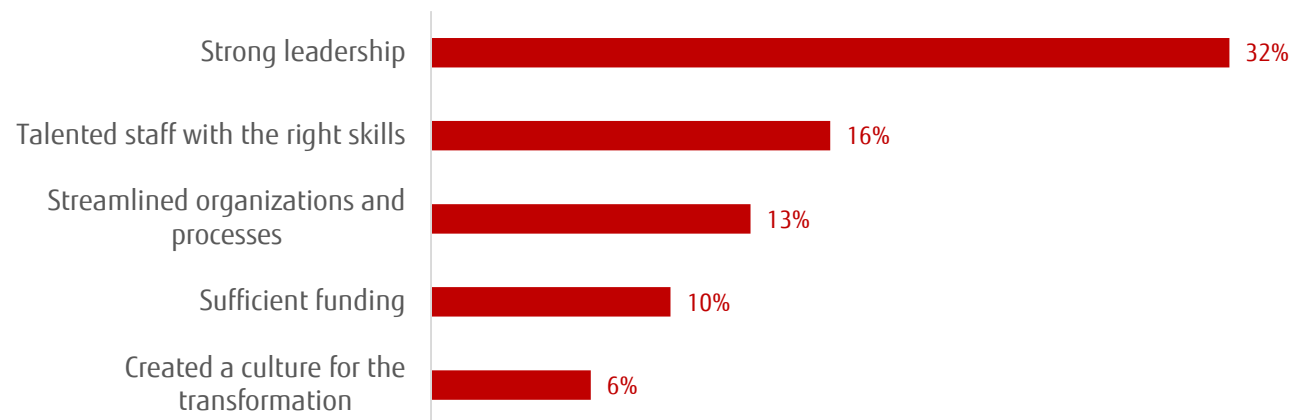
What are the key success factors and inhibitors in digital transformation?

Digital transformation is not just about introducing new technologies. In order to deliver successful outcomes, organizations need strong leadership, talented staff and streamlined processes.

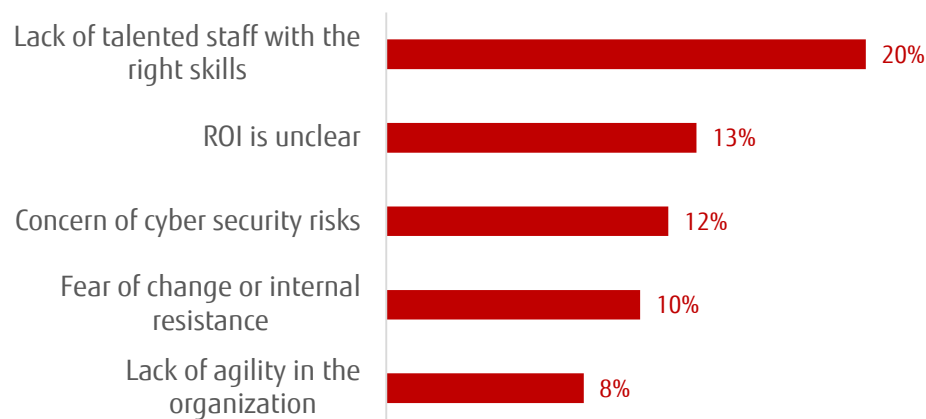
The survey asked MHW industry business leaders what they believed to be the key factors for successful digital transformation. At the top of the list is strong leadership (32%), followed by talented staff with the right skills (16%), streamlined organizations and processes (13%), sufficient funding (10%) and a culture for transformation (6%).

The survey also asked about which factors hindered digital transformation. The most often mentioned was a lack of: talented staff with the right skills (20%), an unclear ROI (13%), concern of cyber security risks (12%), fear of change or internal resistance (10%) and a lack of agility in the organization (8%).

Which factors were key in delivering digital transformation outcomes?



Which factors hindered the progress of digital transformation?



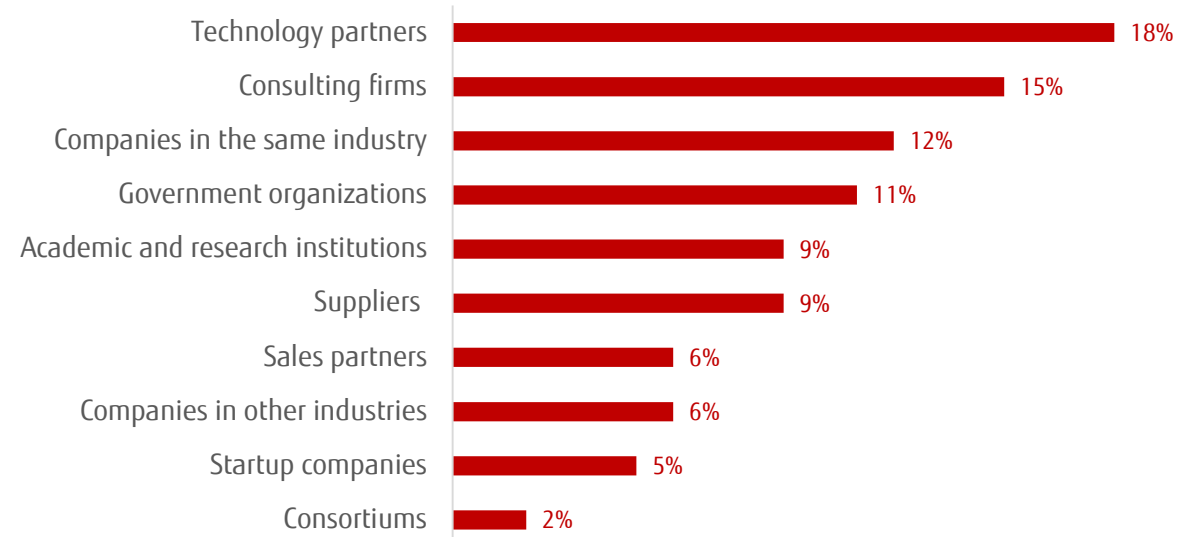
How important is a strong technology partner for digital transformation?

Success in digital transformation requires cooperation with external partners. Business leaders in the MHW industry were asked which types of partners were most important.

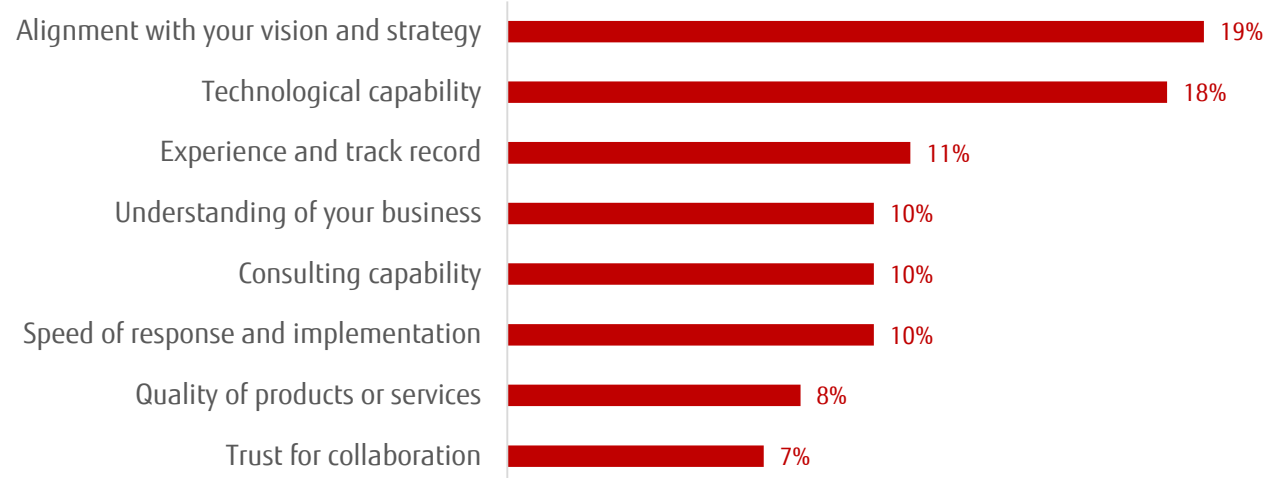
The most highly rated were technology partners, ranked as most important by 18% of respondents. Other important partners were consulting firms (15%), companies in the same industry (12%) and government organizations (11%).

Respondents were also asked about what they expect from a technology partner. The most important attributes are an alignment with the organization's vision and strategy (19%) and a strong technological capability (18%). A proven experience and track record (11%) was also mentioned. A strong understanding of the organization's business, having strong consulting capability, and speed of response and implementation were all mentioned by 10% of respondents.

Which partners are important to collaborate with for digital transformation?



What do you expect from a technology partner for digital transformation?



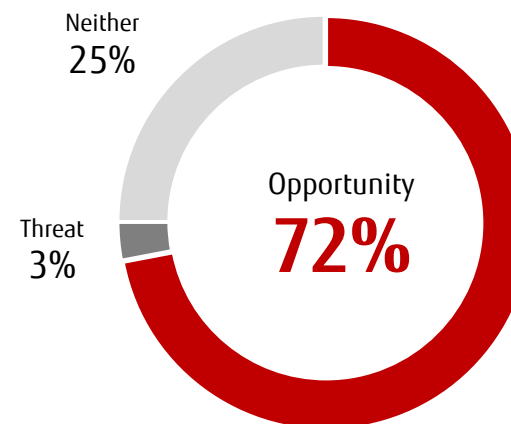
What is the potential of Artificial Intelligence?

The survey asked MHW business leaders three questions about perceptions of artificial intelligence (AI).

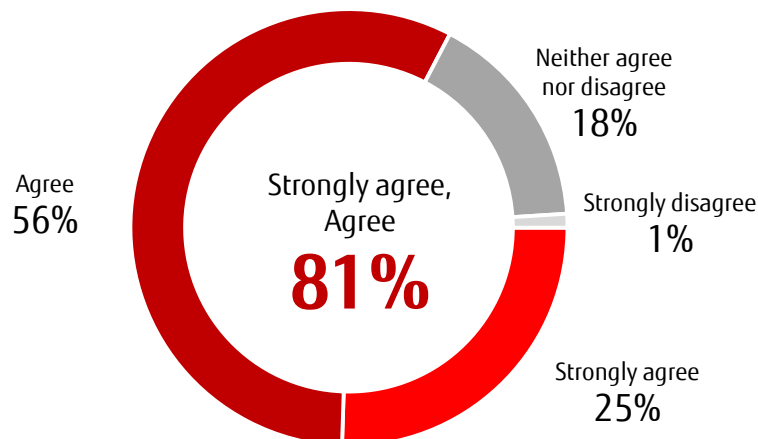
Of the respondents surveyed, 72% see AI as an opportunity, with just 3% seeing it as a threat. But there is some ambivalence about its effects.

Most survey respondents strongly agree (25%) or agree (56%) that AI will enhance people’s capabilities in future, but they also believe that AI will be used for work currently performed by people (18% strongly agree, 44% agree).

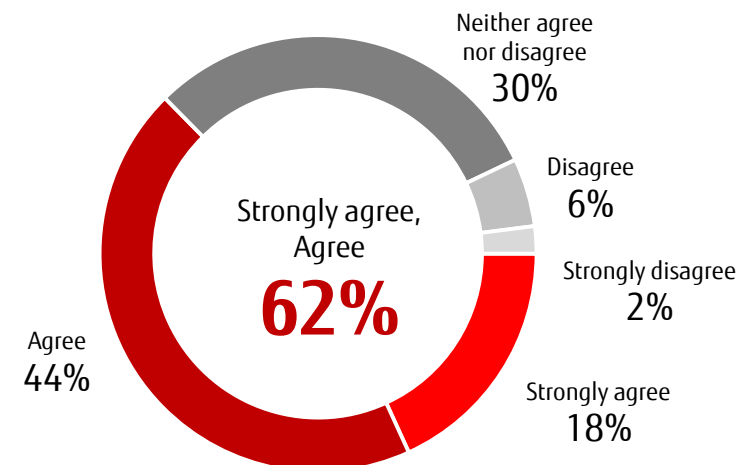
Is AI an opportunity or a threat?



Will AI enhance people's capabilities in the future?



Will AI substitute for people's work in the future?



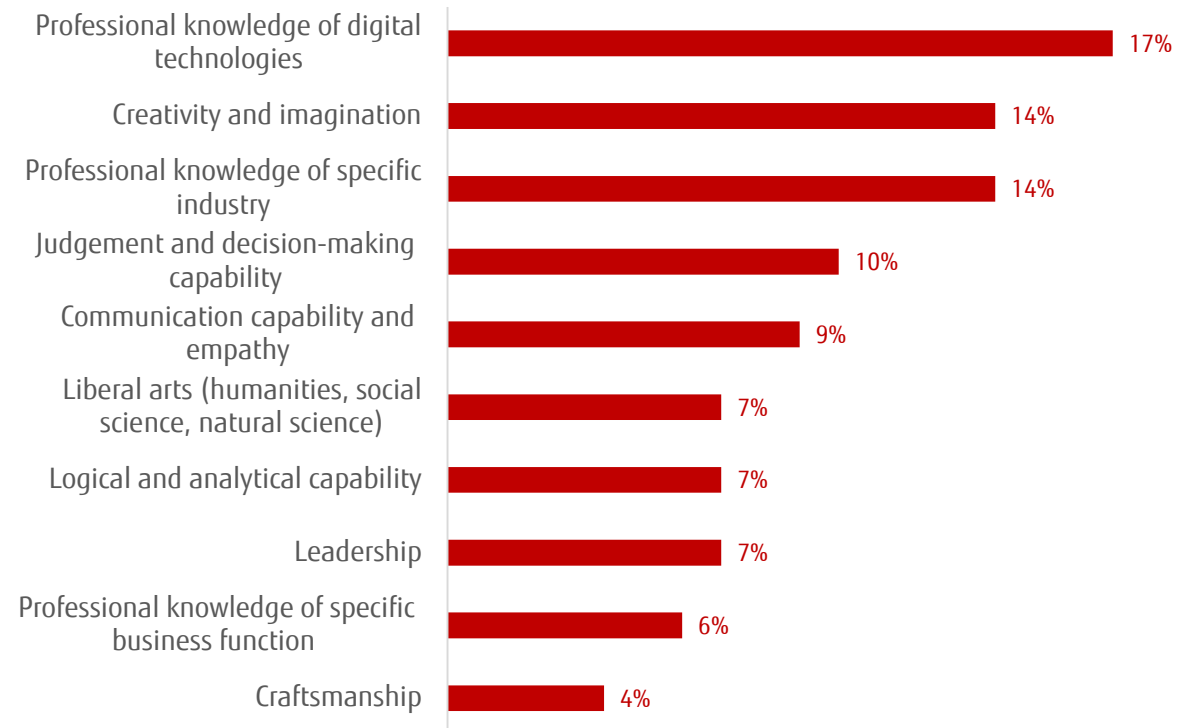
What are the key skills and capabilities required in the digital era?

Business leaders in the MHW industry believe that a professional knowledge of digital technologies is the most important capability needed in the digital era. It was rated the most important capability by 17% of respondents.

Next most important is creativity and imagination, and knowledge of specific industry (both 14%). This was followed by judgement and decision-making capability (10%) and communication capability and empathy (9%).

The range of capabilities mentioned indicates that while there is a heavy focus on professional knowledge, there is also a strong perception that a balance of skills is required to drive digital transformation – it is not just about technical capabilities.

What are the most important capabilities people need in the digital era?



About the survey

Survey topics:

- Current awareness of digital transformation: Fields, progress, outcomes, factors behind success, issues
- Co-creation in digital businesses: Required partners, elements required of technology partners
- AI (artificial intelligence) awareness: Perspective on AI, skills required during the digital era

Survey method:

- Online

Fieldwork period:

- February 2017

Survey respondents:

- Company size: Medium and large (at least 100 employees and sales of at least USD 1 million during the previous FY)
- Respondents: Management (CEOs, CMOs, CFOs, CIOs, CDOs, CSOs) and decision-makers equivalent to management

Sample composition and size:

The survey was of 1,614 business leaders in 15 countries, 9 of which were separately analyzed and across 18 industry sectors, 6 of which were separately analyzed.

Countries surveyed were:

- Americas: Canada (56)
- Europe: Finland (56), Germany (103), France (103), Spain (103), Sweden (52), United Kingdom (103)
- Asia: China (103), Indonesia (52), Japan (309), Republic of Korea (55), Singapore (103), Thailand (52)
- Oceania: Australia (106)

Major industries surveyed were:

- Construction (113), Finance/Insurance (138), IT/Communications (195), Manufacturing (314), Medical/Health/Welfare (100) and Wholesale/Retail (137).

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A Note Concerning Future Projections, Forecasts and Plans

This publication contains forward-looking statements in addition to statements of fact regarding the Fujitsu Group's past and current situation. These forward-looking statements are based on information available at the time of publication and thus contain uncertainties. Therefore, the actual results of future business activities and future events could differ from the forward-looking statements shown in this publication.

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