



Succeeding In Digital Health

A Guide For Healthcare Leaders

by Ruchin Kansal

a little background...

Healthcare has been dabbling with digitization for more than a decade. However, the rate of innovation and adoption has been slow.

Digital business models have mostly found a home in digital-first nations, not in countries with an incumbent healthcare system such as the USA. However, the pandemic seems to have ushered an age of renaissance for the digitization of healthcare.

Yet, the old barriers to digitalization haven't entirely disappeared:

- In the short term, the traditional business model is still more profitable. Further, ROI of "the new" is not always clear.
- Performance incentives tend to drive to focus on revenues today vs. longevity of the business
- Internal talent and capabilities continue to prioritize efficiency and risk avoidance over breakthrough thinking.
- The reimbursement and regulatory environment constrains the nature of innovation

However, advances in the fields of Internet of Things with embedded sensors everywhere, Artificial Intelligence, Quantum and Edge Computing, 5G, Blockchain, Autonomous Everything, Robotics and even Digital Twins are becoming mainstream.

They are defining the consumer experience in new and profound ways, and changing customer expectations on a daily basis. Including in healthcare. Most incumbents are falling short in delivering this experience.

Tech giants such as Amazon, big store retailers such as Walmart, and many others see an opportunity and are entering the healthcare market with a view to cross-sell and up-sell healthcare services to their very large, loyal customer base.

A few progressive incumbents such as CVS, major hospital systems and insurers have dug their heels to protect their businesses by focusing on consumer experience and undergoing digital transformation.

Faced with this situation, leaders across healthcare organizations and companies are asking the question:

What is my digital transformation plan?

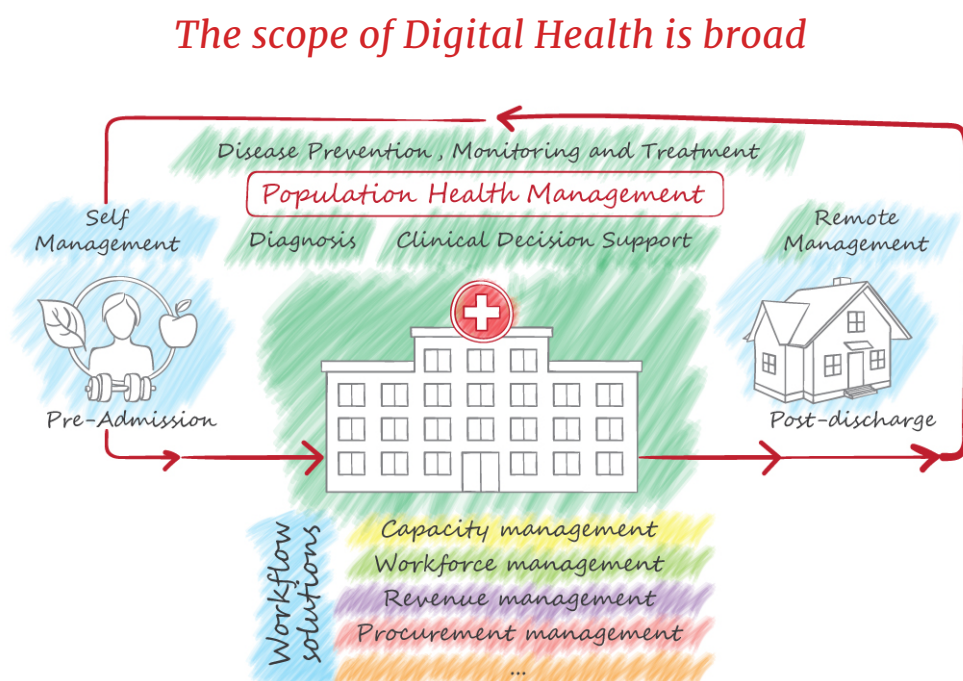
the basics

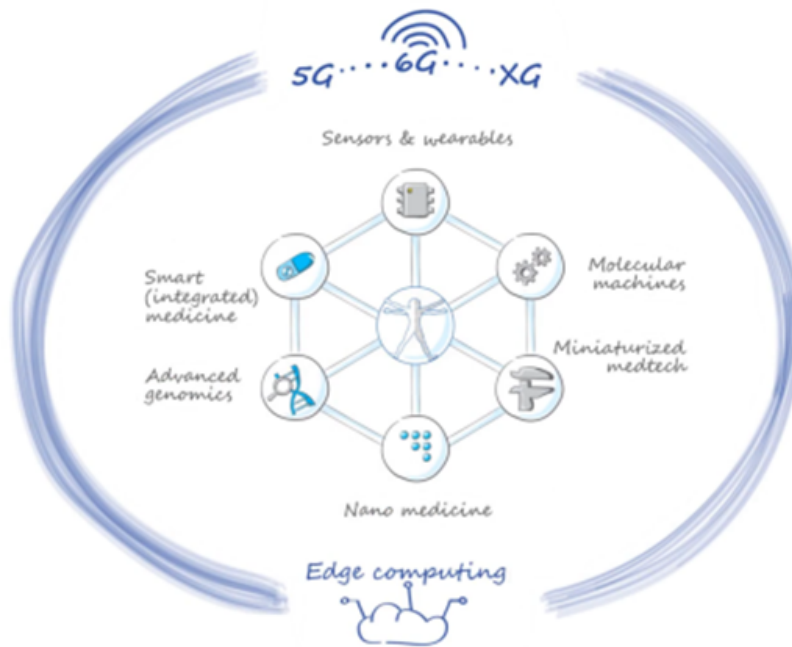
THE SCOPE Before leaders embark on the transformation, the first step is to understand the scope of Digital Health.

The scope is broad – it can be viewed as digitization of the current healthcare system, all the way to development of an Autonomous and Diffused, where human bodies become autonomous healing units, detecting and resolving medical conditions.

Digital therapeutics, AI-enabled clinical decision support systems, telehealth, remote diagnostics & treatment & monitoring, customer engagement platforms, and process digitalization are all within the scope of digital health.

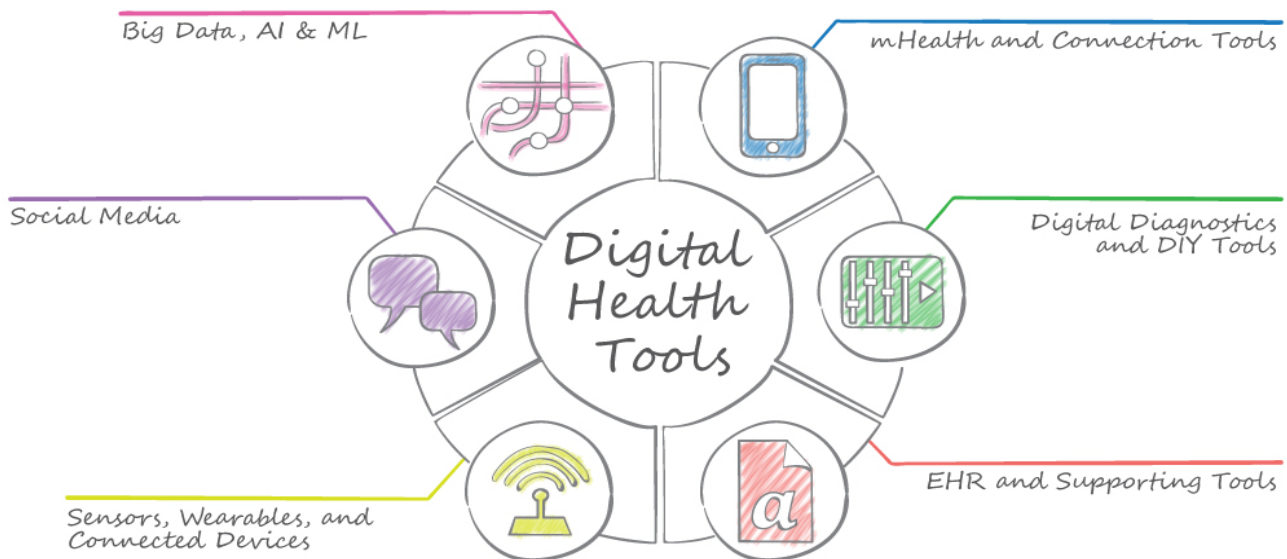
The question is, are you clear how you define digital health from your perspective?





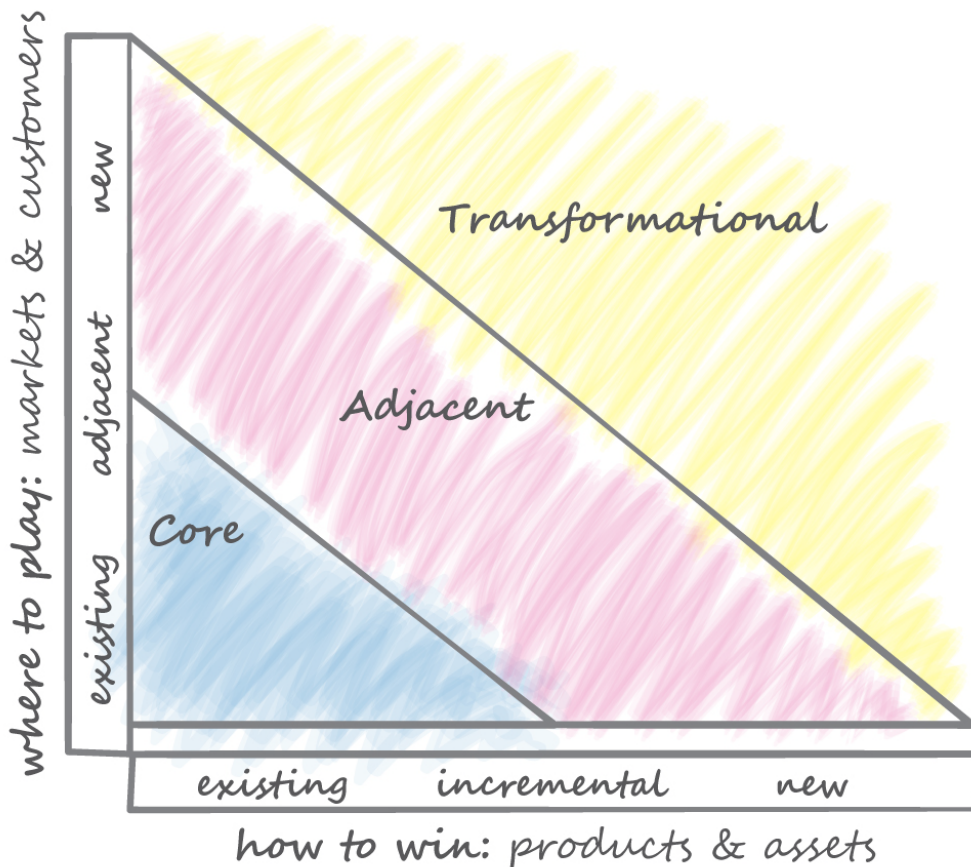
THE TOOLS The second step is developing an understanding of various technologies that are available today and that are emerging. This is the toolbox you have to build your digital future.

New and emerging technologies form the basis for Digital Health



THE VISION Executives, as well as entrepreneurs, need to assess where they play, and how they win. Using a framework comes in handy in identifying, and prioritizing digital initiatives:

Roadmap to Transformation

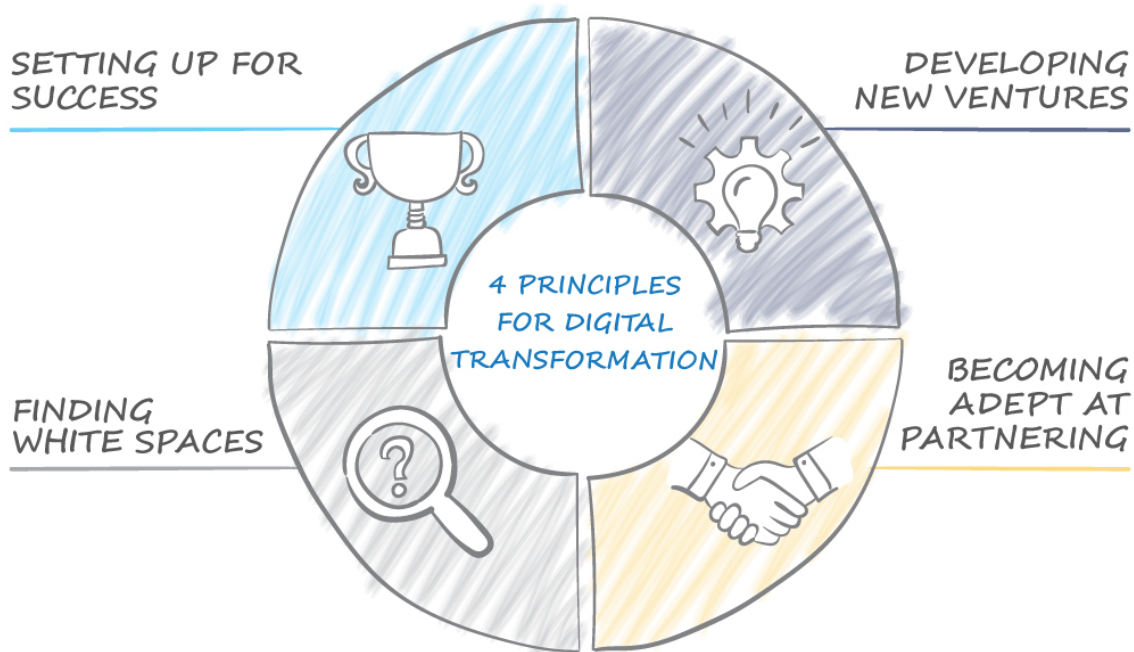


During my tenure as Head of Business Innovation and Transformation at Boehringer Ingelheim and as SVP of Strategy for Digital Services at Siemens Healthineers, I've used this framework to develop a common language around digitalization, mapping the current portfolio of initiatives, and prioritizing efforts.

the rules

NEW GAMES REQUIRE NEW RULES In my experience, the following 4 rules are fundamental to successful digital transformation.

4 Principles for digital transformation



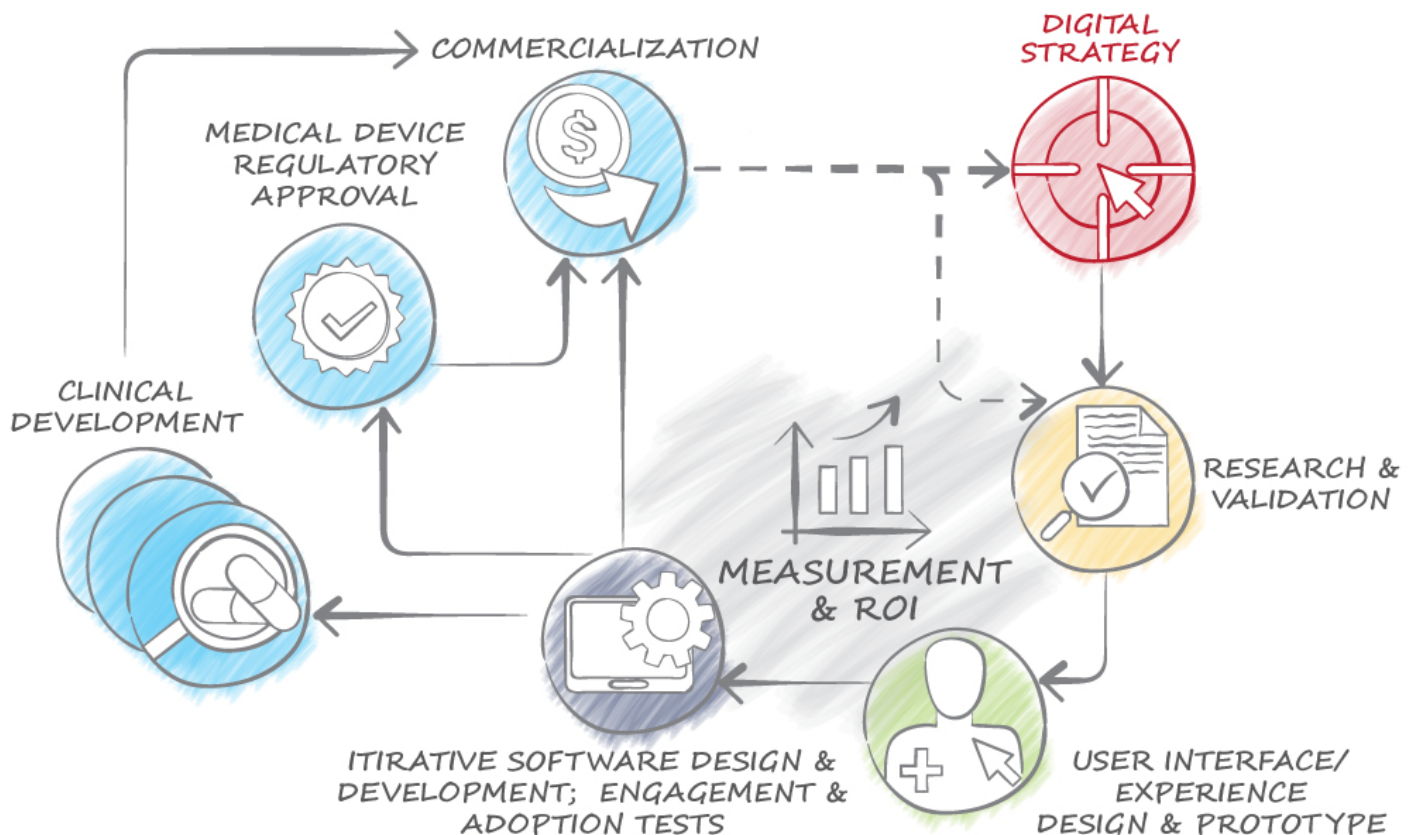
SET UP FOR SUCCESS The following 3 elements form the basis of the strong foundation needed for success:

- **Lead with Foresight, and Invest:** Digital transformation requires leadership foresight and a sustained investment level over time to yield results.

● **Find a New Breed of Leaders:** Find the "fit for purpose" leaders as you take on digital transformation. There is no one formula; it depends on your organization's culture and mindset.

● **Team the Right Talent:** A robust digital transformation team comprises 6 role types – A Transformational Leader, Idea Generators, Technical Experts, Project Managers, Digital Ambassadors, and Strong Internal Sponsors.

Digital Health, Product Development and Launch Methodology



FIND WHITE SPACES

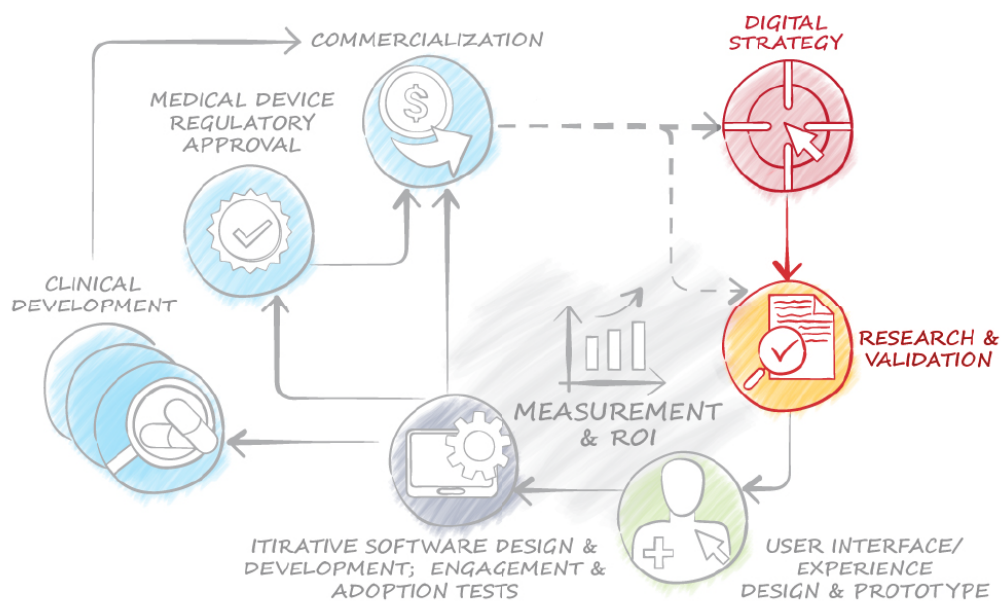
A framework like the one above will allow you to focus your efforts, yet it is still important to find the white spaces in your areas of focus.

This is where you identify the specific initiatives you would launch, and the value they will generate – either in form of direct or indirect revenue, or cost savings.

The following two principles are most useful:

- **Embrace the Need; Money will Follow:** Most tend to look at new technology breakthroughs as the definition of white space. However, many bottom-line accretive opportunities may also exist in your current product, cost, customer, or service strategy.

Spend optimal time upfront to discover white spaces



- **Outside-In First, Inside Out Next:** Rather than thinking about your core competencies first, think about the market opportunities first. Then find a match where you can build a new business leveraging your core competencies.

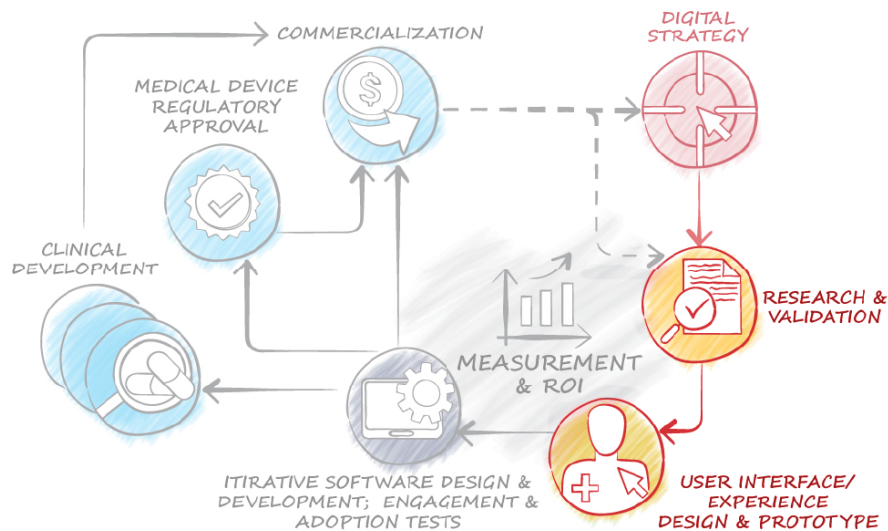
ADOPT AT NEW VOCABULARY FOR DEVELOPING NEW VENTURES

This one is especially true for product companies . The traditional competitive strategy is based on protection of intellectual property, creating barriers to entry, and capturing market share.

In the digital world, IP is easily manipulated, barriers to entry are low, and market share is owned by platform companies, not vertical players.

The focus should shift from static offerings to ondemand customization. User experience wins.

Optimize the user experience of your offering to drive adoption



● **Design for The End User, But Consider the Ecosystem:** Having a defined target customer and market should drive all development activities.

It is also essential to understand how new ventures impact the ecosystem in order to identify and leverage critical enablers and remove barriers to commercialization.

● **Keep It Simple:** While health is simple, the healthcare system is complex. We call it the "simplicity deficit" in healthcare. Simplifying healthcare through digitalization, itself is a billion-dollar opportunity.

● **Keep It Modular:** Consider the USB stick: It serves a simple purpose of data storage and transfer between various data and visualization platforms. All it needs is a receptacle. Similarly, the plug-and-play modularity, if applied to digital health, can lead to the rapid adoption of the new in the highly complex healthcare ecosystem.

BECOME ADEPT AT PARTNERING

As the digital revolution continues to disrupt existing business models and blur the boundaries between vertical industries, the potential for partnerships to reinvent, disrupt, or defend a market position is like none we've seen previously.

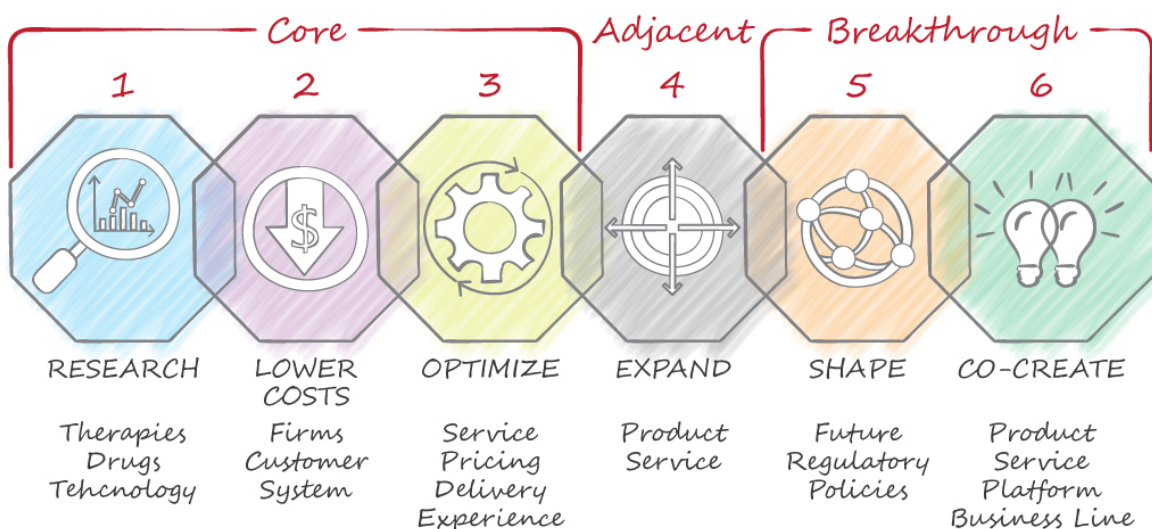
They have become an important part of the CEO agenda and will continue to play a vital role in healthcare's transformation.

● **Build Partnerships that Span Development and Commercialization:** Build partnerships that go beyond your traditional business.

While firms can always buy new capabilities, if done well, partnerships can enable firms to broaden their focus while staying nimble to disrupt the status quo.

Partnering is a fail-safe way to develop new competencies and capabilities to carve out a competitive edge.

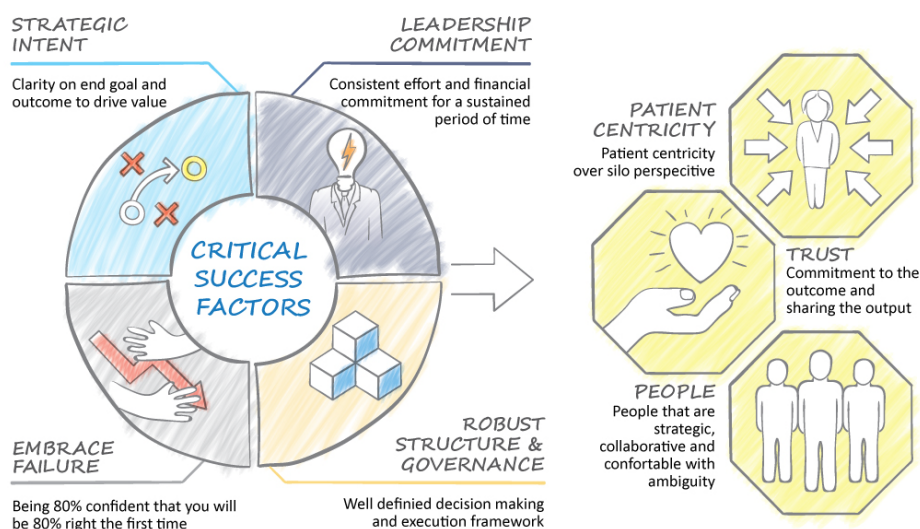
Benefits of Partnering



- **Make Partnering Work:** Successful partnerships are like marriage, they require commitment, flexibility, compassion, room for individuality, listening skills and a belief that two are better than one.

We recommend the following framework when executing upon partnership-based models:

Making partnering work



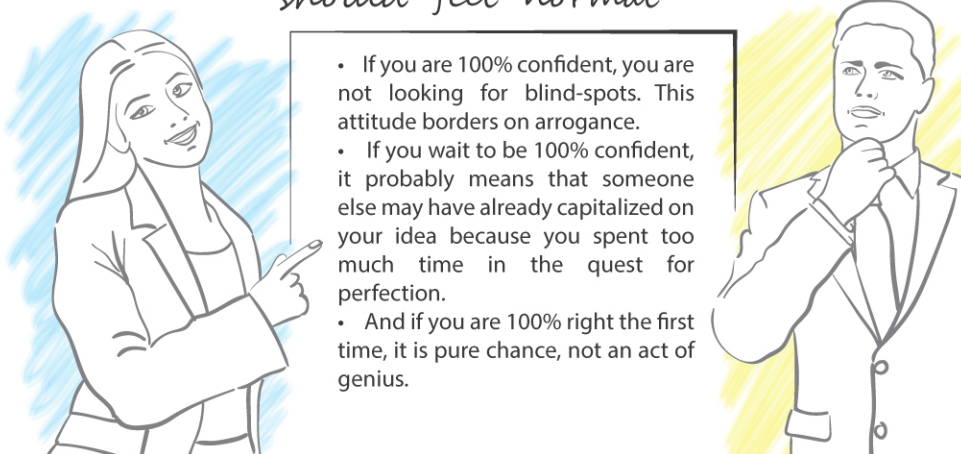
the mindset

Remember, even the best-laid plans can fail in the absence of persistence, consistency and disciplined execution. It comes down to people – to you as leaders and managers. To your mindset. Many of us struggle with transformation – it is not our natural instinct. Status quo always feels more comfortable than the unknown.

However, we also know that the cost of the status quo is obsolescence. Most successful transformation programs embed a strong change management component, one that focuses on working with leaders and employees one-on-one and in groups to change the mindset, drive alignment and enable persistence along the transformation journey.

Finally, embrace the 80-80 Rule: " Being 80% confident that you will only be 80% right the first time should feel normal."

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It emphasizes speed and willingness to embrace a degree of uncertainty. Taking new risks, being comfortable with uncertainty, and challenging the status quo should feel normal.

Are you ready to succeed with digitalization?

Most healthcare companies fail at staying ahead of the game not because they lack the vision, but because of their inability to commit to a plan and execute..

Having an expert on board that can assist you in building and executing an innovation/digitization plan customized to your company's needs and values, is what can seriously fast-track you to success.



LET'S GET IN TOUCH

about Ruchin Kansal

Professor and Head of Gerald P. Buccino '63 Center for Leadership Development at the Stillman School of Business, Seton Hall University.

20+ YEARS in the Healthcare industry, most recently as Senior VP and Global Head of Digital Strategy at Siemens Healthineers.

Prior roles include Head of Business Innovation & Transformation at Boehringer Ingelheim where I built the first digital health unit, commercially launched the industry's first smart inhaler, and co-created digital health solutions in partnerships with payers and hospitals, and 10 years with Deloitte and Capgemini..



Authored best-selling “Redefining Innovation: Embracing the 80-80 Rule to Ignite Growth in the Biopharmaceutical Industry,” Routledge, May 2018
Recipient of Top 40 Healthcare Transformers Award by Medical, Marketing & Media in 2016.

Recipient of Boehringer Ingelheim President’s Award for developing the company’s first Patient Engagement Strategy.

MBA from NYU-Stern, Bachelors from IIT-Roorkee and ICF accredited Certificate in Leadership and Performance Coaching through Brown University.