

REGION FOCUS: WORLDWIDE

# Accelerating Excellence

## Harnessing Innovation to Evolve Operations for the Future of Health



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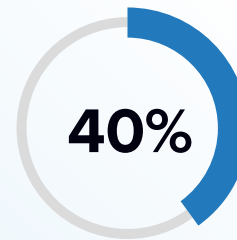
# Executive Summary



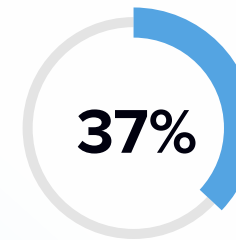
Healthcare providers face numerous operational challenges throughout the continuum of care. A combination of inaccessible or inaccurate data and legacy technology makes it difficult to transform operational models. However, cloud-based ERP and finance systems have the potential to unlock data and facilitate change. By adopting best practices and utilizing proven and emerging technologies, healthcare providers can accelerate innovation and drive the future of healthcare.

## Survey

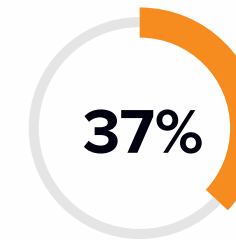
145 healthcare provider executives in the US and Canada across lines of business and IT roles in June 2023 revealed top priorities were related to transformation:



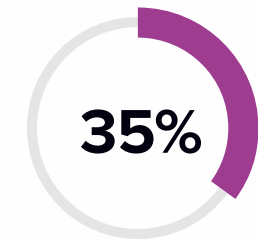
Accelerating the use of technology for business and clinical operations



Improving health equity



Optimizing risk sharing and reimbursement



Transforming care delivery

Survey participants were highly knowledgeable of their organizations' digital transformation plans, including modernization opportunities around enterprise IT systems. The majority worked in their organization's CFO office, with over half (55%) identifying as the final decision maker in relation to their organization's ERP and finance systems.


All data from IDC's *Workday Multi-Industry Study*, June 2023

# Healthcare is Riding High but Bracing for the Future

**Many healthcare provider leaders show optimism, but some have also highlighted concerns about adaptability under change.** While the ability to pivot during uncertainties is crucial for sustainable growth and future success, the perception of a thriving industry is encouraging.

A circular gauge with a blue arc representing 50% of the circle.


**50%**

A hand interacting with a futuristic, glowing blue interface featuring various medical and data icons like a plus sign, a heart, and a person.

Half of the respondents **believe the industry is thriving and are ready and willing to take full advantage** of whatever the future brings.

A circular gauge with an orange arc representing 26% of the circle.

**26%**

A hand interacting with a tablet displaying various data visualizations like a line graph, a bar chart, and a hexagonal grid with icons.

A little over a quarter **see the industry as generally healthy but expressed concerns** about the ability to pivot under changing conditions.

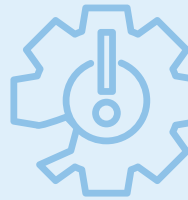
# Providers Struggle Against Limits in Automation, Insight, and Agility

Healthcare providers are contending with multiple operational challenges that impede efficiency, hinder decision making, and slow down the velocity of work, which could ultimately impact the quality and cost of overall healthcare delivery.

The three most significant challenges for healthcare providers in managing their systems, processes and functions are:

**41%**

Dealing with inefficient and manual processes that are cumbersome and costly across operational, administrative, and clinical workflows



**40%**

Lack of confidence in data or inadequate insight across talent, financial, or supply chain data, which impedes impactful decision making



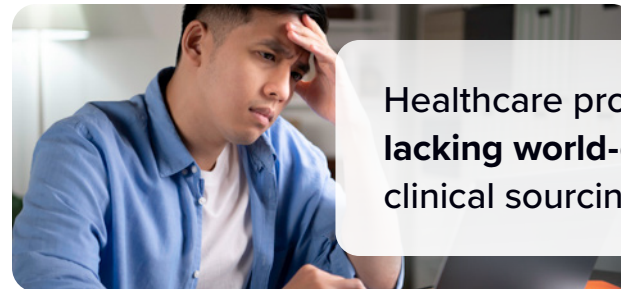
**35%**

Inability to adopt new artificial intelligence (AI) and machine learning (ML) innovations without significant cost and disruption



# Healthcare Is Ripe for Digital and Technology Investments

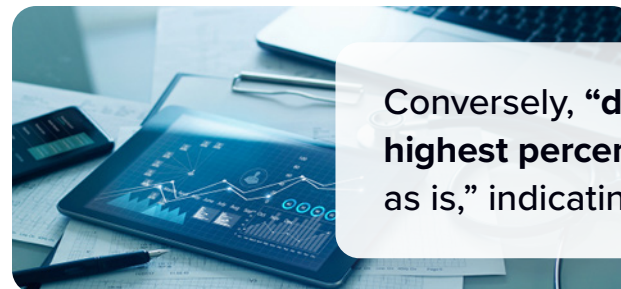
**Operational improvement is needed in all areas and major opportunities are present across a host of healthcare provider processes** that can enhance efficiency, compliance, planning, and service forecasting, leading to better care delivery and organizational performance.



Healthcare providers identified **operational processes as generally lacking world-class, leading-edge capabilities**, with only **15%** saying clinical sourcing and supply management had the best capabilities.



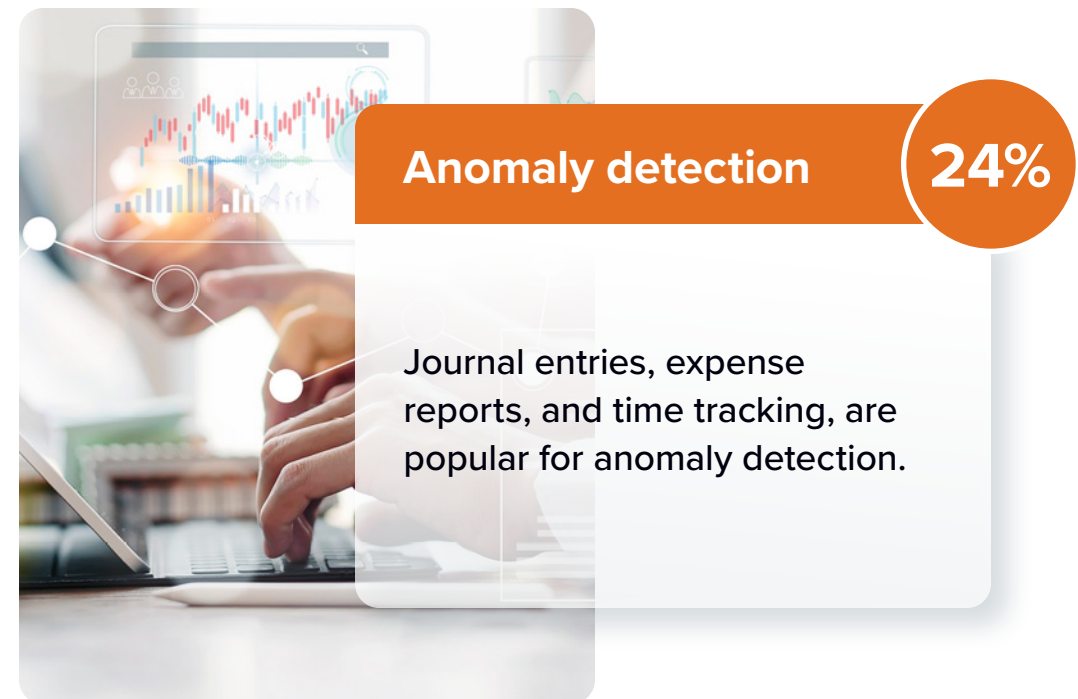
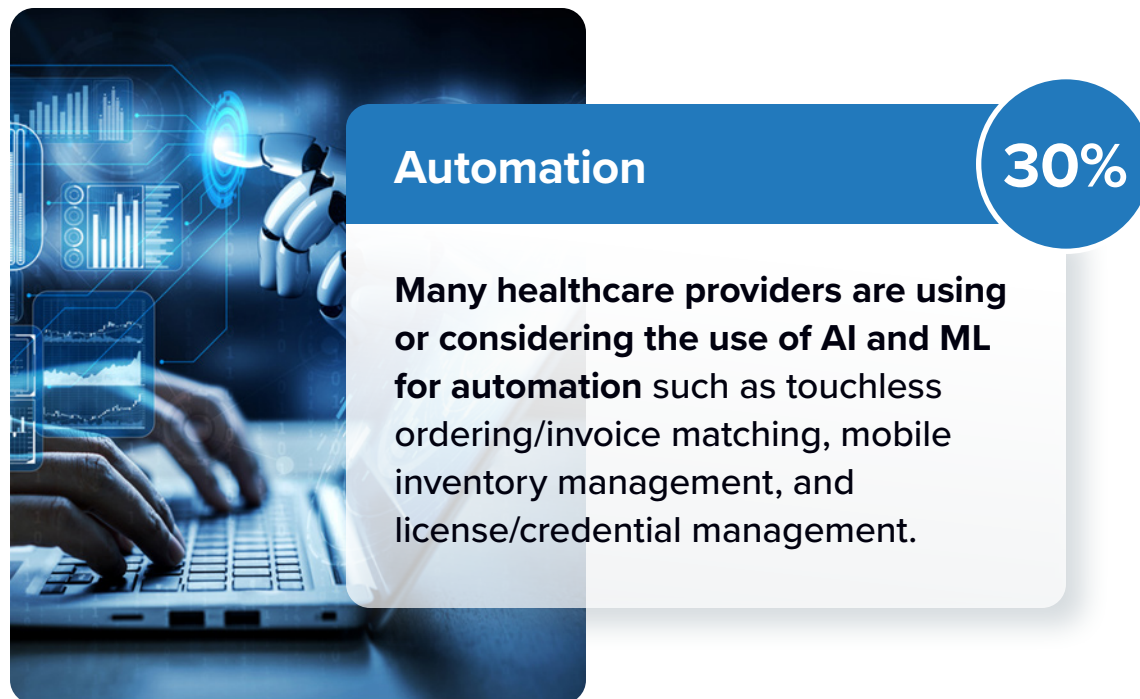
**30% of respondents suggested “compliance and audit support” needs significant updates.** This area may face more challenges or fall behind others when it comes to technology and digital investments.



Conversely, **“driver-based modeling and demand planning” has the highest percentage (30%) of respondents** who believe it “works well as is,” indicating relative satisfaction compared to other processes.

# AI- and ML-Driven Automation Is Transforming Healthcare Operations

There is a growing adoption and influence of AI and ML for tasks such as automation and detecting anomalies. It is essential to stay updated and knowledgeable when implementing and investing in these technologies.



# ROI from Automation Requires Privacy Assurance, Data Quality, and Technical Expertise

**Automating healthcare operations can bring numerous benefits but is challenging.** Privacy is paramount in an increasingly digital landscape, while data integrity and technical skills are vital for successfully managing and integrating automated systems.

The most significant challenges in integrating automation capabilities into core operational systems are:

**41%**

**Privacy and security**

This challenge underscores the importance organizations place on protecting sensitive information.



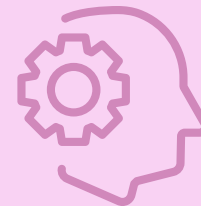
**39%**

**Data quality and standardization**



**35%**

**Technical expertise**



These challenges indicate that organizations are grappling with ensuring data integrity and acquiring the necessary skills to manage automated systems.



# Healthcare Providers Must Unlock Operational Efficiency to Create a Better Future

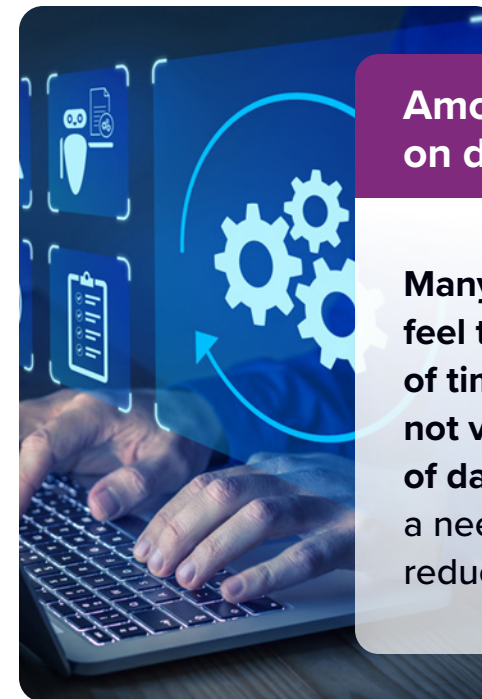
Process efficiency, automation, seamless integration, and improved employee experience are crucial for healthcare providers to address some of their **worst operational pain points** and boost organizational performance toward unlocking and driving value.



Financial information gathering and reporting

48%

According to healthcare providers, financial information gathering and reporting is the most significant frustration with their current ERP and finance systems. Almost half find these systems cumbersome, highlighting the need for enhanced efficiency and streamlined processes.



Amount of time spent on daily tasks

42%

Many healthcare providers also feel that a considerable amount of time spent on daily tasks is not valuable and involves a lot of data entry. This suggests a need for automation and a reduction in manual workloads.

# Investments in Modernization and Cloud Underpin the Journey to Operational Excellence

Healthcare providers are modernizing operations through major system upgrades and minor, incremental improvements, with a **growing interest in cloud-based solutions to address the need for enhanced functionality, efficiency, and adaptability.**



**Healthcare providers are prioritizing modernizing their finance and planning systems in the next 18 months.**

Major upgrades to their current finance systems are a priority for 23%, while 24% are focusing on major upgrades to planning systems.



**Minor upgrades to the current system are the most common investment plan for healthcare providers,**

with 42% for finance and 27% for planning systems, indicating a preference for incremental improvements rather than complete system overhauls.



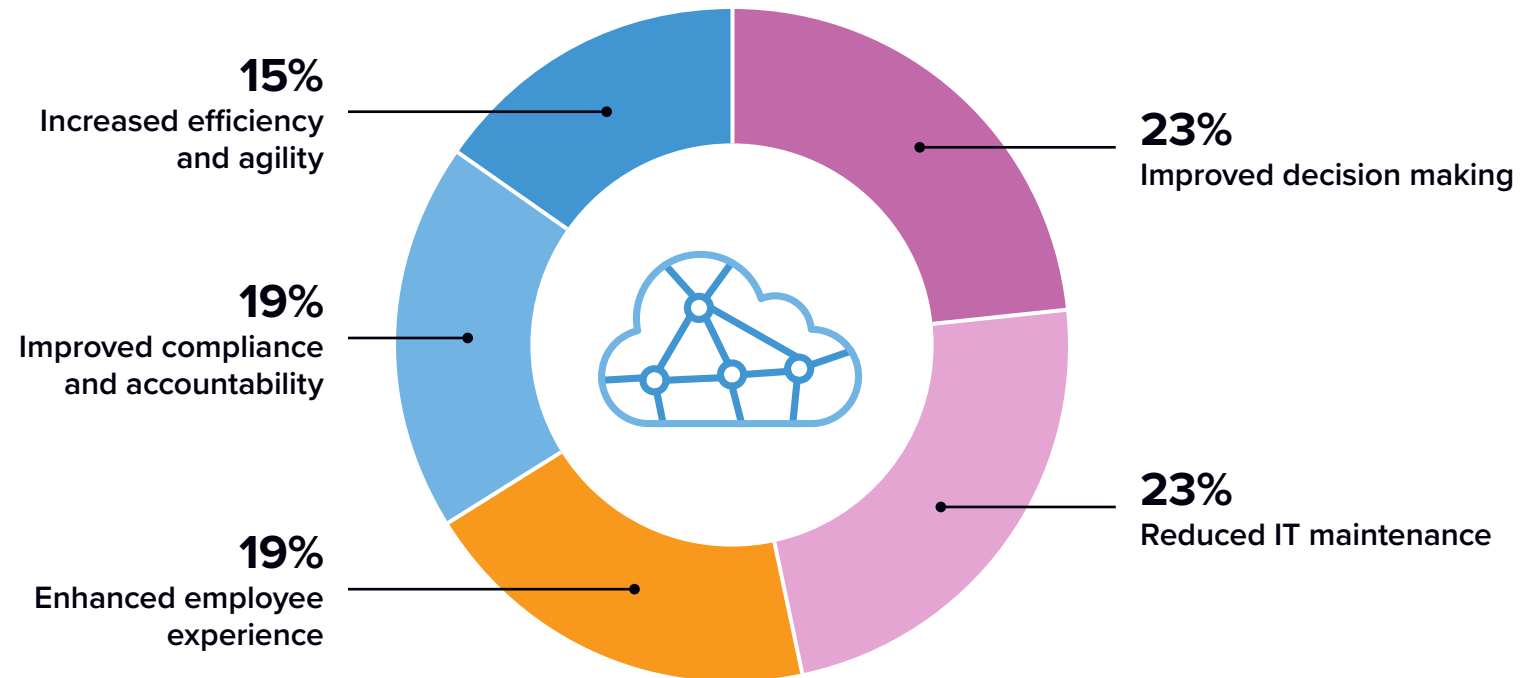
**More healthcare providers are adopting cloud-based planning systems with the same vendor, making up 28% of investments.**

This trend is driven by the desire for better scalability, flexibility, and accessibility.

# Cloud-Powered Organizations Overcome Challenges to Ensure Operational Success

**Healthcare providers are anticipating or realizing benefits through connected cloud services ranging from improved decision making to increased efficiency and agility in their bid to thrive in the future of the industry as opposed to survive.**

The main benefits healthcare providers anticipate or experience by embracing connected cloud services in their finance, planning, or ERP systems include:



# Healthcare Operational Transformation Entails a Broad Spectrum of Use Cases

**Focusing on use cases that optimize operations, leverage data analytics, and incorporate AI and remote monitoring improves efficiency, patient care, decision making, cost reduction, patient engagement, scalability, agility, and regulatory compliance for healthcare providers.**

The topmost use cases healthcare providers are investing in to enhance are:



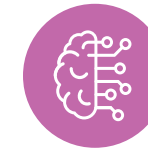
**14%**  
IT asset management



**10%**  
Intelligent command centers



**12%**  
Remote health monitoring



**10%**  
Digital twins for workflows



**11%**  
Clinical decision support



**10%**  
Enterprise medical imaging



**11%**  
Data analytics/business intelligence

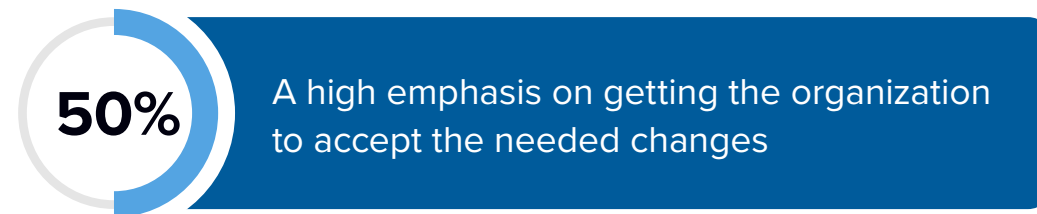


**9%**  
Clinical workflow optimization

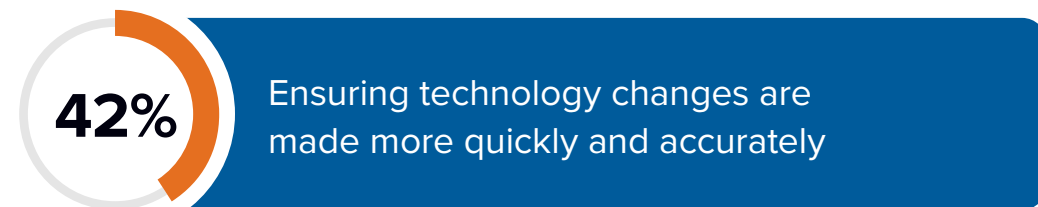
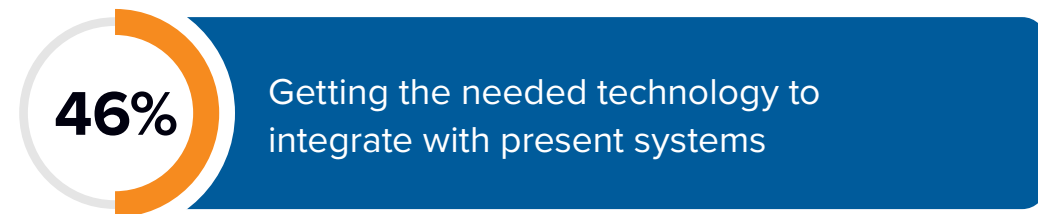
# Assure Stakeholders and Reduce Risk to Deliver Success Across Operational Functions

Healthcare providers face similar challenges in implementing changes in both **finance and planning functions**, highlighting the importance of addressing organizational readiness, technology infrastructure, and skill development to implement change successfully.

Challenges for implementing changes in the **finance function** for healthcare organizations over the next 18 months include:



The trends are somewhat similar for the **planning function**, where the top challenges are:



# Essential Guidance

1

## Align healthcare operations to strategic priorities.

Healthcare providers need to embrace technology advancements, such as AI and ML and connected cloud services, to align their operations with improvements in efficiency and decision making while cutting costs.



2

## Embrace change and sustained innovation to unlock possibilities.

Digital and technological investments can proactively exploit new opportunities while catapulting the organization into better states of performance, competitiveness, and future readiness; the key is not to overlook opportunities to generate buy-in and deliver training as needed to make more informed investment decisions.



3

## Invest in proven solutions that transform operations and drive value.

When investing, healthcare providers must identify solutions that support finance, planning, and ERP in ways that not only address pain points but drive value and shape operational excellence alongside other broader initiatives to improve care delivery, access, convenience, outcomes, and costs.



4

## Scale operational efficiency, up and out.

Healthcare providers should switch to automated systems for better financial reporting, invoice matching, and supply management while at the same time improving data integrity and addressing privacy and security concerns; however, it is not about departments but a shift to a more intelligent enterprise.



5

## Realize a transformed operational end state.

Aligning operations with effective change management and embarking on a strategic journey to upgrade operational systems, implement value-added solutions, and transition to data-driven workflows will result in enhanced decision making, reduced IT maintenance, and improved experiences for providers, ultimately generating short- and long-term organizational value.



# About the IDC Analyst



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Mutaz Shegawi leads the healthcare provider research practice at IDC Health Insights, covering topics relevant to healthcare provider organizations looking to transform and become more digitally native than their competition. Mutaz advises the executive, clinical, and technical leadership of the world's foremost health information technology supplier and buyer organizations by producing data-driven research and thought-leadership insights. Mutaz helps organizations navigate strategic challenges in health information technology and transform complexity into clarity in decision making.

[More about Mutaz Shegawi](#)

# Message from the Sponsor



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