Healthcare market research:
Digital, technology, and analytics

Balancing urgency and intention in healthcare's evolving digital landscape

Talent shortages, mounting cost pressures, and shifting consumer trends pose serious challenges for healthcare organizations.

In response, leaders are prioritizing investments across **digital tools, technology, and analytics** to resolve core challenges and position themselves for the future.

To better understand the strategic focus, outcomes, and potential roadblocks for digital, technology, and analytics investments, Huron surveyed 309 leaders nationwide.

Inside the report

Critical digital challenges

Top priorities

Core areas of digital transformation

Investment drivers

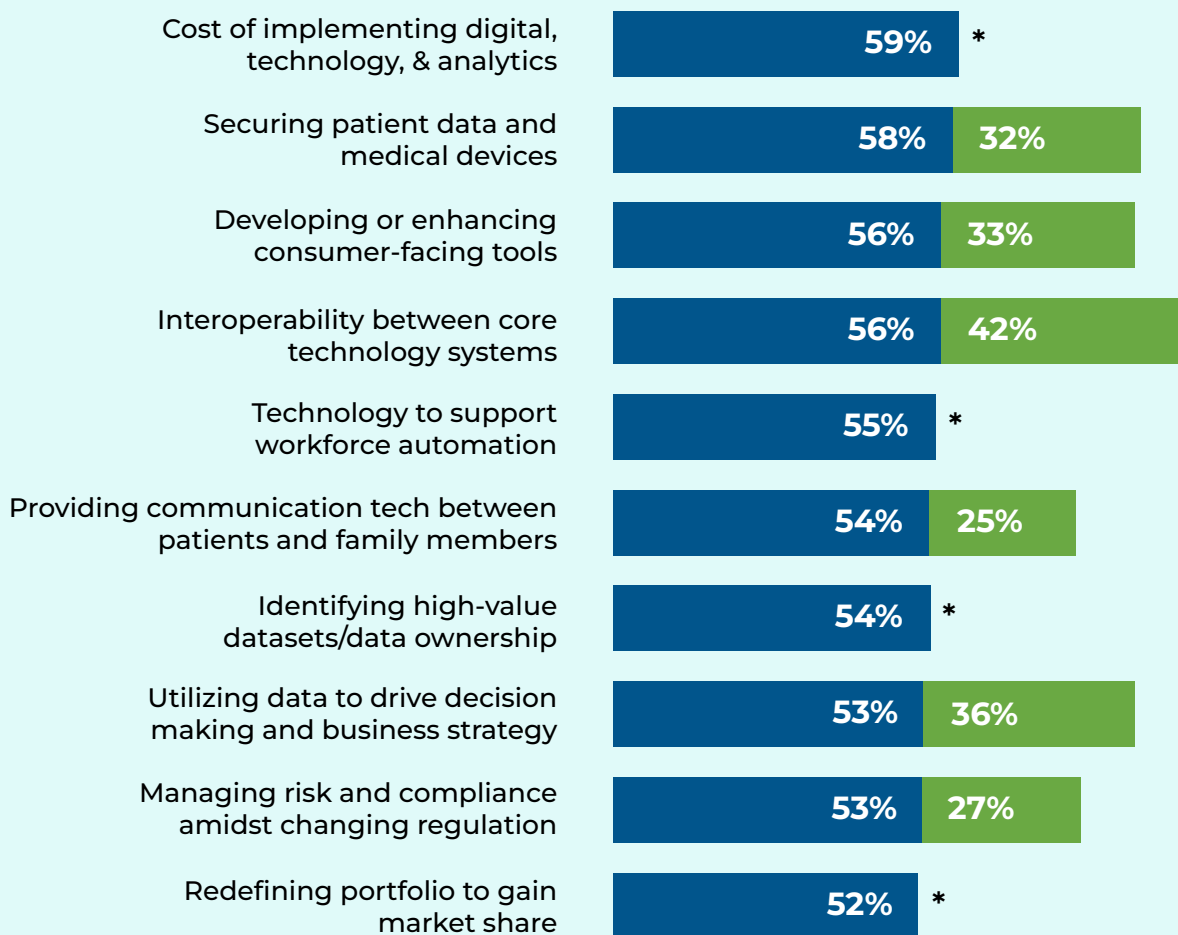**Investment success and hurdles**

Future of AI

Concerns over cost skyrocket

Bolstering cybersecurity, developing consumer-facing tools, and driving interoperability across core technology are challenges for healthcare organizations. Still, the cost of implementation presents leaders with a paradox.

How can significant challenges be resolved when the cost of solving them is the main challenge?

Organizations are approaching that question from a new perspective, shifting their focus to the cost of not investing in critical technology advancements. Timely investments can set organizations on the path to growth and yield return on investment (ROI) when implemented correctly.

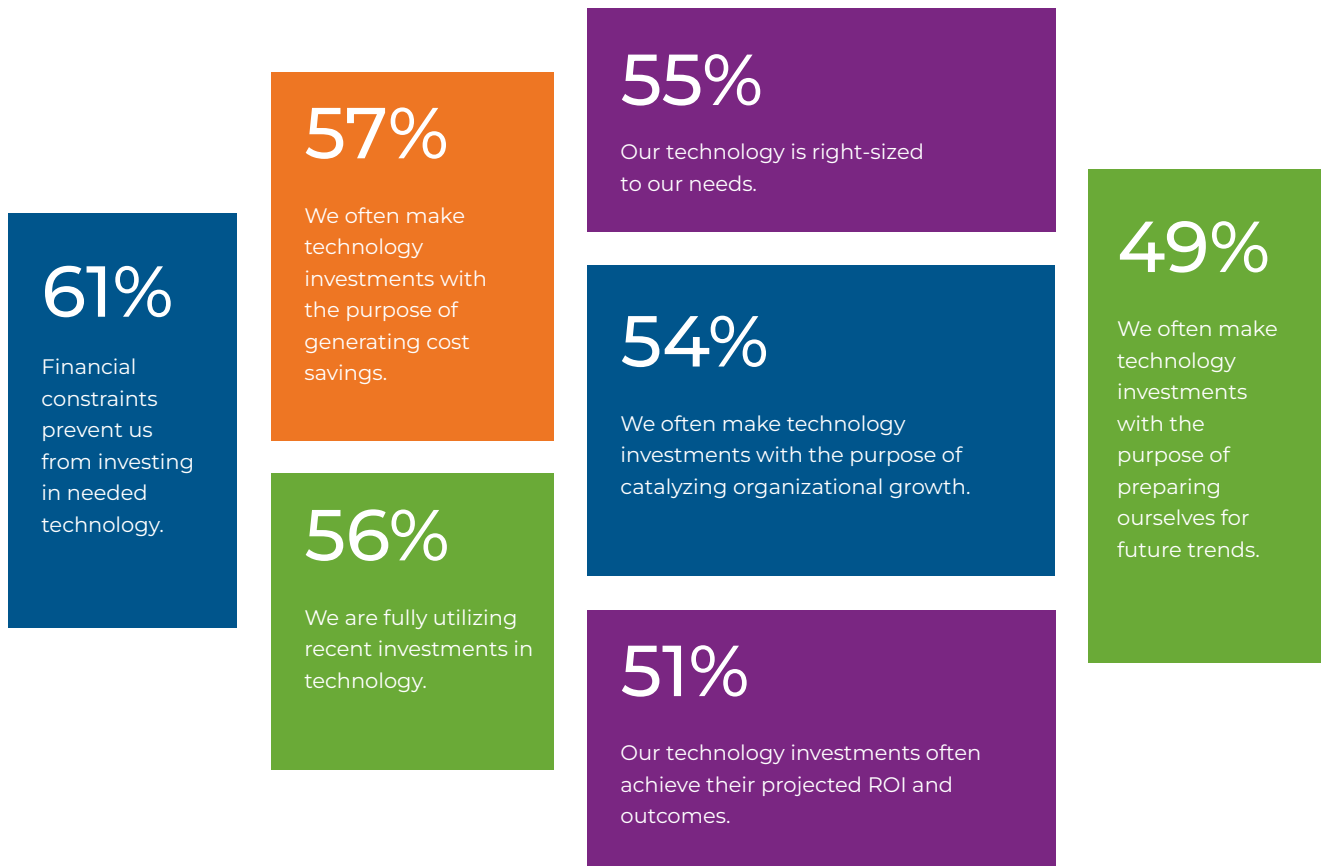## Most critical digital, tech, and analytics challenges

Challenge	Today	Past research
Cost of implementing digital, technology, & analytics	59% *	
Securing patient data and medical devices	58%	32%
Developing or enhancing consumer-facing tools	56%	33%
Interoperability between core technology systems	56%	42%
Technology to support workforce automation	55% *	
Providing communication tech between patients and family members	54%	25%
Identifying high-value datasets/data ownership	54% *	
Utilizing data to drive decision making and business strategy	53%	36%
Managing risk and compliance amidst changing regulation	53%	27%
Redefining portfolio to gain market share	52% *	

■ Today   ■ Past research   * No past data

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Where are organizations on their digital journey?

When asked how leaders would describe their organization's digital status, cost again emerges as the dominant concern. A full 61% agree that financial pressures are preventing investments in necessary technology — up 30% from last year.

61%

Financial constraints prevent us from investing in needed technology.

57%

We often make technology investments with the purpose of generating cost savings.

56%

We are fully utilizing recent investments in technology.

55%

Our technology is right-sized to our needs.

54%

We often make technology investments with the purpose of catalyzing organizational growth.

51%

Our technology investments often achieve their projected ROI and outcomes.

49%

We often make technology investments with the purpose of preparing ourselves for future trends.
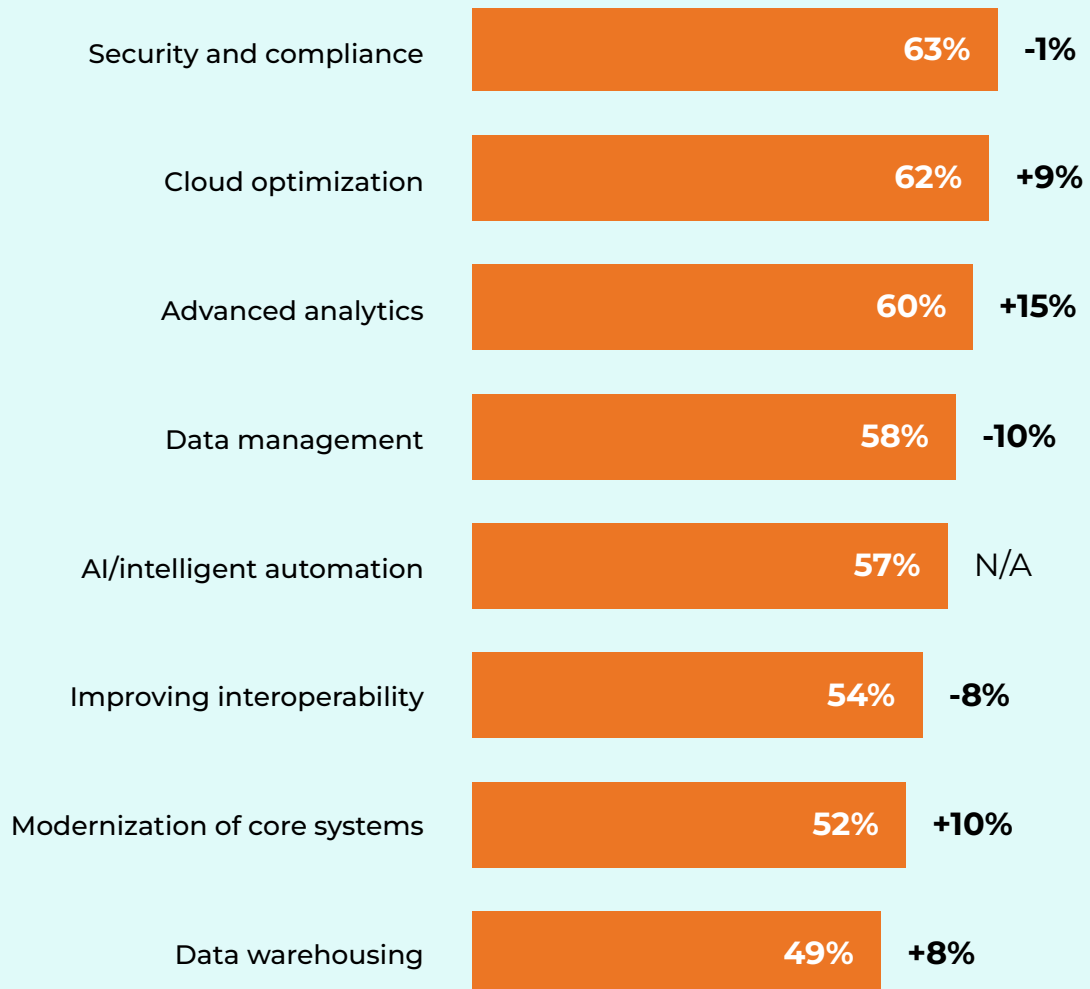
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Patient data security is top priority

Leaders claim patient data security and compliance as their top focus. Data management drops in priority, possibly indicating increased digital maturity as organizations move on to cloud optimization and advanced analytics to support emerging tech.

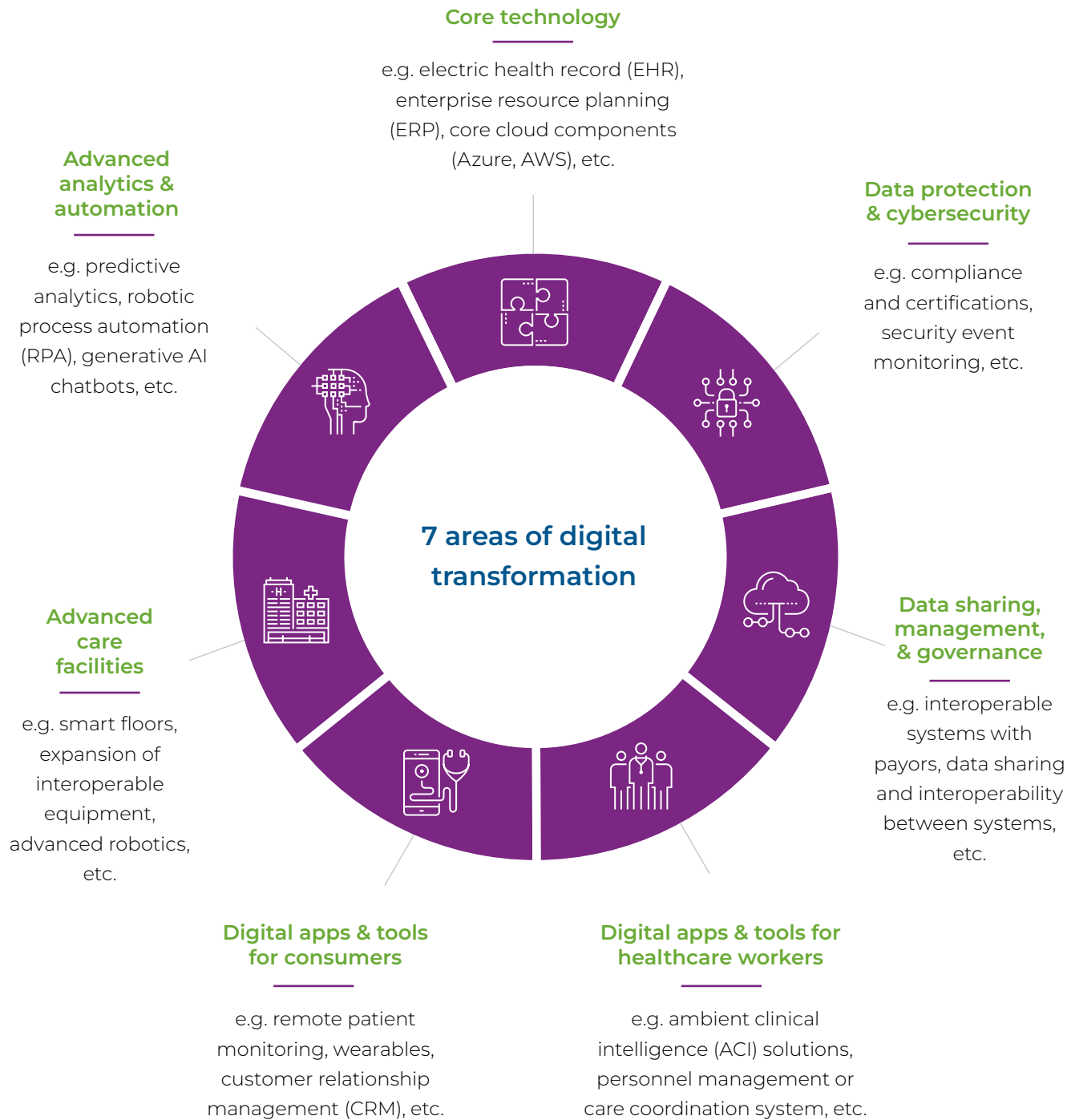## Top digital transformation priorities (1-3 years)

Priority	Today	Past research
Security and compliance	63%	-1%
Cloud optimization	62%	+9%
Advanced analytics	60%	+15%
Data management	58%	-10%
AI/intelligent automation	57%	N/A
Improving interoperability	54%	-8%
Modernization of core systems	52%	+10%
Data warehousing	49%	+8%

Today　　X% Past research

Core areas of digital transformation

Understanding the strategic landscape of digital, technology, and analytics across healthcare is one thing, but how are organizations taking action?

Huron's research shows that organizations are focusing investments across 7 primary areas of digital transformation over the next one to three years.

Core technology

e.g. electric health record (EHR), enterprise resource planning (ERP), core cloud components (Azure, AWS), etc.

Advanced analytics & automation

e.g. predictive analytics, robotic process automation (RPA), generative AI chatbots, etc.

Data protection & cybersecurity

e.g. compliance and certifications, security event monitoring, etc.

7 areas of digital transformation

Advanced care facilities

e.g. smart floors, expansion of interoperable equipment, advanced robotics, etc.

Data sharing, management, & governance

e.g. interoperable systems with payors, data sharing and interoperability between systems, etc.

Digital apps & tools for consumers

e.g. remote patient monitoring, wearables, customer relationship management (CRM), etc.

Digital apps & tools for healthcare workers

e.g. ambient clinical intelligence (ACI) solutions, personnel management or care coordination system, etc.
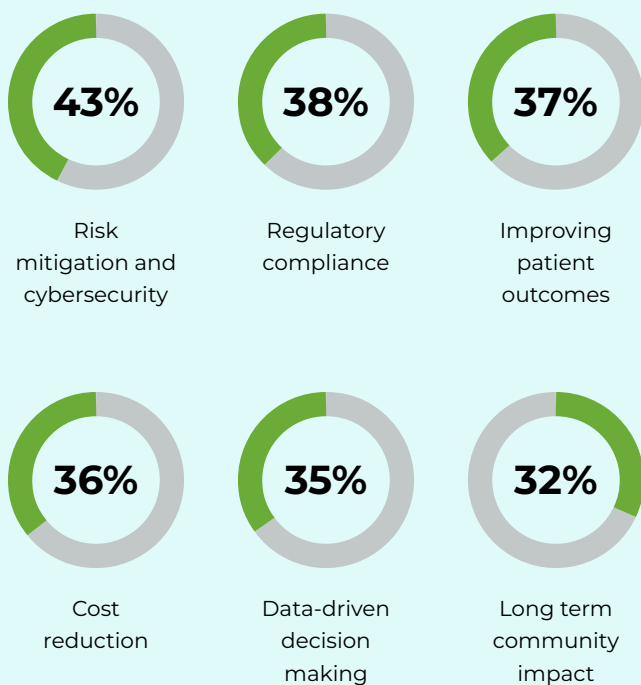
What's driving digital, technology, and analytics investments?

Cybersecurity surfaces again with 43% noting it as a strategic investment driver. Improving patient outcomes (37%) and cost reduction

(36%) follow, indicating that organizations are anxious to find ways to cost-effectively revamp care models.

Top investment drivers

43%
Risk mitigation and cybersecurity

38%
Regulatory compliance

37%
Improving patient outcomes

36%
Cost reduction

35%
Data-driven decision making

32%
Long term community impact

Top digital investment evaluation criteria

1. **Patient long-term health outcomes (e.g. mortality and morbidity)**

2. **Patient satisfaction**

3. **Financial metrics and financial return on investment (ROI)**

4. **Regulatory requirements**

5. **Patient readmission**

Which digital, technology, and analytics investment areas have been successful?

When asked to rank the success of their investments relative to their evaluation criteria, leaders' responses were consistent with their priorities. Core technology fell from most successful to least compared to previous research; as organizations invest more heavily in core technology, including electronic health record (EHR) and enterprise resource planning (ERP) platforms, it's crucial that they prioritize interoperability across their digital ecosystem.

Digital investment areas ranked by perceived success

1. Digital apps and tools for healthcare workers

2. Digital apps and tools for consumers

3. Data protection and cybersecurity

4. Data sharing management and governance

5. Advanced analytics and automation

6. Advanced care facilities and equipment

7. Core technology

How interoperability defines core technology success

Optimizing the ways in which different computer systems or software exchange information and operate in tandem is essential. Most organizations did not report high levels of interoperability, with the greatest room for improvement within ERP areas.

Technology

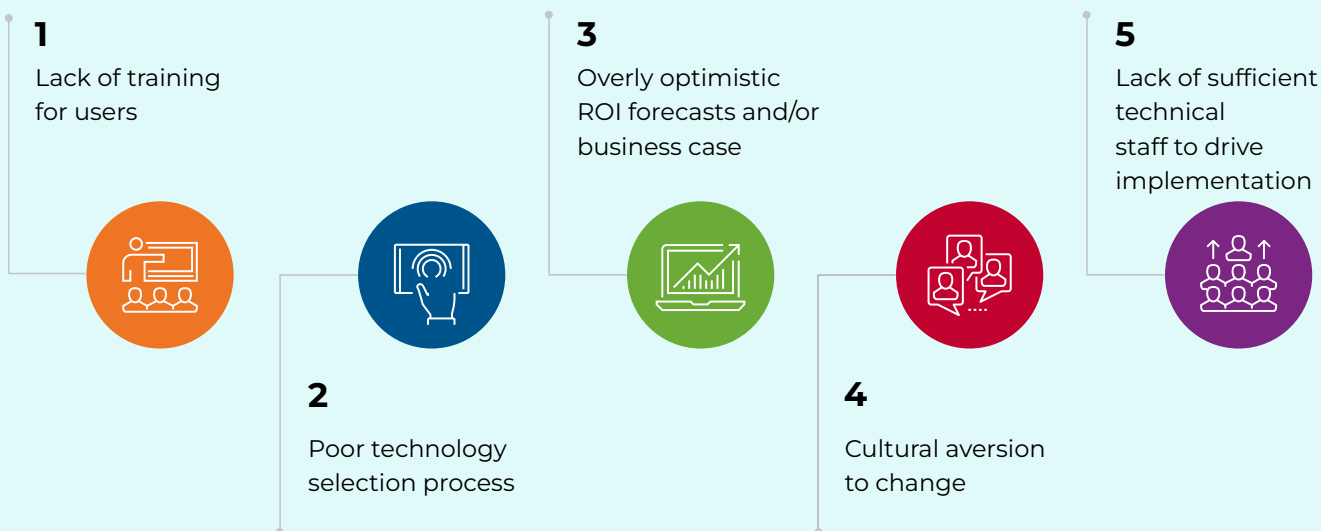|	
Enterprise Resource Planning (ERP)	**73%**
Cloud data platform	**72%**
Customer Relationship Management (CRM)	**68%**
Electronic Health Record (EHR)	**65%**

Bold % organizations not reporting high interoperability

Lack of training leading cause of failure

When asked why specific digital, technology, and analytics investments didn't yield ROI, leaders overwhelmingly identified issues stemming from poor planning and preparation. Organizations can position themselves for success by focusing more on quality of implementation rather than speed — a difficult ask, given that 35% of leaders emphasized that a one-to-three-year timeline is the expectation for achieving success. More time and effort spent on training, choosing the right technology, and setting realistic expectations can go a long way toward achieving ROI.

Why digital, technology, and analytics investments don't achieve ROI

1
Lack of training
for users

2
Poor technology
selection process

3
Overly optimistic
ROI forecasts and/or
business case

4
Cultural aversion
to change

5
Lack of sufficient
technical
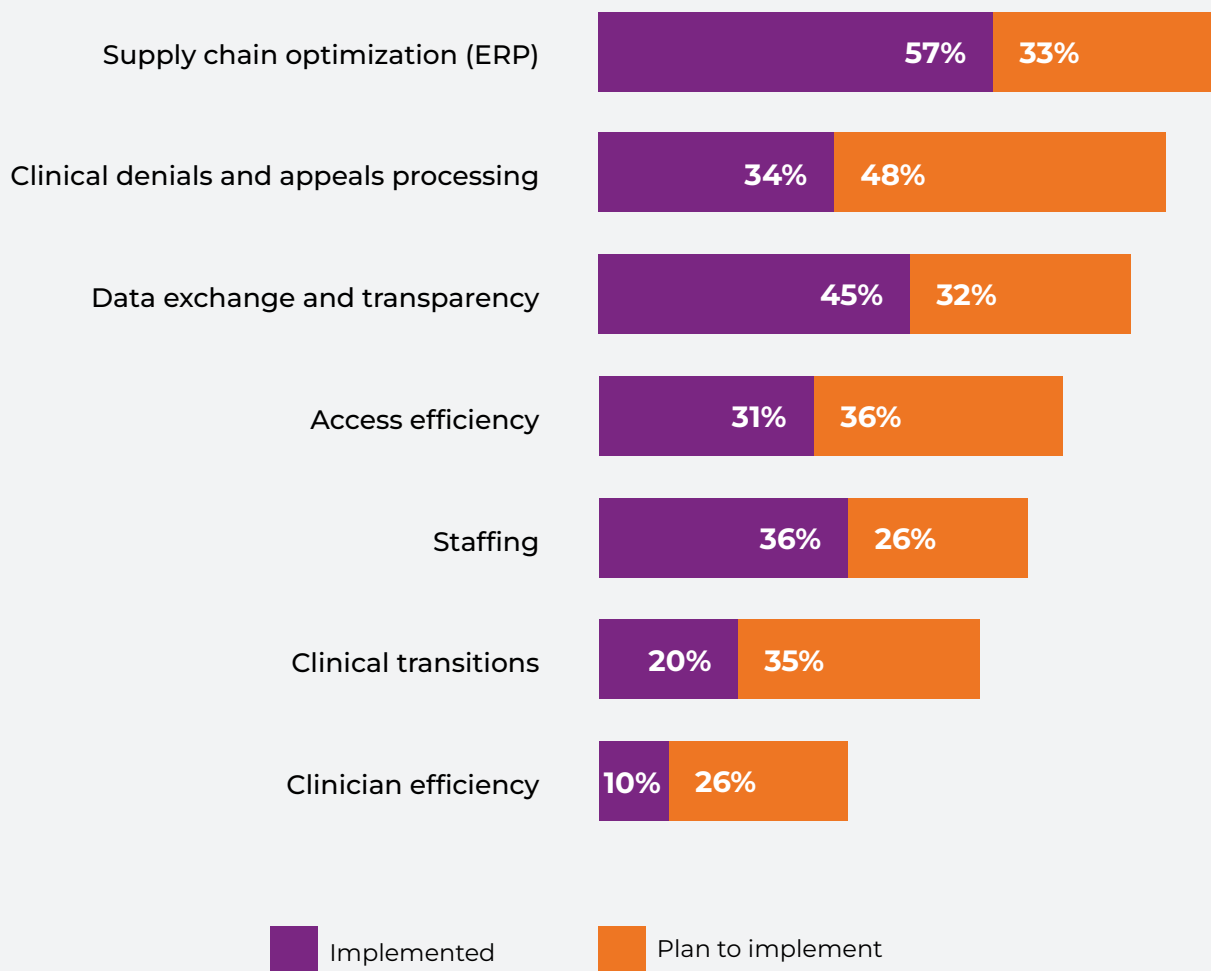staff to drive
implementation

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AI is here — and organizations must act

Automation and artificial intelligence (AI) is a generation-defining technology that all healthcare organizations plan on integrating or have integrated into their workflow.

A full 100% of respondents see comprehensive automation strategy as a need, while 54% already have an automation strategy in place. Deciding specifically where and how to use it becomes more complex.

AI use cases: Live vs. Plan to implement

Use case	Implemented	Plan to implement
Supply chain optimization (ERP)	57%	33%
Clinical denials and appeals processing	34%	48%
Data exchange and transparency	45%	32%
Access efficiency	31%	36%
Staffing	36%	26%
Clinical transitions	20%	35%
Clinician efficiency	10%	26%

Implemented   Plan to implement

How organizations can drive digital growth

Leaders hoping to make meaningful strides across digital, technology, and analytics areas can do so with proper planning and preparation.

Upskilling staff, precise investments and implementation, and cultivating a culture of technological proficiency are crucial for supporting digital investments that enhance business-critical functions and evolve how organizations provide care.

Talk to an expert

Connect with a Huron expert today to evolve your digital strategy and put what's possible into practice.

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