ODGERS BERNDTSON NETHERLANDS

The Evolving Landscape of Global Healthcare & Life Sciences

Can Our Leaders Keep Up?

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Can Our Leaders Keep Up With Demands of the Health Consumers of Tomorrow?

In today's dynamic Healthcare and Life Sciences industry, healthcare providers are pressed to constantly adapt and innovate at an unprecedented rate, while facing major changes in the economic and political landscape, technological innovations, social trends such as ESG and DE&I, etc. The developments and changes are happening at such a rapid pace, which raises the question - can our leaders keep up?

In such an environment, one of the solutions to keep up is collaboration between organisations in Healthcare and Life Sciences. Digitalisation is a driving force in turning the patient into a 'patient consumer' and eventually a 'health consumer'. A patient consumer is an active participant in managing their patient journey in close collaboration with health professionals. A health consumer is in charge of managing their personal health (and wishes to prevent becoming a patient). Tapping into these developments could provide healthcare providers a competitive advantage in the market, while simultaneously providing the Life Sciences market with new opportunities to test their products and technology.

The COVID-19 pandemic and its aftermath have provided the most recent evidence of the benefits of collaboration between the Healthcare and Life Sciences industries. As collaboration enabled parties to jointly expedite medical research and combine technological and financial resources to quickly produce and distribute an effective vaccine to the general public, and to improve therapeutic treatments for COVID-19. **Those collaborations not only contributed to the financial success of the parties involved, but it provided an enormous health benefit to the general public.**

Against the backdrop of increasingly scarce resources, persistent inflation rates and a shrinking labor force, the collaborative approach is absolutely beneficial beyond the context of the global pandemic. The willingness of the Healthcare and Life Sciences industry to combine technological innovation, research, clinical information and financial resources will contribute to individual success in the industry and provide medical innovation and treatment to a wide variety of patients in need.

And while there are many potential benefits to collaboration, there are also still many challenges. The market outlook for 2024 is uncertain, with headwinds from continued harsh macroeconomic, geopolitical developments and regulatory changes. However, activity will be expected to be propelled by the demand for growth and innovation. **The provision of quality care is no longer just between patients and doctors. As the Healthcare and Life Sciences industries adopt Artificial Intelligence (AI), there is a major change in how we approach medical care.** It is revolutionising the industry in once unimaginable ways, from drug development to telehealth, AI is transforming the healthcare industry and improving patient experience.

Leaders within Healthcare and Life Sciences are faced with the challenge of providing a sense of normalcy, control and consistency amid the chaos of today's world and leading us through unprecedented disruptions and changes. With the acceleration of digitisation and the transition of patients becoming patient- and health consumers, can our leaders keep up with the demands of tomorrow?

Accelerating Digitisation

In the rapidly evolving landscape and ever-accelerating world of global Healthcare and Life Sciences, technology plays an increasingly pivotal role in driving advancements. The rise of Artificial Intelligence (AI), with its many applications, alongside the expansion of virtual care through the ongoing surge of telemedicine, sets the stage for substantial growth in the Healthcare and Life Sciences sector in 2024. As these technologies gain momentum, the industry is poised for transformative shifts, steering the landscape into new dimensions over the coming years. The already closely connected industries of Healthcare and Life Sciences will become even more entrenched.

As the world is moving on from the pandemic, one of the lasting legacies for many advanced economies has been the greater adoption of digital technologies. While digital acceleration was already underway before the pandemic, the explicit need for digital solutions during the pandemic (and its aftermath) has further accelerated the use of digital solutions.

Within Healthcare and Life Sciences the need and provision for solutions such as telehealth, wearable sensors that track health data 24/7, digital therapeutics that modify behaviours and treat conditions, apps that encourage medication adherence and healthy habits, and AI chatbots that assess symptoms and triage care, have increased. As a result, Life Sciences companies are aggressively pursuing these technologies. Recent research shows over 80% of Life Sciences organisations plan to increase investment in digital health solutions over the next five years.

Preventative Care

Another driving force behind the acceleration of digitisation are current social trends. The general public increasingly expects services to be digital, on-demand, personalised, and more convenient. Managing personal health with the use of technology is being embraced. Sensors and wearables can detect health decline before major health problems occur. Apps and digital programs can help encourage daily physical activities, better health habits and lifestyle choices creating a shift towards predictive, preventative care powered by data and analytics. Disease and disability are affected by economic and environmental factors, genetic predisposition, disease agents and lifestyle choices. These are dynamic processes that start before individuals realize they are affected.

Technology enables individuals to claim a central role in managing personal health and promises to drastically improve long-term health outcomes while lowering costs for the general public. As a result patients can become an active participant in managing their patient journeys (becoming patient consumers) and the general public can take charge in managing their personal health (becoming health consumers).

Unlocking Insights and Potential

Wearables, apps, sensors, electronic health records, etc. all generate vast datasets. Analysing this data with techniques like machine learning and AI uncovers powerful insights to guide patient journeys, R&D and commercialisation. Unlocking these insights exponentially expands precision medicine and therapeutic targeting opportunities. The depth of data available creates a 360-degree view of the patient's journey to identify unmet needs and opportunities to improve outcomes. An increasing collaboration on combining and analyzing data between Healthcare and Life Sciences companies fuels the development of more personalised diagnostics and treatments and eventually better outcomes.

To fully harness digitisation in the Healthcare and Life Sciences industry, today's leaders are required to look beyond the activities of their own organisations and take on a broader perspective of the role they play in the ecosystem. By creating strong strategic partnerships across industries combining traditional medical expertise with innovative technological capabilities, comprehensive solutions can be identified and created.

Success in digital health requires multidisciplinary talent combining healthcare and tech competencies. Leaders are required to have the ability and creativity to break through the limitations of regulation, legislation and (in)visible boundaries that stand in the way of progress. **The Leaders that are able to execute in these areas can expect faster growth, improved agility, and eventually deliver better outcomes in care provision.**

The Value of Patient Experience

Effectively engaging patients in their care is essential to improve health outcomes, improve satisfaction with the care experience, reduce costs, and even benefit the clinician experience. Improving the patient experience can also help healthcare providers improve their financial performance by strengthening customer loyalty and building a reputation and brand. As patients increasingly seek better value, healthcare providers are compelled to enhance the focus on improving the patient experience.

While historically, patients relied on doctors and hospitals without much involvement in decision-making and were loyal to one provider for decades and generations. Today's patients want to be in the driver's seat of their care, turning the patients of decades past into the modern patient consumer and modern health consumer. Today, patients are more knowledgeable, more demanding and no longer accepting of outdated, inconvenient processes.

The experience of getting access to a healthcare provider and getting health issues resolved is quite different from other consumer experiences. Although the healthcare experience is getting better, the pace of improvement has been slow in comparison to other industries.

Diving Into the Data

To provide truly convenient experiences for patients, healthcare providers must anticipate consumer preferences and behavior by diving into consumer data. While many may feel like our every move is being logged by our smartphones, the reality is that while there is a surplus of consumer data in the Healthcare and Life Sciences industry, the industry is not yet operationalising these insights to improve patient experiences.

Lack of coordination across the healthcare continuum and between systems inhibits understanding of consumer behaviors and creates a confusing and disjointed experience for patients. Often patients have to start from scratch when visiting a new doctor, filling them in on their entire medical history, health insurance and pharmacy information.

At the same time, untraditional entrants into healthcare (such as Amazon, Apple and Google) are experts at leveraging consumer data. They know how to anticipate spikes in healthcare demand and leverage digital front doors that aggregate consumers' health history in one place while personalising offers to consumer preferences and needs. With these untraditional market entrants vying for healthcare consumers' attention, traditional providers are playing a game of catch-up. The traditional healthcare industry must take page out of their book. To stay relevant and stand out, healthcare providers must build trust with patients and provide convenient and personalised healthcare experiences. By getting smarter about consumer data, hospitals and health systems can better streamline the patient experience.

Success in digital health and data analytics requires multidisciplinary talent combining healthcare and tech competencies. **Leaders are required to have the ability and creativity to break through the limitations of regulation, legislation and (in)visible boundaries that stand in the way of progress. The ones that are able to execute in these areas can expect faster growth, improved agility, and eventually deliver better outcomes in care provision.**

Adapt or Get Left Behind

For leaders within Healthcare and Life Sciences this means they need to adapt or get left behind. Learning to play in today's highly competitive healthcare space is crucial to maintaining relevance. Organisations that excel at understanding today's patients, solving their pain points and offering choice, convenience and control will be more competitive and better positioned for growth in the new age of healthcare. **The key to getting patient-centered healthcare right is to leverage advancements in technology and AI without losing the human touch.**

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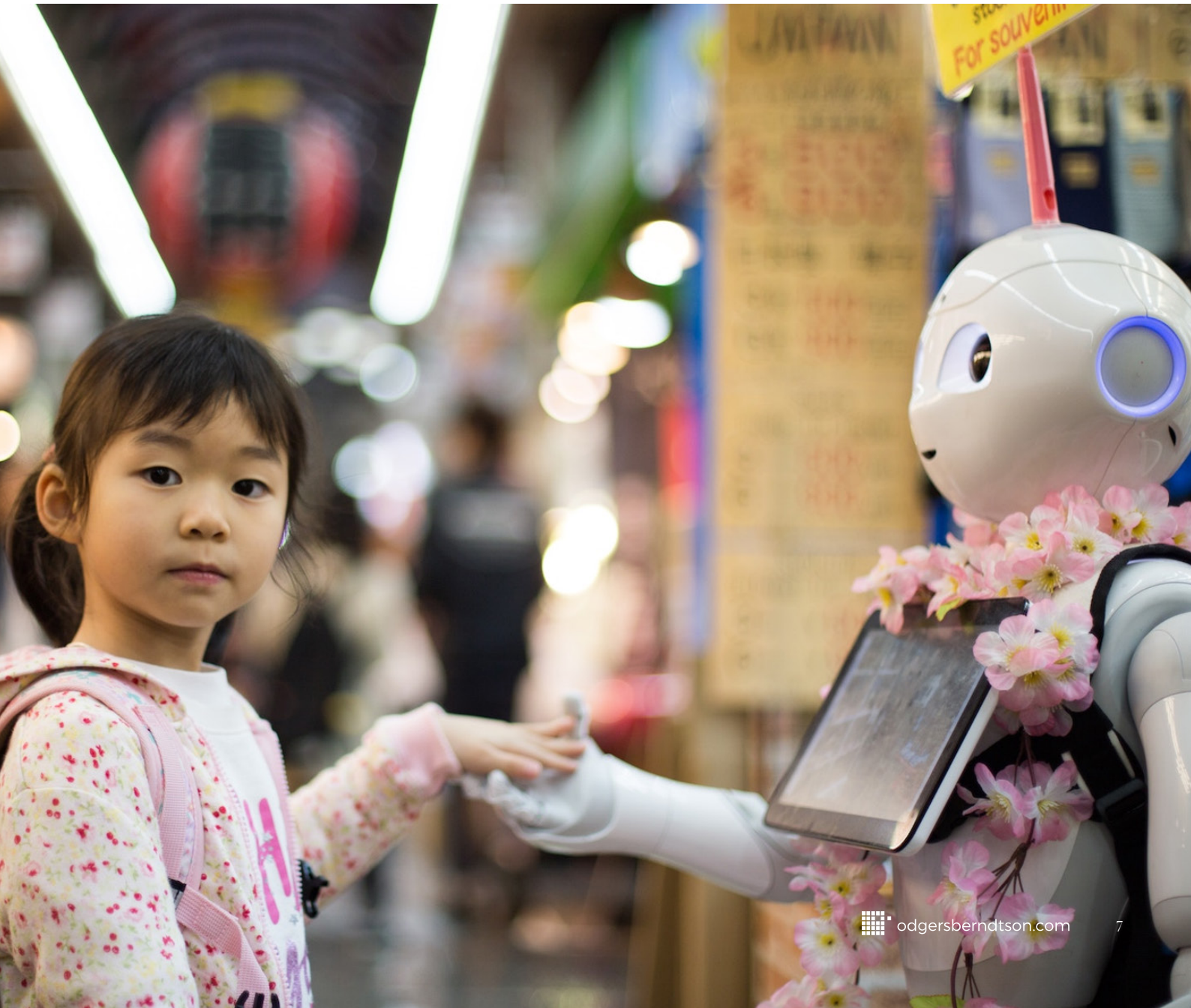

The Future of Talent

On the horizon of the Healthcare and Life Sciences industry is a perfect storm: amid the confluence of increasing demand for care, a continuing shrinking workforce and intense competition, the industry is faced with unprecedented skills and talent shortages. As the Healthcare and Life Sciences industries further evolve, leaders must determine which technologies to pursue and prioritise (and which to ignore). Adopting new technologies and business models, while under sustained financial pressure and faced with skills and talent shortages, might be the biggest challenge leaders will face in the coming years.

How do you attract and develop talent? And how do you coach future leaders? Facing fiercer competition and more technology options than ever, Healthcare and Life Sciences organisations are looking to decode which tools and practices will help them find, attract and retain talent for critical roles. Leaders will need to identify competitive advantages to address skills and talent shortages and embrace disruptive talent management strategies to keep up. Organisations who cannot keep up could be left behind.

As we hurtle towards the landscape of talent management is undergoing a seismic shift, propelled by advancements in technology and AI, evolving job roles, and the ever-increasing demand for digital expertise. The labor force of tomorrow is being reshaped by the fusion of skills, the integration of technology and AI, and the rise of new critical skill sets. **The future of talent is characterised by a culture of multiskilling, where roles seamlessly merge, and individuals possess a diverse array of competencies that will no longer be defined in traditional structures such as rigid job descriptions and set classifications.** Healthcare and Life Sciences organisations will have to foster skills such as agility, innovation, and cross-functional and cross-industry collaboration, enabling teams to tackle complex challenges with fluidity and adaptability.

Human-Machine Collaboration

The advent of AI and automation has ushered in an era of augmented working, where humans collaborate harmoniously with intelligent machines. AI-powered tools build on human capabilities, streamlining workflows, and enhancing productivity across diverse domains. Technology empowers individuals to focus on creativity, problem-solving, and high-value tasks, while mundane activities are automated for efficiency and precision.

For future talent, digital literacy isn't just a desirable trait, it is a fundamental requirement. Software engineering, cybersecurity, AI, data science, cloud computing, machine learning, and augmented reality are the cornerstones of digital Healthcare and Life Sciences, driving innovation and reshaping industries across the globe.

Nurturing the Talent Pipeline

As the Healthcare and Life Sciences industries navigate the evolving landscape of nurturing a diverse and agile talent pipeline becomes a strategic imperative for leaders. How can leaders launch initiatives such as continuous learning and upskilling, create a culture of innovation and adaptability, and collaboration with educational institutions, industry partners, and online learning platforms to help foster a culture of innovation and adaptability? **This raises the question - how can leaders create a vibrant ecosystem in which talent thrives and flourishes to become and stay a key player in the industry.**

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Conclusion

As today's dynamic Healthcare and Life Sciences industry has to constantly adapt and innovate at an unprecedented rate while facing major changes in the economic, political, social and technological landscape, the right leadership team is crucial in demystifying the industry and translating specific knowledge into opportunities and strategies. A large proportion of our leaders are struggling to create strong strategic partnerships in which genuine collaboration and sharing best practices and knowlegde can take place.

Creating an ecosystem involves establishing a network of healthcare and life sciences organizations that collaborate on innovation and knowledge sharing, aiming to improve the industry's competitive edge and market opportunities. **Good leaders are not meant to have the answers, but instead they help guide their teams to find them. One of the most powerful, if sometimes overlooked, qualities of a leader is to encourage their teams to think for themselves and lay out all possible options on the table.** Good leaders are able to create an environment in which others can grow, develop, innovate and work towards creating an ecosystem.

A few elements are key for the creation of a truly working ecosystem. One of these key elements must be mature partnerships. This means fostering collaboration between organisations, partners and industries that actively work towards reducing friction between the different organisations and share knowledge & best practice. Another key element for creating a successful ecosystem is creativity and mobility for employees. Focusing on creativity in growing and investing in talent and improving mobility across sectors, industries, and academia.

Giving people the opportunity to move across industries, across different skill sets freely is especially important. Allowing top talent to hold multiple roles across these industries is crucial to innovation and the creation of new knowledge. Experts with unique specialist skillsets must pivot to becoming educators in their fields to help advance progress in the industry. This also fosters collaboration and partnerships.

A flexible organisation can diversify its products, simplify the management of its processes, and innovate both in terms of human resources management and organisational structures. To thrive in uncertain market conditions, companies must adaptbuild a competitive business environment and practices in terms of technology, structure, work organisation, work relationships and human resource management all at once. Finally, community engagement is critical. A successful ecosystem makes itself valuable to the (local) economy and to (local) people. **"If leaders are able to implement these practices, they can gain a competitive edge in the market during turbulent times.**

If you'd like to engage in further discussion or receive more information, please don't hesitate to get in touch with us. We welcome the opportunity to collaborate and explore ways to foster true collaboration and innovation in the Healthcare and Life Sciences industry.

Source: PWC, Deloitte< McKinsey, Panda International and IEEE Standards Association

About Odgers Berndtson

“Our purpose is to transform our client’s performance through building outstanding leadership teams. By making personal and organisational impact.”

Health & Life Sciences practice

“We have the ambition to build and help leadership teams reach and unlock their full potential and therefore contribute to innovative and value-based care in the Health & Life Sciences industry.”

Odgers Berndtson has had two very successful practices for more than 15 years: Health & Life Sciences. Since January 2024, both practices have joined forces and addressed the leadership issues in these sectors as one, joined-up team. The provision of quality care in today’s rapidly changing world extends far beyond the interaction between just patients and doctors. Our team strongly believes that by combining insights, from both sides of the industry, we can build better health systems for patients and care providers alike. By doing so, we can have a significant impact in helping leadership contribute to driving forward innovation and value-based care.

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