

Digital Portfolios for faster Transformation of Healthcare Organizations.

Collaborative potentials within your organization's digital portfolio.



Executive Summary

With our combined top-down and bottom-up approach, the digital project portfolio is centrally managed to enable data analytics and alignment with the digital strategy. Executing selected projects and identified collaborative opportunities by a 'digital acceleration office' facilitates guidance and governance, therefore enabling healthcare companies to verify that their digital project portfolio follows and actively supports the vision and overall strategy of the company at any given time.



Healthcare: an ever-growing market going digital

The healthcare industry is constantly growing. According to OECD, with 344 billion € it accounted for 11.3% of the German GDP in 2016. In the same year, Switzerland spent 12.4% and the United States even 17.2% of their GDP for healthcare¹. Being one of the world's largest and fastest-growing industries, it is expected that the American healthcare industry will account for nearly 20% of the GDP by 2020. Unsurprisingly, digitalization has become a foundation pillar in the world of healthcare and pharma. It plays a major part in e.g. insourcing innovation, managing the 'beyond the pill' services and improving patient monitoring. The German Social Collaboration Study 2018² shows that many healthcare companies have already implemented strategies and measures regarding digitalization.

Healthcare companies are still trying to understand how they can adapt their business model to the changing needs. As a result, many organizations are launching various digital strategic initiatives. However, managing a digital project landscape is challenging. Therefore, executing and managing digital transformation is a crucial skill for healthcare companies to gain competitive advantages and survive in the business.



A clear and holistic view on Digital initiatives

If handled properly, it can yield new and exciting opportunities for future business. Consequently, most pharmaceutical organizations have digital initiatives in place. In our experience, they often find themselves facing a wide range of initiatives, not knowing which to select, prioritize and execute – and ultimately seeking digital transparency. In addition, they often lack a holistic view and are therefore struggling to detect collaborative potentials and opportunities across their digital portfolio.

Campana & Schott developed an integrated, tool-based approach, which not only creates transparency but also overcomes the silo mentality mindset to enable optimal governance within digital project portfolio and organization.

Given the immense business impact of digital transformation, it is more than important to understand the crucial steps pharma companies must take to successfully manage and utilize their digital portfolio.

¹ <http://stats.oecd.org/Index.aspx?DataSetCode=SHA>

² <http://www.collaboration-studie.de/index.php/ergebnisse-2018/>



Building the Digital Pharma Portfolio

Campana & Schott has developed the Digital Pharma Portfolio, which is adaptable to all kinds of healthcare organizations. The Digital Pharma Portfolio is a tool-based approach that is founded on a conceptual as well as a strategic bottom-up portfolio building process to identify collaborative opportunities across the entire organization and fast track strategic digital initiatives. The bottom-up portfolio approach builds, analyzes and reshapes the digital portfolio to realize quick wins and changes by providing mechanisms for adequate steering and governance. It complements the top down strategy, as it involves the employees and communicates the direction of the digital transformation within the company.

To move from a silo mentality to performing, cross-functional communities, the first step is to gather a small data set from all current digital projects of the organization (projects running or planned) and subsequently create a portfolio inventory. These projects then are clustered and mapped along their business objectives and technology requirements. They are analyzed along their strategic field of action to determine their potential strategic impact. The digital project portfolio is reshaped according to four strategic fields of action after strategic adjustments and measures are derived – typically under the supervision of the ‘digital acceleration office’. As an example, it could be

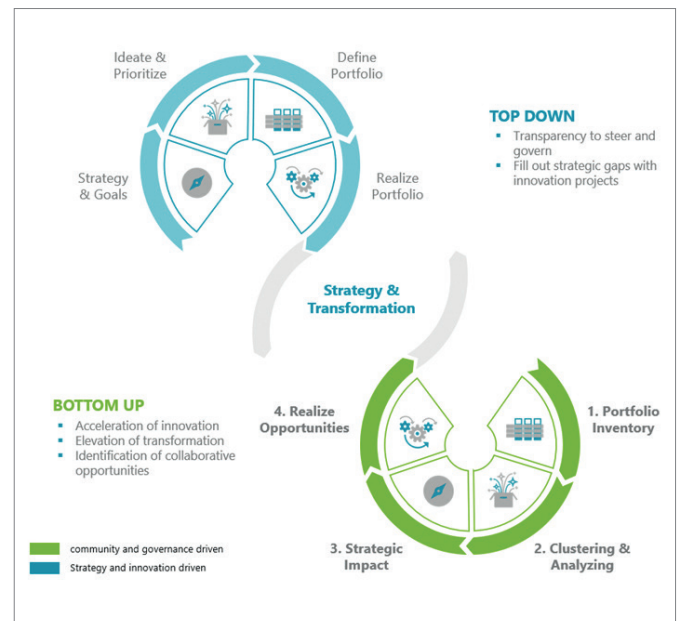


Figure 1: Four bottom-up steps of the Digital Pharma Portfolio approach

assumed that the digital strategy consists of generating value through new business models that combine assets with digital technologies. In that case, one could initiate and promote new explorational projects that are aimed at building new ventures and business models in collaboration with partners (see Fig. 2).

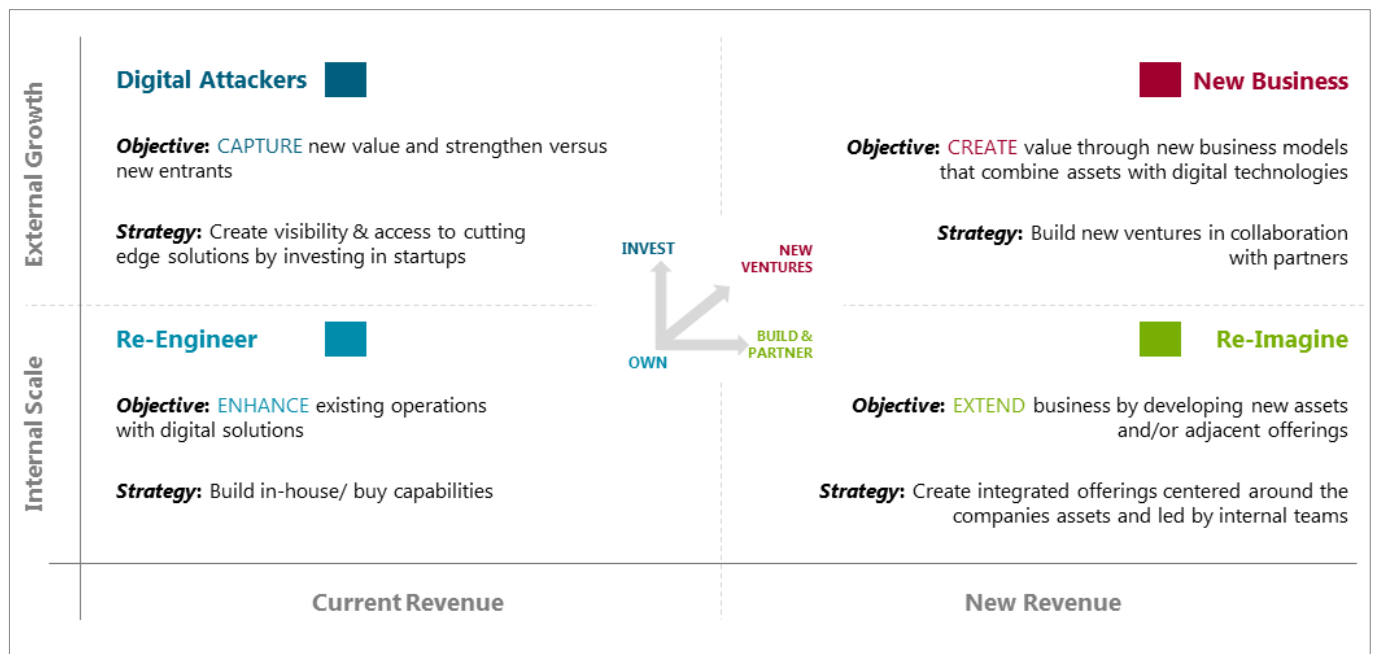


Figure 2: Four strategic fields of action

Next, promising collaborative opportunities for all existing projects, e.g. capturing data through digital devices or implementing a startup initiative, are being defined and realized to leverage synergies. Detecting these collaborative opportunities is facilitated by a web solution (based on SharePoint).

One example: applying smart tags allows filtering, clustering and analyzing all project data. This web platform serves as the one and only central point of contact and transparency for the digital portfolio. In a final step, the identified collaborative

opportunities are matched with the company's strategic goals to re-allocate the project landscape (see Fig. 3). This strategic re-allocation and adjustment of the portfolio is done under consideration of various dimensions, as the strategic impact, importance, effort, urgency, complexity, and the financial aspects of each project. In this step you will find yourself confronted with one essential question: Which opportunities hold the most promise for furthering your overall strategic goals, giving you an edge over your competition?

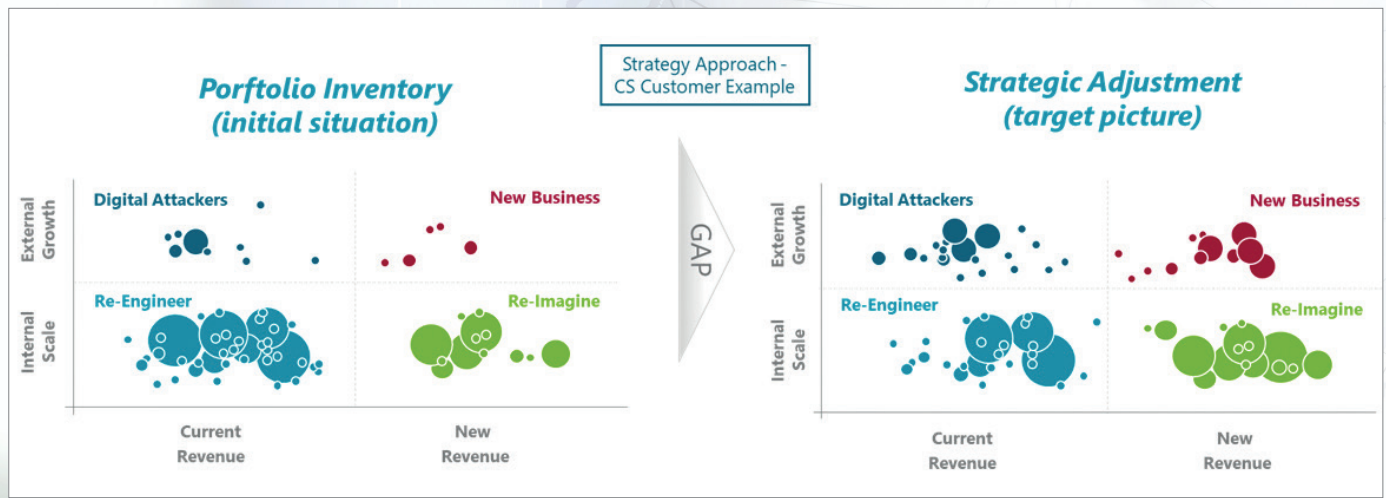


Figure 3: Strategic adjustment of the digital project portfolio



Finding, generating, and managing collaborative opportunities

Detecting and clustering collaborative opportunities is just a starting point. The actual execution of opportunities, as a best practice, should be carried out through a 'digital acceleration office'. This org unit is a cross-functional, but highly specified team of experts, which activates the digital community to define strategic directions, monitor strategically relevant projects, link business priorities, accelerate alignment between functions, departments, countries, and/ or brands, define gaps, and initiate new projects to fulfill the target picture. This not only raises efficiency and efficacy through appropriate governance, but also identifies opportunities for new business models by connecting the dots. The work of the 'digital acceleration office' helps to:

- avoid redundancies,
- create a culture of collaboration and knowledge sharing,
- scale solutions across functions and therapeutic areas,
- enable better investment decisions,
- reduce time to market through accelerated learning, and
- contribute to ambitious targets by leveraging all resources.



Benefits generated by a digital bottom-up portfolio

The building approach of the Digital Pharma Portfolio shows various levels of benefits. They range from simply fostering knowledge sharing between projects that are mapped along similar business objectives or technical solutions to creating and setting up program management for projects that overlap each other (see Fig. 4). To realize these benefits it is crucial to consequently align and combine the bottom-up tasks with the strategic objectives that are given top-down. This alignment can be achieved best by establishing the role of a "digital acceleration office".



Figure 4: Actively identify and leverage collaborative opportunities

Ultimately, the bottom-up portfolio building approach can lead to:

- 1 Cost savings by uncovering information silos.
- 2 Advancement of the company's digital strategy, as a built-in analysis can assess how well current digital initiatives match the overall digital strategy.
- 3 Detection and handling of gaps and white spots in a timely manner, which contributes to the overall development and generation of value for the company.
- 4 Re-allocation of monetary and human resources.

Campana & Schott

Campana & Schott is an international management and technology consultancy with more than 300 employees at locations in Europe, the US and Canada.

For more than 25 years, we have been passionately assisting companies in managing complex change processes - with proven methods, technologies or simply the right people.

The passion for all facets of human collaboration in organizations and projects has driven us since the beginning.

Further information:
www.campana-schott.com

