



## Digital Health Innovation: A Leadership Pulse Check

From inside and outside of the industry, the most sought-after leaders are those adept at driving innovation, leading change and adapting to organizational culture

Empowering consumers to take greater control of their own health, digital technology is tearing down the traditional boundaries among providers, payers and patients, and thus dramatically changing the demands for new leaders. Finding the right talent to meet the expectations of an increasingly consumer-centric marketplace is critical. Companies are looking well beyond the healthcare industry to find the right mix of experience and perspective.

These and other insights on how digital is redefining healthcare emerged in recent interviews between Spencer Stuart, one of the world's preeminent leadership advisory and executive search firms, and top industry thought leaders. These conversations confirmed that healthcare companies seek leaders who are driving innovation and championing change in ways that engage consumers, inform and inspire employees and, ultimately, transform the organization to thrive in an ever more digitally connected environment.

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**TODD HAEDRICH**

VICE PRESIDENT AND GENERAL MANAGER,  
SMALL GROUPS AT ATHENAHEALTH

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Because these are skills only recently leveraged in the healthcare industry, companies shouldn’t fixate on recruiting the few with sector expertise, but should seek out senior executives across industries who envision digital’s enormous potential and can partner with domain experts to bring their visions to life. The value of this cross-industry blending of skills and insights has proved highly successful in numerous recent senior-level hires in healthcare.

## **MORE THAN JUST TECH**

### **Innovative leaders are driving the digital transformation of healthcare**

As healthcare grows more consumer-centric, innovation — not just technology — is driving the ultimate opportunity for convergence. Multichannel connectivity with the patient, i.e., internet of things, is opening new lines of communication for sustained consumer engagement.

That’s why senior executives who are proven innovators, especially in disruptive industries, are highly valued today. Similarly, we see the same interest in individuals who know how to drive and advocate for innovation within their organizations. Equally prized are problem solvers who are gifted at change leadership, have an open mind and the analytic ability to translate data into actionable insights that improve patient outcomes and help control spiraling healthcare costs.

“I’m as interested in someone who’s a technology leader in an industry that’s been disruptive as I am in someone coming from a medical background,” said Todd Haedrich, vice president and general manager, small groups at athenahealth, which provides network-enabled services to hospital and ambulatory clients. “If I can marry that person with someone on the team who understands the nuances of healthcare and can help make sure we don’t make a silly mistake, that’s a powerful combination.”

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**TAREK SHERIF**  
CHAIRMAN AND CEO,  
MEDIDATA SOLUTIONS

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Justin Barnes, a healthcare industry adviser and strategist and host of the industry's popular syndicated radio show, "This Just In," believes it would be counterproductive for companies to search only within the industry to find new leaders.

"They don't all need to have a healthcare background, because if anything, it may even inhibit your company," Barnes said. "Let those leaders teach you something. Find that person from another industry who says, 'I would like to work for somebody who can teach me about healthcare, so I can come in and revolutionize it.'"

Tarek Sherif, chairman and CEO of Medidata Solutions, a global developer of cloud-based technology for clinical trial research, agrees that companies that limit their candidate search to the healthcare industry are setting themselves up for failure.

"The supply of talent is limited, especially if you look to implement these leading-edge technologies," Sherif said. "You want to mix in different skill sets and retrain folks. I don't see a wholesale change, but I do see us broadening the scope of the people we hire. We want people who have more perspective, who've been in different industries and can bring some of the knowledge they gained in developing technology in those industries back into ours."

## **THE RISE OF THE HEALTHCARE CONSUMER**

### **From passive patients to proactive participants**

The transformation to patient-centric healthcare is underway, with consumers literally and figuratively taking their health into their own hands. They now have a growing wealth of online information they can easily access 24/7 from their smart phones, tablets and laptops, along with wearable devices ranging from smart watches and wristbands to connected gym shorts and sneakers.

"Healthcare consumers are now able to do things on their own that they used to have to go to a doctor's office for," said Haedrich. "With my smartphone and watch, I can track my blood pressure, heart rate, sleep patterns and walking, and I can monitor my overall health. So, we're starting to see consumers being empowered around their own health data, and that's becoming increasingly important."

As consumers become more informed and emboldened by digital, innovative health-care solutions, companies are beginning to recognize that care should be focused around the patient, not the business.

“While it’s still early on, we’re changing the way we go to market,” said Diana Nole, CEO of Wolters Kluwer Health, which provides information, business intelligence and point-of-care solutions for the healthcare industry. “Instead of being a product-focused company, we’re focused on solutions centered around the patient so that everyone involved in caring for the patient, including the patient, understands how to achieve the very best care. We have a large number of clinical experts, but we also need people experienced in AI (artificial intelligence) and technologies that contemporize the healthcare experience and optimize delivering that care to the patient.”

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Change Healthcare, one of the largest independent healthcare technology companies in the U.S., is also focused on the healthcare consumer and the payers and providers who serve them, said Kris Joshi, the company’s executive vice president and president of network solutions. Digital solutions present an opportunity for the industry to solve one of its most perplexing challenges — to make the patient billing and payment process more manageable and transparent.

“Sometimes patients don’t know what to expect until the bill arrives. Someone gets a bill for \$4,000, and they’re scratching their head wondering, ‘Is this the correct bill? What did the doctor or the surgeon or the nurse do that costs so much? Why do I have to pay this and not my insurance company — or I may not have insurance. And what am I going to do because I don’t have \$4,000,’” Joshi said. “Discussions about patient responsibility — what they will owe, to whom and when — should happen upfront. ‘Here’s what to expect, and here’s the likely out-of-pocket payment you will owe. Do you need financing?’ Providing that type of visibility for consumers and among health plans, employers and providers is something we can all aim for.”

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**CHRIS CARTER**  
GENERAL PARTNER,  
HAWTHORNE CAPITAL

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As companies strive to make billing more transparent at all points in the revenue cycle, they will need to keep in mind patients’ concerns about sharing their private health information online with their respective payers and providers.

“If we move to a system where everyone’s guaranteed insurability, maybe the transparency issue won’t be as sensitive as it is now,” said Chris Carter, general partner at Hawthorne Capital, a healthcare and technology-focused private equity firm based in Atlanta. “Healthcare is so personalized that I think there are right ways to move data and wrong ways to move data, but I think the uninsurable aspect would be in the top three reasons, along with privacy and identity theft, for why anybody wouldn’t want to share their health information more openly.”

## LEADING THE TRANSFORMATION

### Cultural fit is critical

Although it’s important for companies to look outside the healthcare sector to find innovative leaders, candidates with all the digital experience in the world will fall short of expectations if they’re not a good cultural fit.

“I think culture should never be a buzz word,” said Carter. “It’s part of the DNA of any business. If that’s not one of the top things an executive is thinking about every day, then I think they’re going to miss the mark when they’re trying to transform or grow a business.”

The best leaders will be those capable of enhancing what already exists, and the strongest players in the market today are differentiating their companies by building a culture of change that is more mission-driven and able to adapt quickly to new market challenges and opportunities.

“You need to think of senior leadership in terms of their ability to create effective teams,” said Soroush Abbaspour, program director, strategy and business development at IBM Watson Health Innovations. “To do that, you need a new culture, a different culture, because you’re bringing people with different aspirations and different expertise under one roof, working together. This not only requires a different culture; it also requires a different structure and new mode of operation, and it impacts everyone.”

# User-friendly healthcare beginning to emerge

Although all the thought leaders we interviewed agreed that the nation's healthcare system is long overdue for a major overhaul, a real-life example from Barnes provided perhaps the strongest argument with a story about his recent trip to Arizona to watch a sporting event.

"I get into a (ride-sharing service) driver's car, and it's five dollars to go basically anywhere, and that's great," Barnes recalled. "So, I ask the driver, 'How can you make any money doing five-dollar trips?'" and he tells me "I can do okay, but the real money is in healthcare."

The driver went on to explain that in addition to driving for the ride-sharing service, he was a driver for a local hospital, which charged passengers \$250 for virtually the same service he provided to ride-sharers for \$5.

"This is what we do in healthcare, and it underscores why we have trillions of dollars of waste in the industry," Barnes said.

Much like ride-sharing shook up the conventional taxi industry and Amazon continues to revolutionize retail by leveraging digital technologies to deliver consumer experiences better than traditional ones, the healthcare industry is poised to provide a more user-friendly experience for patients.

"We've seen this transformation in other industries, whether it be travel or the purchase of cars, but in healthcare, a lot of times, the sort of advances you've seen on the patient side have been disconnected from the clinical side or the hospital and physician office side," according to another senior digital health leader. "What you're going to see is that connection, where the

patient engagement is going to be enhanced with mobile and other online capabilities that providers are now going to start to use."

Michael J. Alkire, COO of Premier, a healthcare performance improvement company helping hospitals and health systems provide better patient care and reduce costs, predicts that for many healthcare organizations, digital transformation will evolve in three phases.

"The first phase is performance: how to leverage data across the entire enterprise," Alkire said. "Second is how are you taking advantage of these integrated data sets and enterprise analytics to truly drive very novel approaches for basic things like resource utilization or comparing the effectiveness of drugs and therapies. Finally, you have that innovation bucket with an ecosystem that's being built out. So, how do you share knowledge, content and best practices in this ecosystem."

As digital continues to pervade the healthcare industry, organizations should take note of — and learn from — the experience of other industries.

"The question we need to ask ourselves is: If you look at the disruption that's been occurring in healthcare — and it's been occurring at a slower pace than other industries — are we going to see an acceleration of that with the rise of more patient-driven healthcare?" said Haedrich. "What does the adoption curve look like and how does it align with other businesses that have been disrupted by technology over the last several decades?"

## It's not about what digital can do for companies, but what leaders can do with digital

Based on data in the journal *Health Affairs*, every person will generate more than 1,100 terabytes of health-related data in his or her lifetime. The challenge for companies today, according to Abbaspour, is finding the right blend of talent to leverage this massive amount of data to provide the types of experiences that healthcare consumers expect today and in the future.

The digital transformation of healthcare is underway and inevitable. As digital continues to move forward, healthcare organizations must remember that technology alone cannot and will not lead the transformation. Technology is merely the enabler. The true driver will be innovation — innovation managed and championed by senior leaders who have the ability to create a vision and inspire the hearts and minds of their teams to do things differently to drive overall healthcare improvement.

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