

MEDTECH

What the Data Tells Us About Digital Transformation, by Industry



The key findings for medtech companies

About 30% of medtech companies have been successful with digital transformations, slightly below the cross-industry average.

Companies score well on leadership commitment but fall short on agile governance and deploying high-caliber talent.

Top priorities have been geared mostly toward digital reengineering of the value chain, led by digitizing support functions.

Going forward, medtech's priorities are shifting to digital products and services innovation—in particular, digitizing the supply chain, support functions, and next-generation sales.

Priority initiatives include understanding customer needs and preferences, improving demand forecasting to increase supply chain agility, digitizing finance activities, prioritizing digital customer demand, and creating a digitally enabled salesforce.

Social priorities top the ESG agenda, including improving employee health and safety and creating personalized training programs.

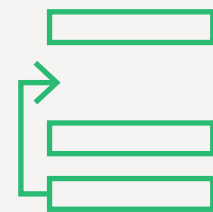
The data in more depth



**Rates of success
in digital
transformation**



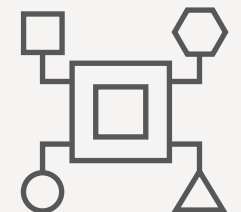
**Topics of focus
for medtech
companies**



**Top priorities for
the future**



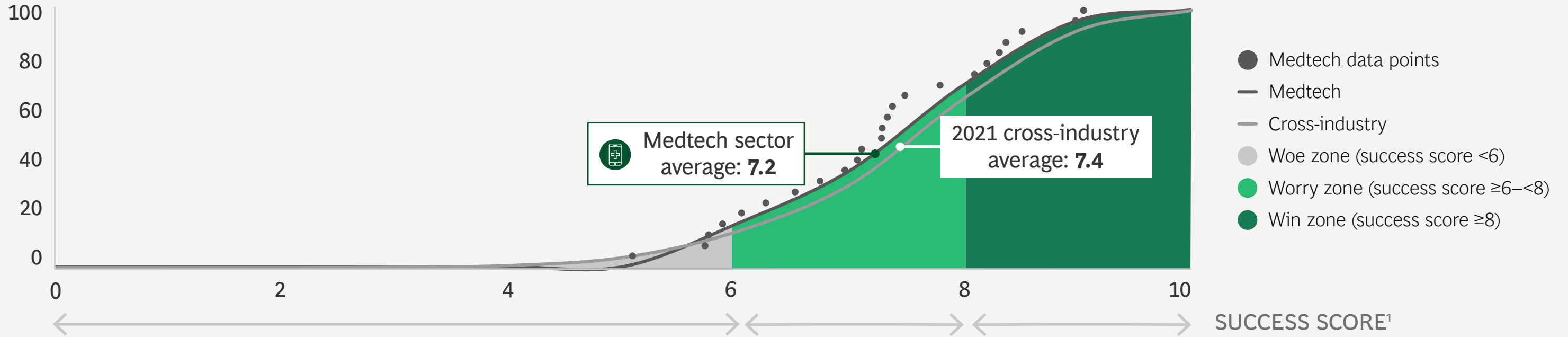
**The critical
human and
tech enablers**



**The role of ESG
in digital
transformation**

Only 30% of medtech companies fall in the win zone, slightly below the cross-industry average

CASES BELOW SUCCESS SCORE (%)



2021 BCG Global Digital Transformation Survey overall

13%
(Range: 5%~25%)

52%
(Range: 30%~71%)

35%
(Range: 16%~58%)

Medtech sector

17%
Limited value created (<50% of target); no sustainable change

54%
Value created but total targets not met; limited long-term change

29%
Target value met or exceeded; sustainable change created

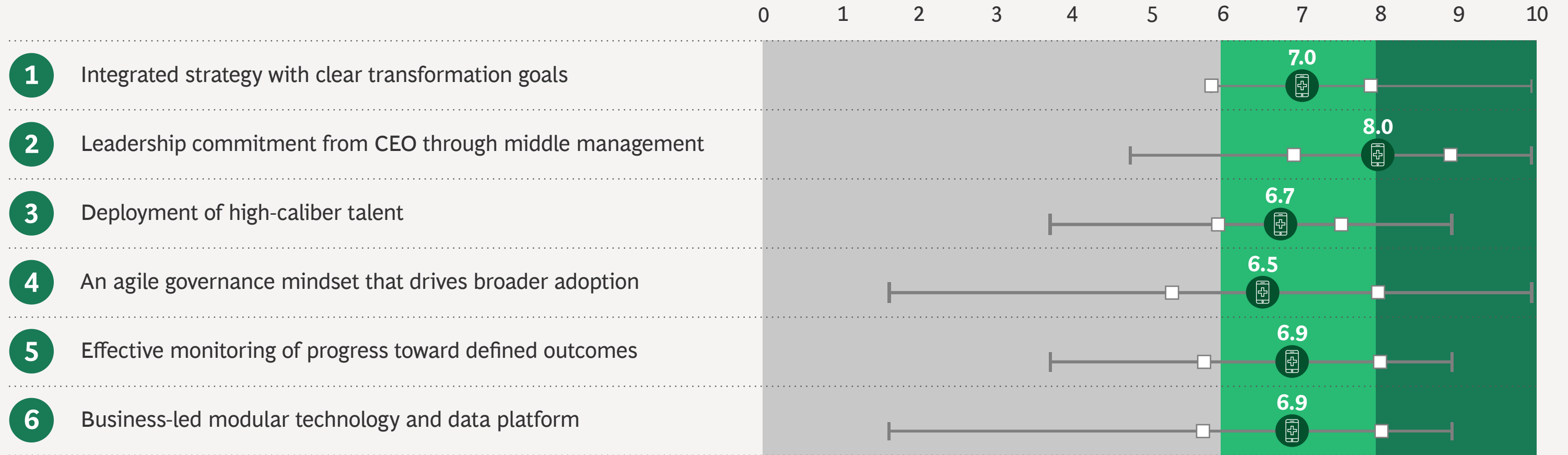
Source: 2021 BCG Global Digital Transformation Survey.

Note: Survey question: "Across the following dimensions, please rate your organization's digital transformation experience to date on a scale of 1 to 10, using the guidelines in the table below."

¹Success score is calculated from respondents' answers on six dimensions of transformation: strategy; leadership; talent; agility; monitoring; and tech and data.

Medtech companies score well on leadership commitment, but most struggle to attain agile governance and deploy high-caliber talent

DISTRIBUTION OF SUCCESS SCORES ON INDIVIDUAL KEY FACTORS¹



Lower extreme Medtech average Upper or lower quartile Upper extreme



● Woe zone (success score <6) ● Worry zone (success score ≥6–<8) ● Win zone (success score ≥8)

Source: 2021 BCG Global Digital Transformation Survey.

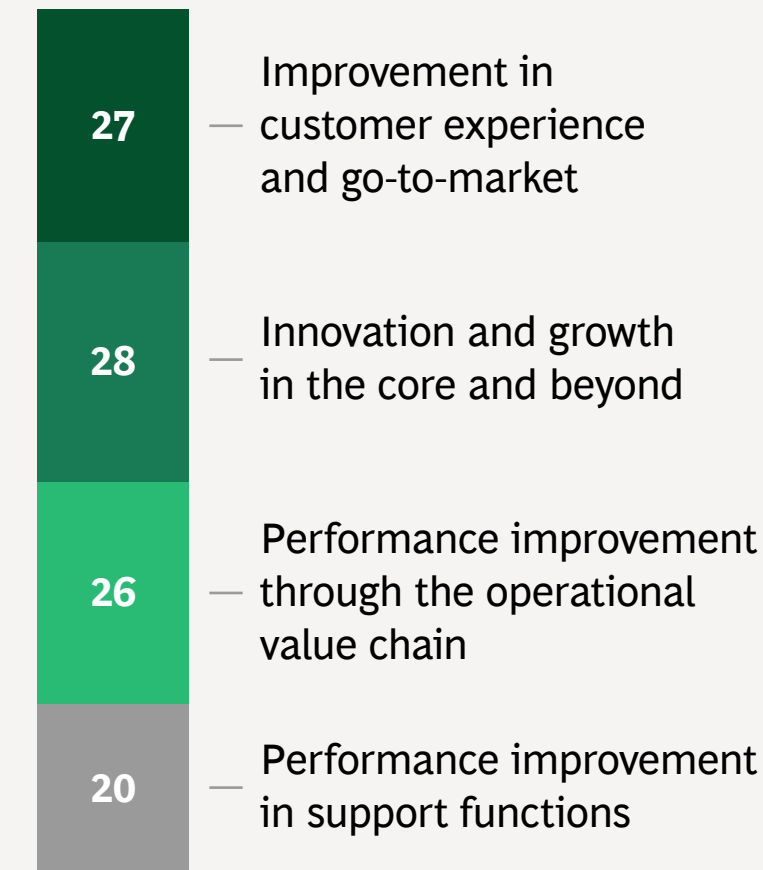
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Medtech's transformation priorities have been geared primarily toward digital reengineering of the value chain

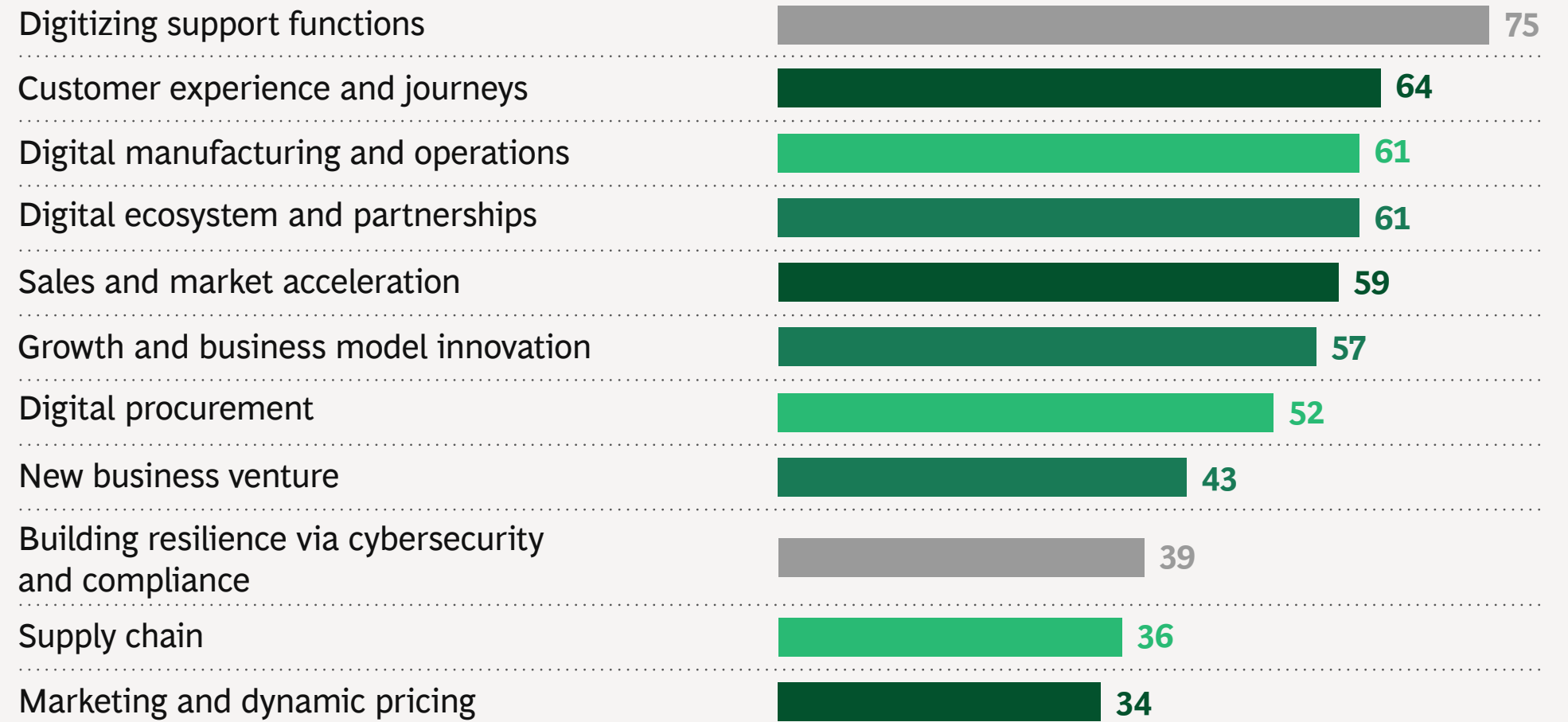
Strategic objectives

SHARE OF RESPONDENTS (%)



Scope of digital transformation¹

SHARE OF RESPONDENTS (%)



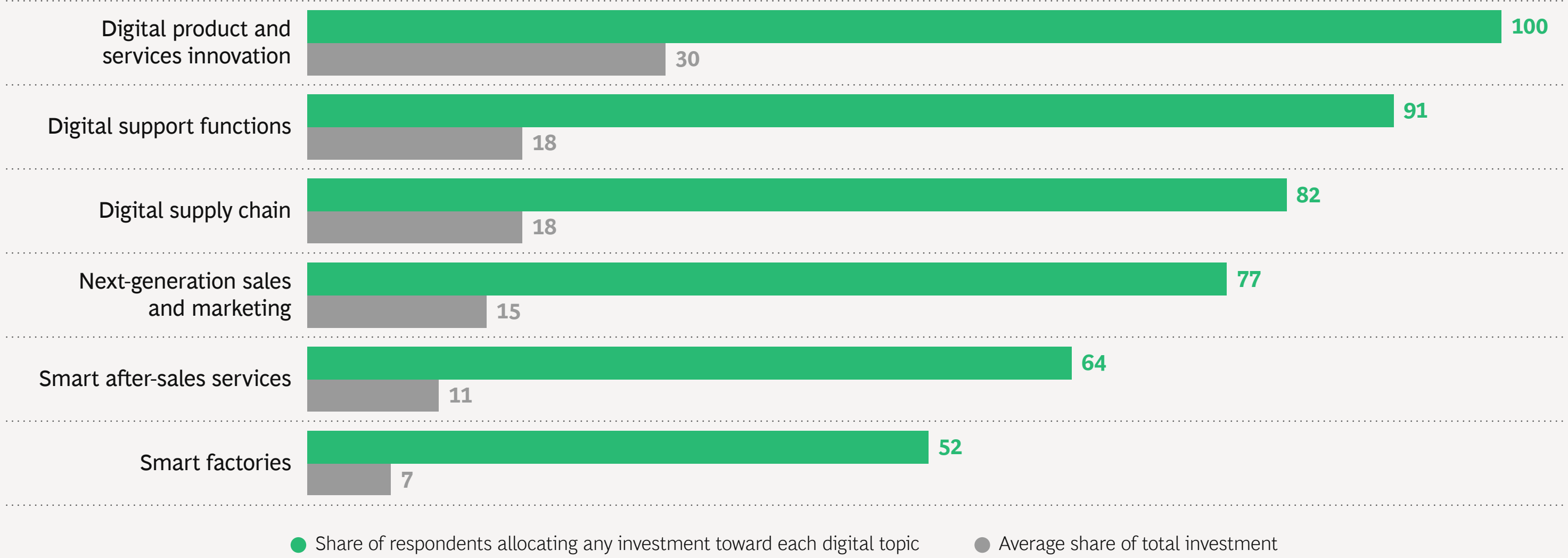
Source: BCG Global Digital Transformation Survey, 2021, n = 44.

Note: Because of rounding, the percentages given for the strategic objectives do not add up to 100%.

¹Respondents were asked to select all priorities that applied.

Medtech companies plan to devote 30% of spending toward digital product and services innovation

PLANNED SHARE OF WALLET SPENDING ALLOCATED ACROSS DIGITAL TOPICS IN THE NEXT TWO TO THREE YEARS (%)¹

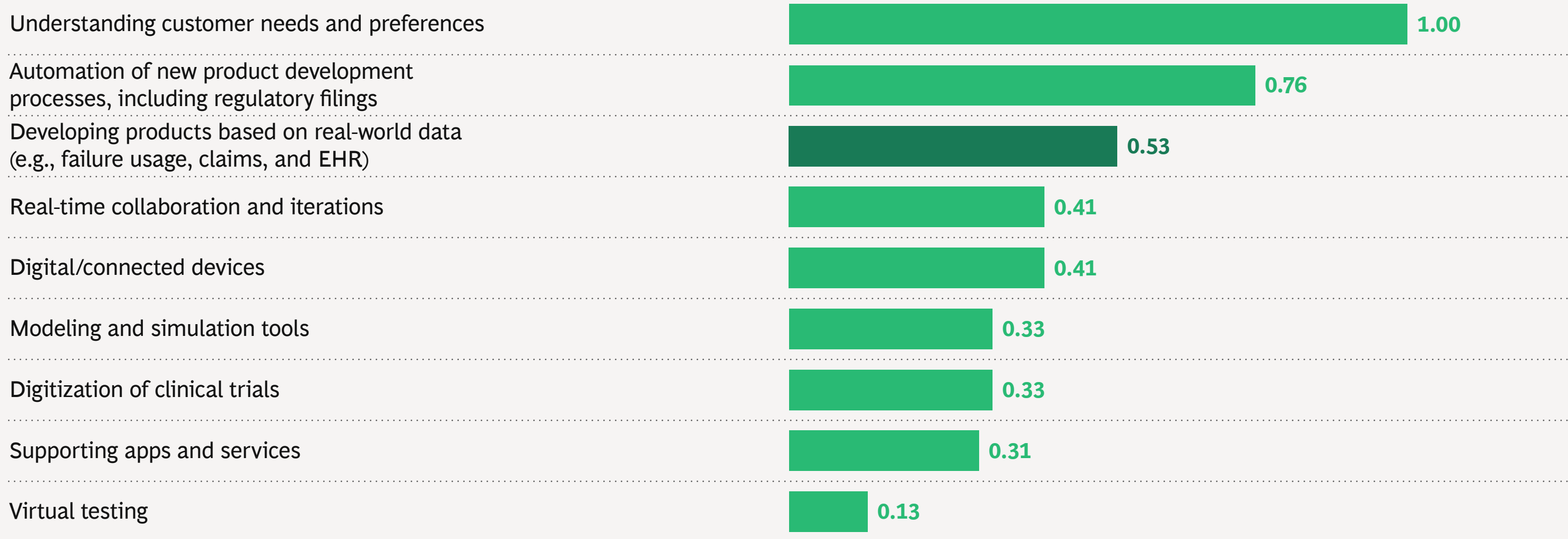


Source: 2021 BCG Global Digital Transformation Survey.

¹For example, the uppermost pair of bars can be read as “100% of medtech respondents plan to invest in digital product and services innovation, allocating an average of 30% of total digital investment.”

Medtech companies' digital priorities: Digital product and services innovation

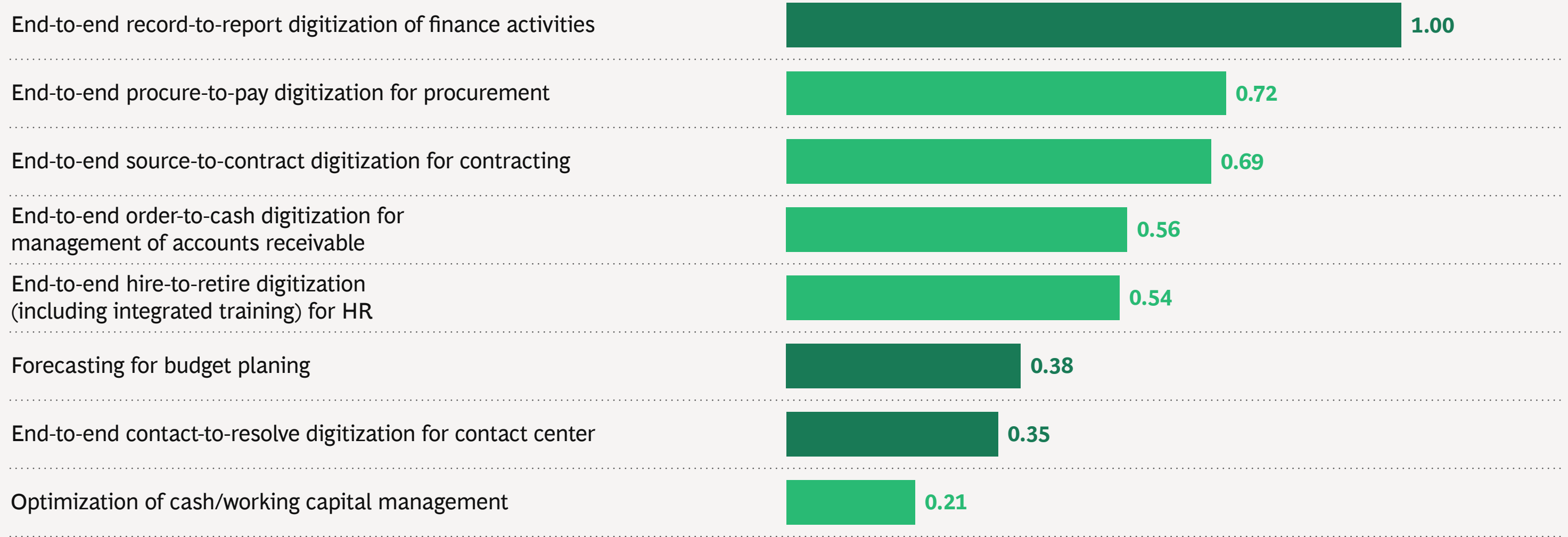
Digital initiatives (bars indicate relative prioritization of initiatives)



● Relative prioritization for all medtech companies ● Top priorities for win-zone companies

Medtech companies' digital priorities: Digital support functions

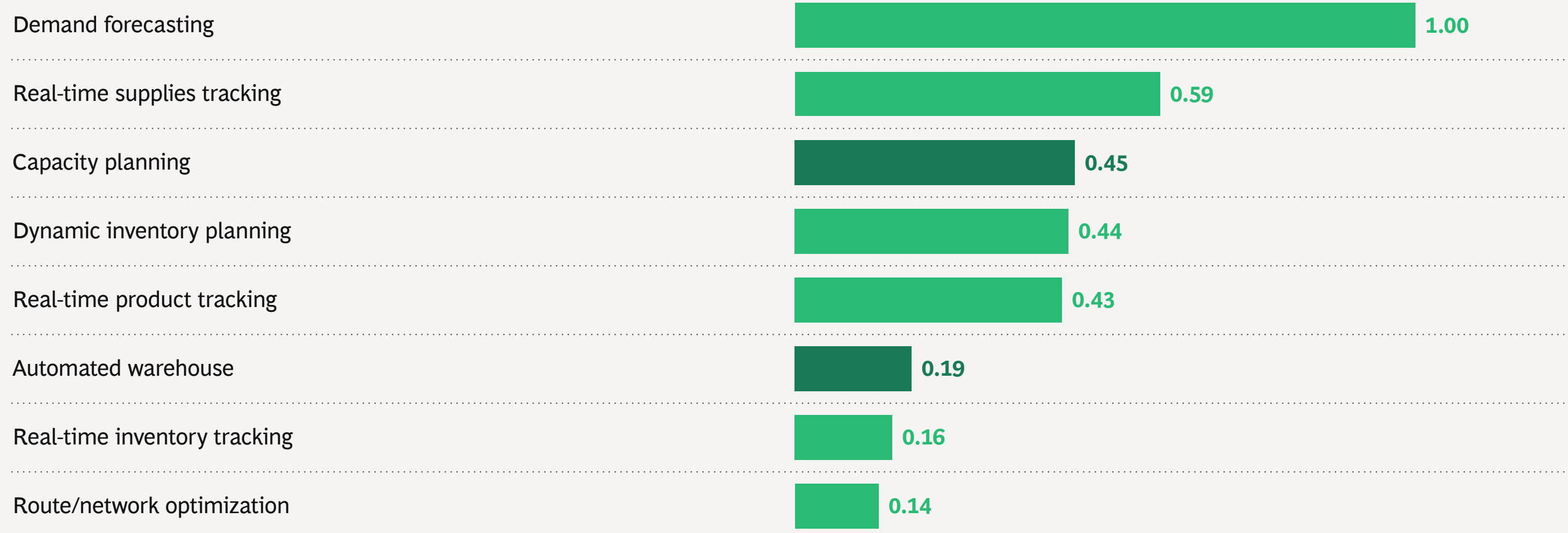
Digital initiatives (bars indicate relative prioritization of initiatives)



● Relative prioritization for all medtech companies ● Top priorities for win-zone companies

Medtech companies' digital priorities: Digital supply chain

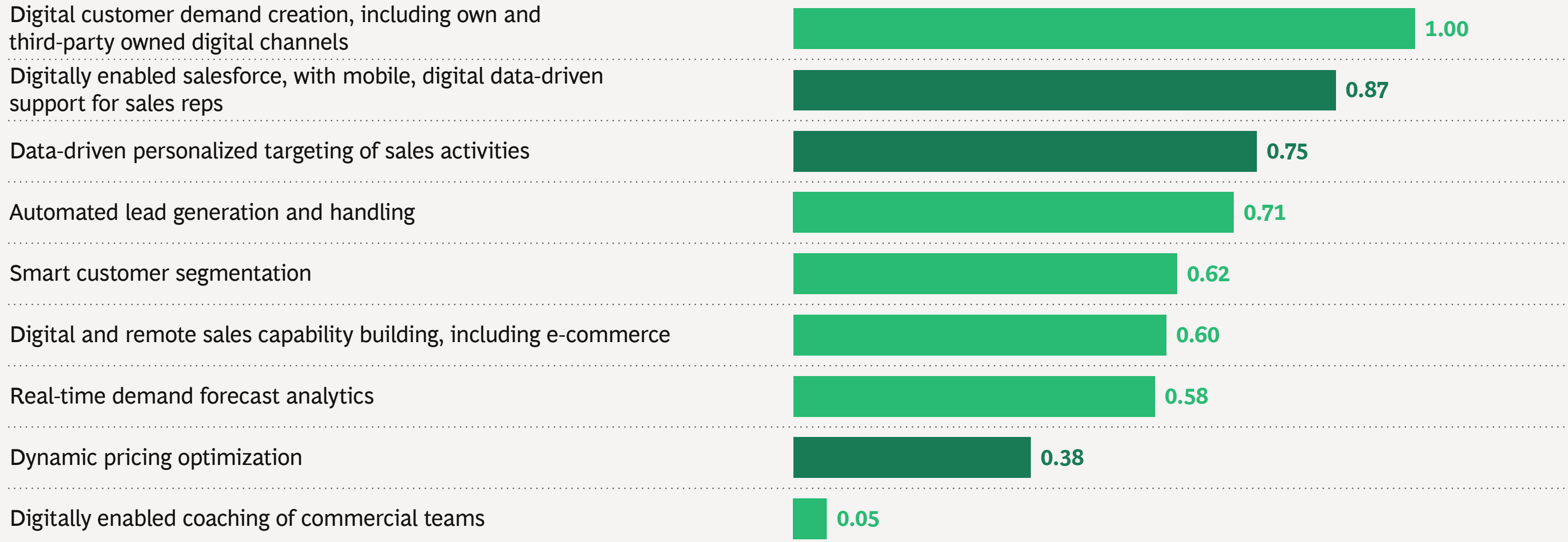
Digital initiatives (bars indicate relative prioritization of initiatives)



● Relative prioritization for all medtech companies ● Top priorities for win-zone companies

Medtech companies' digital priorities: Next-generation sales and marketing

Digital initiatives (bars indicate relative prioritization of initiatives)

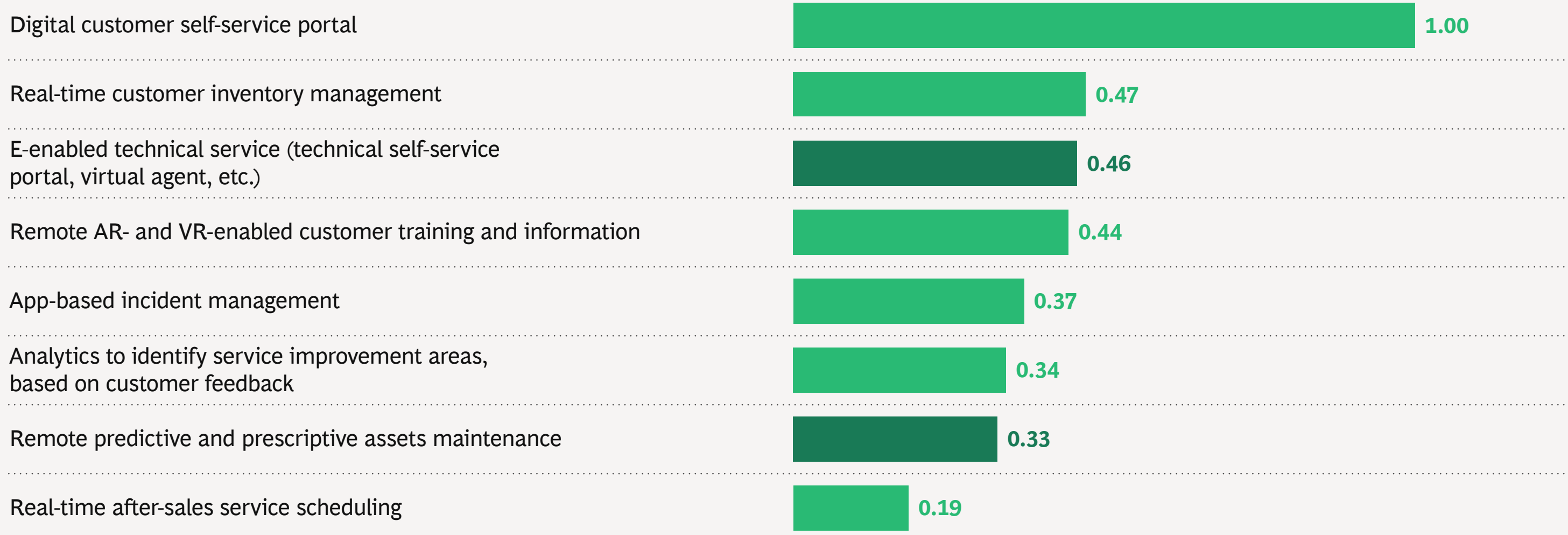


● Relative prioritization for all medtech companies ● Top priorities for win-zone companies

Source: 2021 BCG Global Digital Transformation Survey, n = 44.

Medtech companies' digital priorities: Smart after-sales services

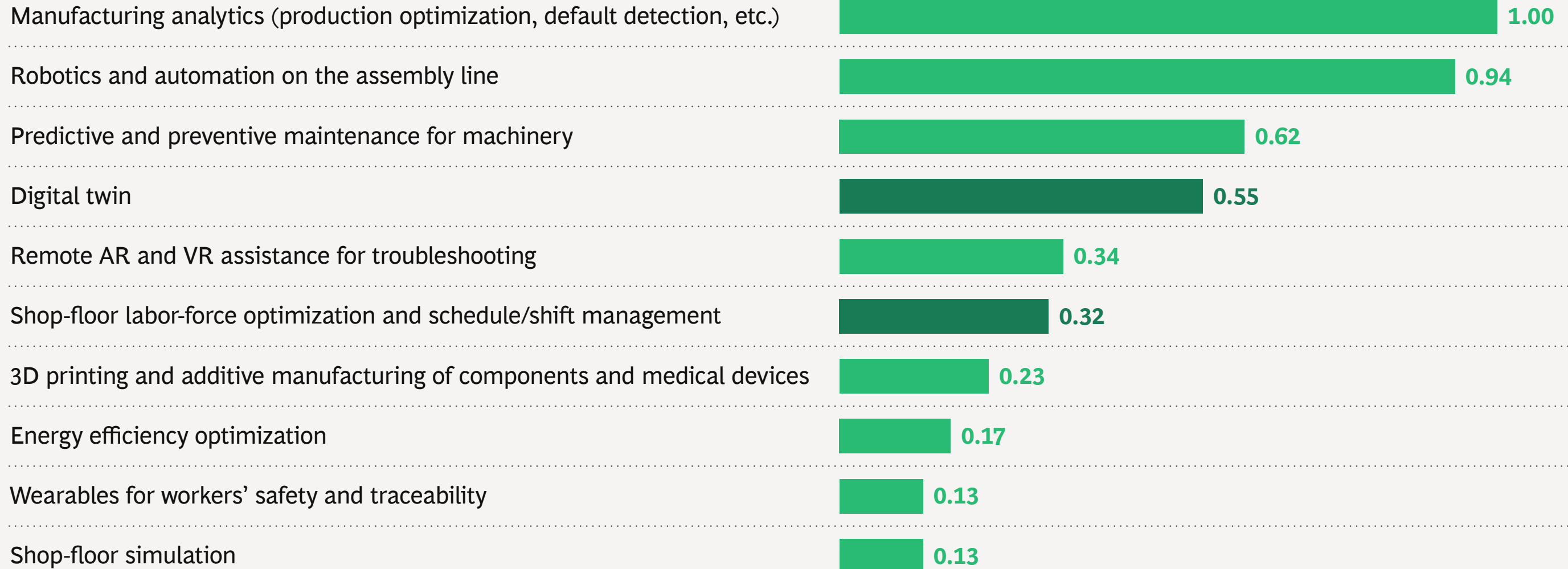
Digital initiatives (bars indicate relative prioritization of initiatives)



● Relative prioritization for all medtech companies ● Top priorities for win-zone companies

Medtech companies' digital priorities: Smart factories

Digital initiatives (bars indicate relative prioritization of initiatives)

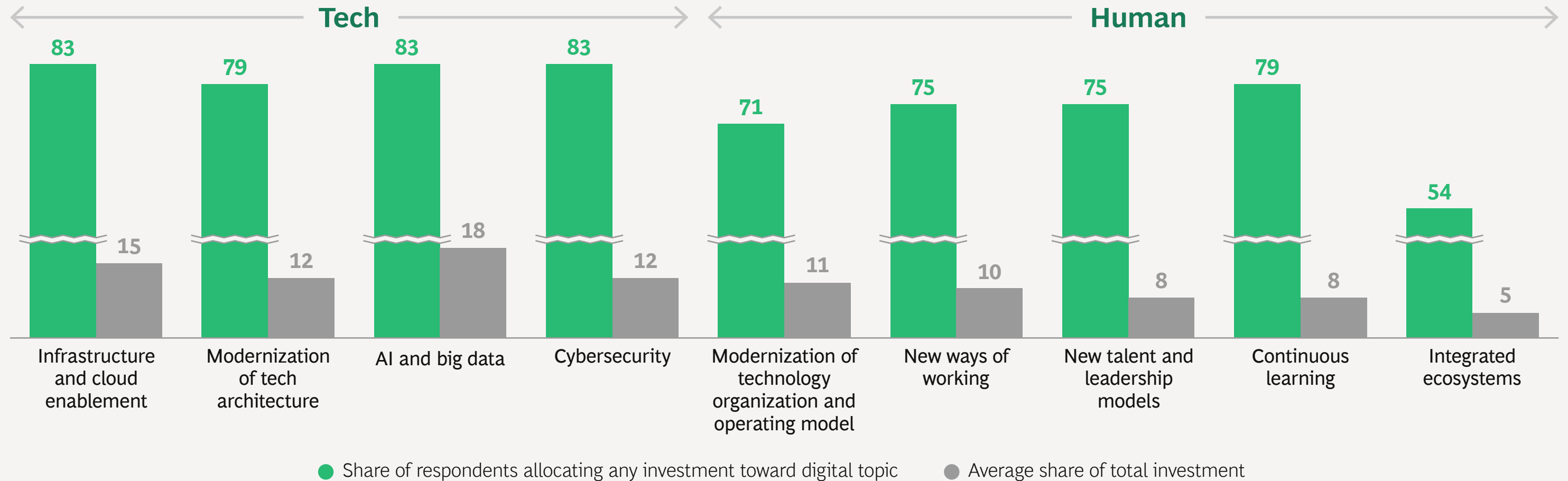


● Relative prioritization for all medtech companies ● Top priorities for win-zone companies

Medtech companies intend to invest across a broad range of tech and human enablers

Eight out of ten medtech companies plan to invest in infrastructure and cloud enablement, tech architecture modernization, and AI and big data, allocating about 45% of total digital enablers spending to these areas

PLANNED SHARE OF WALLET SPENDING ALLOCATED ACROSS ENABLER DIGITAL TOPICS IN THE NEXT TWO TO THREE YEARS (%)¹

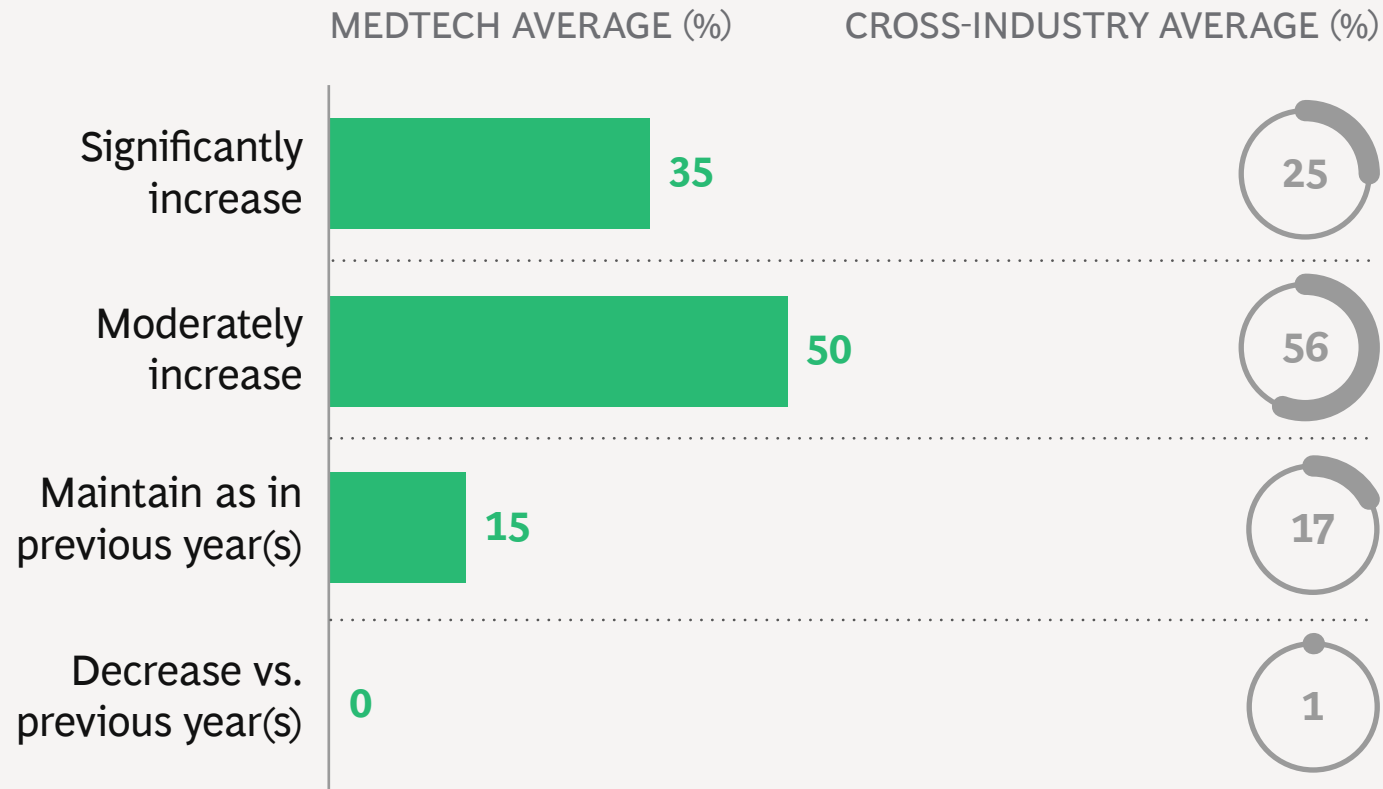


Source: 2021 BCG Global Digital Transformation Survey, n = 44.

¹For example, the leftmost pair of bars can be read as “83% of medtech respondents plan to invest in infrastructure and cloud enablement, allocating an average 15% of their total digital enabler spending.”

About 85% of medtech companies plan to increase ESG investments, above the cross-industry average

Share of respondents planning to increase/decrease/maintain investment toward ESG in coming years



Source: 2021 BCG Global Digital Transformation Survey, n = 44.

... with greater emphasis on S and G

Leading digital initiatives being prioritized to support E, S, and G goals



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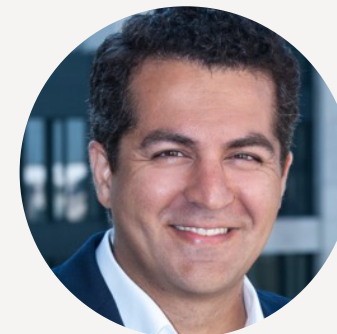


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