

INDUSTRY X.O FOR MEDICAL TECHNOLOGY MANUFACTURERS

Unlocking the power of digital

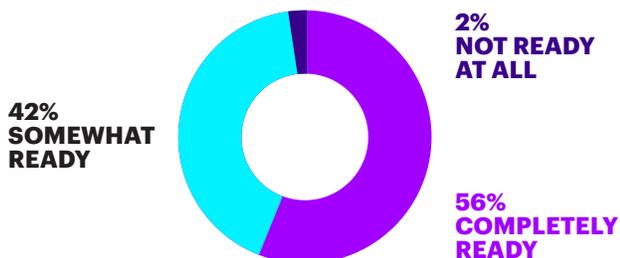
Companies can do more than just change themselves into digital businesses; they can completely reinvent their operating models, production and value chains to create more value with digital. Our research yields a concrete solution: what we call Industry X.O. It's an action plan for becoming more adept at embracing technological change and profiting from it.

Today's Medical Technology (MedTech) manufacturers recognize innovation and leading-edge technologies are essential to drive growth. Over the half (56%) of the MedTech executives believe that their business and operations are completely ready to innovate with connected and intelligent technologies which is compared to the global average of 44% at the higher end of the spectrum.

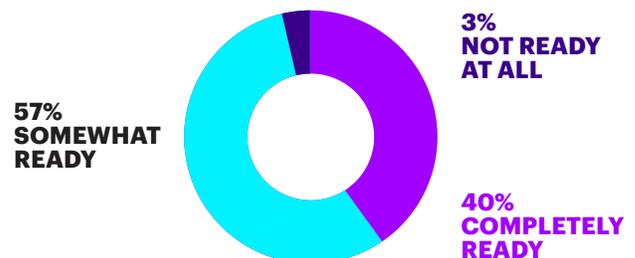
In comparison: Only 40% of Pharma executives believe their businesses and operations are completely ready to innovate with connected and intelligent technologies and most remain skeptical about readiness in the next 3 years.

Accenture's global research study of 931 executives (55 from medical tech) looks to understand existing investment in digital technologies, and the challenges to drive value with such investments.

MedTech feels more ready

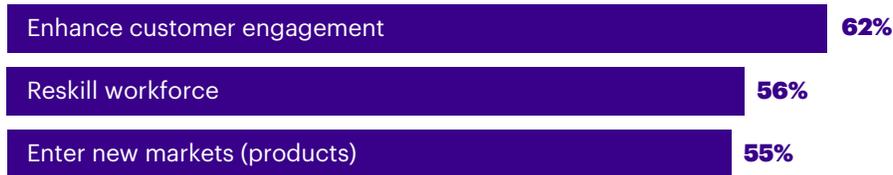


Pharma feels less ready



MED TECH MANUFACTURERS BELIEVE DELIVERING BETTER CUSTOMER EXPERIENCES IS ESSENTIAL TO DRIVE GROWTH

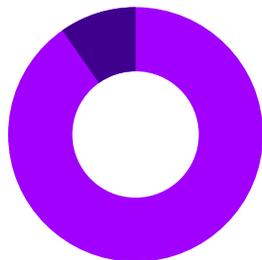
TOP 3 STRATEGIC PRIORITIES



Med tech executives believe it is important to drive higher operational efficiency and deliver hyper-personalized experiences to achieve their strategic priorities

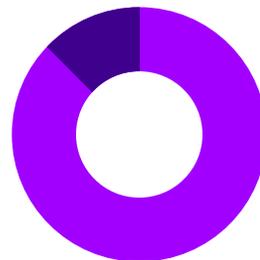
HIGHER OPERATIONAL EFFICIENCY

91%
IMPORTANT



HYPER-PERSONALIZED EXPERIENCES

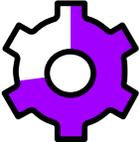
88%
IMPORTANT



But only 15%

of Med Tech companies are currently getting both cost efficiencies and new growth from their investments in digital. This is slightly over the global cross-industry average of 13%. This number will increase when companies realize the impact of a combined approach to digital technology adoption and stop investing in a piecemeal, siloed fashion.

The **TOP 5 OBSTACLES** that they believe will keep them from leveraging the power of digital technologies to innovate are:

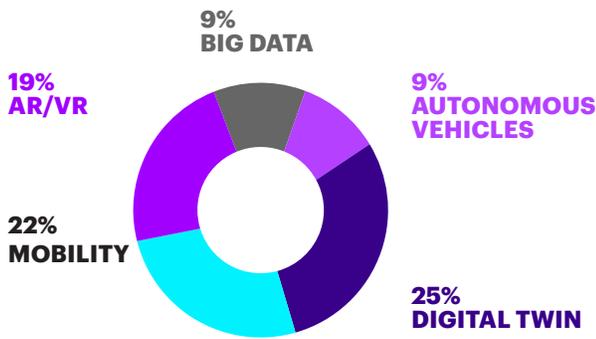


73 percent of Med Tech companies believe they will struggle for survival if they don't become adept at innovation with digital

HOW CAN MED TECH COMPANIES BECOME READY TO INNOVATE NEW EFFICIENCIES AND EXPERIENCES WITH DIGITAL AND LEAD IN THE NEW?

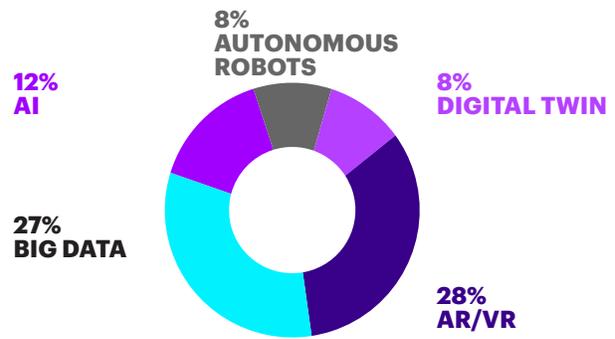
COMBINE AND CONQUER

Systematically combining digital technologies can help Med Tech companies unlock significant financial gains



US\$93k

(or 46% reduction) potential savings in cost/employee if this optimal technology combination is applied



US\$6.3bn

(or 15% increase) potential gains in market capitalization if this optimal technology combination is applied

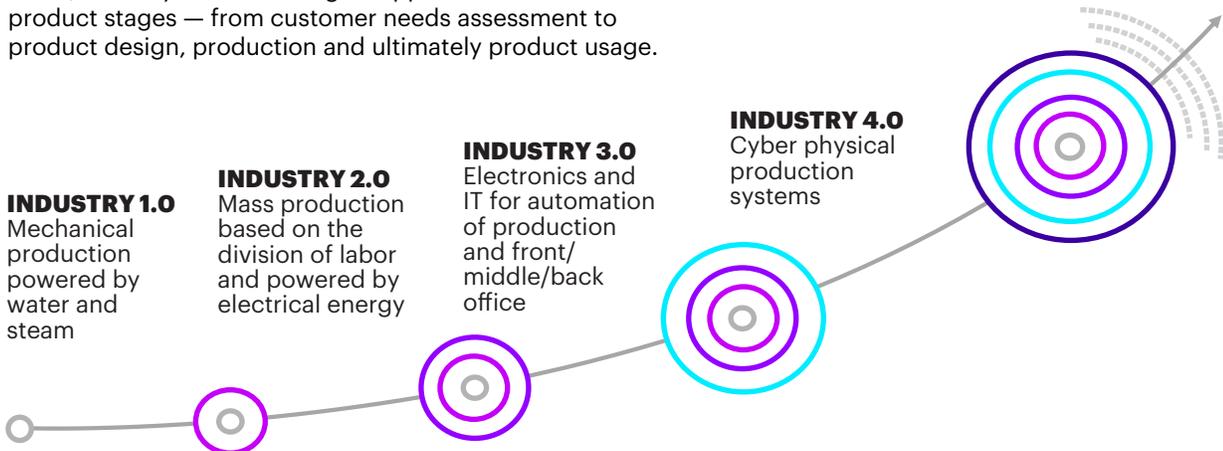
LEVERAGING THE POWER OF DIGITAL REQUIRES MED TECH COMPANIES TO COMPLETELY REINVENT THEIR BUSINESS— WITH INDUSTRY X.0

WHAT IS INDUSTRY X.0?

Industry X.0 businesses embrace constant technological change—and profit from it. Unlike all previous industrial revolutions, which applied new technologies to production alone, Industry X.0 makes digital applicable across all product stages — from customer needs assessment to product design, production and ultimately product usage.

INDUSTRY X.0

Industry 4.0 efficiencies + smart, connected, living and learning products



IN THEIR INDUSTRY X.0 JOURNEYS, MED TECH COMPANIES MUST BUILD SIX CORE CAPABILITIES



TRANSFORM THE CORE

Digitize and integrate engineering, production, and support for new efficiencies.

Roche Diabetes Care (RDC) develops robust blood glucose monitoring and insulin delivery devices. However, strict regulatory obligations, reimbursement issues and new agile start-up companies are changing the rules of the market. RDC and Accenture partnered to digitize and transform from products with long and expensive development cycles to customer solutions, integrating with other smart devices and apps that provide life-saving information to diabetes patients and healthcare professionals.

[> LEARN MORE](#)



FOCUS ON EXPERIENCES AND OUTCOMES

Create hyper-personalized value to differentiate and lead in the market.

Stryker is setting up a new 7800 square foot learning facility with the latest integration technology complete with a fully functional iSuite, integrated bio-skills lab, interactive classroom and video conferencing rooms. The facility will be optimized for learning in a highly specialized operating environment.

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RE-ARCHITECT THE NEW ECOSYSTEM

Assemble and refresh the right partners to drive new innovation and new capabilities.

Baxter Ventures, the investment arm of Baxter International actively invests in cutting-edge technologies and therapies outside the company's current product portfolio that have the potential for sustainable long-term growth and can address unmet clinical needs.

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INNOVATE NEW BUSINESS MODELS

Invent new revenue streams for new sources of value.

Boston Scientific together with Accenture developed ADVANTICS™ Care Pathway Transformation, to enable providers to make more proactive and informed decisions based on insights into the patient population, ultimately improving the care a patient experiences from hospital stay through post-discharge care and in-home support, thereby improving overall efficiency.

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BUILD THE WORKFORCE

Source, enable, upskill and protect the next generation of talent.

Together, Medtronic and Fitbit developed "iPro2 myLog," an app which allows patients with type 2 diabetes to easily capture activity information which, when used in conjunction with their personalized sensor glucose profile, provides valuable context to the variability in glucose levels.

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MANAGE THE WISE PIVOTS

Continually balance investment and resource allocation between the core and the new.

Cardinal Health established Fuse, an innovation center in 2014. Fuse is built around cross-functional teams, which allows Cardinal Health's biomedical engineers, designers, and scientists to collaborate with its patient-facing health care providers and even patients themselves to develop and test ideas about how to better meet health care needs.

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CONTACT

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ABOUT ACCENTURE LIFE SCIENCES

Accenture's Life Sciences group is committed to helping our clients make a meaningful impact on patients' lives by combining new science with leading edge technology to revolutionize how medical treatments are discovered, developed and delivered to people around the world. We provide end-to-end business services as well as individual strategy, consulting, digital, technology and operations projects around the globe in all strategic and functional areas—with a strong focus on R&D, Sales & Marketing, Patient Services and the Supply Chain.

We have decades of experiences working with the world's most successful companies to innovate and improve their performance across the entire Life Sciences value chain. Accenture's Life Sciences group connects more than 15,000 skilled professionals in over 50 countries who are personally committed to helping our clients achieve their business objectives and deliver better health and economic outcomes.

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world's largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With more than 435,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

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