



## MedTech commercial transformation:

Moving from “doing digital” to “being digital”

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### Article summary

The health care ecosystem is undergoing unprecedented changes, compelling MedTech manufacturers to rethink traditional commercial models. At the heart of commercial transformation is moving from “doing digital”—applying digital capabilities in an ad hoc manner—to “being digital”—designing and implementing a differentiating digital strategy.

Some traditions die hard. Take MedTech commercial transformation, for example. Companies need to be able to respond to product, customer, and market dynamics quickly and agilely. Unprecedented changes in health care payment and delivery models coupled with innovations in [digital technologies and analytics present significant opportunities](#) for organizations if they can evolve alongside (or ahead of) the larger ecosystem. Still, lack of urgency and fear of change have the industry clinging to familiar ways.

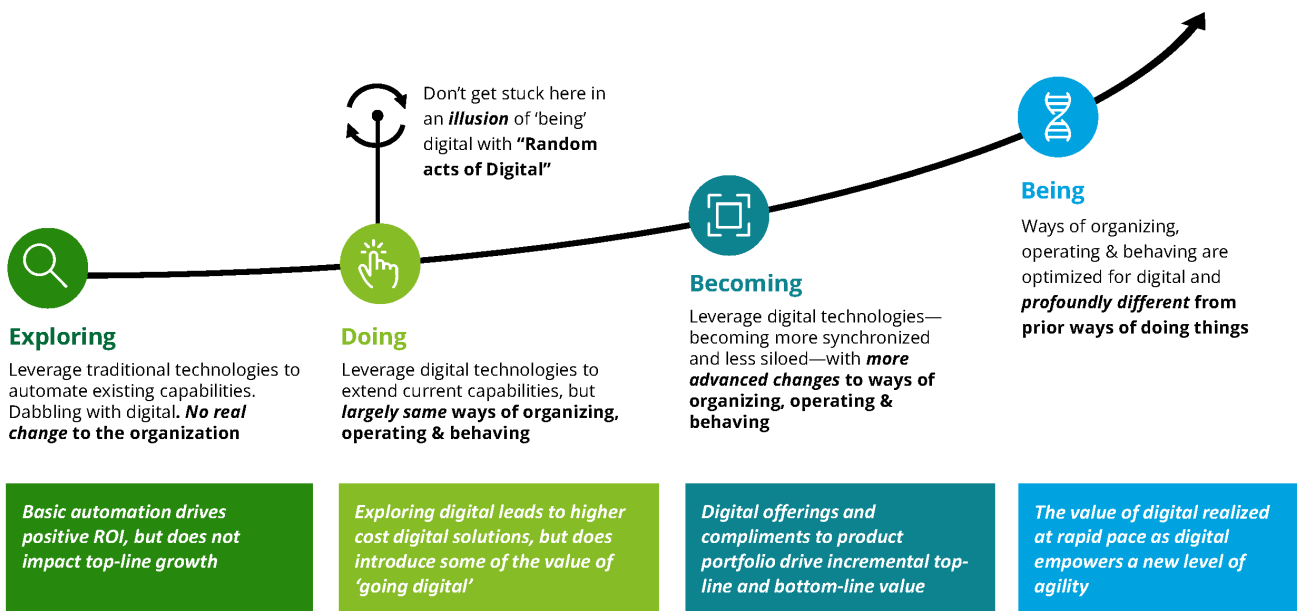
## According to Deloitte research:<sup>1</sup>

- New payment models have the potential to spur adoption of new medical technologies that reduce costs and/or improve outcomes.
- Physicians expect advances in MedTech (diagnostics, remote monitoring) and other digital technologies to have a significant on care delivery in the coming years.
- Provider and payor cost-containment initiatives coupled with increased competition will continue to drive margin and pricing pressure.
- Continued evolution of health care provider (HCP) and patients’ expectations will require renewed focus on personalization and experience.
- Increased adoption of wearables, remote monitors, and digital engagement channels will make data interoperability and digitally enabled commercial models increasingly important.

In a previous [MedTech Strategist blog](#) we described how evolving into [six future roles](#) will enable companies to strengthen core capabilities, expand offerings, and enter new spaces to create value and thrive in tomorrow’s consumer-centric marketplace. As part of this evolution, MedTech companies will need to transform their commercial strategies and capabilities to meet evolving business models and customer needs.

At the heart of MedTech commercial transformation is *digital* transformation; moving from “doing digital”—applying digital capabilities in an ad hoc manner—to “being digital”—designing and implementing a differentiating digital strategy and incorporating it into the organization’s DNA (figure 1).

Figure 1. To compete in the new environment, MedTechs must evolve to being digital



Source: Technology Fallacy: How People are the Real Key to Digital Transformation, 2019, MIT Press.

<sup>1</sup> "Improved clinical efficiency and quality How can medtech meet physicians' digital technology needs?" Deloitte, September 24, 2020, <https://www2.deloitte.com/us/en/insights/industry/life-sciences/medtech-product-innovation-physician-survey.html>

Being digital means that a MedTech company's ways of organizing, operating, and behaving—including its commercialization practices—are profoundly different from prior ways of doing things. It includes establishing a vision and developing a strategy with an integrated set of choices that translate into actionable initiatives that are implemented, monitored, and continuously adapted. At the core being digital involves:

- Moving beyond transactions to create a meaningful, differentiated, and, personalized experience for your customers and patients
- Modernizing your processes and systems to optimize marketing, sales, and service operations
- Leveraging data and analytics to create actionable insights that drive growth and operational efficiency
- Breaking down functional silos to create empowered and accountable multi-disciplinary teams that drive and track investment decisions and performance.

The benefits of a successful transformation can be considerable—3-5% improvement in productivity; 10-15% increase in lead conversion rate; 10-15% increase in customer satisfaction; and 5-8% decrease in service cost.<sup>2</sup> However, it requires thoughtful investments across three key competencies: agility, analytics, and automation.

**Agility** is the ability of organizations to embrace ongoing disruption to restructure work to be rapid, seamless, cohesive, and productive. Applications include:

- Applying digital tools to optimize sales territory structures and deployments
- Implementing content and knowledge-sharing tools that enable efficient, real-time, and asynchronous collaboration across sales, marketing and customer service teams
- Implementing augmented and virtual reality tools for remote patient and clinician support, demos, and immersive learning capabilities.

**Analytics** leverage business intelligence and data insights to be more responsive, fast, flexible, and adaptable. Applications include:

- Reducing time to treatment by providing solutions that augment clinical workflows with analytics and AI-driven insights
- Enabling connected planning across demand sensing, forecasting, and supply chain
- Improving price realization through dynamic deal scoring, value analytics, reimbursement and empirical evidence.

**Automation** establishes a process using a suite of technology to ensure timely, repeatable, and consistent results while minimizing costs. Applications include:

- Enabling digital channels for patient and HCP engagement, self-service and eCommerce
- Leveraging AI to drive lead and opportunity scoring and define next best actions for sales representatives
- Automating planning, scheduling, order and inventory management to enhance performance and efficiency of medical procedures.

It is important that leaders understand that digital and commercial transformation is a marathon, not a sprint. Poor planning and execution can lead to transformation failure and present significant customer, profitability, market share, and talent risks. Designing and executing a transformation is a balance of science and art. Leaders who understand the art of change follow five key principles in their approach to transformation:

1. Always focus on the value. It is important that proposed initiatives have clearly articulated and trackable benefits—both qualitative and quantitative.
2. Keep customer and patient experience at the forefront. Make sure you incorporate the voice of the customer as you prioritize, frame, design and implement.
3. It's more than just communication, it's about accountability. Define pragmatic roles, decision rights, incentives, and aligned metrics that promote desired behaviors, coupled with the right capabilities, to execute the vision

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<sup>2</sup> Representative based on Deloitte analysis. Outcomes may vary based on maturity, scope and other factors.

4. Manage risks proactively. Conduct a transformation program pre-mortem to identify what could potentially go wrong and build a risk mitigation plan.
5. Perform while transforming. You don't get a time-out to transform. Companies need to continue meeting today's performance objectives while transforming for tomorrow's success.

Commercial transformation is necessary but very challenging in today's dynamic health care environment. Linking impactful strategies, targets, and metrics to digital-driven initiatives can help provide the focus that MedTech organizations need move from "doing digital" to "being digital".

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