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Modernizing Technology in Health

Executive Summary

Hospitals, health systems and pharmaceutical companies have all felt the pressure to provide engaging and valuable experiences in recent years. Improved health outcomes combined with seamless digital lead the board on patient expectations. Health organizations that are able to meet these expectations are reaping the rewards of increased loyalty and revenue growth. 1Life Healthcare Inc, a membership-based and technology-powered primary care platform, operating under the One Medical brand reported a 40% annual jump in total membership to 715,000 patients at the end of Q3'21.

Veteran brands must modernize their legacy technology and reconcile the complexities of their decentralized operating structure to keep pace with today's patients' expectations. However, most have:

- Complex structures and are set up by group or parent holding company, country and then market. Within each market, it is further broken down by drug brand and functional units.
- Significant technical debt amassed with adding and building on legacy technology over many years.

Addressing both these challenges requires adapting long-standing and complex legacy systems, while simultaneously accommodating a diverse range of global regulatory guidelines and needs. A transformation of this scale is challenging, but by no means impossible; an incremental approach is key to its success.

In this white paper, we dive deeper into how organizations can drive business outcomes today and lay a strong foundation for the future by:

- Leveraging a tailored Shared Services Model,
- Embracing a Global Design System (GDS), and
- Prioritizing Change Management

Applying these three considerations simultaneously has helped a global pharma leader modernize their tech stack in a year; enabling them to migrate existing websites off their legacy stack and launch 75% of their new websites on a modern tech stack.
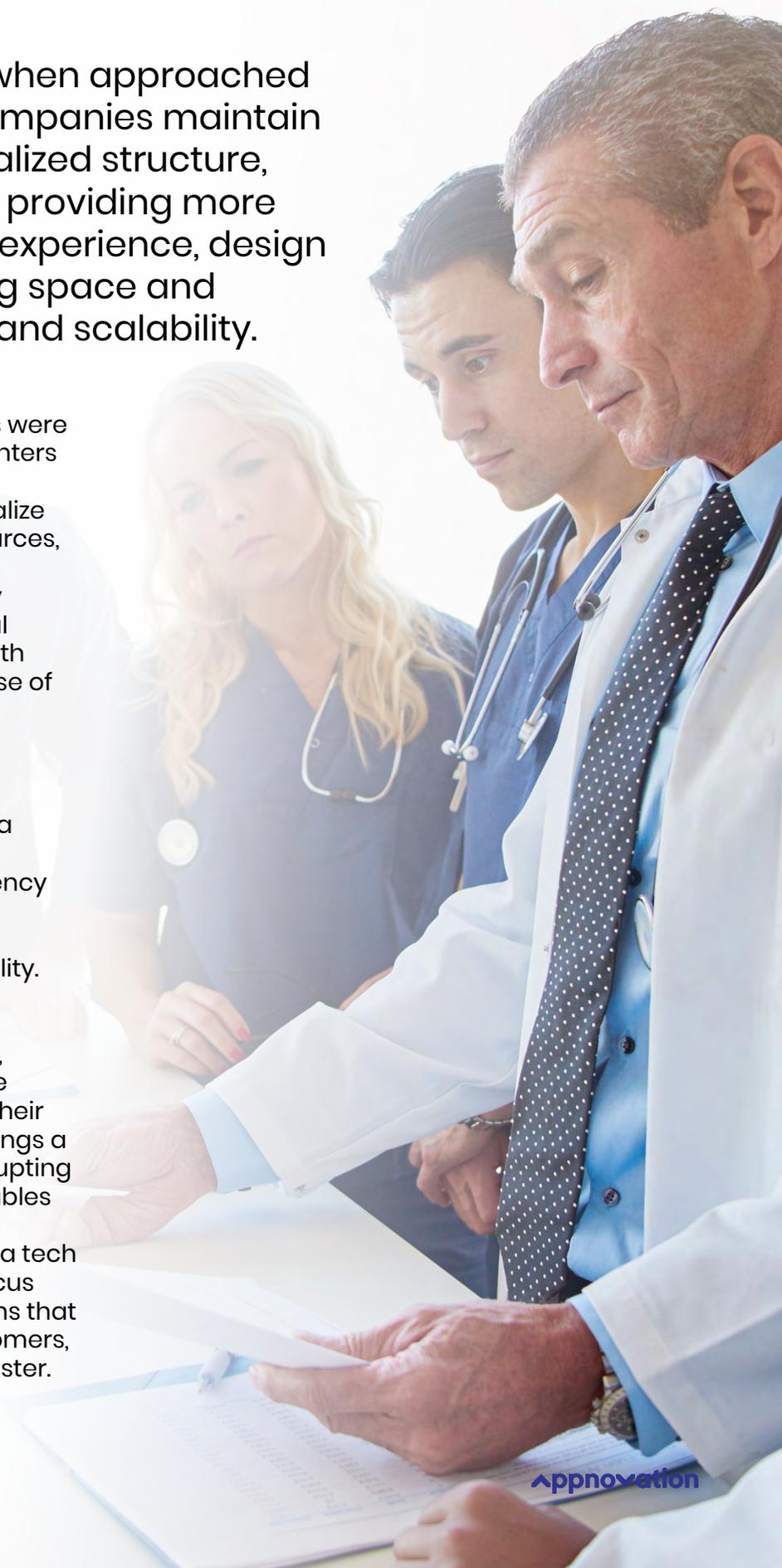
Tailored Shared Services Model

A center of consistency, agility, scalability and innovation

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A Shared Service Model, when approached strategically, can help companies maintain the benefits of a decentralized structure, like business agility, while providing more consistency in customer experience, design and governance; creating space and resources for innovation and scalability.

Traditionally, Shared Services Models were designed to serve as cost-saving centers in organizations with a decentralized structure. The intention was to centralize essential functions like Human Resources, Finance, IT support and more. This allowed them to reduce redundancy and cost. However, the current global business climate demands that health organizations re-examine the purpose of their Shared Service Model.

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For instance, in an optimal set-up, companies would add tech strategy, platform development, maintenance and governance to the capabilities their Shared Services Model offers. This brings a degree of centralization without disrupting the organizational structure and enables a more consistent digital experience globally. The innate flexibility of such a tech stack would empower markets to focus their efforts on making customizations that meet the unique needs of their customers, and bring new solutions to market faster.
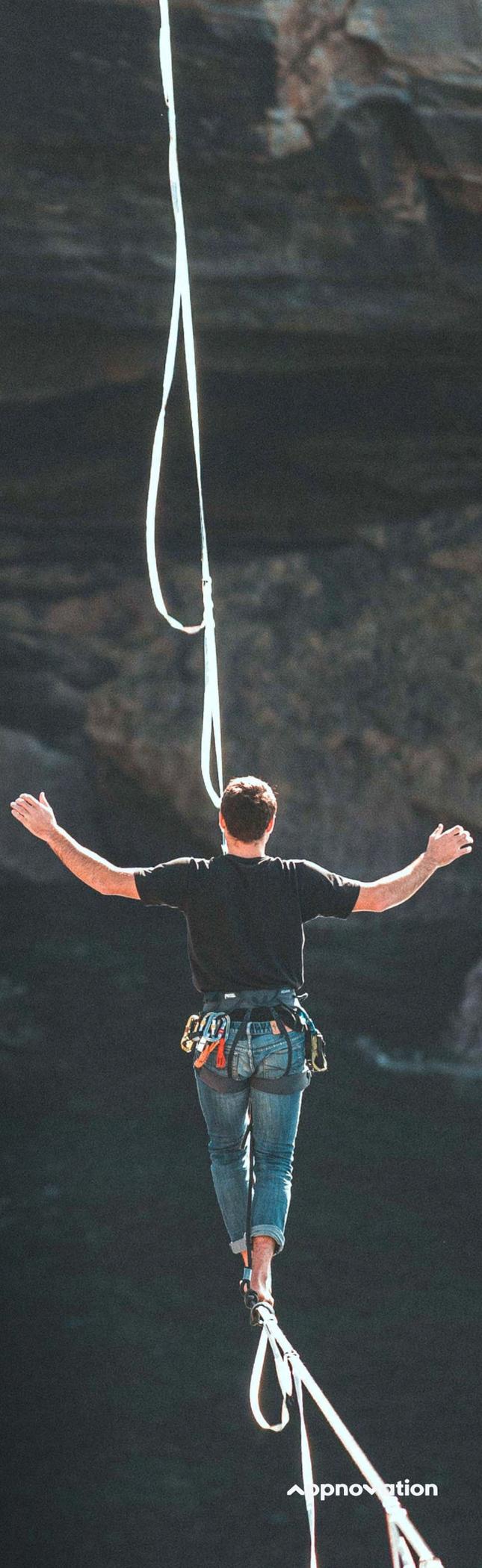
To achieve this, however, it's essential to decide which elements of an organization would benefit from a higher degree of centralization. The goal is to find the balance that empowers employees and customers, without slowing down decision efficacy and efficiency.

In the case of their tech strategy, leaders can find this balance by:

- Taking into account their operating models, culture and opportunities to increase alignment between their business units and regions. For example, evaluating the impact of their current operating models at a macro and micro level; has it made their company culture more siloed? On the flip side, has it created more opportunities or accelerated growth?

- Diving into how their business operates in the different regions and why. For instance, how much do regulatory requirements vary between the markets? And how does this impact operations?

- Identifying common business and tech needs across markets, and the degree of flexibility required to empower them. The goal should be to create a centralized solution that eliminates the need to build from scratch, without adversely impacting the market's ability to meet customer needs. After all, if you centralize so much that your markets can't communicate with customers the way they need to, they will simply find ways to get around it.

This strategic consideration of broader implications on business operations and identifying overlapping tech needs across markets to tailor their Shared Services Model helps organizations take incremental and well-planned steps toward modernizing their tech stack. The approach doesn't aim to replace all legacy systems on day one. Instead, it starts small with a few projects, assimilates areas of improvement along the way, and evolves over a period of time replacing more and more legacy systems. As a result, organizations have a modernized tech stack that can be deployed multiple times on a global scale.

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Shared Services in Action

Our client, <u>a global pharma leader,</u> needed to build and deploy websites at scale with a standardized web and brand experience, but lacked the technology, tools and processes to do so effectively and efficiently.

We partnered with them to create a Shared Services Model, including a Global Design System, to ensure experience and design consistency across the brands' digital channels while remaining flexible enough to meet individual brands' and markets' needs.

As a result of the technology, more than 75% of new websites deployed in the following year were built leveraging the Shared Services and GDS, bringing efficiency to internal teams and consistency to their digital experience.

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/ Embrace Global Design Systems

The building blocks that boost consistency, agility, scalability and innovation

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While the Shared Services Model delivers an agile and scalable tech stack that serves the needs of the wider organization, the Global Design System (GDS) aims to create the tools essential to bring consistency to the digital experience. Together they create the tools and processes needed for agility and scalability in operations and technology.

While GDS's have been utilized in various industries for quite some time, that's not always the case in the health industry. Many organizations find themselves with design systems that don't meet industry standards, are out of date or not able to fulfill the needs of its stakeholders. The time and resources it takes to create, maintain and evolve it are among the primary reasons behind this. Another factor is an incomplete understanding of how its application in day-to-day operations aligns with its overarching benefits.

Simply put, the GDS is a unified design language that renders brand guidelines into atomic components that can be brought together in a variety of ways to build web pages or digital interfaces. It is developed by bringing the right design, technology and business stakeholders to the table. It makes the application of brand guidelines in day-to-day operations not only easier, but also repeatable and efficient. When these atomic components are applied to a digital asset built on a custom tech stack designed by the Shared Services Model, organizations have a platform that is agile, scalable and consistent in technology and experience.
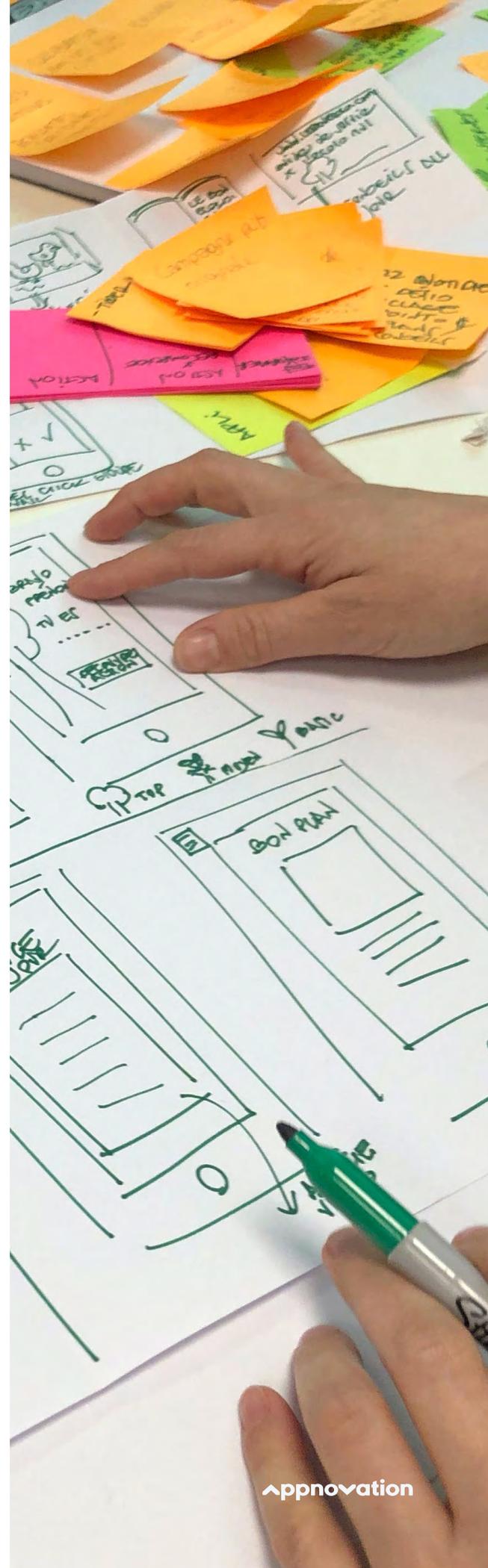
When designed with strategic intent and forethought, the Global Design System serves as a bridge between teams allowing companies to connect the dots between customer expectations, business needs and technology.

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Since the GDS is a centralized design language, it's easy to misconstrue it as rigid and restrictive. In reality, a GDS is a flexible and evolving solution that grows along with the technology and digital experiences of an organization. When designed with strategic intent and forethought, it serves as a bridge between teams allowing companies to connect the dots between customer expectations, business needs and technology. Specifically, a GDS enables the development of a more intuitive experience, brings more flexibility to the tech stack promoting agility, and aids governance to ensure scalability.

First and foremost, the GDS takes into account customer expectations and behavior patterns as they interact with any digital solution or interface. This makes identifying commonalities across markets a lot easier. For instance, before the initial launch, you landed on a form style for a CTA with the intention of keeping it consistent across digital solutions. Over time, you might have seen additional styles creep in to serve the same purpose. This might not sound like a big infraction, but in the long run, it erodes the brand. With a GDS, by leveraging the common behavior patterns identified, a single form can be designed to meet customer needs across markets. In turn, it helps teams take advantage of the custom-built tech stacks' flexibility to develop a platform or components that are designed to meet the needs that drive said commonalities. **The end result is a more intuitive and consistent experience.**

Secondly, it provides markets with a well-thought-out and flexible foundation that can be adapted to meet unique customer needs; one that is already compliant and meets brand guidelines. The teams can refocus their resources and efforts on customizations that can add to and improve an already intuitive experience. **This boosts agility and helps them get to market faster.**

Last but not least, with atomic components designed to reflect brand guidelines and a team dedicated to maintaining and evolving them, the GDS serves as a single source of truth. It makes it achievable to manage the endless moving pieces without comprising consistency; thereby, **improving governance.**

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GDS in Action

While creating their Shared Service Model, <u>our client, a global pharma leader,</u> identified that their existing GDS didn't meet industry standards, making it difficult for markets to adhere to brand standards.

We partnered with our client to recreate their GDS, and in turn enable easier adoption of brand standards across digital assets. The updated GDS allows for global adjustments for brand and customer needs via a single tech stack that supports the needs of marketing, IT and service teams around the world. As a result, this was the most widely adopted tech stack of the year across the organization.

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Prioritize Change Management

Gain stakeholder buy-in

Instead of taking an existing change management framework or methodology to apply as-is, treat it as a starting point; tailor it to your culture and business needs.
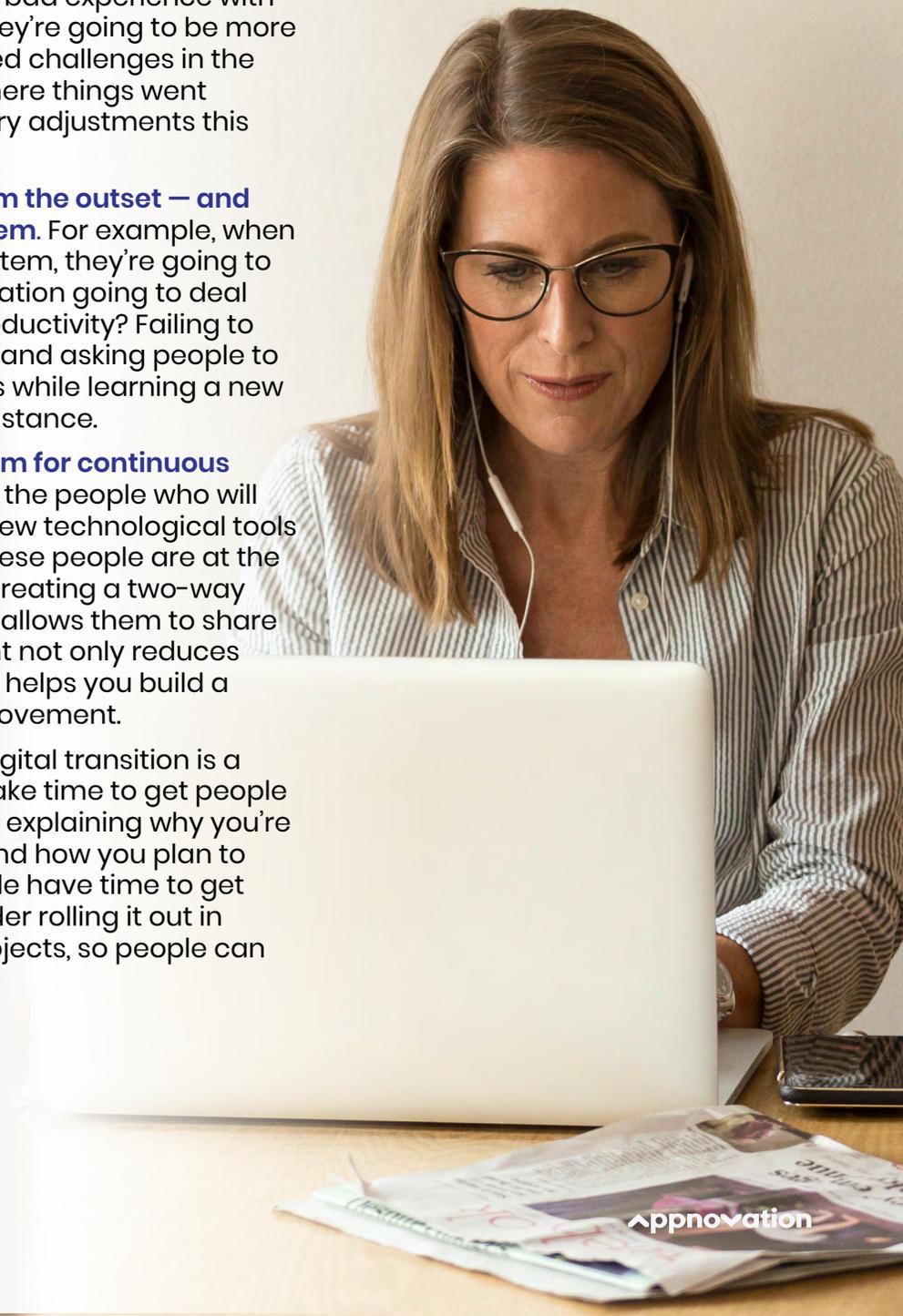
While the Shared Services Model and GDS create the tools and processes needed to enable incremental technology and business transformation, change management focuses on the human element; the people who make up your teams. If they don't embrace their new tools and processes, an organization would have invested in an expensive tech stack that no one uses.

The key to avoiding this is involving people early and then keeping them engaged; a change management strategy helps achieve this.

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One way to do this is by ensuring your change management strategy is tailored to meet the unique needs of your organization. Instead of taking an existing framework to apply as-is, treat it as a starting point. Then, tailor it to your culture and business needs. Below are a few crucial and actionable considerations to keep top of mind as you do so:

- **Consider your track record.** When organizational change initiatives have been met with success in the past, people are likely to be more open to it. Similarly, if people have had a bad experience with previous change initiatives, they're going to be more inclined to resist. If you've faced challenges in the past, take time to evaluate where things went wrong and make the necessary adjustments this time around.

- **Identify potential barriers from the outset — and map out a plan to address them.** For example, when people are learning a new system, they're going to be slower. How is your organization going to deal with this inevitable drop in productivity? Failing to plan for this type of setback – and asking people to continue hitting their numbers while learning a new system – is likely to create resistance.

- **Create feedback loops and aim for continuous improvement.** Employees are the people who will be using your organization's new technological tools day-to-day – so make sure these people are at the heart of your digital journey. Creating a two-way communication channel that allows them to share opportunities for improvement not only reduces resistance to change but also helps you build a roadmap for continuous improvement.

- **Take it one step at a time.** A digital transition is a journey – not a destination. Take time to get people on board from the outset – by explaining why you're doing this, what it will entail, and how you plan to execute it. To make sure people have time to get used to this new future, consider rolling it out in phases, with different pilot projects, so people can learn as they go and adapt.

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Change Management in Action

While implementing their Shared Services Model, <u>our client, a global pharma leader,</u> observed the need to gain buy-in from all the stakeholders across markets. We worked with them to design and execute a change communication program tailored to educate and create awareness about the key benefits of the Shared Services model; with the aim of driving awareness and adoption. Within six months of its launch, the adoption rate of the Shared Services model increased from 30% to 70%.

Wrap Up

Modernizing technology isn't a one and done action item; approaching it as such isn't realistic or in the best interest of an organization. Embracing a mindset that allows for continuous testing and learning is as essential as planning and implementing an incremental approach. Taking into account a tailored Shared Services Model, embracing GDS, and prioritizing change management are critical pieces of this puzzle, allowing organizations to meet customer needs faster and with greater accuracy.

A Shared Services Model not only allows organizations to modernize their tech stack in manageable bite sized pieces, it also lays the foundation for evolving it as market dynamics change. A GDS adds an element of consistency in customer experience to the mix at a global scale. While prioritizing change management ensures that your teams are set up for success now and in the future.

This approach requires the investment of time. However, organizations reap the benefit of sustainably ingraining agility and scalability into the makeup of their DNA as a trade off.

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Get In Touch

To learn more about how we've helped organizations become more agile and achieve scale, contact us.

Appnovation is a global, full-service digital partner that combines bold ambition with practical action to create customer-first digital solutions.

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