Look Forward to Growth Fuelled by Data and Analytics for Healthcare Businesses

Katya Zubareva, Partner

L.E.K. Look Forward into 2024

With the healthcare sector under continued pressure, can data-driven approaches unlock the door to improved patient outcomes, lower costs, and a vital competitive edge? **Katya Zubareva** looks forward to the benefits better data and analytics can offer today's healthcare businesses.

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The healthcare sector continues to face a range of commercial issues, from market access challenges and rising operational costs to the need for innovative technology solutions and evolving patient expectations. As data availability continues to grow and advanced technologies like predictive analytics and GenAI continue to evolve, companies are increasingly embracing data-driven approaches to unlock benefits such as better patient outcomes, cost savings, and a competitive edge in healthcare's evolving landscape.

While fluctuating macroeconomic conditions mean that the near-term focus for healthcare companies is increasingly on organic growth opportunities, an undercurrent of M&A activity remains in the industry. We are continuing to support our clients on both strategic issues and investment decisions, with an increasing amount of our work powered by our Data & Analytics (D&A) capabilities.

Established in 2015, our dedicated D&A team has steadily expanded and currently supports nearly 70% of all projects across industries. The team complements our strategy consulting

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and industry expertise, bringing important data science, data engineering, and advanced commercial analytics skills. Our D&A team have made a positive impact across our client base, and were recently recognised with the 2023 DataIQ Award in the "Best Data-Driven Process (Vendor-side)" category.

Our experience of deploying D&A as part of our clients solutions has helped us to identify five prominent themes that we expect to see supporting organic growth in the year ahead.

Theme 1: Improving operational performance and enabling timely decisions through advanced demand forecasting and KPI dashboarding

Theme 1 in action: Our client was seeing a decline in blood donation centre performance driven by several factors including higher costs and fewer donations. Asked to support improved site performance, we built a machine learning based predictive model to identify and quantity performance drivers based on robust catchment analysis and a blend of internal and external data that highlighted up to 40% profit growth potential across sites. We streamlined our complex analyses into a user-friendly dashboard to facilitating efficient decision-making and progress monitoring as the network is optimised.

When faced with the challenge of poor site performance and insufficient visibility into related causes, another diversified healthcare enterprise asked us to streamline data integration by creating unified dashboards for multi-department and multi-site management. We integrated data from various systems to create a single-source dataset, incorporating key operational, financial, and productivity metrics for optimised site operations. The result was a new dashboard tool to enhance site and department profitability insights, alongside KPIs and prioritised strategic opportunities based on initial dashboard findings.

Theme 2: Identifying strategic growth opportunities based on data-driven demand forecasting

Theme 2 in action: A hospital group turned to L.E.K. for insights into the future of healthcare delivery in their region. We delivered long-term projections for hospital activity, including the potential for private hospitals to address public hospital activity, specialty area projections including cardiology, oncology, orthopaedics, and factors affecting hospitalisation rates and discharges. The project also involved forecasting private healthcare demand across various patient types and characteristics.

Theme 3: Development of proposition and pricing strategy

Theme 3 in action: Our client had low visibility into local competitor prices for a range of healthcare services, as well as limited understanding of pricing dynamics across target customer groups. Through blending pricing benchmark data with local pricing sensitivities obtained through customer survey analysis, we were able to identify a number of opportunities for optimising pricing to maximise margins across services.

Theme 4: Greenfield strategy, including identification of locations that need to be in-filled

Theme 4 in action: Tasked with evaluating potential investment opportunities in the U.S. and UK fertility treatment markets, our team conducted a geospatial analysis to identify whitespace in the market. We provided a comprehensive market assessment, including in-depth analysis of the supply and demand dynamics across geographical areas, taking into account the networks of key players and demographic data. This highlighted the most attractive opportunities for our client, based on their reach, exposure and customer composition.

Theme 5: Enhancing competitive positioning: leveraging natural language processing tools to assist clients in differentiating their offers, boosting staff retention, and enhancing customer satisfaction

Theme 5 in action: A major European dental organisation called on us for help developing their proposition and long-term strategy. We performed an extensive competitive analysis and assessed customer positioning using natural language processing-based patient sentiment analysis, identifying key areas of strength and weakness.

Looking forward to the year ahead

Data-driven insights are becoming increasingly pivotal in the healthcare sector, offering both immense potential for improved care and improved commercial decision-making. Our recent work shows that the future of healthcare hinges on data, and adaptable, innovative companies able to harness its potential will lead the way in 2024 and beyond. To discuss how L.E.K. can help you on your data-driven journey, please get in touch with us.

About the Authors

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Katya Zubareva is a Partner in L.E.K. Consulting's London office. She has been with the firm since 2007 and is a member of the Healthcare Services practice. Katya's experience extends across the healthcare sector, including projects in acute care, primary care, diagnostic imaging, dentistry, fertility clinics, mental health and care home markets across the globe. She is an expert in both strategy development and transaction support, and is passionate about using data & analytics tools to support decision-making. She is a champion of equality and diversity in the workplace, and is the founder and co-chair of the Women's Network in the London office. Before joining L.E.K., Katya worked in finance with one of the largest global fast-moving consumer goods (FMCG) companies. She holds a Master of Business Administration from the University of Chicago Booth School of Business.

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