PRESIDIO®

2022

Cloud Transformation Benchmark Report

Healthcare Spotlight

Presidio survey of 1,000+ IT decision makers including 200 in healthcare reveals the top opportunities and challenges with cloud technologies.

Healthcare IT leaders were thrust into the spotlight over the past few years and forced to speed up their digital transformation plans to keep pace with disruptive forces. For example, according to research from McKinsey, telehealth usage increased 38x between 2019 and 2021, becoming a quarter-trillion-dollar reality. Healthcare organizations are also working toward compliance with the 21st Century Cures Act, which requires providers to give patients easy digital access to their medical records via application program interfaces (APIs). The cloud is playing a pivotal role in this transformation.

Presidio commissioned an independent survey of 1,000+ US-based IT decision makers from medium to large enterprises across several industries, including healthcare, to better understand organizations' cloud opportunities and challenges.

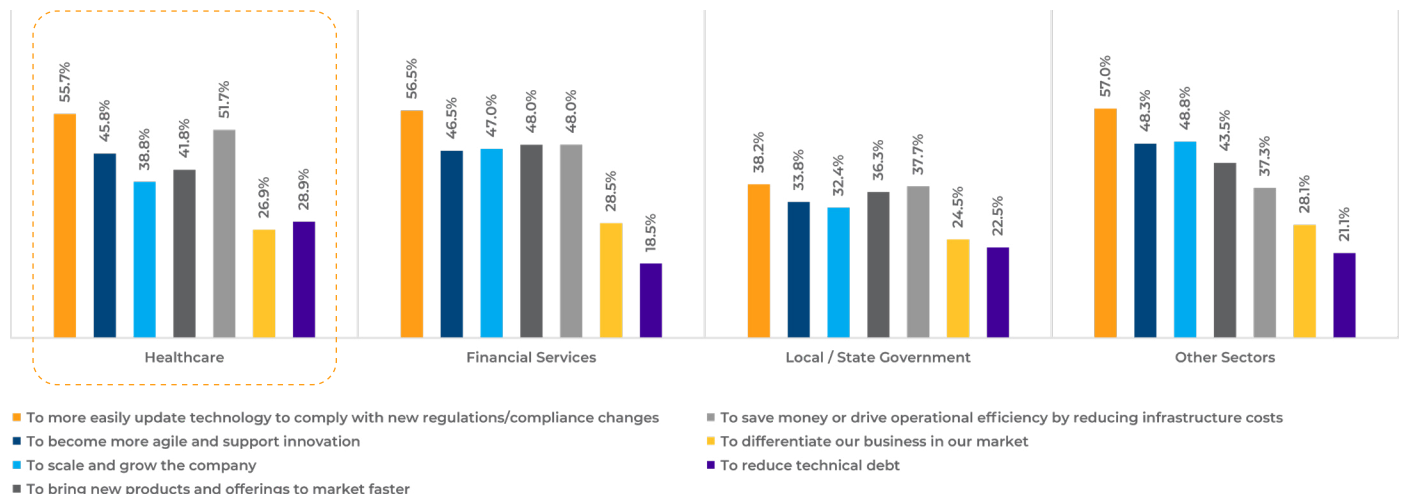### What's Driving Healthcare Organizations to the Cloud

In the past, highly regulated industries such as healthcare were more hesitant to move sensitive workloads to the cloud. **Today, however, the cloud has become a critical component in achieving and maintaining compliance** thanks to standards like ISO 27001, SAS 70, and guidance from organizations such as the Cloud Security Alliance (CSA), the Cybersecurity and Infrastructure Security Agency (CISA) and National Institute of Standards and Technology (NIST).

Over half (56%) of the respondents said one of the main drivers for adopting the cloud has been to more easily update technology to comply with new regulations/compliance changes. This was the top driver followed by "saving money or driving operational efficiency by reducing infrastructure costs," for 52% followed by, "to become more agile and support innovation," for 46% of respondents.

INDUSTRY SECTOR

01 What have been your main drivers for adopting the cloud? (select up to 3)

Over half of respondents in the healthcare (56%) and financial services (57%) sectors said one of the main drivers for adopting the cloud has been to more easily update technology to comply with new regulations/compliance changes. However, fewer than 2 in 5 (38%) respondents in the local state/government sector said the same.

Healthcare: 55.7%, 45.8%, 38.8%, 41.8%, 51.7%, 26.9%, 28.9%

Financial Services: 56.5%, 46.5%, 47.0%, 48.0%, 48.0%, 28.5%, 18.5%

Local / State Government: 38.2%, 33.8%, 32.4%, 36.3%, 37.7%, 24.5%, 22.5%

Other Sectors: 57.0%, 48.3%, 48.8%, 43.5%, 37.3%, 28.1%, 21.1%

- To more easily update technology to comply with new regulations/compliance changes
- To save money or drive operational efficiency by reducing infrastructure costs
- To become more agile and support innovation
- To differentiate our business in our market
- To scale and grow the company
- To reduce technical debt
- To bring new products and offerings to market faster

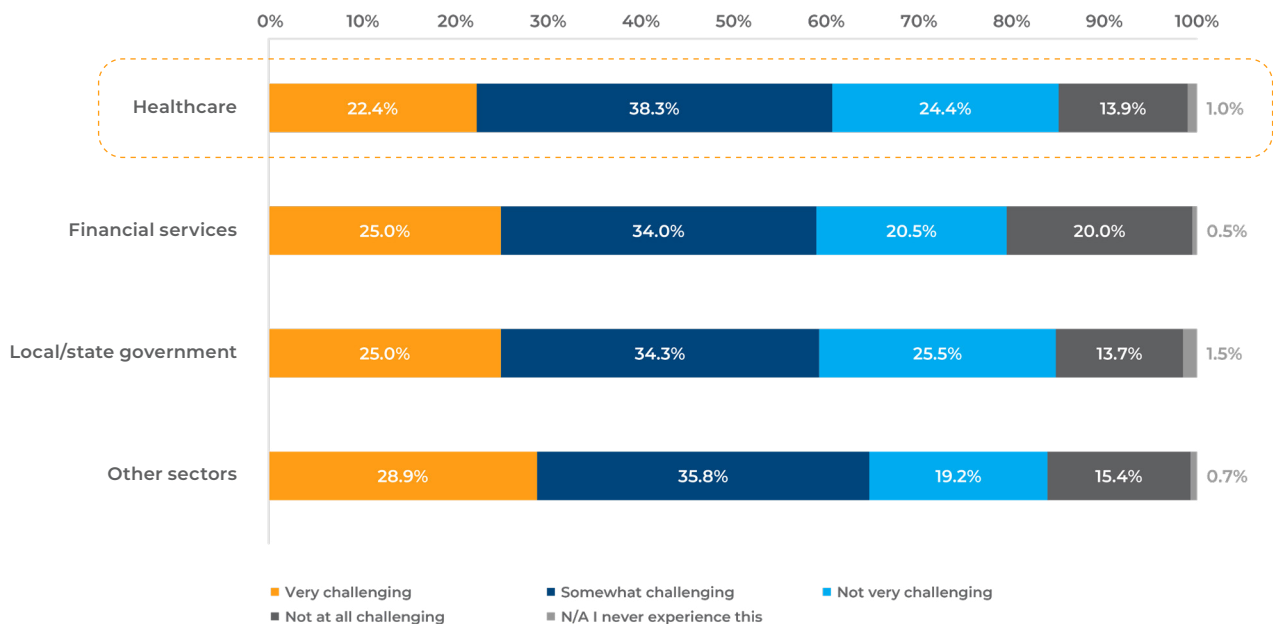## Insights into Healthcare Organizations' Cloud Challenges

Data Source Challenges

Data is powerful, but only if it is actionable, and for far too many healthcare organizations, this currently is a missed opportunity. For example, 69% of healthcare respondents reported challenges with too many disparate data sources and find having actionable data and dashboards accessible to the right users challenging. Additional challenges include having real-time access to data (65%), finding meaningful insights from data (61%) and supporting machine learning (60%).

Across most of these challenges, respondents in healthcare were more likely to find them challenging than those in the financial services or the public sector.

INDUSTRY SECTOR

02 Gaining Meaningful Insights From Our Data

Respondents in the healthcare sector were the most likely to report challenges with the ability to gain meaningful insights from their data.

	Very challenging	Somewhat challenging	Not very challenging	Not at all challenging	N/A I never experience this
Healthcare	22.4%	38.3%	24.4%	13.9%	1.0%
Financial services	25.0%	34.0%	20.5%	20.0%	0.5%
Local/state government	25.0%	34.3%	25.5%	13.7%	1.5%
Other sectors	28.9%	35.8%	19.2%	15.4%	0.7%

■ Very challenging ■ Somewhat challenging ■ Not very challenging
■ Not at all challenging ■ N/A I never experience this

The Growing IT Skills Gap

More than half (62%) of healthcare IT decision makers say their organization is very skilled at building cloud-native applications. Yet only 22% say their teams are proficient with cloud operating models. This contrast is further highlighted by the fact that less than a quarter (23%) of IT decision makers say their team is currently proficient with DevOps and automation.

Additionally, just 21% say they are proficient in AI/ML. Despite this, most respondents expect their teams to be proficient with these technologies within the following year.

Security and Compliance Challenges

Another notable finding from the survey is that despite past security concerns, over half of the respondents in healthcare (56%) now see the cloud as helping them with compliance, which was the top driver in this market for moving workloads to the cloud.

A growing workforce skills gap is further challenging cybersecurity initiatives. The U.S. Commerce Department estimates there are about 464,000 U.S. cyber job openings, but not enough new, qualified workers to fill them. Moreover, with cyber-attacks increasing significantly, the need for qualified cybersecurity staff continues to grow. This aligns with another finding: when asked about top challenges, finding the right partner with the right experience was the second highest (35%), surpassed only by security concerns (46%).

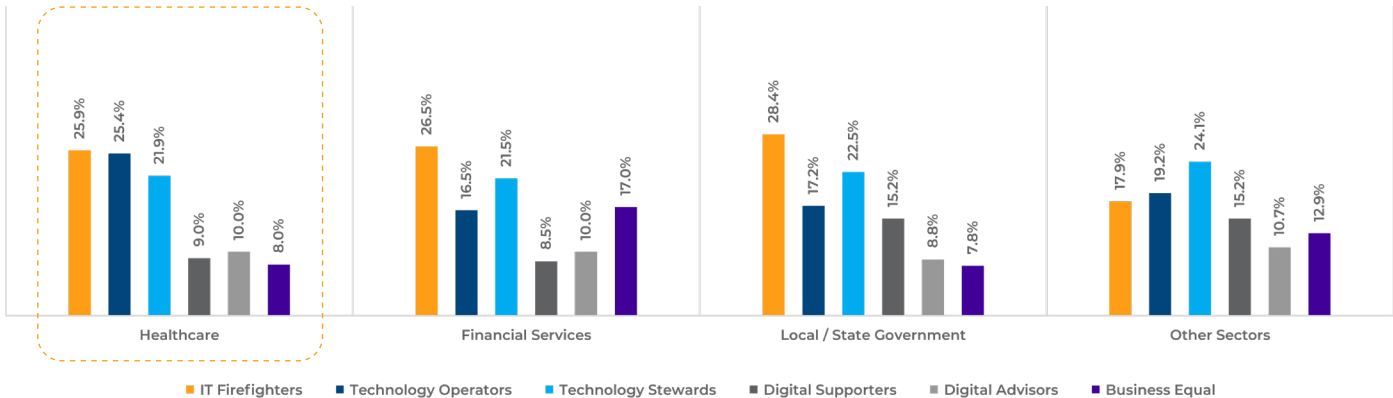### Healthcare IT Leaders' Business Influence Varies Widely

A key element of successful cloud transformation starts with IT's relationship with their business. To help gauge where respondents see the role of IT in their organization, they were asked to self-identify which of the following six IT personas best describes them:

1. **IT firefighter**—technology is viewed as a reactive cost center
2. **Technology operator**—limited technology maturity and executive sponsorship
3. **Technology steward**—technology-focused with little business interaction
4. **Digital supporter**—technology as a business advocate
5. **Digital advisor**—technology as a priority influencer and consult
6. **Business equal**—technology and business as equal partners

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03 Which of the following best describes the relationship your IT organization has with your business and where would you like it to be? (Where it currently is)

Healthcare: IT Firefighters 25.9%, Technology Operators 25.4%, Technology Stewards 21.9%, Digital Supporters 9.0%, Digital Advisors 10.0%, Business Equal 8.0%

Financial Services: IT Firefighters 26.5%, Technology Operators 16.5%, Technology Stewards 21.5%, Digital Supporters 8.5%, Digital Advisors 10.0%, Business Equal 17.0%

Local / State Government: IT Firefighters 28.4%, Technology Operators 17.2%, Technology Stewards 22.5%, Digital Supporters 15.2%, Digital Advisors 8.8%, Business Equal 7.8%

Other Sectors: IT Firefighters 17.9%, Technology Operators 19.2%, Technology Stewards 24.1%, Digital Supporters 15.2%, Digital Advisors 10.7%, Business Equal 12.9%

■ IT Firefighters ■ Technology Operators ■ Technology Stewards ■ Digital Supporters ■ Digital Advisors ■ Business Equal

Many organizations have a disconnect between IT and business leadership. For example, 26% of healthcare respondents identify as IT firefighters, and 25% identify as technology operators. At the other end of the cloud maturity spectrum, just 10% identify as digital advisors, and only 8% consider their organization business equals.

How the Right Partner Ensures a Better Cloud Experience

To overcome challenges with cloud adoption, many healthcare organizations are looking for trusted partners to integrate modern security policies from the start and build a contingent workforce to address skills gaps. Many organizations (93%) report that it's important to work with a partner with experience in legacy systems and the cloud. Additionally, 96% said it was essential to have a partner that could provide full lifecycle services, from strategy and engineering services to managed services.

The right partner also can provide a neutral third-party perspective, break down silos and help IT leaders drive business strategies that stimulate innovation and growth.

Closing Thoughts

Despite being further along in cloud maturity than other verticals, healthcare still has a high percentage of organizations where IT and business leadership aren't working in alignment. Additionally, this sector faces significant data sourcing challenges, and the growing IT skills gap and labor shortage problem make digital transformation more difficult. However, the fact that healthcare organizations put such a high emphasis on finding the right technology partners with the right skills shows that they're aware of these challenges and taking the proper steps to solve them.

To learn more, be sure to read the full Cloud Transformation Benchmark Report.