



CFO AND CIO INDICATOR STUDY-HEALTHCARE

How Healthcare Organizations use Modern Finance Tools to Improve Agility and Provide Sustainable Patient Care.

Key challenges.

Healthcare leaders face big challenges now and into the future.

Their organizations are grappling with managing financial sustainability and the cost of care, as the industry's talent crisis causes mounting margin pressures. Compounding these difficulties are escalating supply chain management issues.

Looking ahead.

Healthcare providers are striving to create more resilient and flexible systems to support finance and HR. Digital acceleration initiatives are being pursued to better deal with these challenges and improve margin pressures.

This requires a strong alliance and collaboration between both Finance and HR, and Finance and IT. The CFO-CIO partnership is an organizational imperative to drive digital finance transformation.

Why leaders need data—and time—to transform their finance approach.

Healthcare leaders have made significant progress implementing digital finance transformation. Yet both finance and IT leaders in this sector are facing hurdles on the road to maturity. For CFOs, the challenge lies in data. For CIOs, it's time.

Our latest global survey of senior finance and IT leaders found:

- 1 Healthcare organizations have made significant progress—**96% of organizations are developing a strategy or have piloted or deployed digital finance initiatives in the last few years.** And **69% say their finance and IT teams are often or always aligned** on objectives and collaborate as needed to help digital finance transformation efforts succeed.
- 2 However, deeper discussions and even more engagement is critical to long-term success and enabling finance strategy.



We're really starting to be able to connect the dynamics of what's going on in the clinical world with the HR team and bring that back into the financial roadmap. Now our teams are collaborating on how to support the business in a different way."

Chris Paravate

CIO,
Northeast Georgia Health System

Respondents said **upskilling IT talent with financial literacy skills and finance talent with IT skills should be a key priority**, and a pathway to even better alignment for digital finance acceleration.

- 3 For finance teams, the top barrier lies in data and getting much needed insights to operate more accurately and efficiently. Of all the sectors surveyed, **finance leaders in healthcare were the most likely to say that outdated or limited information hampers accurate forecasting, with 62% agreeing.**
- 4 Time is a precious resource and is named the top barrier to digital finance transformation by organizations in this sector. **The majority of IT heads (63%) say dealing with day-to-day IT restricts their capacity to support strategic transformation.** Upgrading legacy systems will be key to improving efficiency and accelerating progress.
- 5 Healthcare leaders know they need more flexibility from their finance technology in order to modernize—**48% say their current finance technology isn't flexible enough** to meet today's business needs. And **only 34% say they have the systems required for their finance teams to make accurate decisions at speed.**

“

The teams that were doing the manual work before—they're much happier. We have folks who are staying longer and advancing more, and that's been a boon to employees.”

Chris Pass

Senior Vice President & CFO,
John Muir Health

Where should healthcare organizations begin?

Organizations that want to advance digital acceleration should take the following steps:

1. Explore new models of organizing for IT and finance.

Cross-pollinate and experiment with having IT roles sit in Finance and Finance roles sit in IT. Speaking the same language and understanding shared goals will drive alignment and innovation.

2. Identify and develop the skills you need for the digital future.

What skills are needed now and into the future? Do you have programs in place to help upskill the team? What's the new career path for finance leaders today? What about IT leaders? Creating focused development programs to build desired skills will help teams transition and grow.

3. Assess current and future finance needs.

Consider whether your current systems are up to the task, but also anticipate what's needed to flex to changing needs. Are you prepared for integrating new acquisitions? Can you reliably and intelligently forecast and plan? Does your ERP system support changing business processes? Can you quickly adapt to health emergencies? Can you view finance, HR, and operational data in one system and trust the data to be accurate in times of rapid change?

Go beyond traditional ERP.

Traditional ERP systems are intended only to manage fixed assets and inventory. But today, labor is your highest cost, and often the top priority for CFOs.

Does your ERP today also help you manage the labor you need to ensure patient care while maintaining financial sustainability? Legacy systems provide insights into metrics like bed utilization or inventory levels, but fall short when assigning costs to nursing or administrative staff.

Having insights and an integrated view into supply chain, labor, certification status and other critical healthcare priorities is critical to running an efficient and agile healthcare system.

Because Workday offers a unified solution for Finance, HR, and Supply Chain Management, we give healthcare providers economic insight into people, their cost, and performance, so leaders can make the insight-driven decisions and plans they need for success.

About the research.

The data in this report comes from a global survey commissioned by Workday and conducted by FT Longitude in March and April 2022. The survey of 1,060 senior finance and IT leaders (C-suite or their direct reports) sought to understand the state of digital finance transformation in today's organizations and how it is impacting the relationship between finance and IT. There were 105 respondents from healthcare.

Learn more: workday.com/healthcare



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