# The Health Tech Culture Clash

Bringing progressive communications approaches to a historically prescriptive industry

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# Executive Summary

## When two distinctly different industry cultures come together, new approaches to communications are required

The healthcare industry is undergoing dramatic change. Technology is transforming everything, from drug development and treatment options to data analytics and EHR security. And more change is coming.

Behind all of this disruption is the collision of the highly regulated healthcare industry with the fast–moving technology industry. We see this in the proliferation of health tech startups and untraditional collaborations and partnerships between big industry players and nimble digital health or device and diagnostic companies.

When technology and healthcare experts come together, the outcome can be a harmonious partnership, delivering on the best of both industries, or it can be a complete culture clash, leading to a divide. At their core, healthcare and technology experts represent two different cultures, sets of values, and ways of working. Technology companies are inherent risk takers, move fast, and iterate based on real world experience. Healthcare companies, in contrast, tend to be more cautious, move slower due to being highly regulated, and want no surprises when a treatment or solution is introduced to the market.

Today's environment requires a next–generation approach to health communications, one designed to ease the ongoing integration of these two cultures. An approach that empowers the patient, gives them transparency into their own health data and outcomes, and truly puts them at the center of care. To achieve this, health tech communicators need to bring new, progressive approaches to this historically prescriptive industry.

Health tech companies can benefit from a new communications approach that adopts successful strategies from each industry and creates something new:

- Lead with an innovation narrative
- Balance function with purpose
- Embrace the speed of evolution
- Reveal health tech's emotional side
- Build a connected health story
- Lean into proof over promise

# An Industry in Motion

## Technology and healthcare: It's complicated

Nearly a decade ago, the HITECH Act ignited the first wave of technology disruption and innovation in the healthcare industry — including the digitization of healthcare information. But there's still a long way to go.

Over the next five to ten years, healthcare will undergo a massive tech–enabled transformation, building on progress to date, but with a new set of players — and a new set of rules — from both inside and outside the industry. In 2017, Apple COO Jeff Williams told a conference audience that advances in hardware and AI will forever change the way healthcare is delivered. "We think the industry is ripe for change," Williams said.[1] Meanwhile, Google's parent company, Alphabet, has begun hiring top talent from the healthcare and life sciences fields for several of its subsidiaries.[2]

And hundreds of innovative startups and small companies have already begun to change how patients, providers, and payers work together. The tech industry's pace of change will accelerate the transformation of many aspects of healthcare.

## DRUG DISCOVERY

AI is showing great potential to **optimize** R&D efforts, **minimize** the time and cost of early drug discovery, and help **anticipate** possible toxicity risks or side effects of late–stage trials.

## ACCESS TO CARE

Mobile technology is changing the way patients and providers access information. Some 80% of doctors already use smartphones and medical apps,[3] and it's estimated that by the end of this year, **65% of interactions with healthcare facilities will occur via mobile devices.**[4]

## TREATMENT OPTIONS

From surgical robots to ingestible sensors that can give early warning of non–adherence to medication,[5] the digital transformation is helping **reduce human error and simplify processes** that once required a hands–on, labor–intensive approach.

## RISING COST OF HEALTHCARE

It's predicted that **technology can save the U.S. $300 billion in healthcare costs.** Up to $200 billion of that could come from reducing redundant and wasteful expenditures in the treatment of chronic diseases.[6]

## REIMBURSEMENT

Personalized healthcare comes, in part, from a push toward **reimbursement models that pay for value rather than services,** measured through tech–enabled analysis of electronic health records.

## DATA ANALYTICS AND SECURITY

Wearable devices have caused an explosion of personal health data,[7] and the technologies are evolving at a faster rate than providers' ability to bring them into **HIPAA compliance.**[8]

# A slowly shifting paradigm

The tech industry and the healthcare industry are still learning how to play well together. Healthcare is a $3.4 trillion market dominated by a handful of industry heavyweights, which makes it an exciting opportunity for tech entrepreneurs.[9] But high–profile failures, lower venture capital interest compared to other tech subsectors, and the difficulty of gaining traction in such a complex industry have kept many innovators away.

But change is coming, and large pharmaceutical and biotech companies are working overtime to understand what tech transformation means for them. The number of competitors is growing exponentially, and while tech newcomers still have a difficult time adapting to the industry, the pace of venture capital investment is increasing. In 2017, American VC firms invested nearly $800 million in AI–based health tech startups alone.[10] Collaborations, partnerships, and consolidations are driving a new way of working — a devices company might work with a software company and sell their co–produced product to a pharmaceutical company, who, in turn, will market it at scale to healthcare providers.

**As health gets techier, a serious culture clash is developing. These are two industries with completely different cultures, values, and ways of working.**

| TECH COMPANIES | HEALTHCARE COMPANIES |
|---|---|
| Fast to market | Rigorous  testing |
| Disruptive | Highly regulated |
| Lead with function | Purpose–driven |
| Risk takers | Safety comes first |
| More show, less tell | More tell, less show |
| Iterate based on user experience | Seek stability from user experience |
| Cultivate loyal fans | Cultivate transactional patient relationships |
| Don't justify their price | Need to defend their price |

Furthermore, patients' expectations of and experience with healthcare have changed dramatically, and tech has stepped in to provide access and stability. Today's patients struggle with rising healthcare costs and larger OOPs — in 2016, out-of-pocket healthcare costs for consumers rose 3.9%, the steepest rate of growth since 2007.[11] Secure cloud and mobile tech has become the standard in other aspects of their lives, and they expect that same level of access in their healthcare. The industry is slowly responding with telemedicine and greater accessibility through mobile apps, robotics, wearables and other IoT–enabled technology, and precision medicine driven by AI and data analytics. An Accenture study found that 85% of companies planned to raise their patient–centric capabilities in the next eighteen months, and 95% planned to invest in patient engagement technologies.[12]

# The health tech communications challenge

These changes are creating a difficult environment for communications professionals in the healthcare industry. WE Communications' recent Brands in Motion study looked at ten rational and ten emotional drivers across eight industry categories (including B2B healthcare solutions and health and wellness) in six countries: Australia, China, Germany, the U.K., the U.S., and South Africa. More than 3,000 consumers and 1,000 B2B decision makers were surveyed in each country.

Computing devices and tech B2B scored high in emotional and rational drivers in all markets. Health and wellness and business healthcare solutions were on the opposite end of the spectrum: not seen as innovative, and generally disliked.

> **What's required in today's shifting healthcare industry is a next–generation approach to health communications.**

The Brands in Motion research shows just how differently consumers react to the healthcare and tech industries. It's a microcosm of the head–on cultural collision happening in healthcare right now, resulting in a communications divide. Established healthcare companies and people used to working in a cautious, highly regulated environment are suddenly working shoulder to shoulder with disruptive tech companies used to little oversight. "Silicon Valley operators and investors see that healthcare needs better technology," Ben Rooks, a veteran health IT consultant, told Fast Company in 2017. "But they learn quickly that healthcare isn't about radical disruption; it's about slow evolution."[13]

What's required in today's shifting healthcare industry is a next–generation approach to health communications designed to bridge the technology/healthcare divide. We need to bring progressive approaches to this historically prescriptive industry.

# Six Principles of Progressive Health Communications

Tech transformation in the healthcare industry is here to stay, but so are regulations and rigorous industry standards and practices. To succeed in this new paradigm, communicators cannot port strategies from technology comms departments into healthcare, nor can they rely on healthcare strategies to effectively communicate technological narratives.

Communicators need the discipline to look at the best practices in both industries and adapt them. We must build something new. Here are six principles to keep in mind when building out a progressive health tech communications strategy.

## 1

## Lead with innovation

WE's Brands in Motion research found strong correlations between brands perceived as technologically innovative and brands that consumers loved.

If consumers think your brand is cutting–edge, they are more likely to:

- Love it and don't want to live without it
- Enjoy their experiences with the brand
- Believe it has a positive social impact

Among B2B healthcare brands, the cutting–edge halo is even stronger. We surveyed sixteen B2B healthcare brands in five countries and found a strong positive correlation between cutting edge and almost every other brand driver. For example,

healthcare B2B brands seen as cutting–edge are also more likely to be seen as high quality, necessary, and a valuable industry leader. Consumers are more likely to love them, defend them in moments of crisis, and see their own values reflected in the brand.

Healthcare is a frequently targeted industry. Brands are often scapegoated for things they have little control over — regulatory requirements or the speed and cost of drug development, for example. Leading with an innovation narrative could help ensure against that.

When thinking about the influence of innovation, perhaps we should be talking about "tech health" rather than "health tech."

## 2

### Balance function with purpose

Good health. A better life. Recovery. Healthcare is an inherently purpose–driven industry. It's all about improving the life of the patient. Even the most high tech B2B health technology companies can and should lean naturally into a message of purpose. After all, healthcare saves lives.

Tech, on the other hand, is typically function–driven. Think press events where a CEO stands on stage and enumerates the new features of his company's latest model.

## 3

### Embrace the speed of evolution

Many tech companies new to the healthcare space expect to be able to innovate as quickly as their teams can create products, but the healthcare industry isn't a system that's likely to incubate a huge disrupter like Uber.

Regulation can be cumbersome, especially for companies new to the industry that don't have experience navigating it. But successful healthcare brands understand the need to innovate within regulatory guidelines. Instead of moving at the speed of disruption, health tech brands should aim to move at the speed of evolution — as fast as regulation and industry checks and balances will allow.

To succeed in health tech, your purpose must be higher than your profit. Our Brands in Motion research found that it's increasingly important for brands to provide long–term social value — and to communicate that to their audiences. Consumers expect it.

> **To succeed in health tech, your purpose must be higher than your profit.**

For communicators bridging the divide between health and tech, this may mean setting expectations. Media coverage about health works very differently from technology coverage — you're unlikely to land a health tech data story unless the research is comprehensive, validated by experts in the field, and backed by unequivocal proof.

## 4

### Reveal health tech's emotional side

The new healthcare paradigm is about the relationship between healthcare, technology, and the needs of patients, but the most important part of that equation is the patient. It's less about the technology than it is about the relationship between the patient and the person on the other end monitoring the data and making recommendations based on that data. Your communication plan shouldn't be optimized for software developers or insurance industry insiders — it should speak to average people.

Healthcare is human care. That's fundamentally different from tech, which often removes the human element. Health tech cannot afford to rely on tech's function–driven comms style. To succeed, brands need to reach beyond functionality and seek to engage emotionally. It always comes back to the human element.

# Healthcare is human care.

## 5

## Build a connected health story

As health tech progresses, a patient may have a fitness tracker that tracks their steps and sleep, a wearable that reports their EKG and blood pressure readings, and a device for their diabetes that automatically administers insulin. Currently, these three devices could be reporting data in three different ways on three different platforms to different healthcare providers. The patient may have three different apps on their phone to understand their health metrics, or carry around multiple devices.

Compatibility between disparate systems is one of the most urgent and frustrating topics in healthcare today. How does your medication, device, or software work together with others? Is your company striving toward standardization and open–source solutions? If it's not yet, what are you doing to get there? Even if your products or services aren't connected yet, you need to be able to have a conversation about standardization, your efforts to get there, and how your brand fits into the broader health tech ecosystem.

## 6

## Lean into proof over promise

Technology companies have much more freedom to talk about the promise of new tech. They're able to iterate and release products before they're perfected, graduating from alpha to beta to version 1.0. Proof of usability often comes after the fact.

Healthcare is much different. Regulators aren't interested in approving new products based on a promise of what they could do — they need proof. Healthcare media experts will ask to see your supposedly better solution verified by

irrefutable research. Insurance companies don't reimburse based on a promise — they want to see what value your product delivers.

Health tech may be influenced by technology companies, but you must arm yourself with outcomes, not just promises. Many tech health innovations are displacing current, entrenched standards of care, creating the need for brands to define and spotlight value in as many ways as possible.

# The Humanity Behind Health Tech

For many years, the healthcare industry has been focused on putting the patient at the center of care. There have been many marketing and communications programs that empowered patients through direct–to–consumer advertising, educational and public health campaigns, and websites and educational resources that provide patients with information about diseases and treatments — but health tech is now poised to accelerate patient–centrism.

Today, patients are tech–enabled, financially accountable, and have adopted technology in most other areas of their life. They are ready for tech–enabled healthcare solutions, and brands have the opportunity to show them the way.

Health tech is an industry in motion — navigating the culture clash where nimble, fast–innovating tech meets regulation–bound healthcare will be a serious challenge.

## What's your progressive health tech comms plan?

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# Thank you

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