

# DISRUPTION IN HEALTHCARE AND LIFE SCIENCES: A VIEW FROM THE NORDICS



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As technology continues to disrupt the healthcare and life sciences industry, executives in the Nordic countries aren't quite as concerned as their global counterparts are. To stay ahead, they expect to invest in technology and internal efficiencies.

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Healthcare and life sciences executives in the Nordics indicate that their companies are, compared to their global counterparts, somewhat insulated from the winds of change. Indeed, just 65% of Nordics leaders say their company is facing more pressure than it did 18 months ago, compared with three-quarters of industry executives globally.

However, more Nordics leaders expect disruption to intensify in the next

18 months, and they less often than their global peers feel prepared to handle impending disruption. Nordics executives say that organizational strengths—including the caliber of their people, their ability to manage complexity, their understanding of customer needs, and their ability to change regional strategic direction quickly—will help.

### About the survey

The survey was conducted online in June 2019 and gathered responses from 86 senior executives in pharmaceuticals, biotech, medtech, and other areas of the healthcare and life sciences industry.<sup>1</sup>

<sup>1</sup> For results from our global survey, see Heidrick & Struggles, "Disruption today in healthcare and life sciences," February 19, 2019, [heidrick.com](http://heidrick.com).



# Key findings

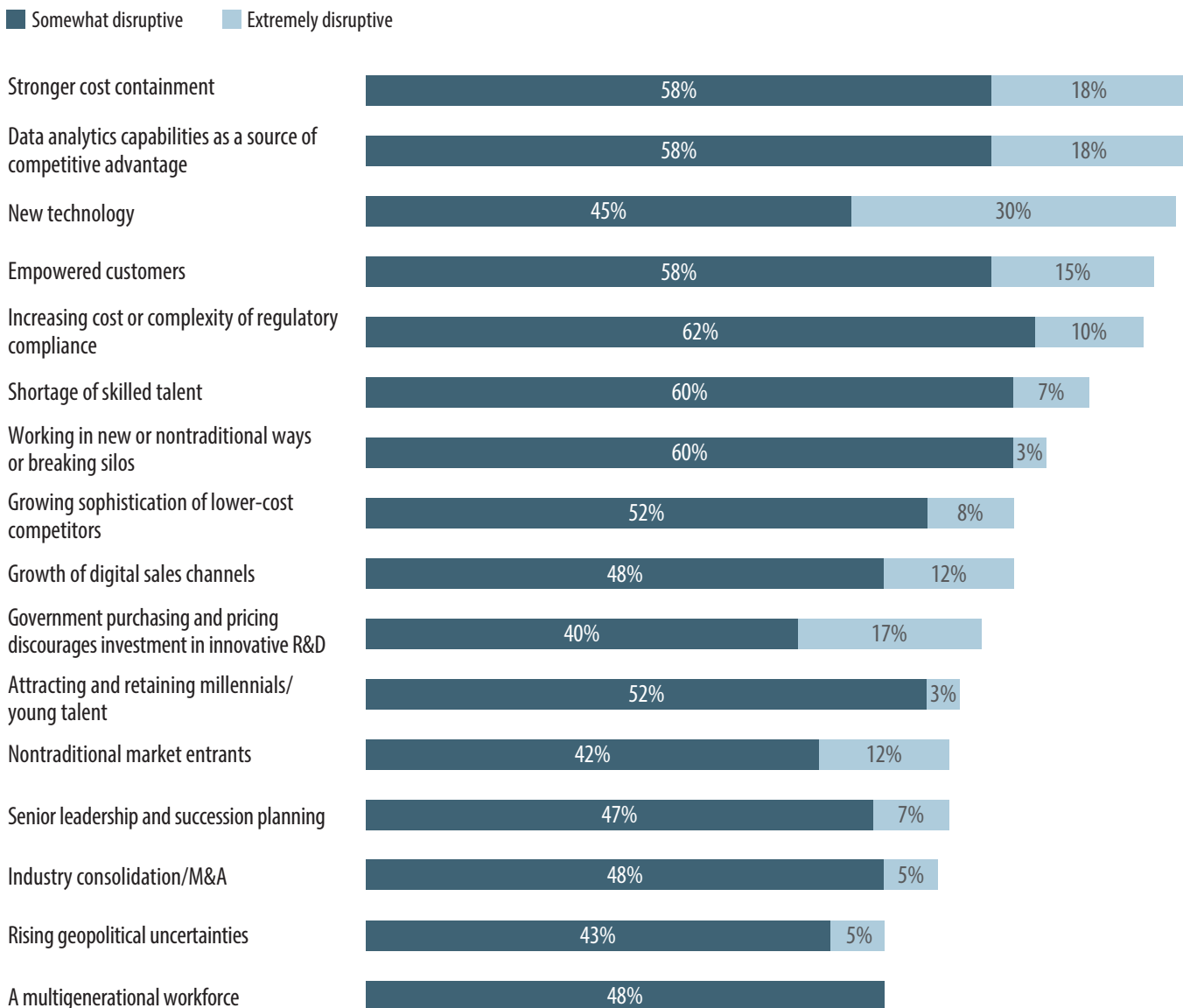
Sixty-five percent of surveyed Nordics leaders believe their company faces more disruptive pressure than it did 18 months ago, and 73% expect that pace to intensify in the next 18 months, compared with 82% of global leaders.

Nordics leaders see the top sources of disruption as being stronger cost containment, data analytics capabilities as a source of competitive advantage, and new technology (Figure 1). These views largely parallel those of global

executives, which center on the growing importance of leveraging data, new entrants into the market, and increasing costs in the healthcare space.

**Figure 1: Companies are facing increased disruptive pressures.**

*Please rate the level of disruption of the following factors on your company.*



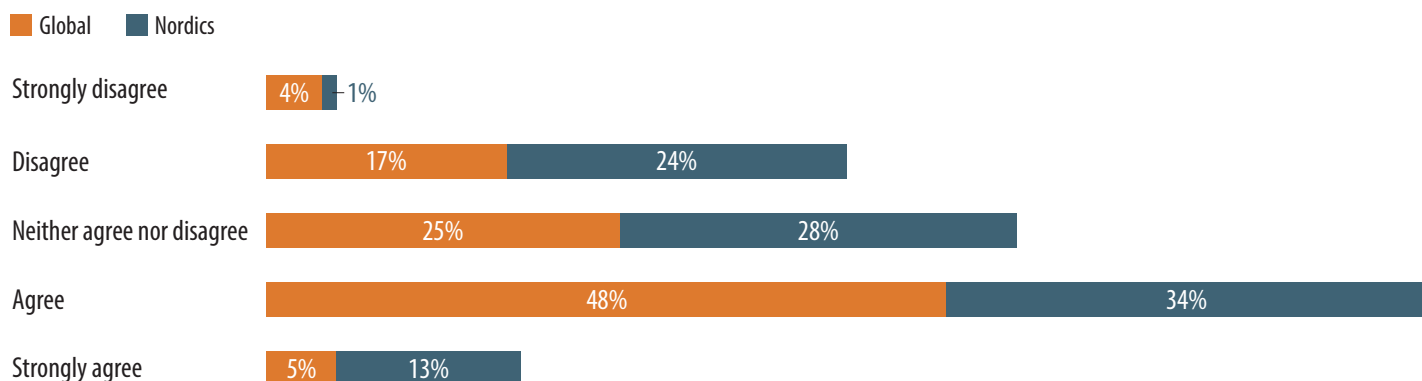
Source: Heidrick & Struggles' Disruption in Nordics healthcare industry survey, 2019, n = 86 senior executives

Just 47% of Nordics leaders believe they are well prepared for this disruption (Figure 2). Those who do most often cite the caliber of their people and their ability to manage complexity, as well as their understanding of customer needs and ability to change

regional strategic direction quickly (Figure 3). This is in contrast to global leaders who, after the caliber of their people, most often said they are prepared because of their innovative use of technology.

**Figure 2: Nordics leaders feel less ready than their global peers to face disruption.**

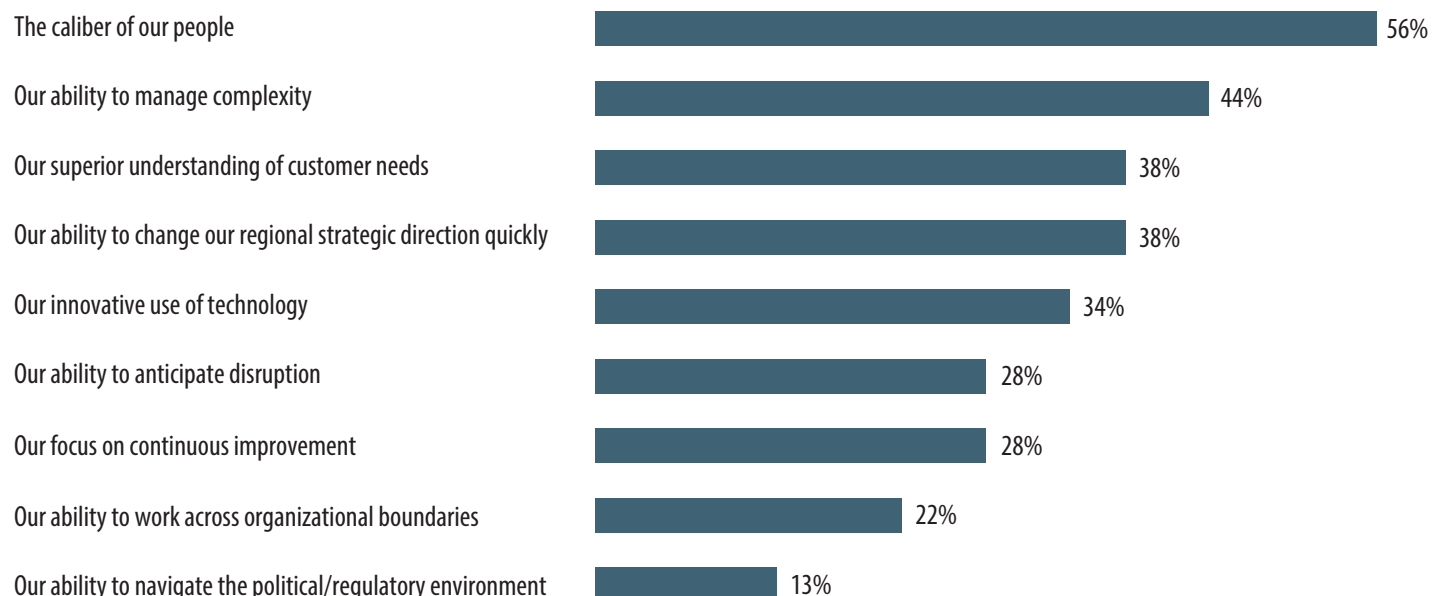
*To what extent do you agree or disagree with the following statement?: My company is well prepared to face disruptions.*



Source: Heidrick & Struggles' Disruption in Nordics healthcare industry survey, 2019, n = 86 senior executives

**Figure 3: Nordics leaders believe the caliber of their people will most help their companies face disruption.**

*If you indicated that your company is a source of disruption in the marketplace, which of the following factors are responsible for your belief? (Select the top three.)*



Source: Heidrick & Struggles' Disruption in Nordics healthcare industry survey, 2019, n = 86 senior executives

A smaller share of Nordics leaders, compared with global leaders, agree or strongly agree that their companies are a source of disruption (40% versus 53%, respectively), representing one of the largest disparities in our survey results (Figure 4). This may be in part because several Nordic healthcare and life sciences companies focus on fewer therapeutic areas compared with

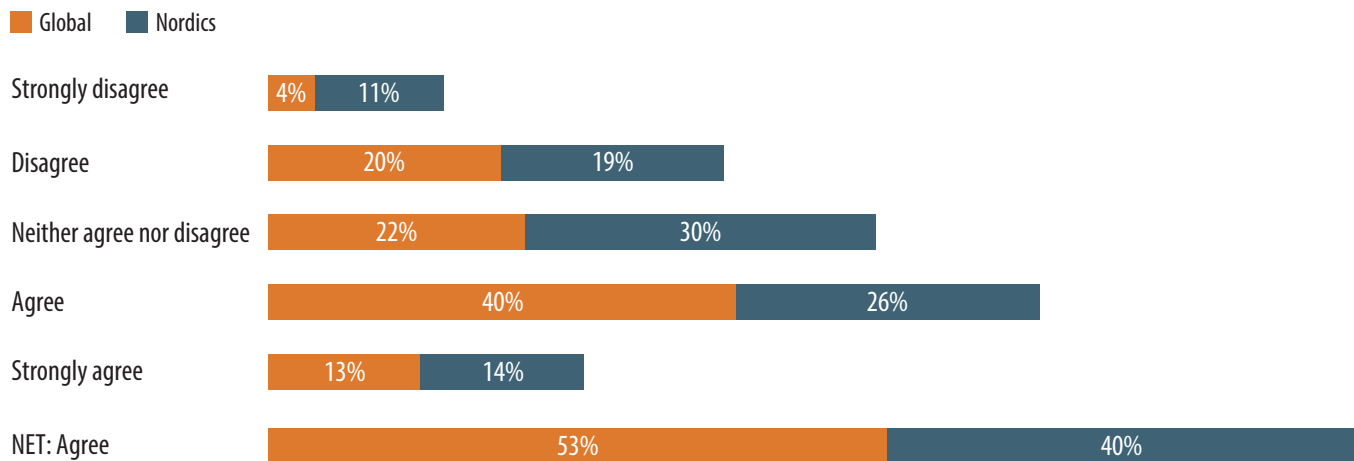
the largest companies, which focus on a broader range. It's also likely related to the finding that just a quarter of Nordics leaders feel the company adapts and pivots at a faster pace than competitors, compared with 53% of global executives.

Despite the relatively few Nordics executives who say technology is preparing them

to face disruption, among the 40% who consider their companies disruptors, two-thirds cite the innovative use of technology as the top contributing factor. The vast majority of both Nordics and global leaders agree that their company's culture contributes to their success (Figure 5).

## Figure 4: Nordics leaders are less likely than their global peers to feel their company is a disruptor.

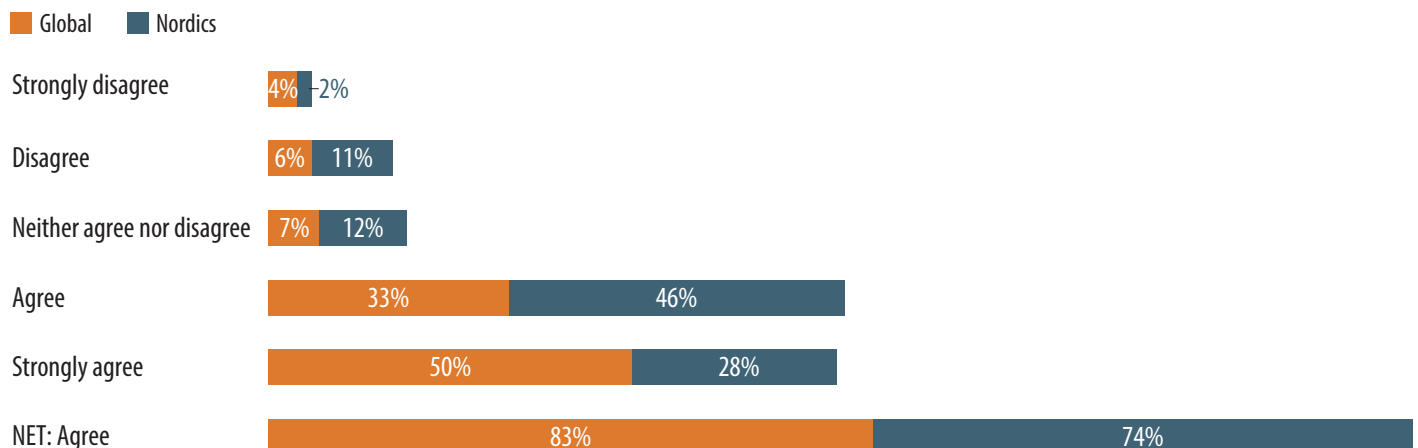
To what extent do you agree or disagree with the following statement?: My company is a source of disruption in our industry.



Source: Heidrick & Struggles' Disruption in Nordics healthcare industry survey, 2019, n = 86 senior executives

## Figure 5: A majority of Nordics leaders feel that their company's culture contributes to success in the market.

Does your company's culture contribute significantly to your success in the market?



Source: Heidrick & Struggles' Disruption in Nordics healthcare industry survey, 2019, n = 86 senior executives

And indeed, a full 60% of Nordics executives say their people always deliver what they committed to, which is more often than global executives say the same.

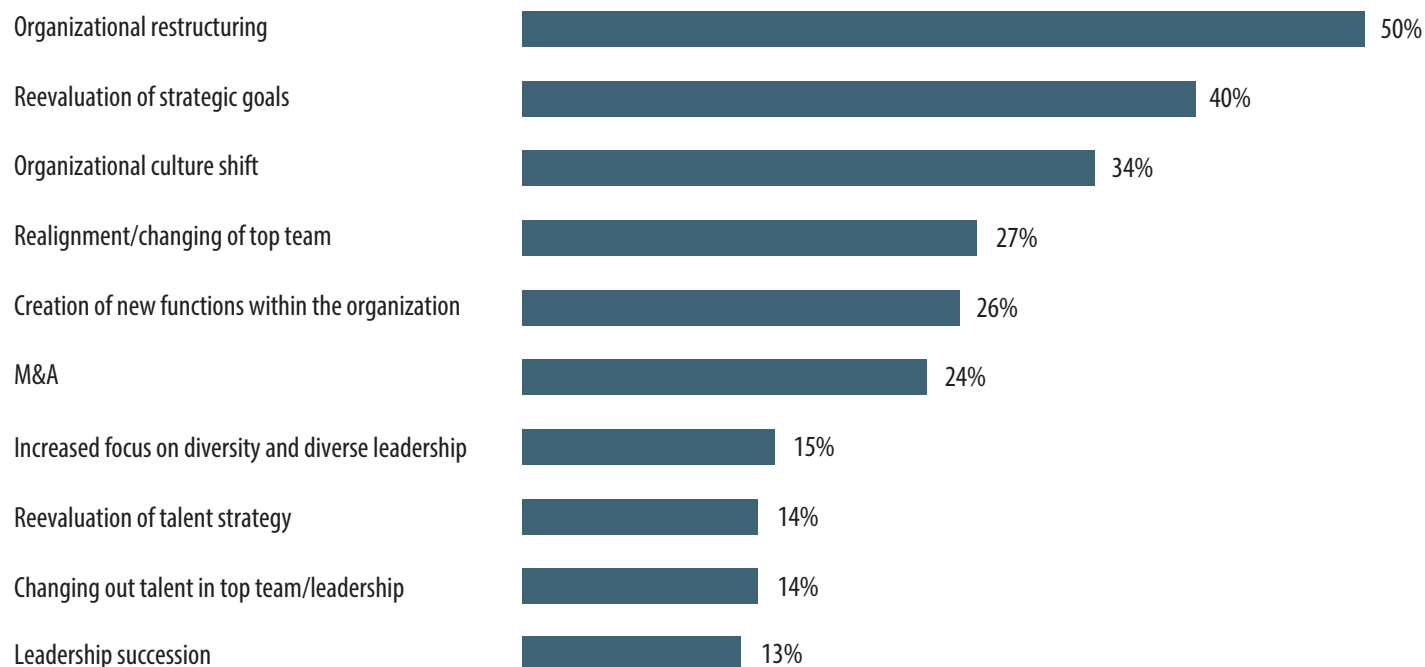
Despite that strength, cultural shifts are one of the top three areas Nordics leaders have focused on or expect to focus on to combat disruption; the others are organizational

restructuring and reevaluating strategic goals (Figure 6). Global leaders also focus on reevaluating goals but more often focus on creating new functions and M&A—overall taking a more externally focused approach than Nordics executives.



## Figure 6: Nordic companies are restructuring to meet the pace of change.

*Which of these organizational changes have you made within the past year—or are now considering making—to meet the rapid pace of change? (Select up to three.)*



Source: Heidrick & Struggles' Disruption in Nordics healthcare industry survey, 2019, n = 86 senior executives

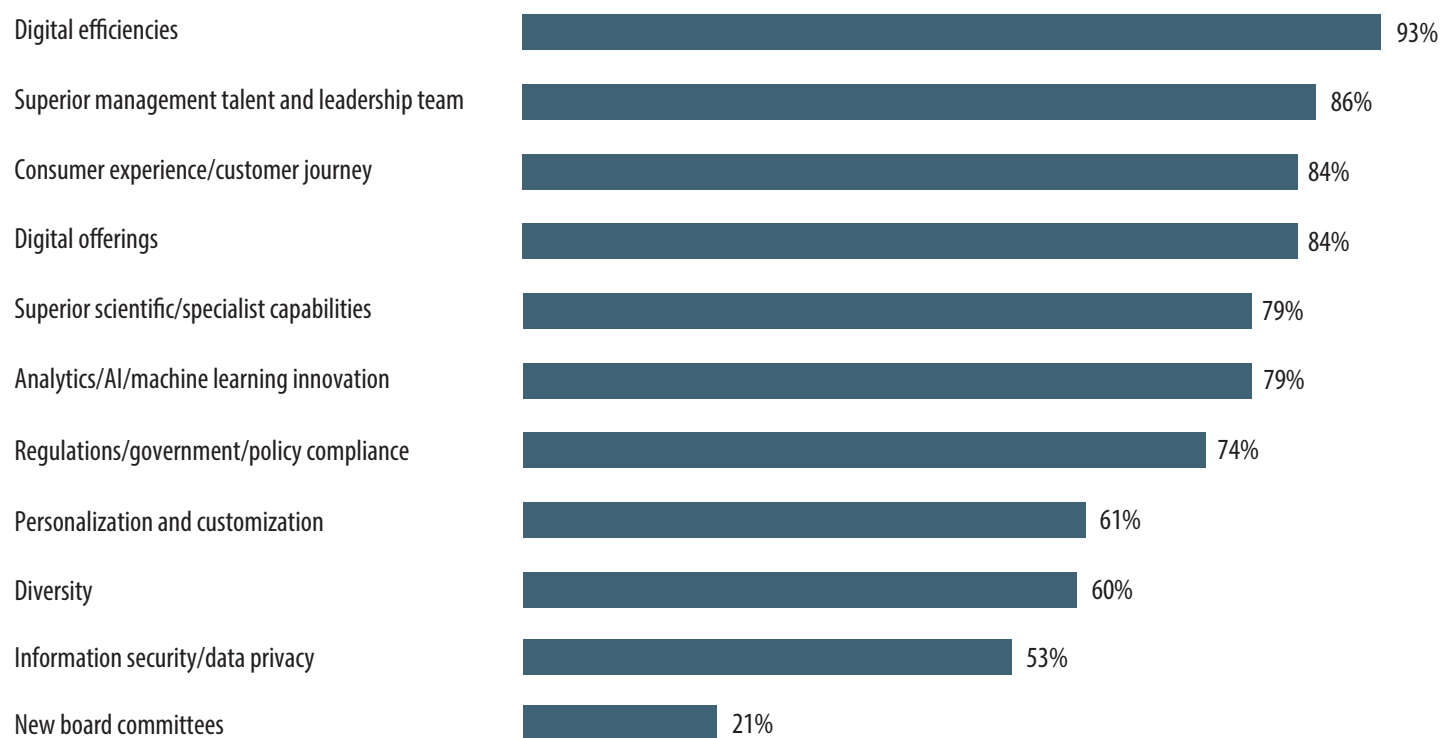
Given the importance that Nordics executives at disruptors place on technology, it's also good news that Nordics executives overall are putting a great deal of focus on digital investments to combat disruption: digital efficiencies lead the list, followed by superior management talent and leadership team and a tie between digital offerings and consumer experience/customer journey (Figure 7).

Despite executives around the world citing the caliber of their people as important, they all also rank leadership succession as the least of their priorities for combating disruption. That said, Nordics leaders are more often focused on a need for diversity than their global peers: 60% believe it is critical to have diverse senior leadership to maintain or build a competitive advantage, and an additional 35% believe

it is important (Figure 8). Further, it seems that they're defining "diversity" broadly: over half of leaders in the Nordics (53%) say their company has increased focus on hiring people from other industries to contend with disruptive forces.

## Figure 7: To stay competitive, Nordic companies plan to invest more in digital, talent, and the customer journey.

*In which of the following areas do you think your company should invest to maintain or build competitive advantage?*

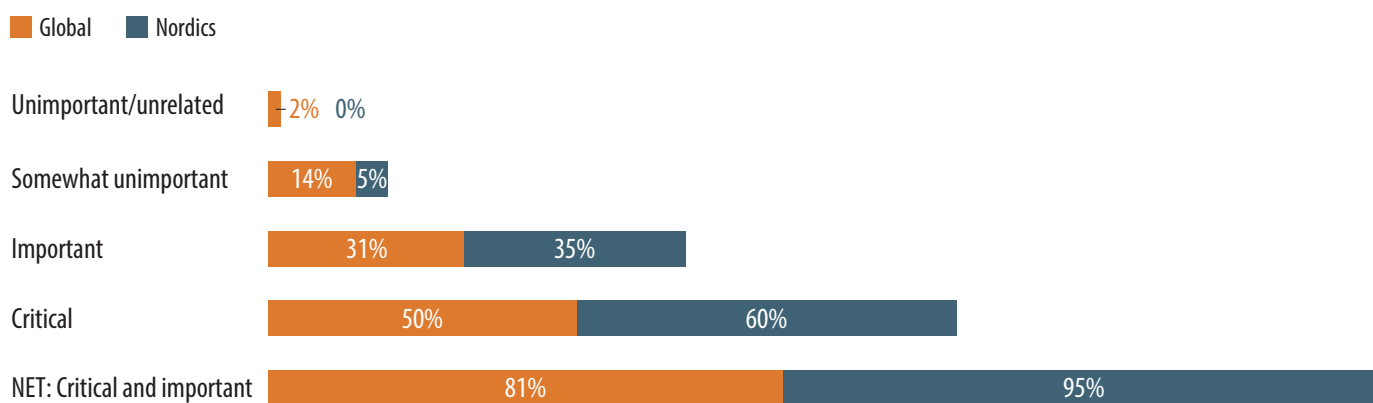


Source: Heidrick & Struggles' Disruption in Nordics healthcare industry survey, 2019, n = 86 senior executives

Leaders at Nordic healthcare and life sciences companies expect to manage through disruption by building on their strengths—especially their people and knowledge of customers—and are beginning to fill in the gaps, including their relative lack of focus on technology. Their

faith in their people and a focus on greater diversity and expertise from other industries bode well for these companies' ability to manage the disruptions they see coming.

Figure 8: **Nordic companies are committed to diverse leadership.**



Source: Heidrick & Struggles' Disruption in Nordics healthcare industry survey, 2019, n = 86 senior executives

## About the author

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Companies in the healthcare and life sciences sectors contend with ever-changing technology, patient populations, markets, pricing, and regulatory environments. Their leaders must have the competencies required to lead all aspects of the business, while understanding the value of innovation and the relevance of science. With more than 80 professionals in major cities around the world, our Healthcare & Life Sciences Practice team combines unparalleled search resources with a deeply consultative approach to help clients boost their leadership capabilities.

We have expertise across all areas in the healthcare and life sciences sectors, including biotechnology, healthcare services, managed care, medical devices and diagnostics, pharmaceuticals, research and development, and contract research.

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