



# The Future of MedTech:

Navigating the future of reinvention through digital technologies



April 23, 2025 | OSMA

Copyright © 2025 Accenture. All rights reserved. | 1

# The new MedTech imperative: convergence of five factors



## The evolving customer

Healthcare is increasingly being consumerized and is now a continuous engagement between patient, provider and payer

HCPs are adapting a consumer-consumption mindset to meet evolving expectations

Standardization of digital tools for HCPs is necessary to streamline services



## Care anywhere, everywhere

The Consumer Patient is increasingly demanding services in both remote and digital settings

MedTech industry is beginning to build capabilities for decentralized care

This decentralization of healthcare will require new business models, new talents, new products and solution strategies



## Cash-strapped customers

Providers are dealing with acute talent shortage and are demanding productivity improvements

Providers are more cost-conscious; therefore, MedTech is witnessing capital purchases struggle

As there is continued rise of value-based contracts, it is challenging to incorporate products into existing workflows



## Top and bottom-line pressures

Investors are demanding better margins from MedTech manufacturers in a volatile macroeconomic environment

Based on M&A cash burns, MedTech companies need to relook at existing operating & governance model

Increasing bargaining power of customers, rise of tender-based pricing and GPOs, and increasing commoditization of various segments



## Dual impact of technology

MedTech industry product mix is shifting towards smart and technology centric products

Digital health is quickly becoming a major area of attention and investment

Enterprise technology is not as evolved yet to support the new business models, product and services



**Leading MedTech companies  
are driving new growth by  
strategically activating their  
digital degrees of freedom  
enabled by Intelligent  
Technologies**



# Strategic pivot in response to changing market dynamics



The shift to preventative care unlocks new value pools

---

Creating new opportunities for all MedTech segments to move upstream in the patient care pathway



Business model innovation fuels growth despite cost pressures and shifts in care

---

Promoting a shift towards modern, less infrastructure dependent business models



A digital core revolutionizes daily operations and drives top and bottom-line improvements

---

Disrupt the MedTech Value Chain model by automating, augmenting, and reinventing traditional workflows



Connected ecosystem across care continuum deepens customer partnerships

---

Reinventing product portfolio to benefit broader care continuum solutions



AI/analytics powered solutions support core and new revenue streams

---

Disrupt the traditional product portfolio with new smarter connected solutions



Regulatory and economic uncertainty necessitates the ability to pivot strategies quickly and flexibly

---

Creating dynamic and flexible business processes informed by real-time data

# New revenue streams will be enabled by upstream opportunities with cost efficiencies driven by gen AI

Trends	Diabetes	CVD	General surgery	Diagnostic imaging
The shift to preventative care unlocks new value pools	<p>Disruptors are leveraging the idea of turning a medical device into a consumer product</p> <div><div></div><div>Consumer lifestyle solutions30%</div><div>Preventative solutions21%</div></div> <p>CXOs believe if no action is taken, it could negatively affect their revenues by 3-5% in the next 5 yrs</p>	<p>Upstream care is gaining attention in CVD</p> <div><div></div><div>Diagnostics97%</div><div>Monitoring93%</div><div>Screening90%</div><div>Early intervention76%</div></div> <p>CXOs rate high revenue generation potential in upstream care in next 3 years</p>	<p>Almost all CXOs agree to allocating more R&amp;D spend to upstream care and 7 in 10 are allocating more capital budget</p> <div><div></div><div>R&amp;D spend90%</div><div>Capital budget70%</div></div> <p>CXOs note a shift in resource allocations for upstream care compared to 3 years ago</p>	<p>Similar to general surgery, CXOs agree to allocate more funds to R&amp;D and capital budgets for upstream solutions</p> <div><div></div><div>R&amp;D spend83%</div><div>Capital budget67%</div></div>
Top two applications of strong digital core (Gen AI) by segments	<ul style="list-style-type: none"><li>• Provide personalized guidance for diabetes management</li><li>• Identify trends, anomalies, and potential health risks, enabling early intervention</li></ul>	<ul style="list-style-type: none"><li>• Identify trends, anomalies, and potential health risks, enabling early intervention</li><li>• Assess demand for cardiac devices in a specific region by analyzing internal data and external data</li></ul>	<ul style="list-style-type: none"><li>• Analyze various parameters such as ergonomics to optimize design</li><li>• Through data analysis and pattern recognition, customize specialized general surgery devices</li></ul>	<ul style="list-style-type: none"><li>• Streamline workflow processes, automating routine tasks</li><li>• Improve the quality of medical images by reducing noise, enhancing resolution, and optimizing contrast</li></ul>




# Technological advancements and business model disruption will be critical to maintain and grow share in the evolving landscape

Trends	Diabetes	CVD	General surgery	Diagnostic imaging
<p>AI/analytics powered solutions support core and new revenue streams</p>	Across different segments, companies are adding new tech enabled features in their offerings			
	<p>CXOs prioritize the following areas in the digital space for investment.</p> <div> <div>Generative AI</div> <div>61%</div> </div> <div> <div>Digital health platforms</div> <div>48%</div> </div> <div> <div>Health informatics</div> <div>35%</div> </div>	<p>CXOs believe the below technologies have the potential to disrupt the existing business model in CVD space</p> <div> <div>AI/analytics</div> <div>55%</div> </div> <div> <div>Robotic-assisted surgery</div> <div>45%</div> </div> <div> <div>Next-gen CVD imaging platforms</div> <div>45%</div> </div>	<p>CXOs rank the below digital features as important for new surgical solutions</p> <div> <div>Robotics platform</div> <div>90%</div> </div> <div> <div>Workflow analytics</div> <div>80%</div> </div> <div> <div>Clinical analytics</div> <div>80%</div> </div> <div> <div>Remote diagnostics</div> <div>76%</div> </div>	<p>CXOs are prioritizing new solutions in the diagnostic imaging space</p> <div> <div>AI/analytics</div> <div>100%</div> </div> <div> <div>Workflow automation</div> <div>96%</div> </div>
<p>Business model innovation fuels growth despite cost pressures and shifts in care</p>	New tech enabled feature is prompting companies to look for alternative business models			
	<p>CXOs are preferring less infrastructure dependent model for their diabetes unit</p> <div> <div>Direct-to-consumer</div> <div>65%</div> </div> <div> <div>At-risk value-based</div> <div>61%</div> </div>	<p>With an increasing focus on minimally invasive tech-enabled solutions, CVD is also adopting newer business models</p> <div> <div>Shift to consumer devices</div> <div></div> </div> <div> <div>Movement into new business models</div> <div></div> </div> <div> <div>Focus on value-based models</div> <div></div> </div>	<p>In 3 years from now, CXOs see the following business models as the most viable options in general surgery space</p> <div> <div>Direct purchase</div> <div>97%</div> </div> <div> <div>Leasing</div> <div>87%</div> </div> <div> <div>Platform as a service</div> <div>87%</div> </div> <div> <div>Rentals</div> <div>87%</div> </div>	<p>CXOs prefer innovative business models in diagnostic imaging space today</p> <div> <div>Platform as a service</div> <div>92%</div> </div> <div> <div>Direct purchase</div> <div>88%</div> </div> <div> <div>Value around the platform</div> <div>83%</div> </div> <div> <div>Leasing</div> <div>75%</div> </div> <div> <div>Rentals</div> <div>38%</div> </div>



# Shifting from a product-centric to an end-to-end (E2E) platform mindset benefiting broader care continuum is imperative for success

Trends	Diabetes	CVD	General surgery	Diagnostic imaging
Connected ecosystem across care continuum deepens customer partnerships	Every organization is developing connected solutions to benefit broader care continuum			
	<p>CXOs are confident that the organization's innovative diabetes care solutions could benefit a wider range of segment propositions. The primary segments poised to benefit include:</p> <div><div>Wellness solutions96%</div><div>Cardiovascular70%</div><div>Pharma therapies52%</div></div>	<p>CXOs hold the view that their latest CVD solutions could bring advantages to various other segments. The key segments poised for potential benefits include:</p> <div><div>Diagnostic imaging76%</div><div>General surgery69%</div><div>Pharma therapies48%</div></div>	<p>CXOs anticipate broader benefits across various segments from their organization's new general surgery solutions. Top beneficiaries include:</p> <div><div>Cardiovascular77%</div><div>Diagnostic imaging50%</div></div>	<p>CXOs anticipate broader benefits across various segments from their organization's new diagnostic imaging solutions. The top segments that could benefit are:</p> <div><div>Cardiovascular88%</div><div>General surgery83%</div><div>Wellness solutions54%</div><div>IVD54%</div></div>



Tech and data are both the accelerant and the solution to what MedTech companies are facing today. To remain competitive, it is fundamental to build the

## DIGITAL CORE

The digital core will be the primary source of competitive advantage. It involves scaling and maturing to initiate the cross functional setup of standard platforms across divisions and business units, leveraging the power of cloud infrastructure & security, data & AI, applications & platforms.



## There are multiple ways to compete in the future: a set of levers to evaluate



Create sustainable value by delivering equitable, human-centric outcomes across the healthcare ecosystem



Accelerate growth by reshaping corporate strategy, enabling human centered R&D and ecosystem partnerships



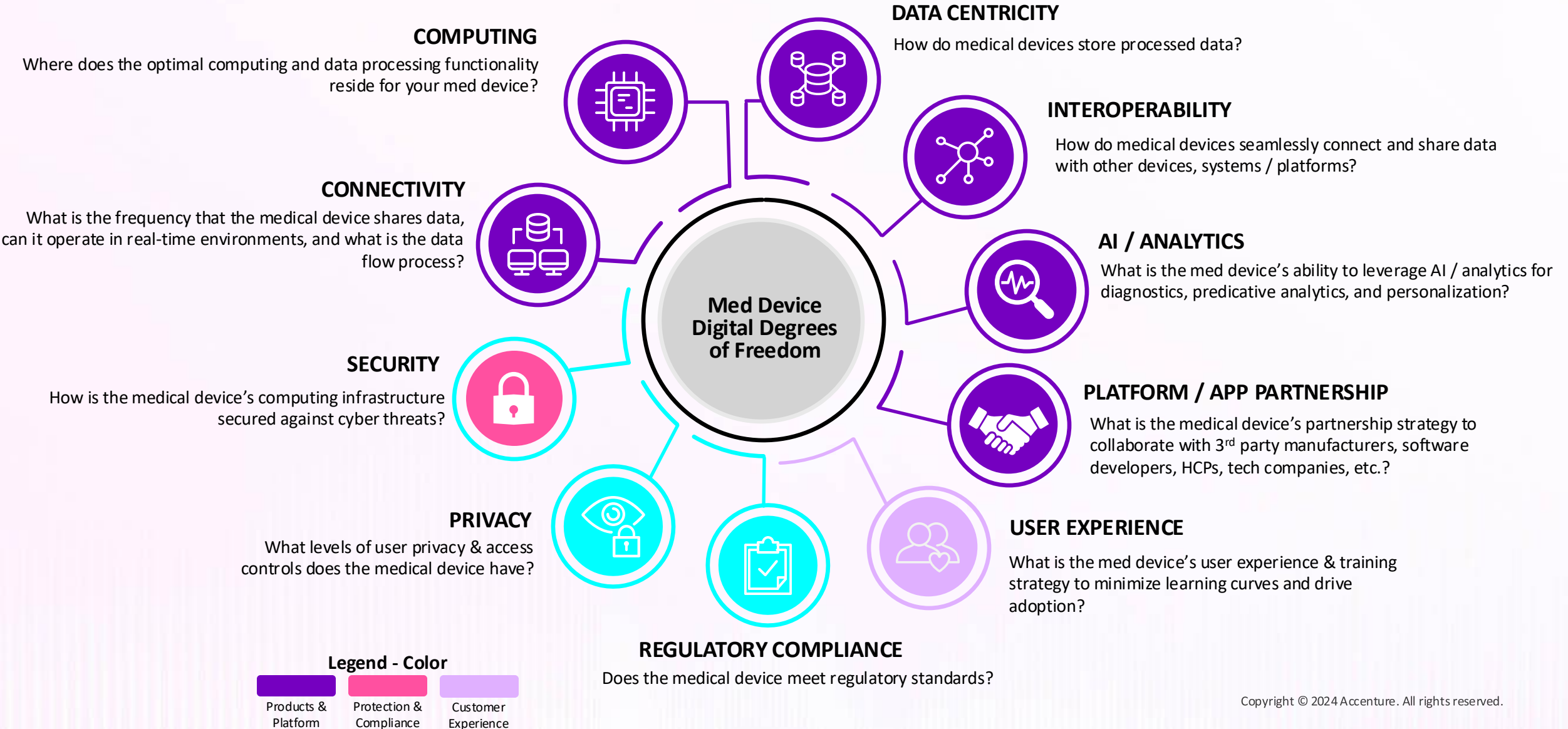
Deliver Value & Optimize operations by creating an enterprise-wide cost transformation plan



Power your people by enabling the workforce to create maximum value and improving public and internal trust, and social responsibility



# “Digital degrees of freedom” drives strategic decisioning in a dynamic market



# Impact on Orthopedic Surgery

- Robot to a Connected OR
- Expansion upstream and downstream in care continuum
- Smarter supply chains and inventory management
- Business model evolution
- Agentic AI and new ways of working



# New Business Models

## Flexible Business Models

Provider cost constraints are impacting capital budgets, necessitating a movement toward non-infrastructure dependent models

## Platform-as-a-Service

Along with the rise of leasing and rental models, there are initial market precedents for platform-as-a-service models

## Value Capture from Digital

Early AI solutions in adjacent segments have been directly reimbursed, but this isn't necessarily a scalable approach more broadly

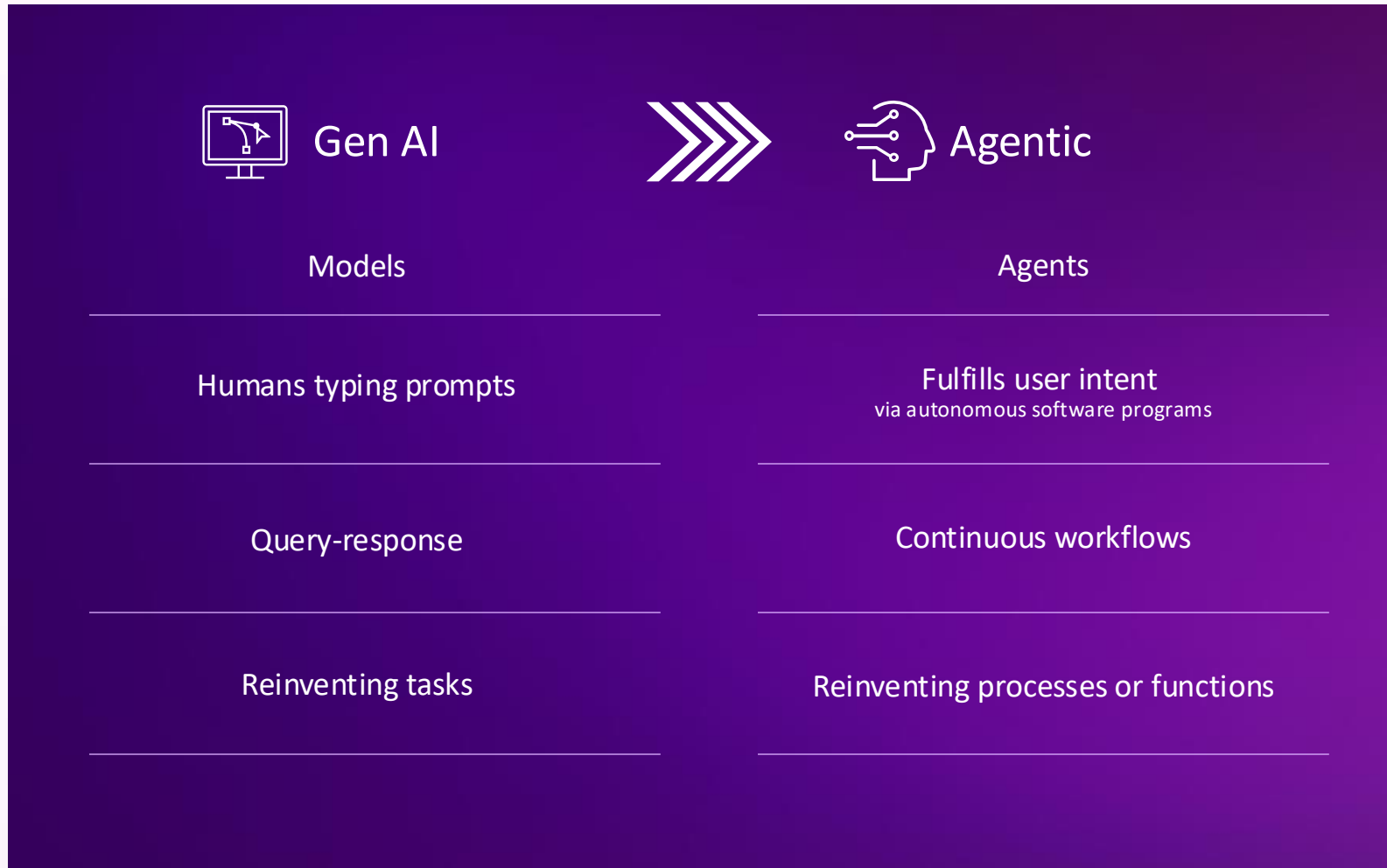
## Different Strategies by Application

Data/AI can drive value across several axes – clinical, workflow, operational – and the value capture strategy varies depending on the use case





# Paradigm Shift to Agentic AI



# Agentic AI – The Human+ Workforce

## Reinvention of Accenture's marketing and communications (M+C) function with agents

10+ agents supporting M+C expert persona

Transformation has led to:

- 25% increase in brand value
- 20% budget returned to business for reinvestment
- 60% fewer internal communications
- 25% reduction in headcount

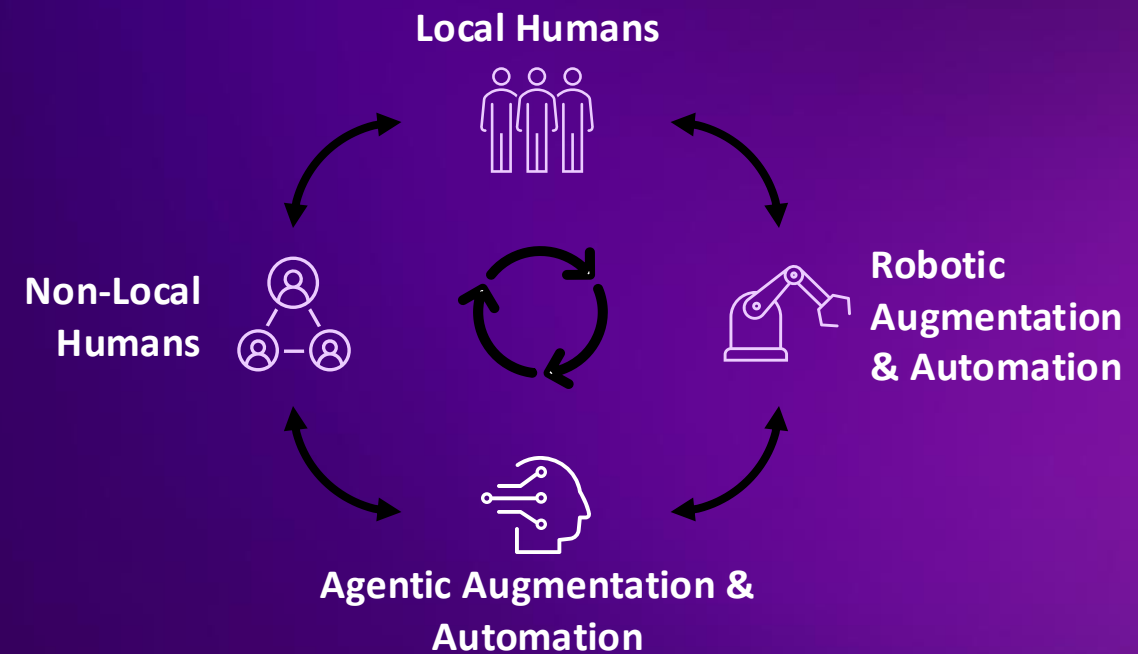
## Reinvention of a client's warehouse management with a secure digital twin to track and adjust operations

Digital twin with AI and robotic agents

Transformation has led to:

- 20% increase in warehouse throughput
- 20% increase in fleet efficiency
- 80% reduction in error rate

Human+ workforce seamlessly integrates on-site and remote employees with autonomous agents and intelligent robots redefining productivity, collaboration and decision-making

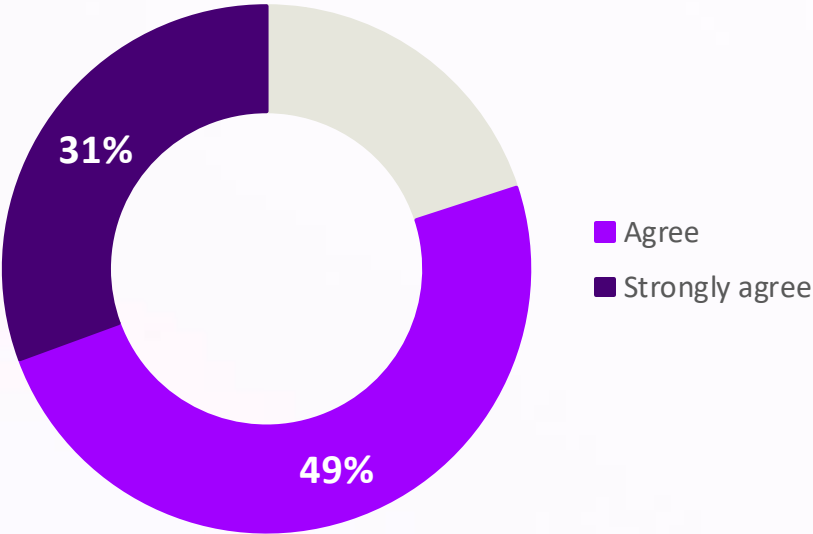


# The generalization of AI is accelerating the need for enterprise transformation.

80%

of MedTech executives agree AI that is "always there" brings new urgency to enterprise reinvention.

*(Survey of 85 global MedTech executives executed through Accenture Research)*



AI that is "always there" brings new urgency to enterprise reinvention.

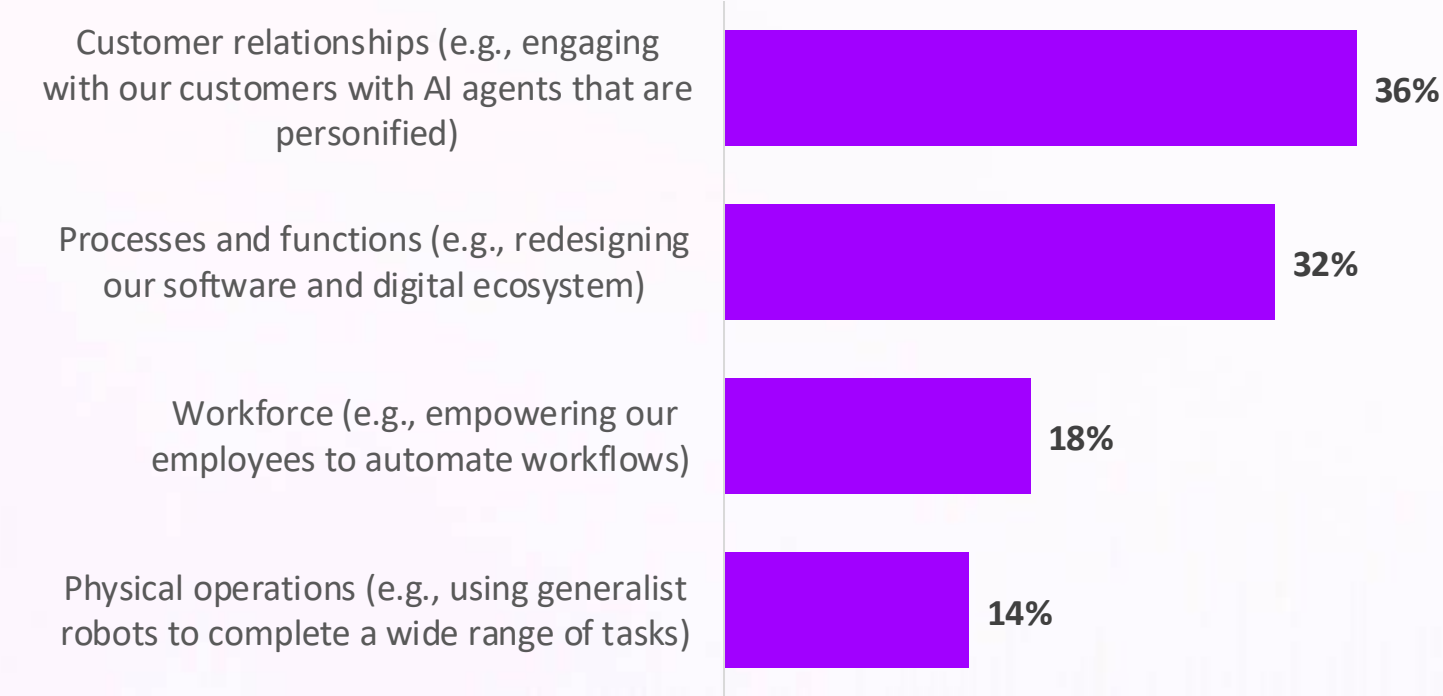


# Customer relationship and reimaging processes as initial use cases

36%

of MedTech executives believe Gen AI could have the greatest impact on reinventing their organization in the area of customer relationships (e.g., engaging with our customers with ai agents that are personified).

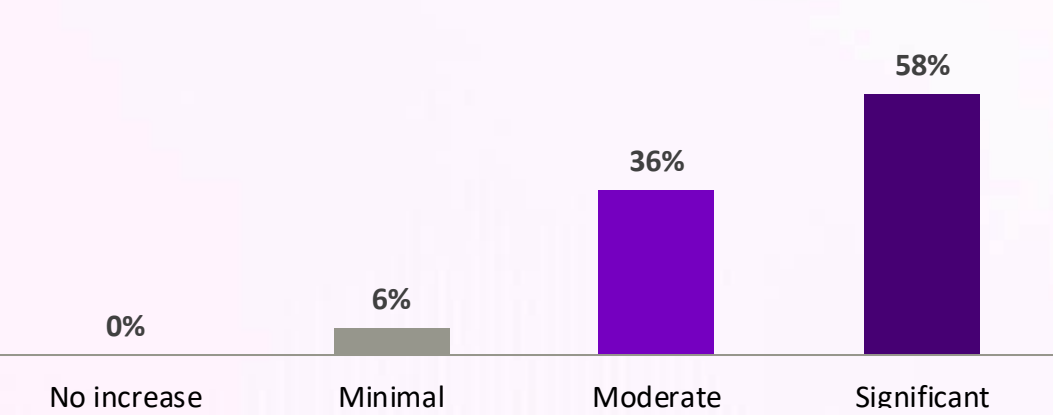
Rank the following areas that you believe Gen AI could have the greatest impact on reinventing your organization.  
(Rank 1 selected)



# The Binary Big Bang – rethinking how digital system are designed in the era of Agentic AI

58%

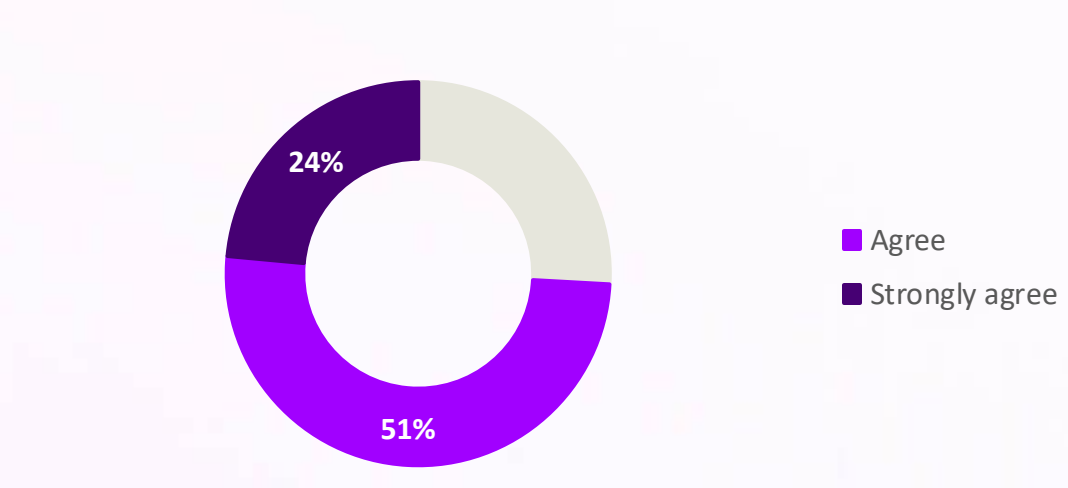
of MedTech executives anticipate a significant increase in the use of AI agents by their organizations in the next 3 years.



**How do you anticipate your organization’s use of AI agents to increase, if at all, in the next 3 years?**

74%

of MedTech executives agree AI agents will reinvent how their organization builds digital systems.



**AI agents will reinvent how my organization builds digital systems.**

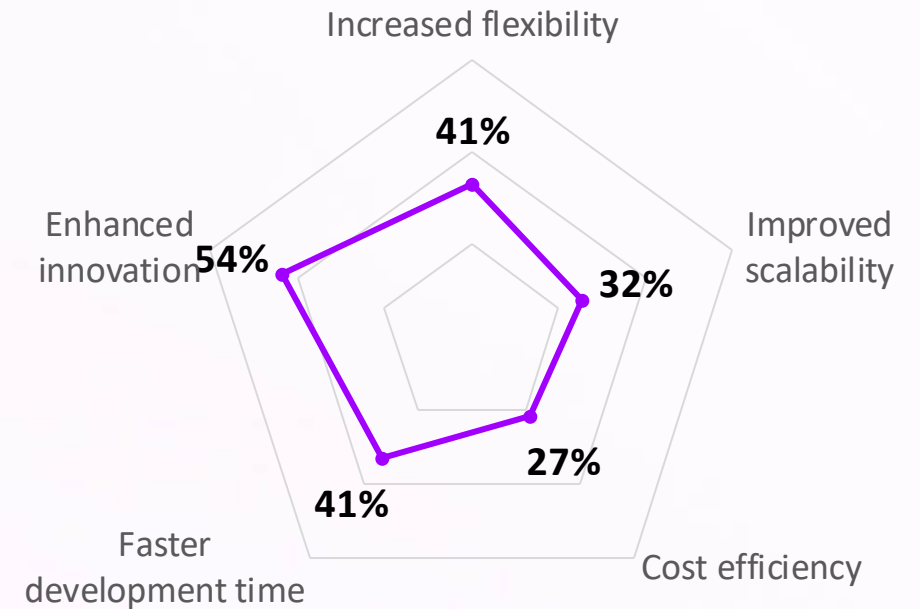
Technology Vision 2025 Executive Survey, MedTech N=85. (Agree Net = Agree/Strongly Agree)



# Moving from automation to creation

AI models will not just deliver automation on top of existing business processes, but can create new processes, workflows, and software.

- MedTech executives report several ways AI agents would benefit their organization's digital architecture, enhanced innovation (54%), increased flexibility (41%) and faster development time (41%).

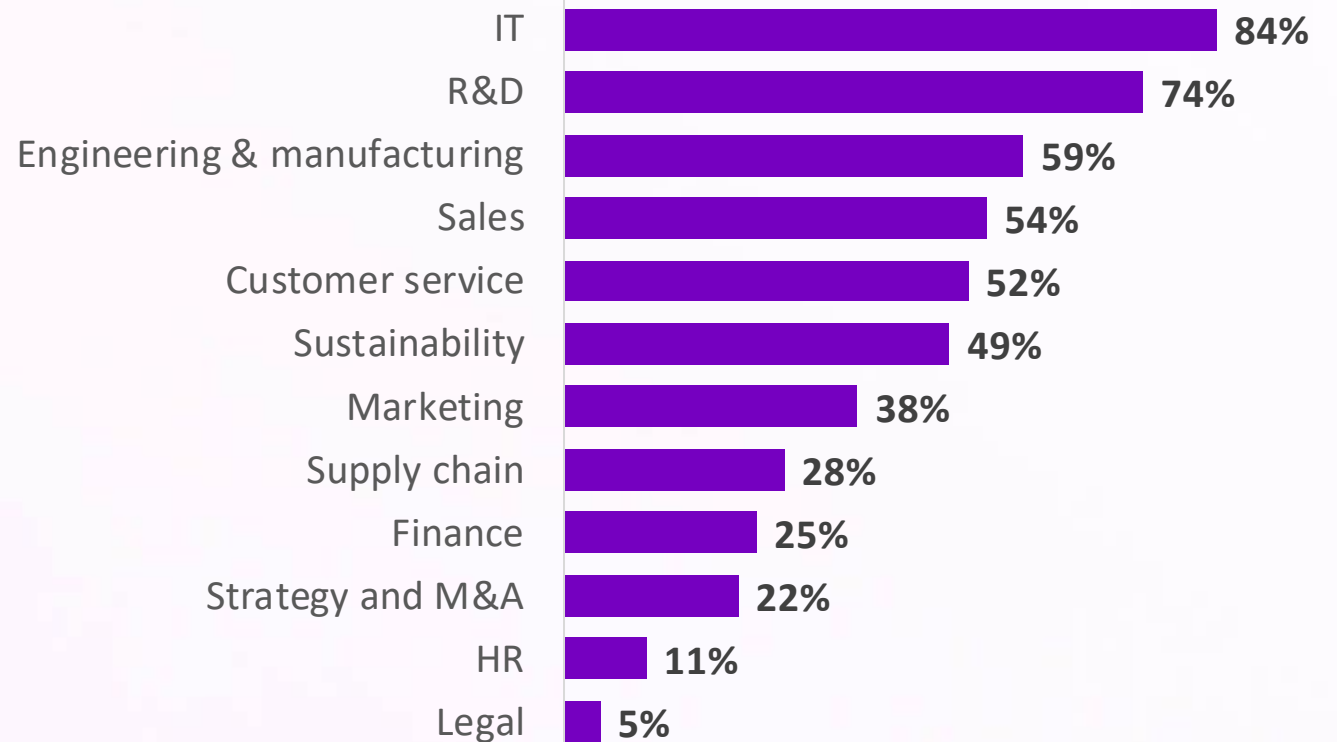


In which of the following ways would AI agents benefit your organization's digital architecture?



## Broad applicability of AI agents across functions

Medtech executives anticipate the parts of their organization being the greatest users of AI agents in the next 3-5 years as: IT, R&D, Engineering & manufacturing, Sales and Customer service.



What parts of your organization do you anticipate being the greatest users of AI agents in the next 3-5 years?

# Recap: Strategic pivot in response to changing market dynamics



Creating new opportunities for all MedTech segments to move upstream in the patient care pathway



Disrupt the MedTech Value Chain model by automating, augmenting, and reinventing traditional workflows



Disrupt the traditional product portfolio with new smarter connected solutions



Promoting a shift towards modern, less infrastructure dependent business models



Reinventing product portfolio to benefit broader care continuum solutions



Creating dynamic and flexible business processes informed by real-time data

A photograph showing the back of a person's head and shoulder in the foreground, wearing a white shirt. They are holding a black handheld microphone with a gold band. The background is a blurred crowd of people, mostly wearing blue and white shirts, suggesting a large gathering or event.

Panel discussion