



Preparing for Partnerships: Hyperscaler Strategy

***About the authors:** Bill Siren, Sarah Wiley, and Bill Laughlin are leaders within Deloitte's Health Care Strategy & Analytics practice. This editorial represents their perspective on how health care leaders should approach building partnerships with hyperscaler technology companies.*

Partnerships with hyperscaler technology companies have become increasingly prevalent in the health care industry. While these partnerships are diverse in terms of objective, many are grounded in leveraging data analytics and tools to mine insights from the troves of health care data generated daily. One example of a recent partnership is Mayo Clinic's partnership with Google. By leveraging Google's natural language processing tools and capabilities, Mayo Clinic can more accurately and efficiently structure patient data from electronic health records. The structured data allows clinicians to more easily search and analyze the data, and these capabilities make it possible for the hospital to find ideal patients for clinical trials and run prediction tools to identify patients at higher risk for diseases early on.¹ For Mayo Clinic, the 10-year partnership with Google is designed to be "the cornerstone of its digital transformation" and will bring together providers and consumers in a way that will redefine health care delivery.²

As exemplified by the Mayo Clinic-Google partnership, these collaborations hold the potential to impact patient care and outcomes significantly. However, many health care leaders are hesitant to partner with hyperscalers due to difficulty differentiating the "noise" from true value creation for both patients and the health care organization. To realize real

impact and growth from hyperscaler partnerships, health care organizations must build an intentional hyperscaler strategy before they begin the process of evaluating and selecting partners.

Overcoming Collaboration Obstacles

Collaborating with partners, especially those on the periphery of health care, has historically posed challenges as there will likely be differences in culture, strategy, knowledge base and approach as well as legal and risk barriers. The following two considerations are critical to overcome traditional collaboration barriers.

Building trust

Partnerships can only deliver to their full potential if trust is present between the organizations. If this isn't achieved, there is risk of both organizations operating with a competitive mindset. Leaders can establish trust by relaxing the historical norms of partnerships (e.g., leveraging negotiation tactics, fixation on lowest price, etc.) and moving away from a customer-vendor dynamic.

A healthy partnership dynamic often involves openly sharing each partner's individual strategic objectives and establishing shared goals and intentions. Health care leaders can also demonstrate trust by reducing the "red tape" around their data to allow room for collaboration and creativity. This must be balanced with protecting data assets as it is critical for organizations protect PHI and remain compliant with health care data and privacy laws. Leaders should identify where they can eliminate unnecessary processes that may cause bottlenecks in the collaboration process, while ensuring compliance and data security.

Accepting that hyperscalers are not health care experts

A common source of hesitancy around hyperscaler partnerships is their lack of health care expertise. However, it is important for organizations to remember that they are not partnering for health care expertise, but rather the hyperscaler's technology and data expertise as well as industry-leading tools and resources. Still, it is crucial for organizations to spend time educating their hyperscaler partners around foundational health care knowledge prior to solutioning. Additionally, since every hyperscaler has its own strengths, health care CSOs may benefit from orchestrating an "ecosystem strategy" that utilizes multiple partners to fill various gaps and drive innovation.

Lessons Learned from Health Care CSOs

Conducting due diligence with potential partners and shifting focus away from near-term financial returns are two key lessons learned from health care CSOs who have implemented multiple successful hyperscaler partnerships for their organizations.

Due diligence when selecting partner(s) is crucial for setting the stage

A prerequisite to a successful partnership is spending significant time evaluating potential partners to see if they might be a good fit for collaboration. CSOs have reported that they have spent close to a year in the due diligence process. Some attributes to consider include a partner's technical expertise, talent capabilities, health care expertise, and operating model. During due diligence discussions, it's important to involve the whole team to the table, including technical teams and functional SMEs, as these stakeholders can demonstrate an organization's expertise, capabilities, and talent. Since these stakeholders will be heavily involved in the partnership, it is important to align all parties on the vision and path forward.

Shift focus away from near-term financial returns

Often, the top priority for partnerships is working towards immediate profits, however CSOs have realized they cannot expect short-term financial returns from these longer-term engagements. These partnerships are anchored on the development of transformational assets aimed to reshape the consumer experience and enhance organizational operations. Although these initiatives should focus on long-term impact, it's also important to continue to track and identify whether progress is being made. When progress is slowing or stagnant, that may be a sign to pivot to another initiative, or temporarily pause and evaluate the approach.

Conclusion

The speed and resources that hyperscalers provide can help health care companies advance their strategic agendas. Partnership strategy should focus on working with a diverse set of partners with ranging expertise and strategic goals and building trust with those partners. In all partnerships, companies should measure success and ensure outputs of the partnership are impacting employees and consumers positively.

Please reach out to Bill, Sarah, or Bill with any questions.



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Sources:

1. [Mayo Clinic Assessing Google AI Tool as It Seeks More Insights From Patient Records - WSJ](#)
2. [Mayo Clinic, Google Partner On Digital Health Analytics \(forbes.com\)](#)

