



KPMG 2023 CCO Survey

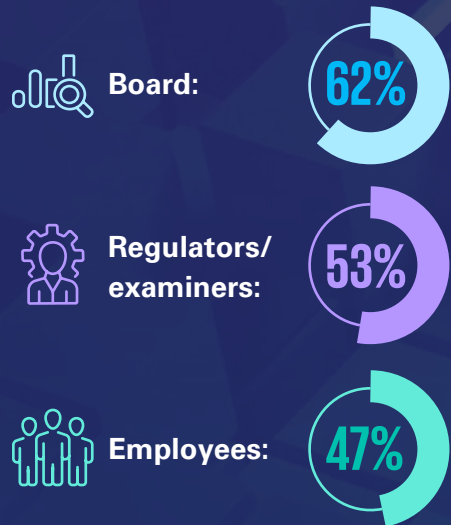
Healthcare & Life Sciences

The KPMG 2023 Chief Ethics & Compliance Officer (CCO) Survey explores how 240 CCOs from some of the world’s largest companies (>\$5 billion in revenue) across six industries are adapting to new global challenges and evolving risks. CCOs in Healthcare & Life Sciences (HCLS)—a sector with two interdependent segments—are largely focused on navigating ever-changing regulatory expectations and ESG initiatives, as well as prioritizing better protections for cybersecurity and data privacy.

Compliance pressure builds

Much like the majority of CCO respondents across industries, participants in HCLS say they feel the most pressure from their boards.

Top drivers of pressure in HCLS:

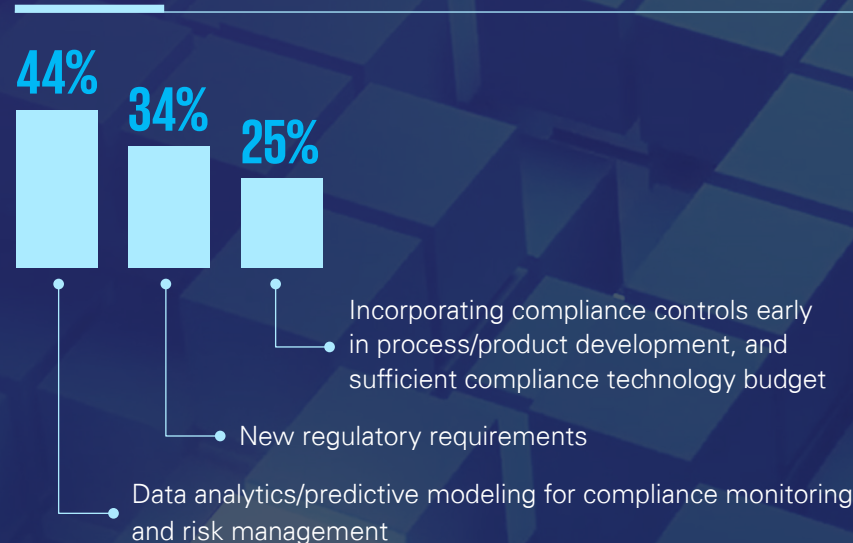


Challenges on the horizon

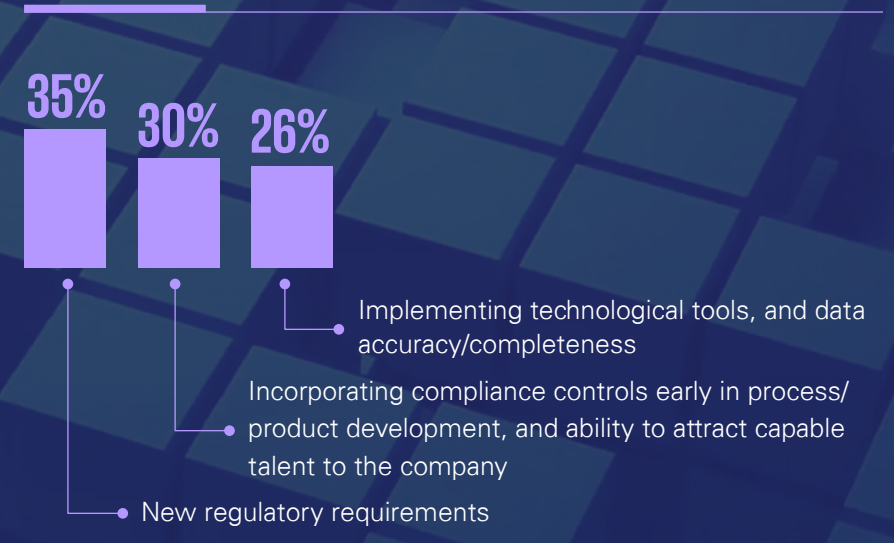
Like other industries, new regulatory requirements top HCLS CCOs’ list of compliance challenges over the next two years. Among key challenges, they frequently mention the need for adequate resources for data analytics and technology tools, however HC and LS have very different responses in this area.

Top challenges in HCLS:

Healthcare



Life Sciences

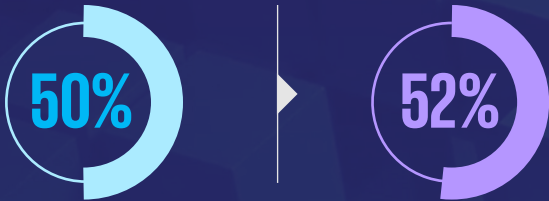


Top areas to improve

Over the next two years, like most sectors, HCLS CCOs say industry-specific regulations are the most important processes they plan to improve. Clearly, third-party risk is a focus for LS, given their dependencies on global supply chains, while consumer protections are a focus for HC.

Top areas to improve in HCLS:

Industry-specific regulations



Cyber/information protection and consumer protection



Third-party risk management

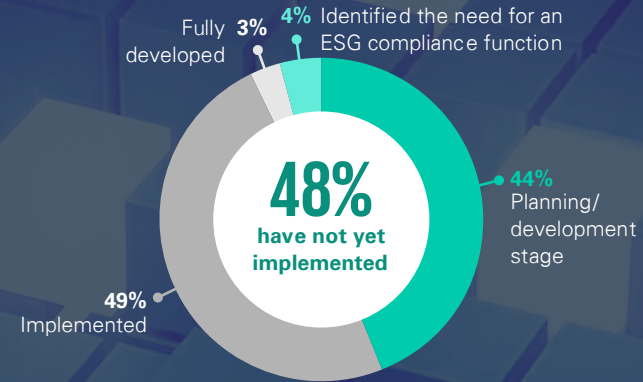


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ESG: A work in progress

HC organizations are ahead of LS and most other industries when it comes to the maturity of their ESG compliance programs. This is not surprising because ESG practices are inherent to the core values of many HC companies.

Maturity level of ESG programs in HCLS:



Bigger budgets for technology needs

Most CCOs have their sights set on technology and data analytics as the top compliance activities to focus on enhancing over the next two years. The majority of HCLS CCOs expect their technology budgets to rise, with additional funds intended for technology in ethics and compliance functions:

HCLS respondents:

65%

Increase

35%

Stay about the same

HCLS respondents:



Cybersecurity and data privacy protections

53%



Data analytics

50%



Process automation

50%



“The majority of respondents in this survey stated that compliance is a board directive as organizations across the healthcare ecosystem need to proactively monitor and control risks pertaining to cybersecurity, patient data, access management, and third parties. By investing in advanced technologies, data analytics, and automation, these industry leaders can better manage compliance-related risks.”



Ash Shehata
National Healthcare and Life Sciences Leader, KPMG LLP

Automation

More and more, HCLS businesses are looking for opportunities to automate. But even with bigger budgets, there are still multiple obstacles in the way before automation can be widely implemented.

Top areas automated over the past two years in HCLS:

Healthcare

63%

Risk assessments Monitoring and testing

Life Sciences

61%

Risk assessments Monitoring and testing

What should HCLS companies focus on?



Boost retention in tight labor markets by providing meaningful, customized learning programs for compliance teams to advance technology skills and prepare younger generations with operational and industry knowledge needed.



Secure executive support to invest in advanced technology, data analytics, and automation that offer holistic views to monitor and manage compliance-related risks, and train employees to use these tools so they are prepared to help minimize compliance risks.



Take advantage of current HCLS industry consolidation opportunities for companies to modernize compliance technology and advance capabilities.

The KPMG Chief Ethics & Compliance Officer Survey is conducted bi-yearly to explore the priorities and two-year outlook of CCOs from some of the largest organizations in the world. Their responses offer valuable insights into key areas of ethics and compliance across six industries: Healthcare & Life Sciences; Financial Services; Industrial Manufacturing; Consumer & Retail; Technology, Media, & Telecommunications; and Energy, Natural Resources, and Chemicals.

Read more about the overall survey findings at read.kpmg.us/CCOSurvey.

Workforce worries

Most CCOs anticipate increasing their headcounts over the next 12 months, despite talent shortages. HCLS segments have very different ideas about future headcount—likely due to HC's struggle with retention.

The number of full-time employees over the next year will:

Healthcare

47%

Increase



Life Sciences

70%

Increase



53%

Stay about the same



26%

Stay about the same



0%

Decrease



4%

Decrease



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