

Mapping digital benefits and costs to help boards prioritise funding decisions

The value of digital transformation can sometimes feel opaque to board members. To allocate resources effectively, it's worth understanding what things really cost, what sort of benefits to look out for and how best to understand how these benefits are realised.



This briefing is designed to help boards frame their discussions to make better informed investment decisions and draws on the key messages from the recent Healthcare Financial Management Association (HFMA) report,

Making a difference with digital technologies: identifying and evaluating benefits.

1

Understand the different costs of digital investments

Understanding the funding sources: e.g. is the funding **capital or revenue**? Does this align with the accounting requirements for the new investment?

Running the operation: e.g. support desks, breaking and fixing things, standard service delivery.

Essential investment and renewals: e.g. software upgrades, reducing running costs, new hardware.

Digital developments: e.g. digitising paper-based processes, EPR optimisation.

Harnessing advanced technologies: such as population health management tools and artificial intelligence.

2

Categorise benefits

Making the case for digital investment means recognising a broad range of benefits:

Qualitative benefits: e.g. improved safety, **patient outcomes** and staff/patient experience.

Cash-releasing benefits: e.g. switching off legacy technology and **efficiency savings** from pathway redesign.

Non-cash releasing benefits: e.g. **freeing-up of staff time** that can then be reallocated.

Wider societal benefits: e.g. **reducing carbon footprint**, local economic benefits, addressing health inequalities and equality, diversity and inclusion measures.

3

Measure success

Identify metrics that are specific, **measurable**, robust and focused.

Capture and track progress through **established evaluation frameworks** and impact tools. Ensure they drive continuous improvement and iterations by **going to see** it being delivered.

Share successes and communicate outputs in the context of outcomes and user needs.

Don't lose sight of improvements. This can be challenging particularly when certain benefits require measurements **over a longer period of time**. The **Wachter review** suggested cost savings may take ten years or more to emerge.

Questions for boards

- How can you better understand the problem you want digital technologies to solve?
- What benefits were you expecting? What other benefits or consequences should be considered?
- What measures will let you know if digital transformation is successful? How do you know what's working, what's not and what needs changing?
- Does the business case differentiate between outputs and outcomes?
- Is the organisation appropriately resourcing all aspects of the digital portfolio?
- What can you learn from your previous digital investment programmes or programmes at other trusts?

Without a clear understanding of the problem at the outset, there is a danger that poor investment decisions will be made, and the benefits of digital technologies will not be realised.

EMMA KNOWLES,
POLICY AND COMMUNICATIONS DIRECTOR, HFMA

Linking benefits to the value agenda is key. With the constrained workforce environment, it is important to emphasise the non-cash releasing benefits and their impact on capacity just as strongly as the cash releasing benefits.

ALEX GILD, DEPUTY CHIEF EXECUTIVE,
BERKSHIRE HEALTHCARE NHS FOUNDATION TRUST

Finding out more

This briefing, developed in partnership between the HFMA's [Delivering value with digital technologies](#) and NHS Providers' [Digital Boards](#) programmes (both of which are supported by Health Education England and NHS England), is the fourth in a series to capture insights and actions boards have committed to take to improve their collective ownership of the digital agenda.

- **Read** the full HFMA paper [Making a difference with digital technologies: identifying and evaluating benefits.](#)
- **Read** the HFMA paper [Accounting for digital technologies: looking at the detail.](#)
- **Read** our [Digital Boards leadership guide series](#) that cover topics such as digital delivery, making technology decisions, digital strategy, building digital teams and digital leadership.
- **Read** NHS England's [Who pays for what](#) proposals.
- **Visit** our [knowledge hub](#) for blogs, case studies and other board resources on digital transformation.
- **Join** our [Digital Boards leadership network](#).