

Selling the Vision: How to get funding and support for IT projects



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CHIME CIO Focus Group October 2006

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Alignment of IT Strategic Plan with Organizational Strategies

- ◆ Do you have an organization-wide strategic planning process?
- ◆ Who is involved?
- ◆ How often is the strategic plan updated?
- ◆ How is it utilized when making decisions?



Building Support for the IT Plan

- ◆ Who do you need to convince?
- ◆ Is it always necessary to have consensus?
- ◆ Does organizational culture affect your approach?
- ◆ What role does the CFO play? The CEO?
- ◆ What is the impact of past performance?



Example of Past Project Benefits Summary

Cash from reduced rejections:	\$ 583,444
Cash from lower bad debt:	\$ 1,574,145
Net decrease of 25 FTEs:	<u>\$ 1,011,000</u>
Gross annual benefit:	\$ 3,168,589
Project annual cost:	<u>\$ -965,263</u>
Net annual benefit:	\$2,203,329



How Do You Build or Maintain Credibility?

- ◆ Governance
- ◆ Steering or advisory committee
- ◆ Planning processes
- ◆ Shared incentives
- ◆ Joint management meetings
- ◆ Issue reporting system
- ◆ Internal user group meetings
- ◆ Team building exercises
- ◆ Other?



Show Me The Money...



What Really “Sells” a Project?

- ◆ High-level factors
 - ❖ Patient Care
 - ❖ Competitive Advantage
 - ❖ Profitability
 - ❖ Strategic Initiative
- ◆ What if a culture change is needed?
- ◆ Do you need to identify more specific benefits?



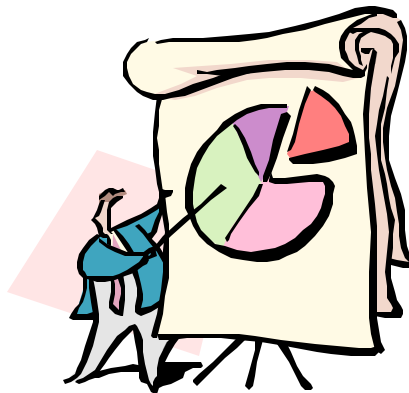
Which of These are Most Important?

- ◆ Reduce medication errors
- ◆ Transcription savings
- ◆ Reduce administrative costs (copying, etc.)
- ◆ FTE reductions
- ◆ Physician retention
- ◆ Formulary compliance
- ◆ Nurse efficiency
- ◆ Improve cash collections
- ◆ Patient satisfaction



Return on Investment (ROI)

- ◆ When is an ROI required?
- ◆ Who puts it together?
- ◆ How do you compare the ROI to actual results later on?



Example ROI

EMR Financial Analysis

Costs	Startup	Yr 1	Yr 2	Yr 3	Yr 4	Total
Hardware costs (internal)	7,000	1,750	1,750	1,750	1,750	14,000
Software license/maintenance fees	52,152	9,387	9,669	9,959	10,258	91,425
Total Costs	\$ 59,152	\$ 11,137	\$ 11,419	\$ 11,709	\$ 12,008	\$ 105,425

Potential Savings	Startup	Yr 1	Yr 2	Yr 3	Yr 4	Total
Savings in nurse time		18,000	18,000	18,000	18,000	72,000
Savings in physician time		24,000	24,000	24,000	24,000	96,000
Total	\$ -	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000	\$ 168,000

Net Results	Startup	Yr 1	Yr 2	Yr 3	Yr 4	Total
Costs	59,152	11,137	11,419	11,709	12,008	105,425
Savings	-	42,000	42,000	42,000	42,000	168,000
Net Savings/(Cost)	(59,152)	30,863	30,581	30,291	29,992	62,575
Cumulative Savings/(Cost)	(59,152)	(28,289)	2,292	32,583	62,575	

ASSUMPTIONS

	FY04	FY05	FY06	FY07	FY08
Total physician time savings in hours per year (all FTE's)		320	320	320	320
Total nurse/staff savings in hours per year (all FTE's)		960	960	960	960
Number of FTE's using system		4	4	4	4



Product or Vendor Selection

- ◆ Who makes the decision?
- ◆ Which factors are most important?
 - ❖ Functionality or capability
 - ❖ Fit with organization (culture, strategy, etc.)
 - ❖ Previous experience with organization
 - ❖ Reputation
 - ❖ Price
 - ❖ Other?



Thank you for joining us!

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