



HEALTH

## POINTS TO CONSIDER

### Is Your IT Strategy Failing You?

Health systems are going through a period of dynamic change. New business models and nontraditional partnerships are forcing organizations to look for better ways to deliver innovative capabilities faster and more efficiently, and value-based care is driving health system leaders to focus on outcomes.

It should be the golden age of innovation in health delivery, with IT providing the platform for change — yet it isn't. Despite additional investments in technology, most healthcare organizations are seeing IT fall short in articulating and driving meaningful change. Many are entering 2017 with IT focused largely on operational or tactical improvements. Some may be dabbling in virtual care or implementing telehealth; but it is against an enabling — rather than a strategic — framework. Orchestrating that change starts with thinking strategically about IT: how it supports business innovation, how investments align with corporate initiatives and collectively, how IT provides tangible value.

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#### ***In Name Only***

The challenge with many IT strategies is that they are “strategies” in name only. They are not actually strategic. For example, instead of having an articulate vision and roadmap to achieve virtual care delivery, organizations have a departmental IT blueprint focused on upgrades, enhancements and investment decisions.

There are several telltale signs that an IT strategy will fall short of being strategic:

- **The destination is unclear and is not innovative.** Many IT strategies make a high-level reference to supporting the company vision or mission statement. There may be wording about the need to support MACRA requirements, a facility expansion or population health initiatives. Yet, there is little narrative on *what* the organization will be like, should all go as planned. Even if all the identified goals are achieved, the health

system will not have made meaningful change or be any closer to digital transformation. Does this plan exist just to prioritize tasks?

- **Resources are focused on today’s work.** Rather than proactively allocating staff to innovative solutions, the majority of IT staff are committed to supporting and maintaining current systems. The remaining staff and budget are often applied to dozens of smaller, independent “to-do” requests focused on satisfying near-term departmental needs.
- **The plan shows limited flexibility – and almost too much certainty.** Virtually all the annual IT funding and staffing are mapped to operational support or pre-defined projects, with little to no contingency budget reserved for unforeseen opportunities or innovative projects. Project plans are limited to technologies that are already widely available rather than also planning to incubate new ideas.
- **The value from IT is unknown.** Health systems leaders do not know how IT is providing value to the organization. There may be vague success metrics like “improving patient satisfaction,” with unknown accountability. Individual projects are often framed in terms of the underlying technologies (e.g., ACME software migration to version 2.5) rather than presented as a means to address business problems and drive meaningful change.

Such signs typically indicate the IT strategy is failing your organization. It is uninspiring, misfocused and ineffective at driving real change. Instead of a “plan” focused on defining IT initiatives, a true IT “strategy” is needed that articulates how IT initiatives will support operational priorities.

### Is Your IT Strategy a True Strategy?

The differences between an IT plan and an IT strategy are evident when considering this litmus test:



**IT Plan**



**IT Strategy**

	<b>IT Plan</b>	<b>IT Strategy</b>
IT “Vision” <b><i>focused on...</i></b>	Addressing today’s to-do list	Articulating the destination via innovative use cases
Project portfolio <b><i>defined by...</i></b>	Independent departmental requests	Achieving transformative company vision
Proposed technology investments...	Are proven and in widespread use	Contain some pragmatic inclusion of innovative technologies/process
IT resources largely <b><i>committed to...</i></b>	Operations/maintenance and tactical projects	Innovative and transformational business needs
Outcomes <b><i>defined by...</i></b>	Budget conformance	Tangible business value

## ***New Business Models Require New IT Thinking***

The following recommendations will help your organization demonstrate out-of-the-box thinking and create a true IT strategy:

- **Be different!** Create a bold, compelling and well-articulated vision for key stakeholders, including physicians, patients and consumers. Take a voice-of-the-customer approach and define use case scenarios for each stakeholder group. For example, determine how customers will easily schedule and visit a clinician in the same day, regardless of care modality (e.g., office visit, virtual care visit or hybrid). Define how a physician might stay within three clicks of any patient. For each scenario, determine how IT services will support changing needs over three, five and ten years.
- **Align efforts to the business imperatives.** An IT plan will identify how IT can support existing business initiatives, but an IT strategy can directly drive strategic imperatives forward. If the organization's strategy is to deliver the best service in the region, how can IT enable virtual care? If a strategic imperative is to stem losses in retail operations and grow market share, is there value in IT improving customer relationship management tools?
- **Articulate business value and organizational outcomes.** IT plans often measure success in terms of achieving defined service levels for projects and ongoing operations, but your IT strategy should tie success metrics directly to strategic objectives as well. IT service levels should be defined across a dozen or so major metrics for both projects and ongoing IT operations. Metrics should tie directly to strategic objectives.
- **Reallocate resources accordingly.** IT plans allocate resources primarily to known operational support areas and in-flight projects. Your IT strategy should focus resources on achieving the IT vision, which is directly tied to the organizational strategy. The second highest resource priority should go to defining and maintaining service operations - keeping the lights on - followed by everything else. To keep the right resource balance, consider changing service levels before cancelling or delaying strategic initiatives.
- **Plan for innovation and uncertainty.** Your IT strategy should proactively address both what is possible and what is unexpected. Fund innovation labs to drive vendor interoperability and consumer enablement. Identify key technological innovations, their potential organizational impact, and their likelihood of being developed. Set aside a meaningful portion of your budget and resources to address both.

There is value in both IT plans and strategies. Which approach your organization takes is based on organizational leadership, culture and priorities. New business models clearly require new IT thinking. How your IT strategy enables — or leads — that thinking is up to you.

## **For More Information**

Please contact us to discuss your organization's IT strategy.



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