

# Healthcare Technology Project Ownership

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## A B S T R A C T

*Hospitals have great expectations that technology will address their critical strategic issues. However, obtaining satisfactory results—or having confidence that it can be done well—has been a challenge. Most hospital executives acknowledge that success is not primarily a matter of whether or not the technology is capable of performing required functions; rather, it is a matter of whether people will use the new technology to improve performance. While care delivery, patient safety, and hospital margins stand to gain from the increased use of automation and electronic information, these are not actually technology projects. Instead, these are process breakthroughs that are enabled by technology that yield performance improvements. Hospital clinical and administrative leaders own the results and must take active ownership of projects. This paradigm shift begins when project sponsors have a clear understanding of their role in technology-based change initiatives.*

## K E Y W O R D S

- Technology
- Implementation
- Executive sponsorship
- Change management
- Process improvement
- Project management
- Business process
- Business practice
- Chief information officer

### Introduction

Consider the contrast between a strategic project for a commercial enterprise and a major initiative in a health system. In 2002, a major national cable television company sought to change the entertainment and information industry. By acquiring a major Internet provider and introducing significant online products, the *Fortune* 50 company was leveraging technology as a critical component of its strategy. However, Information Technology did not drive the project. Instead, the key business stakeholders collaborated to build the right solution and ensure that the results had the intended effect.

To support the effort, the company's technology team made significant contributions. They pushed beyond their

existing knowledge base and provided responsive solutions, but this was toward the end of implementing a business strategy. In the end, the company converged cable and Internet ahead of competitors and in line with consumer adoption rates, grabbing critical market share. Regardless of the central role of technology innovation, ownership had to reside with the business.

By comparison, the typical hospital will take a much different approach to such an opportunity. CEOs look to IT as a solution to address or mitigate the challenges associated with strategic position, reimbursements, margins, access to capital, patient safety, patient satisfaction, and capacity.<sup>1</sup> With increased national policy attention, technology advancements, and the emergence of standards

and patient safety initiatives, the number of information technology change initiatives will only increase.<sup>2</sup>

However, information technology assumes a lead role in these projects because the solution has strong technology implications, and IT is the functional area with experience in projects and systems innovation. Thus, the structure and culture of the health enterprise shifts the responsibility for delivery to an enabling support area, moving it away from the primary stakeholder. This is why CIOs, when asked in a recent CHIME CIO survey to assess reasons for project failures, listed lack of sponsorship and insufficient staff acceptance as the biggest issues.<sup>3</sup>

Healthcare must make a paradigm shift regarding ownership of major technology implementations. However, it is not enough to merely understand the concept and assign an executive sponsor. To maximize the effectiveness of technology-enabled solutions, hospitals must embrace the concept that implementation is not primarily mechanical and technical. Instead, achieving the desired results depends on understanding implementation as a combination of three disciplines: project management, organizational change management, and business process improvement. This concept will highlight that ownership or sponsorship, central to each and critical to success, is missing. Decisions, plans, and actions about the product, business process, resources, and required direction must come from the executive with the most “skin in the game.”

Business and clinical leaders can learn how to be an executive sponsor. Hospitals must ensure that this ownership and sponsorship is “hard-wired” through policies and business practices to enable successful implementations of strategic and enterprise-wide technology initiatives.

**Problem**

IT ownership of technology-centric initiatives is misplaced because the technology team cannot make important decisions about function, quality, and priorities for user groups. An owner, alternatively referred to as an executive sponsor, with limited influence on affected processes and associated staff, is significantly handicapped in the ability to direct and control action. When challenges and obstacles arise, the IT department does not have the proper capability or urgency to deliver quick resolution.

Changes in business process and practices require direction and decisions from the physicians, nurses, and administrators who must work with the tools that will accelerate their practices. But, because of the lean staffing model used in hospitals, health and business leaders often are not available to actively participate. In many healthcare organizations the ownership of a major initiative is not the result of a deliberate decision, but rather a default to the IT organization.

**Solution**

The solution to this problem is designating a single person—the owner—who is accountable for delivering results. An important concept involving ownership is the definition of accountability. The sponsor can be accountable only if he or she is responsible for the results and has the authority to make the decisions and actions to enable these results.

In addition, the owner must have the ability to direct the process and staff changes needed to implement an initiative. The ideal owner is the stakeholder most affected by the changes associated with an initiative. Healthcare technology project ownership involves having the right leader doing the right activities to deliver the appropriate changes that will take hold and yield results. Healthcare IT projects need clinical or administrative executive sponsors with a compelling case for delivering results.

Hospitals should focus on four key aspects or principles that enable clinical and administrative ownership:

- Project sponsors own the initiative from selection to completion.
- The role of the sponsor includes several specific concepts. Project sponsors provide the guidance and support for the team to plan, organize, and execute the project.
- Implementation includes the convergence of change management, process management, and project management.
- Owner participation and activity must be hard-wired into the process.

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**Project and Owner Selection**

Project selection is intrinsically tied to the selection of the owner or executive sponsor. The ideal owner is the stakeholder who is most affected by the change associated with the initiative, either by function or outcome. Ownership activity starts with inclusion in the project-selection and decision-making process.

Assume each initiative being considered for selection has met the criteria of being suitable, feasible, and acceptable with respect to the organization’s mission, strategic plan, timeline, and budget. Each sponsor makes a case for a project among competing priorities. This requires a commitment to and focus on outcomes, which will create the momentum needed to sell and manage the change. It is the exception, not the rule; the leading outcome is truly a technological advancement.

Projects can fail in several ways. An effort may exceed the initial budget or timeline. The technology may fall short of expected benefits. Performance may be interrupted during implementation. The staff may reject new workflows or systems. The project owner must be in a position of influence to be able to take action and make decisions to avert these problems.

A good sponsor will be able to articulate the impact of the change initiative and the benefits to the organization. In addition, the owner has first-hand understanding of the decision-making criteria used for selection and the expected benefits. Both of these are important because the owner is also selling the project to the constituents who may need to adjust their workflow. A deliberate decision regarding the initiative's owner adds to the legitimacy and sense of urgency for change, which is necessary to get the organization behind the project. When the owner or executive sponsor understands expectations about intended project results, he or she can commit to the responsibilities and seek adjustments to their authority to establish full accountability.

**Role of the Executive Sponsor**

The role of the executive sponsor or owner is neither simple nor passive. According to an MIT-Sloan Management Review article, there are six silent killers to implementation.<sup>4</sup> The central theme of these silent killers is poor project leadership and communication, generally because the sponsor does not understand his or her function.

The role of the sponsor is to determine the possibilities and opportunities for success, set the proper expectations about outcomes, guide and support all project activity, and overcome obstacles that impede progress towards full

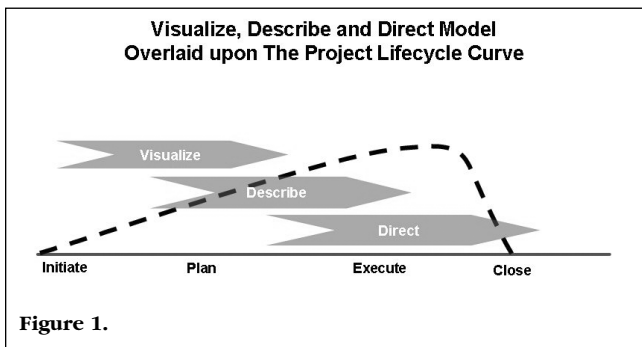
implementation effort. The central concept behind the model is that leaders should develop a vivid picture of the intended results before taking action. A sponsor versed in this approach will see a moving picture of how the project will play out in various components, communicate what he or she envisions, and then direct the appropriate resources and work effort towards that end.

The use of the model increases the effectiveness of the owner by providing timely, focused involvement throughout the lifecycle of the project. The role of the owner can be derived from this model, which implies building cross-functional and vertical integration, removing obstacles, driving accountability, providing sponsorship, staying engaged, and making critical decisions.

Before applying the Visualize, Describe, and Direct model, the owner must assess or analyze the initiative to determine what is possible and the extent of the effort required to realize the benefits. The owner must consider the business requirements, specified and implied tasks, risks, and required resources. This analysis could involve a simple mental exercise or a formal effort by which the owner is able to refine the objective and identify the key tasks, and it should precede nominating the project for selection.

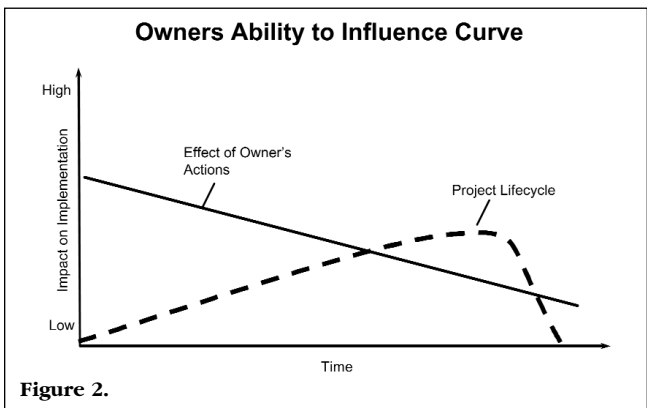
The owner then visualizes the flow of the project. Based on the analysis, the owner must mentally picture current conditions in terms of the organization, process, external environment, as well as what the initiative can achieve and what must be done to get there. In addition, the owner must visualize the end-to-end process implications and the level of effort required.

In the Describe step, the owner provides guidance to the project manager, including giving the team the task of



implementation. This involves the active participation of the sponsor, but the process is most successful when the sponsor empowers the team to act. The critical function, then, becomes solid guidance and direction to the project team. One very successful tool to help in this role is the "Visualize, Describe, and Direct" model used by the U.S. Army,<sup>5</sup> as shown in Figure 1.

The Visualize, Describe, and Direct model gives the owner or executive sponsor a framework to guide an



developing a more detailed plan. In addition, the owner provides guidance for risk, time, and priorities. Through this step, the project team becomes synchronized with the owner's intent and expectations.

This step directing involves a series of iterative activities that continue throughout the remainder of the initiative. Here, the owner continuously observes, analyzes, and

provides feedback; this comes in the form of guidance, decisions, and approval to the project manager or other functional area leads.

With critical information technology initiatives, the owner has the greatest influence early in the initiative's lifecycle, and the ability to cause change declines significantly as the initiative progresses (see Figure 2). The Visualize, Describe, and Direct model takes advantage of this behavior by prompting early action by the owner.

### Implementation and Management

In IT, the term "implementation" has a technical connotation. In truth, IT customers expect technology to work. Instead, consider implementation as the combination of actions associated with achieving specified goals.

In his 2003 blockbuster book, *Execution*,<sup>6</sup> Larry Bossidy, former CEO of Allied Signal, said implementation is the business leader's most important job and requires active involvement to complete what the company wants to achieve. Bossidy's examples, best practices, and multiple lessons associated with the execution of critical information technology initiatives, each reveal three constant and common elements that run throughout the lifecycle of a project.

Good implementation methods should focus on three areas: creating a quality product that improves the business process, performing the project work efficiently and effectively, and ensuring that the resulting change takes hold in the organization. In terms of recognized disciplines, the sponsor must ensure actions are taken relating to process improvement and management, project management, and organizational change management.

Process management identifies, establishes, and modifies processes that will improve business and clinical performance. Owners who can make changes by tying together multiple business process improvements tend to yield the greatest opportunities and results. The CHIME CIO survey revealed that "the lack of process and IT alignment; inadequate process change" was the most frequent response of those asked to give the reason why their organization was not generating value from IT. "Lack of executive ownership and accountability" was ranked second.<sup>7</sup>

Project management aims to efficiently and effectively perform work activities necessary to achieve project goals. The greatest challenge to a project owner is to organize and prioritize resources based on the objective and current priorities. Good project management skills enable an owner to make agile decisions on scope changes and resource inefficiency, helping to deliver the initiative on time, on budget, and within quality expectations. This is the executive sponsor's most effective tool to enable accountability, and it should be made available by assigning an experienced, skilled project manager.

The third discipline, change management, ensures that

the organization accepts, anchors, and institutionalizes the inherent change associated with the initiative.<sup>8</sup> This element is the most critical at the beginning of an initiative, but it must be applied through the lifecycle of an initiative. It is the owner's responsibility to ensure the key tasks associated with change management principles are delivered.

Implementation failures often are a result of end-users' resistance.<sup>9</sup> For example, Cedars-Sinai Medical Center in Los Angeles aborted its rollout of computerized provider order entry in January 2003 after 400 physicians complained that the technology was too difficult to use.<sup>10</sup>

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Owners who align, synchronize, and integrate the actions associated with the convergence of change management, process management, and project management ensure successful implementation. As the executive sponsor plans, organizes, and executes an initiative, he or she should account for these components.

### Hardwire Owner Participation

Hardwiring owner participation starts at the strategic level with the CEO advocating this concept of ownership, and it then cascades down through the organization. The intent is to create a means or system to ensure proper ownership for all projects, establishing and managing expectations for all stakeholders. This is done through the consistent use of policies, methods, and tools throughout a project's lifecycle. The desired result is to institutionalize the attributes and actions associated with good ownership.

Tactics to build owner participation and sponsorship into the implementation process include:

- Having a formal process for project and owner selection.
- Requiring formal accountability for project results that are tied to ongoing performance metrics.
- Using a disciplined business process to plan, organize, and execute a project with required check-in points.
- Employing a standardized dashboard for reporting progress and status to enable fluid decision-making.
- Having established roles and responsibilities for the executive sponsor, steering committee, project manager, and project team.

Experience, organizational maturity, structure, and culture

are key determinants for the ease and extent of embracing these tactics. In addition to shifting accountability, building the capability involves internal process development, staff education, and practice. The most difficult part of creating broad sponsor participation is not the selection or creation of the policies, methods, and tools; it involves gaining the buy-in (the change management) of the organization. Over time, these tactics will become the norm, institutionalizing a higher level of accountability, thus hardwiring owner participation.

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### Conclusion

Technology is an enabler to the clinical and administrative process. The IT department is not positioned within a healthcare organization to handle all the changes required by complex projects. The owner of a change initiative involving technology must be positioned to affect not only the technology but also the changes in the cross-functional process and staff activities.<sup>11</sup> Owner accountability for successfully delivering results is based on staff acceptance and cross-functional clinical and administrative processes working together. Ownership requires having the right person at the right time doing the right activities.

### About the Author

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