

Critical Success Factors for Healthcare Software Implementations



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It is estimated that 78% of projects fail to meet their original objectives. All too often, healthcare software implementations are over budget, late, lacking in functionality or ultimately never delivered. Not because they are intrinsically bad projects but mainly because of poor upfront planning. Project participants become anxious to begin work, organizational leaders want quick return on investment and resources are often limited due to conflicting priorities. You can improve these statistics. The time spent on project planning will directly yield a more successful project outcome.

How many projects can you look back on and say, if I had to do this all over again, I would have definitely planned it differently? Did the organization’s leaders understand the importance of project planning? Despite the scope of the project, physician and administrative leadership must support and encourage the project team to spend time planning the project appropriately. Although this seems to be a very basic concept, it is surprising how many projects are executed without the appropriate levels of project planning. The most common consequences of poor healthcare project planning can be referenced from Table one.

Table One: Consequences of Poor Project Planning

<i>Consequence:</i>	<i>Reason:</i>
Organizational priorities are not met	The project team does not consider the strategic business objectives of the organization, nor do they relate business objectives to how they affect the project.
Over budget	When scope is not clear, scope creep causes the project to go over budget exponentially.
Low team morale	Team is not clear on project objectives and never feels good about the project deliverables.
Confusion among resources	Team chaos when roles and responsibilities are unclear.
High resource turnover	With high performing resources, frustration sets in and eventually the resources that thrive on being productive will ask to move off the project.
Unclear communication	Employees of the acute or non-acute setting are not routinely informed of the project’s status, so the rumor mill and miscommunication ensues.
Missed dates	Critical path, risks and issues are not being managed.
Physician, clinician and business user expectations are not met	End-user requirements and expectations are not considered.

Facilitating the project planning process

In order to be successful in the facilitation of project planning, project physician and administrative leadership must make sure all the project stakeholders are involved and focused on project planning. The first meeting should be used as a summary review of the team’s work. Make sure you have an agenda with time-framed objectives. At your first meeting, review the thirteen project planning guidelines in Table two and receive input from the team for clarification and education. The project planning guidelines in Table two can form the basis for a well-defined and comprehensive project plan.

Table Two: Thirteen Steps to Successful Project Planning

<i>Planning Objective:</i>	<i>Purpose:</i>
1. Business objectives and core themes	Document the primary purpose and goal for embarking on this project. Summarize these objectives with a series of core themes.
2. Scope, approach and assumptions <ul style="list-style-type: none"> • Project scope and approach • Sequencing and milestones • Assumptions • Constraints 	Document a “fence” around the “what, where and when” of the project. This section should include controllable and uncontrollable barriers to the project. This also should outline facilities required for the project team (desks, chairs, phones, software versions, etc.).

<ul style="list-style-type: none"> • External dependencies • Equipment, facility needs and software standards 	
3. Critical success factors	Document the most important items required for project success.
4. Change management strategy <ul style="list-style-type: none"> • Project testing and training plan 	Document how the project team plans to handle the changes the project will bring to the organization or end-user. This is also a great time to start outlining the project testing and training plan.
5. Acceptance procedures	Document how project acceptance is going to be handled (verbal, signature, etc.).
6. Project organization <ul style="list-style-type: none"> • Project resources • Project roles and responsibilities • Organizational map • Organizational structure and responsibilities • Steering committee structure and responsibilities 	Document the “who” within the project. This section includes the project organizational chart, structure and resources.
7. Project communication and control <ul style="list-style-type: none"> • Meeting structure • Status reporting • Issue management • Risk management • Workplan management • Budget reporting • Knowledge sharing • Project calendar • Documentation control • Internal project communication • External project communication • Documenting complaints 	Document the “how” within the project. How will you run your project regarding standards, protocols, processes and procedures for the project management team to follow?
8. Disaster recovery and support plan <ul style="list-style-type: none"> • Disaster recovery • Go-live • Operations 	Document your plan for disaster recovery, supporting the go-live and eventual day-to-day operations of the application being installed.
9. Decision making and escalation	Document the formal project decision making and the chain of command with regards to escalation of issues and risks.
10. Change control procedures	Document how you plan to manage changes to project scope.
11. Performance measurement process	Document strategy for measuring project performance (example being Earned Value Management or EVM).
12. Quality and customer satisfaction	Document strategy to make sure the organization is satisfied with the results of your project. Don’t wait until the project is over before you ask, “did we meet our objectives?” Quality and customer satisfaction must be planned into the plan.
13. Build the project workplan-WBS (Work Breakdown Structure) <ul style="list-style-type: none"> • Activity Definition • Activity Sequencing • Activity Duration Estimates • Schedule Development • Resource Allocation 	Defines the activity, sequencing, duration and schedule using a PMIS (project management information system). Examples being Primavera® and MS Project®.

The project team will be anxious to add or receive clarification on these items. Thoroughly discussing these items with the team is a necessary step. The team’s buy-in is critical to project success. Once the team is committed to the items in Table two, develop a meeting schedule and timeline that meets your project planning objectives with the team. Set up each planning work session via a project calendar and provide the team members with project deliverables (pre-work), so every meeting is productive. Make sure each team member is prepared by providing project status documentation prior to the meeting. This ensures that each meeting builds on the previous meeting, rather than starting from scratch. If time is an issue for preparing pre-work, split the responsibilities among the project team. Keep in mind this is a team effort. Ask each team member to prepare for the planning topic prior to each meeting to productively discuss and then mutually agree on the plan. The primary facilitator of the planning session must keep to the agenda and topic and not allow the discussion to stray too far from the topic. If not facilitated properly, the schedules and/or planning objectives will not be met and the team will become frustrated. Facilitate each planning session in the same fashion until the planning objectives agreed upon at the onset are met. The goal of the last meeting should be to make a final review of your project planning deliverable and provide time for last minute changes prior to submission into your project sponsor for sign-off.

How long should I spend on project planning?

Estimated time allocation for project planning must be outlined by the project team at the onset of the project based on the size and complexity of the project. Typically a good estimate for timeframes will depend on the scope of the project, but scope should not be the only criteria. Although your project may be small or “just a software/hardware upgrade,” you should still plan for the activities in Table two. The common mistake of not following a standard planning process will lead you to become part of the 78% failure statistic. As your organization accepts project planning as common practice, you will start to learn how long planning will take for future projects. Scope, dollar value, complexity and (most importantly) how long decision making takes in your healthcare organization, are all key factors in establishing the first project planning timeline. Table three provides some general project planning timeframes for healthcare software implementations. These estimated weeks in Table three do not factor a 40 hour planning work week. The estimates in Table three factor the reality of time constrained physician, interdisciplinary clinician, financial and administrative schedules. The timeframes below do not support hardware installations, for example, a PACS hardware installation project or a technology infrastructure upgrade. These types of products and services exponentially increase the dollar value of a project and therefore should be treated as an outlier to Table three below.

Table three: Planning Time Frames

<u>Project Size/Scope</u>	<u>Dollar Value (000)</u>	<u>Time Planning</u>
Small	\$50-150	1-2 weeks/40 hrs.
Medium	\$150-500	2-4 weeks/80 hrs.
Large	\$500-1,000 or more	4-6+ weeks/120 hrs.

What are the top three critical success factors?

Having realistic expectations and timeframe are critical success factors for any project. Although projects tend to run over original estimated timeframes within healthcare, advance planning will mitigate the risk of a project taking longer than originally planned.

Involving end users is vital in making sure your project meets their needs. A project that does not consider the requirements of the end-user or, at a minimum, involves those for whom the technology is intended, is bound to fail. Make sure you take the time to solicit physician, interdisciplinary clinician and business management involvement in your project. This small step has the ability to make or break your organizations project investment. Since time is typically a challenge for physician, clinician and business end-users, solicit their time via a project calendar. Work with them off hours or go to their locations of practice in the acute or non-acute setting to make it easier for them to provide input. Keep in mind this is not their primary responsibility, even though they will use the new software. Implementation is the project team’s responsibility.

Executive buy-in is the third key critical success factor in making sure you meet strategic objectives as a project manager. Without support and guidance from executive physician and administrative leadership, your project will struggle to meet its objectives when tough decisions need to be made. As you complete your project plan, present to your executive sponsor, physician and administrative leadership a summary of your project. Meet with them to describe the project plan. Your description need not be detailed, but provide them with a high level outline of your project plan, timeframes, goals, objectives and challenges. This will help you build trust and confidence with the executive leadership team. Remember, communicating, soliciting participation and reinforcing goals and objectives will help the physician and administrative leadership team to provide the highest level of support for your project.

How do we know this works?

We assembled a group of seasoned experts in health care project management and asked them about their experiences in project planning. These project managers had an average of 14 years experience on a total of 127 projects. The average value was about \$1.2 million per project. The average amount of time spent on project planning was 7-8 weeks for projects that met their clients’ expectations. However, on projects that failed, less than 4 weeks were spent on project planning. All of our panelists agreed that project success was mainly due to the amount of time spent on project planning. In almost all cases, when a project failed, it was partially due to insufficient time being devoted to project planning and the fact that project planning guidelines were not followed. In addition, success was also attributed to executive buy-in, having change control processes and end-user involvement. Projects also failed because of a lack of executive and end-user involvement. It is clear from this small group of project leaders that management, customer involvement and project planning are critical factors in project success.

What can you do to improve your chances of success?

First, follow the lead of our panel of experts. Gain physician and administrative commitment to the project and ensure that enough time is spent on project planning. Ask yourself the questions in Table four to benchmark how your project plan stacks up against our recommendations. Use these questions as a pre-planning checklist to test whether or not your projects have a high probability of success. If you answer *no* to any of the questions in Table four, it would make sense to follow-up on those areas and spend more time on planning.

Table four

<u>Question</u>	<u>Yes or No</u>
1. Do I have executive involvement or a project sponsor updated and involved with my project?	
2. Have I documented and mutually agreed upon scope?	
3. Have I documented project activities? What project management information system (PMIS) are you using? (e.g., Microsoft Project)	
4. Have I documented the resource schedule?	
5. Have I outlined a budget?	
6. Do I have a written training and testing plan?	
7. Do I have a written quality plan? Where is it located and do the project resources have access to it?	
8. Do I have a written organizational plan?	
9. Do I have a written communications plan?	
10. Do I have a written risk management plan?	
11. Have I documented a change management strategy?	
12. Do I have an accessible (on-line) repository for project documentation?	

Studies by well known Universities, PMI, Gartner Research and Standish Group reveal very similar findings. Poor plans and inadequate planning process consistently make the top ten reasons for project failure, year in and year out. Prior to the start of any project, the team must discuss all project plans and objectives of the project. It makes direct

dollars and sense to step back and give this critical phase of the project increased attention. Don't become part of the project failure statistic, increase the probability of a successful project proportionately with planning time!

If you would like to discuss setting up a PMO, or having a Project Management need, we would be happy to assist you. Please contact Marc Hirshfield at mhirshfield@getvitalized.com or call us at 610-444-1233.