

Effective System Selection

Organizations seek to purchase new health care information systems to meet a number of critical business and patient care goals. These usually include improved financial performance, access to better management reports and patient care data, reduced error rates, regulatory compliance and other significant benefits that justify their dollar investments. However, too often, the goals are never quite achieved and acquisition and implementation costs are far greater than planned. Common reasons for this situation often include:

- ❑ Department-driven system selection processes that do not consider the fit and integration of the system into the overall business and patient care picture.
- ❑ Focusing on what is not working in the current system rather than the pluses and minuses when comparing it to a new system.
- ❑ Infatuation with the “bells and whistles” presented during a system demonstration and not looking carefully enough at the fundamental capabilities.
- ❑ Letting features and functions drive the system selection process without adequate consideration for underlying technology, vendor viability and the IT support required to support the system ongoing.
- ❑ Choosing the lowest priced system without taking into account the costs of customization, maintenance and support that can result in a much higher total cost of ownership.

The following 10 tips for successful system selection can help you avoid these pitfalls and achieve the goals you set for your new information system.

1. Define All Functionality Requirements – Current and Future

When an organization makes the decision to replace an existing information system, almost everyone has an opinion on what does not work within the current system. It is natural to try to find a new system that doesn't have those same shortcomings. However, in the process of evaluating new options, it also is important to recognize the features of your current system that do work very well or that adequately meet your needs. By keeping in mind both the strengths and the weaknesses of your current system, you will be in a position to recognize any trade-offs and to make the best comparison of functionality between your existing system and the other options you are considering.

Additionally, keep in mind the changing needs of health care and take the time to think through your organization's projected future needs three to five years out. The new system will be with you for many years and new functions will be needed to accommodate your organization's growth and evolution. These should be carefully considered during the system evaluation process and should carry significant weight into the final selection.

2. Understand Other Related Requirements and Issues

In addition to the specific functional requirements for business operations, there are many other key issues to review in selecting a new system. How will this system support your organization's long-term data collection and reporting needs? What are the technology requirements for a new system? You'll want to consider how the system needs to fit within your current technology environment so that communication, data sharing and data access goals can be met. What is your ideal timeline for implementation and is the timing contingent on staffing or staff availability? Does your organization have specific vendor qualification and contracting requirements that must be met?

Finally, the business functions you plan to automate will interface with other business functions, perhaps in other departments or even within your own department. The points of interface are important to keep in mind. How will the new system help to bridge this interface? Will customizations be necessary to integrate systems?

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3. Document Requirements Prior to Scheduling Product Demonstrations

System vendors are always anxious to have the opportunity to show their products to prospective customers, and they may encourage you to schedule a demonstration as soon as possible. By preparing appropriately for this important step in the evaluation process, you will be in a position to make the best use of your time – and theirs – during the demonstration meeting. Before setting up any such meetings, you should carefully document and prioritize all of your requirements. Also, to be most effective, schedule all the vendors to make presentations within a defined two to three week period.

Once the demonstrations are set, develop an evaluation tool. It is very easy in the course of a demonstration to become focused on some functions and options and to forget others that may be equally critical. Also, vendors are careful to demonstrate their products in such a way as to highlight the strengths and hide or avoid exposing the weaknesses. This can contribute to a system evaluation that overlooks key issues.

The best way to assure that a thorough and equal evaluation of each system is performed and that nothing critical is overlooked is to create a standardized checklist of all required and desired features and capabilities and to use the same checklist for each system under consideration. This type of tool will help you guide the vendors to demonstrate all the features and functions you need to see in order to make a meaningful comparison of systems. Using this checklist for guidance, you may also want to develop scenarios for vendors to follow in demonstrating certain key features or functions. Again, this will help you perform a true “apples to apples” comparison of the various systems.

4. Know Your Options

There are numerous vendors and systems on the market for most organizations and most business functions. Don't buy the first one you see without looking at the others. Try to keep an open mind during the evaluation process so that you don't prejudice a decision too early.

5. Keep in Mind Your Organization's Strengths and Weaknesses

In selecting a new system, it helps to know not only what the system vendor brings to the situation, but also your own organization's strengths and weaknesses that might affect the success of the implementation. Do you have the technical skills to support a complex platform? Do you have the programming resources to write the interfaces without vendor assistance? What types of resources exist internally to support the system and to manage and guide the implementation? How much training do your end-users generally require?

6. Evaluate the Total Picture

Along with your careful evaluation of product features and functions, you should research equally all vendors to discern their financial stability, their customer support capabilities and reputations, and their market experience. All of these elements must be weighed to make an informed decision.

7. Talk to Several Independent Reference Sites

Reference checks are frequently done to verify features and functionality during the system selection phase. But it is equally important to query the references on how the contract process and implementation went with your vendor(s) of choice. This information will help you anticipate a particular vendor's weak points and negotiate for appropriate safeguards in the contract.

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8. Visit at Least One Site Where the System is Installed

Significant insight into how well the vendor and the system will work for your organization can be gained by visiting current system clients whose sites are most closely related to your own business structure and operations. These visits allow you to observe the systems in use and question system users on vendor and operational issues and concerns. Additionally, if you decide to pursue a contract with the vendor, these visits provide you an excellent opportunity to form a relationship with other people who are already familiar with the system and implementation process and can be an excellent source of information and support as you proceed with your own implementation.

9. Know Your Total Costs

Be sure to discuss costs with all vendors who are under serious consideration and do so – at least at a high level – fairly early in the evaluation process. These discussions should include license fees, subscription options, projected implementation and training costs, technical support costs and any additional consulting fees that the vendor predicts might be required. Once you narrow the field, you will want to validate the ancillary costs with experts or with other similarly situated organizations that have implemented the systems being considered.

The other reason to address costs early in the game is to avoid arriving at a decision only to find out that it cannot be supported by your budget. Knowing where things stand on the financial side is important to the management of the evaluation process and will aid in smooth contract negotiations, as well. Vendors are very motivated to sign new business. If your vendor of choice knows of any circumstances that might change or delay your decision, they may be willing to devise favorable financial terms that allow you to move forward with the contract.

10. Negotiate Contracts Carefully

Negotiating a successful contract with a systems vendor requires much more than just achieving favorable financial terms. Implementation and support details must also be spelled out carefully in the formal written agreement. There are enough challenges and risks involved in system selection and implementation without the added burden that results from getting off on the wrong foot with your vendor. A clear, thorough contract will ensure a positive start to your relationship with the vendor and help avoid misunderstandings later.