Learning Objectives

- Explain why strategic planning has become more important for healthcare organizations.
- Summarize the five major components of IM/IT governance.
- Describe the major elements of a healthcare organization’s planning elements.
- Assess the major elements of a healthcare IM/IT strategic plan.
- Describe systems theory and explain why it is vital to healthcare IM/IT governance and planning.
Introduction to IM/IT Governance

- Responsibilities for IM/IT management
  - Board delegates to CEO
  - CEO delegates to CIO
- Important due to expanding size and complexity of healthcare organizations
Purpose of IM/IT Governance

IM/IT governance helps the organization make business decisions more accurately and in a more timely manner.
Steering Committee

- Designed to engage key user groups
- Assures diversity of input to governance function
Steering Committee Membership

- Executive management (CIO)
- Medical staff
- Nursing staff
- Financial management
- Clinical support services
- Planning and marketing
- Other major system users
Challenges Faced by Steering Committee

- New and replacement IM/IT priorities
- Infrastructure specifications
- Capital and operating budgets
Components of Successful Governance

- Consistent strategy development
- Support organizational strategy
- Develop IM/IT infrastructure, architecture, and policies
- Set IM/IT project priorities and monitor infrastructure investments
- Implement IM/IT benefits assessment to enhance accountability
Consistent Strategy Development

- Historically, IM/IT supported day-to-day operations.
- Healthcare managers today recognize the role of information systems for
  - increasing market share,
  - supporting quality assessment and improvement, and
  - adding value to the organization.
- The IM/IT plan must be consistently applied across the multiple operating units with an organization.
- It must create consistent applications in an environment that has grown piecemeal.
IM/IT leadership recognizes the importance of the interrelationships between information technology, the rest of the organization, and the external environment.

Alignment involves three essential elements for success:

- There must be an alignment of purpose.
- IM/IT leadership and organizational leadership must agree to work to develop goals and tactics jointly to meet those ends.
- These two groups must share the responsibility and accountability to achieve the ends.
Develop IM/IT Infrastructure, Architecture, and Policies

- Healthcare organizations must make choices and set priorities for their information systems.
- Planning should identify the
  - major types of information required to support strategic objectives and establish priorities for installing specific computer applications,
  - the architecture upon which the systems function, and
  - the detailed rules that drive IM/IT operations.
- The healthcare organization must develop blueprints for its information technology infrastructure involving decisions about
  - hardware configuration (architecture),
  - network communications,
  - degree of centralization or decentralization of computing facilities, and
  - types of computer software required to support the network.
Set IM/IT Project Priorities and Monitor Infrastructure Investments

- The IM/IT function must effectively oversee the purchase and implementation of IM/IT infrastructure consistent with the needs of the organization.
  - The specialized knowledge and skills of IM/IT staff and the growing complexity of the underlying technology make this role vital to the success of IM/IT operations.
  - The infrastructure upon which software and other applications operate in the systems through which data are transmitted remains in the domain of information technology.
- While end users are vital in the priority setting process for projects, governance of IM/IT requires them to effectively manage the priorities among alternative investment options.
Implement IM/IT Benefits Assessment to Enhance Accountability

- IM/IT planning must provide data to estimate the budget and resources required to meet the objectives and priorities established through the planning process.
- Planning will provide the basis for development of operating and capital budgets for information technology in the organization.
- The importance of this last purpose has increased as CIOs indicate importance of the drive to obtain value from IM/IT.
Major Elements of Technology Plan

- Statement of IM/IT goals and objectives aligned with the strategic goals of the organization
- Priorities for the portfolio of computer applications to be developed
- Specification of overall system architecture
- Software development plan
- Staffing and management plan
- Resource requirements, including capital and operating budget projections
10 Features of Successful Governance

1. Actively design governance
2. Know when to redesign
3. Involve senior managers
4. Make choices
5. Clarify the exception-handling process
6. Provide the right incentives
7. Assign ownership and accountability for IM/IT governance
8. Design governance at multiple organizational levels
9. Provide transparency and education
10. Implement common mechanisms across the six key assets
Systems Theory

- System acquisition and project management: The system development lifecycle
  - Systems analysis
  - Design specifications
  - System acquisition
  - Implementation
  - Operation and maintenance
  - Evaluation and improvement
Systems analysis is the process of collecting information about functional information system requirements and the environment in which the system will operate.

Systems analysis is needed regardless of whether the system will be developed in-house or will be implemented using vendor software.
Alternatives for System Acquisition

- Purchase or lease of commercial software
- Subscription for use of Web-based software from an applications service provider (ASP)
- In-house design and programming
- Outsourcing
- Combinations of the above
Software Evaluation Criteria

- Functionality
  - Congruence with user requirements
- Ability to interface/integrate with other applications
- Level of satisfaction of users at other organizations
- Financial stability of vendor
- Vendor support available
- Costs
  - Cost to lease or purchase the software and costs of implementation and maintenance