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Operational Realignment

Overview

The organization's new CEO and CIO were not confident that the current strategic direction reflected the most current and up-to-date industry points of view. In addition, the CIO wanted a third-party assessment of the information technology department operations, structure, and hardware, with recommendations on improving performance. The key outcomes of this project were the replacement of some key leadership positions, realignment of the organization, and a ten-year strategic plan with a tactical implementation plan.

Client Profile

The client is a 448-bed non-profit community hospital that provides comprehensive health services for residents of the Midwest. The hospital is a teaching affiliate of a major Midwestern university, was recognized at Mastery level by the States Forward Award in both 2004 and 2005, received a Governor's Award of Excellence in 2006, and ranks as the fifth largest hospital in state.

Healthcare services are delivered through a Collaborative Practice Model across the healthcare continuum by partnering with physicians, clinics, emergency service providers, and facilities. The medical staff includes more than 900 physicians representing all specialties. The client organization distinguishes itself in two specific areas: its Cardiovascular Center of Excellence and its Women's Center of Excellence. Key service lines include Medicine, Surgery, and Physical Medicine and Rehabilitation. In addition, they offer the only community-based Child and Adolescent Psychiatric Hospital in the state.

Business Problem

The former leadership team had become an institution, some with tenure of over 25 years. As a result, the new CEO and CIO were not confident that the overall strategic direction reflected the most current and up-to-date industry points of view. Also, the new CIO wanted to ensure that the new vision for Information Systems Services was aligned with and supported the overall enterprise-wide strategic plan.

Robert Luco, of Luco and Company Ltd., had a working history with the CIO and was interviewed by the incoming CEO. The mandate was to assess the current information systems operations, infrastructure, and business sustainability, and provide a report containing recommendations for improving performance. The expected deliverables were a hardware assessment and a ten-year strategic plan.

Luco designed a multifaceted approach to assessing the current state prior to developing the recommendations. The assessment included a review of the operational

structure, business continuity program, hardware operational sustainability, and business applications.

Solution

To assess the current state, Luco conducted executive one-on-one meetings to gain each leader's perspective on the level, appropriateness, and their overall satisfaction of service provided by the Information Technology unit. In addition, he conducted focus groups to capture physician, nursing, ancillary services and staff perspectives on satisfaction and appropriateness of services. He also selectively interviewed members of IT staff to broaden the view of the current state.

Luco reviewed operational data, viewed the hardware infrastructure, and analyzed data with respect to age and operational sustainability of all hardware components. Throughout the project, Luco prepared weekly status reports for the CIO to present to the executive leadership team, as well as monthly board status updates.

A key finding was that the management team was heavily invested in maintaining the current-state structure and operational approaches. The solution included a number of recommendations focused on the need to replace some individuals in key positions, since new leaders usually bring fresh and different ideas and require changes to operational approaches. Luco presented these recommendations in a series of executive and leadership presentations.

In addition, Luco delivered the following: a ten-year strategic plan with tactical deployment plans, a full hardware and business continuity assessment, and several staff educational and informational sessions.

The immediate impact was that the client replaced several departmental leadership positions and restructured the operational and functional footprint. New position descriptions, roles and responsibilities, and reporting relationships were created and implemented. The ten-year strategic plan, which included a roadmap for success as well as key actions, activities, and required functional changes, was accepted and implemented. The hardware assessment and strategic planning work Luco completed was also integrated into the new master facilities plan, including the definition of a new hardware management system that would support a move toward a new business continuity site.

Longer term impacts of the project's resulting ten-year plan have had positive impacts on two strategic fronts. First, the IT department is progressing in a positive direction against the strategic plan with the development of a new offsite business continuity center and a new off-site IT department location that transferred high-value hospital space to revenue-producing bed space. Second, IT staff is increasingly focused on providing excellent customer service and supporting the healthcare staff in providing quality care.