Healthcare IT Optimization: 6 Mistakes to Avoid Along the Way

Healthcare IT: Transforming for tomorrow's needs

Healthcare organizations face a sea of change in what will soon be required of them. Great cultural, technological, regulatory, and political shifts are afoot. Digital data is exploding. Five years from now, healthcare will look very different.

If you're in healthcare, you already know this. You also probably know that organizations that hope to survive and thrive in this changing landscape must use every tool in their arsenal to aid their efforts. For this reason, executives realize that IT is central to success and are taking a closer look at their own health IT (HIT) environments.

How might these IT environments help or hinder their organization's efforts to navigate new industry partners, acquisitions, and consolidations, as well as emerging models for improved delivery of patient care and reimbursement?

Will current processes need to change? If so, how? Will current IT skill sets need to change? As digitization accelerates, so, too, will the need for greater security and compliance. How will your organization keep up? The cloud and new use cases for big data analytics are also creating as many questions as they do new opportunities. How and when does it make sense for your organization to incorporate such technologies?

Those individuals charged with overseeing HIT environments also struggle to address two simultaneous needs:

1. Curb costs while optimizing current IT systems to meet today's operational, regulatory, and patient-care goals.

2. Transform enterprise IT architectures in order to make them more agile, more automated, and more adaptive to market shifts and innovative, new applications, and services.

Juggling such needs and priorities has become a necessary part of modern-day HIT environments. Amidst the digital onslaught, however, is also an opportunity for IT to become something more: a strategic enabler to achieve intended outcomes.

> "Transformation in health IT means consuming IT differently than you did before. This can help you provide a better care experience for the patient."

Irwin Teodoro
National Practice Director, Cloud + Data Center Transformation

6 mistakes to avoid when transforming IT

So how do you transform IT to support the sea of change in healthcare? How do you accelerate transformation and its associated benefits? It may seem like a stretch from where many healthcare IT organizations find themselves today.

Understanding the mistakes to avoid on your own journey toward IT optimization and transformation is a great first step. This whitepaper shares six mistakes Cloud + Data Center Transformation (CDCT) often sees organizations make along the way. It also highlights successful data center transformations that allowed healthcare organizations to boost their own performance and operations.

Mistake #1: Not understanding what's important to the business

New technology projects often begin — and then fail — because they were not first aligned to the needs of the business. This is one of the biggest mistakes a healthcare organization can make on the way to transforming its own IT operations.

To succeed in IT optimization, organizations must have a clear understanding of their own strategies and goals at the outset.

Start right: Make sure to align IT with the business. Doing so will be key to your success at IT transformation.

Healthcare transformation: $8M–$12M annual savings

After much M&A activity, a Fortune 100 insurance provider decided to consolidate 11 IT data centers into two. In addition to cost savings from the now-smaller footprint, the provider also wanted to move to a single, best-practices model over the next 2–3 years.

CDCT's expertise in data center migration and service management allowed the provider to create a consolidation strategy that encompassed their data centers, staff, and infrastructure. A new management structure was implemented to help the provider offer more efficient IT services across the organization. The consolidation plan also helped the provider migrate to both a cloud environment and a managed service that they now use to streamline operations from its single IT model. Savings will continue as the consolidation progresses while accelerating the move to a single, best-practices operational model.

Mistake #2: Not knowing what's in your current IT environment

Before healthcare IT organizations can move forward with transformation, it's critical to first have a clear understanding of what the current IT environment looks like. This includes an awareness of all applications and infrastructure currently in the IT on- and off-premises environment.

Unfortunately, many enterprise IT environments don't score particularly well in this area. One healthcare organization asked us for help in its data center transformation. It believed its current data center environment consisted of around 500 applications. Our subsequent assessment and analysis, however, found more than double that number: roughly 1,100 applications!

The growing complexity and scope of applications in such environments is not unique. According to a 2016 survey by IDG Research,[1] the mean number of applications in use by organizations was 376 and expected to grow to 426 in 2018. (Large organizations with 5,000+ employees had 469 applications in use and expected to grow that number to 523 applications in 2018.)

[1] Data Centers in Flux: The IT Optimization Challenge. IDG Research and CDCT, 2016.

Trim the fat: In today's virtual server world, it's easy to quickly spin up virtual servers on a moment's notice, often for some form of application development or testing. Once they are out there, however, it can be hard to know if such systems still remain viable or critical to healthcare operations. Yet, such systems continue to consume valuable data center resources.

Identifying and removing clusters of wasteful, now-defunct virtual applications and servers may be a ripe source for early wins associated with consolidation. Such an exercise can also lead to leaner, more streamlined IT operations. Similarly, there may be outdated operating systems and siloed hardware supporting little-used, legacy applications. Such systems can add another unnecessary layer of extra cost to current healthcare IT operations.

Healthcare transformation: Shifting IT spend from data centers to patient care
CDCT helped a national university's five medical centers transform more than a dozen of its data centers located across the state. Subsequent benefits included the university selling its vacated real estate and reinvesting its savings back into technology.

We helped the university medical centers migrate over 550 applications, reduce data center operating costs, streamline operations, and accelerate future rollout of new applications. It also helped lay the foundation for future IT transformation and continuous improvement of the patient experience.

Mistake #3: Not knowing application interdependencies

Even after a healthcare organization conducts its own application inventory and workload assessment, it may still fall short in another key area needed for operational optimization: The analysis of key application interdependencies.

With a renewed focus on interconnected database systems, data analytics, and decision support systems, many healthcare environments are likely to have a growing data warehouse environment. Such an environment will have many applications and services that depend on other upstream or downstream systems and applications in order to work properly.

Attempting to transform the underlying architecture via system migration, consolidation, or upgrade — without understanding such interdependencies — can lead to failure. According to the IDG Research survey referenced previously, organizations that took the time to inventory applications and analyze their requirements and interdependencies were more likely to report success with IT optimization. However, as many as 22% of organizations had no plans to perform an interdependency analysis, and another 22% planned to do so but had not started the process.

Look before you leap: In an effort to achieve faster progress toward optimization and transformation, healthcare environments may be tempted to buy into an early overhaul plan before they've completed their own analysis of application interdependencies and how best to address them. Three words come to mind from our own experiences in this area: Do your homework!

Mistake #4: Not using a proven methodology to get there

Healthcare IT teams are often subjected to presentations by vendors claiming to offer a ready-made answer to all of their current and future ailments. And, while there's no doubt that amazing IT developments are out there, even the best technologies can go awry without the right planning for your specific healthcare environment.

Even during the early phases of analysis and assessment (see mistakes #1 and #2), such planning requires using the right tools and methods to gather the data needed to move forward with the next transformational phase.

Extend scientific rigor to HIT: Success in this healthcare IT transition is not an art; it's a science. As such, it requires a critical reliance on expert methodology, frameworks, and proven procedures to successfully execute data center transformation. Without a methodical and proven approach, IT projects can languish for years — their investment wasted and goals unfulfilled.

Mistake #5: Making transformation all about technology

IT systems in the process of being transformed rely on more than just technology to succeed. Truly successful, transformational change in a healthcare IT environment must also incorporate the surrounding ecosystem of people, process, and culture.

This spans beyond the IT team. IT changes may involve learning new ways to do someone's job in hospital admissions, at a diagnostic clinic, or in an insurance payer environment. Everyone from frontline clinicians to back-office staff increasingly rely on interconnected systems to access, receive, and share critical data to boost quality of service and provide better patient/customer care.

Remember the people using IT: If IT's intended transformation impacts how organizations operate, how people do their jobs, or new ways patients must interact with IT systems, such anticipated changes should also be planned for in advance.

Mistake #6: Trying to DIY

In today's lean IT environments, many organizations simply do not have the time or spare resources to balance both day-to-day operations and pursue wider business initiatives like transforming IT. Balancing the need to keep the lights on AND innovate is challenging.

According to the IDG Research Survey, over 62% of survey respondents said this balancing act was one of their top challenges to consider when optimizing IT operations. Another 37% also said it was the most difficult challenge to address.

Get help: While short-term wins can develop quickly, it's hard to replace the benefits of both experience, expertise, and time that can come from using an external resource to perform the due diligence, assessment, analysis, and planning required to help your organization realize its own hopes for IT transformation.

Reaching the data center of the future

Today's healthcare organizations face a swirling cluster of competing IT initiatives. Navigating this landscape is not for the faint of heart. Organizations that are serious about transformation and IT optimization will need help to sort through the noise, develop a reasonable plan, and get them to the other side — in a reasonable and measured way. The rewards are great, as are the risks of failure.

Look to outside experts who are able to support your organization's priorities, tackle your specific challenges, and answer your unique questions. If you would like to learn more about CDCT services for data center transformation and IT optimization, please see the appropriate services web page.

Meaningful solutions driving business outcomes

We help our clients modernize and secure critical platforms to transform IT. We believe data is a key driver, hybrid models are accelerators, and secure networks are well integrated. Our end-to-end services empower companies to effectively leverage technology solutions to overcome challenges, support growth and innovation, reduce risk, and transform the business.

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