# THE IT CURVE

Balancing risk and innovation when planning for the future of IT.

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## INTRODUCTION

The case study by John Glaser discusses the role of new technology implementation for the Peachtree Healthcare facility in Georgia. Peachtree had a staff of nearly 4,000 that treated a million patients each year. The technology directive given to the CEO, Max Berndt, was “to ensure quality, consistency, and continuity of care across the entire network—and to deliver all that with the highest levels of efficacy, economy, and respect for patients and staff” (Glaser, 2007). The board was looking to move towards the industry trend in healthcare, which was to adopt a more standards-based approach that would scale more efficiently as the healthcare system grew.

Berndt was a former physician and champion of IT in healthcare delivery. However, system outages served to frustrated medical staff who had been hesitant to adopt technology, and found themselves unable to do their jobs when critical systems failed. Berndt and his staff were faced with a complex infrastructure that was not flexible enough to support technology innovation.

Moving towards standardization and service oriented architecture would, in theory, increase the IT organizations’s agility. However, standards-based medical delivery was unproven for the healthcare industry beyond relatively simple and agreed upon principles like immunization. This concern carried over into the implementation of standards for the IT systems that needed to support a dynamic healthcare delivery operation.

## SOA AND IT RISK

While Brandt felt that leadership should

"preserve at all costs the hospitals' flexibility to respond to constant change," SOA had the potential to give Brandt's team "the flexibility to go after selective standardization" (Glaser, 2007). The team proceeded with presenting to leadership a proposal to move forward with SOA citing the Candace Markovich Theory of the IT Future that explained how "SOA was potentially the migration path to a transformative way of creating technology capability." (Glaser, 2007).

It was still unproven for healthcare, which gave them some favorable pricing options. But the risks included being stuck with a failed experiment later if the technology industry moved forward. It was also difficult to calculate the cost per implementation adding the overall risks. Brandt and his team's hesitation indicate that this would not be a good direction for them. However, a closer assessment at the root causes of IT failures would be beneficial. The case seems to highlight the trajectory towards a solution that cannot be tied back to a clear business case.

Reliability is important in the healthcare industry. An alternative to pursuing a promising, albeit unproven, technical approach would be to analyze the industry and select best-in-class solutions that are configurable. If they are also customizable without increasing the burden of IT, then such systems should also be included in their assessment. The challenge with ERP systems is the need for organizations to shift their processes or face onerous cost and time commitments to fit the tool to their existing processes. For healthcare delivery, which Brandt feels still needs to preserve a personalized doctor-patient decision making process less amenable to standardization, systems that are customizable as well as configurable would be ideal solutions.

## CONCLUSION

The most important thing that Brandt's team could do at this stage is to outline the business concerns and industry trends. As Westerman (2009) explains, using the language of business to explain IT risks can be an effective catalyst for understanding and solutions selection. For example, Brandt's acknowledgement of the need for flexibility in patient healthcare delivery would enable discussions about which best-in-class solutions offer customization and configuration options that can accommodate a wide number of delivery scenarios. This alignment of business case to IT risk can also aid in selling the need for more resources if the solution is the right fit, but requires higher capital or personnel resources. Westerman (2009) notes that the two-way communication can be facilitated further "Business executives can use risk language to discuss preferences related to operational business and technical requirements using terms they understand."

Brandt and his team should continue to pursue SOA where it is appropriate. Ideally, the SOA approach becomes part of their greenlighting and governance process when determining the right technology approach for projects, especially those projects that must interface with legacy systems. SOA can offer a transitional path for the data migration and eventual

retirement of legacy applications and technology platforms. Overall, an organizational focus on services at this stage will allow Brandt and his organization to build their capabilities over to time to leverage web services more often, and with increasing predictability for delivery quality and functional reliability.

## REFERENCES


Glaser, J.P. (2007). Too far ahead of the IT curve. Harvard Business Review, July-August 2007, 1-9.

Westerman, G. (2009). IT risk as a language for alignment. MIS Quarterly Executive, 8(3), 109-121.