



SIX REASONS WHY HEALTHCARE PROJECTS FAIL

If you're like most healthcare management professionals, your organization probably has a large portfolio of critical initiatives at various stages of execution—whether those projects involve preparing for more risk-based contracts, selecting and implementing new technology, streamlining the workflow of a service line, or integrating the operational aspects of completed mergers, acquisitions, or partnerships.

Unfortunately, unless they've been carefully strategized, planned, and executed, many of these ambitious projects will fail to live up to their full potential—and won't deliver the intended benefits to the business.

Although each healthcare organization is different, many share similar struggles in executing their critical initiatives. Here are a few typical reasons why such projects fail:



REASON
NO. 1

INADEQUATE BUSINESS CASE

Healthcare organizations often undertake significant initiatives (centralize vs. decentralize shifts, mergers and acquisitions, outsourcing vs. insourcing, new technology implementations, new capital projects, expansion of services, etc.) without preparing or fully vetting the business case. Unless the organization establishes a strong, detailed business case for these large initiatives, expectations will seldom match outcomes. A business case lacking details doesn't provide decision makers with the information they need to determine whether a proposed initiative's cost, effort, probability of success, and level of disruption will deliver sufficient value to justify its pursuit. And if the business case is not fully vetted, decision makers cannot understand the scope of what is actually needed to achieve the ROI or other goals outlined in the business case or determine its level of prioritization.

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**REASON
NO. 2**
PROJECT DILUTION

If you hear administrators proudly state how good their organization is at finding a way “to get it all done,” or that “everything is a priority,” the organization is likely overly diluted. When an organization dilutes its resources across too many initiatives, benefits aren’t realized as quickly, and the cost is high—in money or other resources. Although the most strategically important projects may indeed “get done,” having a prioritization process in place to “protect” them makes the process quicker and more effective.


**REASON
NO. 3**
**TOO MUCH RELIANCE ON TECHNOLOGY
TO SOLVE THE PROBLEM**

Healthcare executives are often under pressure to get fast results, and purchasing new technology is often the default way to get there. Many businesses put the cart before the horse, selecting a system before assessing business and work flow processes, identifying and correcting inefficiencies, and then establishing the requirements that will govern the system choice. In some cases, implementing a new process can help business operations, without requiring new technology.


**REASON
NO. 4**
**SKIPPING FUNDAMENTAL
PLANNING STEPS**

Sometimes executives find it hard to believe that the best way to accelerate a project is to invest time in planning—especially those working in organizations where the entire portfolio is composed of “urgent” projects with pressure to move more quickly. Cause, meet effect. Too many managers in healthcare organizations say things like, “We need to move fast and do not have time to plan,” or “We will have a kick-off meeting next week and begin this project immediately.” This thinking is symptomatic of a bigger problem: failing to plan properly for projects.


**REASON
NO. 5**
POORLY VETTED ASSUMPTIONS

This reason also relates to a failure to plan. During planning, you get more and better information on what can be delivered, when, and at what cost. Experienced project managers know these factors are inherently tied to one another and refer to them as the Project Management Triangle (PMT) or triple constraint. Use the PMT to communicate what you learned in planning and make educated decisions on adjustments to scope, budget, and schedule.

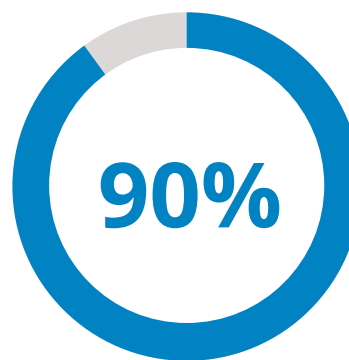

**REASON
NO. 6**
NEGLECTING CHANGE MANAGEMENT

Often organizations focus so intently on the technical details, or meeting a specific deadline, that they fail to engage with the people critical to sustainable performance. For example, projects run by health information technology (HIT) experts tend to focus on HIT aspects of the project. But in reality, most HIT projects are change management projects with a technical component. Go-live is a key milestone in the project, but it is not the end of the project. The importance of ongoing training and communication cannot be underestimated.

Taking a project management approach can help you successfully execute projects, and having effective project portfolio management processes in place can assist in evaluating and prioritizing those already in the pipeline.

According to a survey by the Economist Intelligence Unit, 90 percent of global senior executives ranked project management methods as either critical or somewhat important to their ability to deliver successful projects and remain competitive. Yet many organizations continue to operate with low maturity level professional project management capabilities.

By taking a systematic approach to your project pipeline, your organization can increase revenues and save valuable resources, including the time and the efforts of your employees. So prioritize your project portfolio; invest time in planning to execute more quickly; apply the Project Management Triangle to align project expectations, and make change management strategy an integral part of the project's approach.



Project management is critical or somewhat important to project success

Integrated Project Management Company, Inc.

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