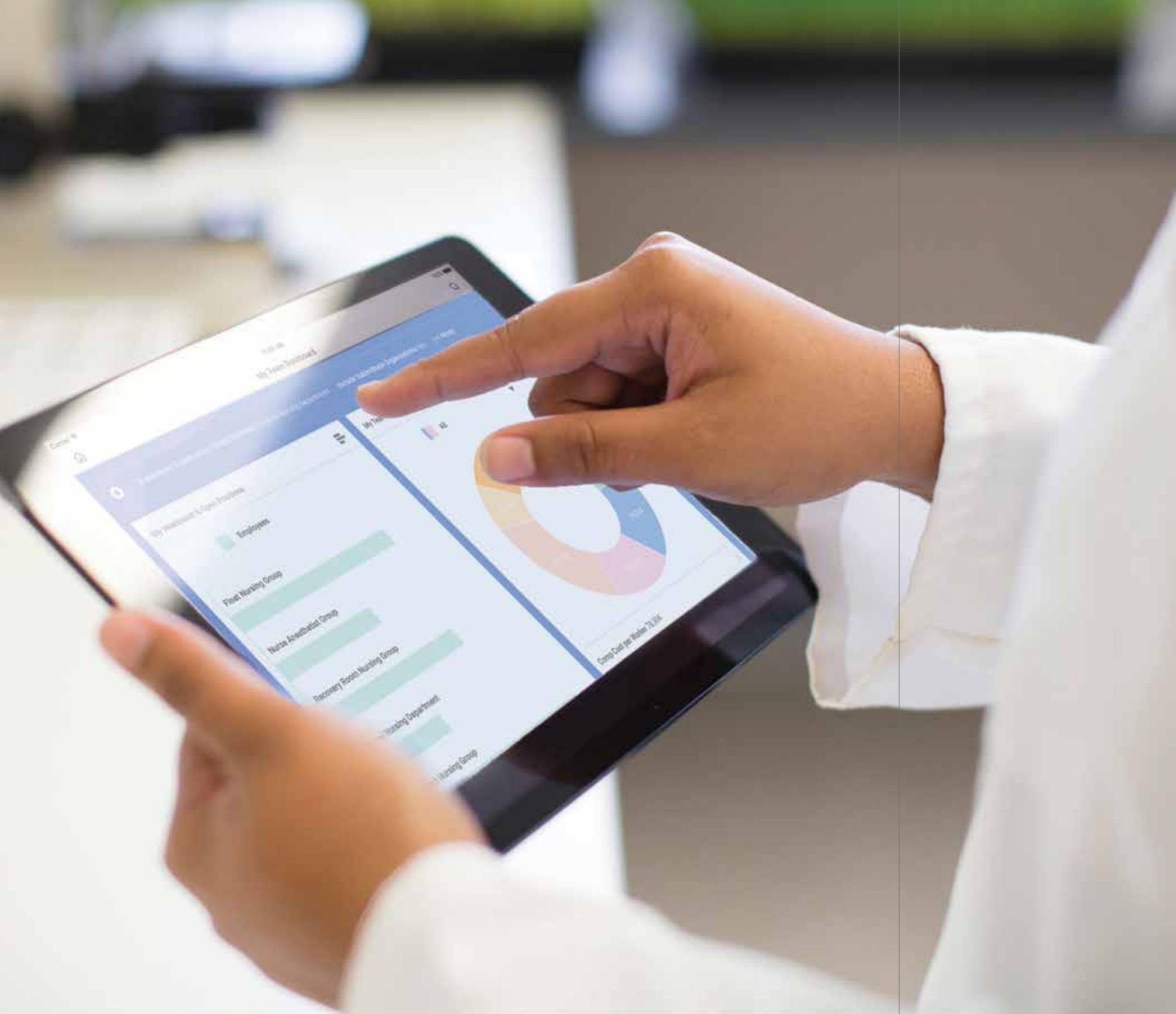


# Three Steps to a Stronger Healthcare Organization





It's an exciting time to be in healthcare, with new medical innovations revolutionizing the industry and enabling providers to deliver better care. Yet there are new challenges, too. Patients now expect more value and personalized experiences—similar to the experiences they receive in other areas of their lives. And the changing regulatory landscape and the shift to value-based reimbursement puts additional pressure on healthcare providers.

Healthcare workers are on the front lines of these challenges, delivering care, keeping the organization running, and ultimately defining the patient experience. To adapt to and evolve with these changes, they must learn how to improve efficiency and decrease costs without sacrificing the quality of care.

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## Chapter 1: Strengthening the Heart of Your Organization

The concept of “healthcare consumerism” is a fast-growing trend. With the abundance of information available online—including the ability to rate and read reviews of physicians—patients have more avenues to find providers that consistently deliver a good experience. Increasing out-of-pocket costs, such as co-payments and deductibles, adds to the importance of finding the best provider at the best price.

As your own healthcare organization moves to a more consumer-centric model, where should you place your biggest focus? First and foremost, it should be on improving employee engagement. Your people are the heart of the organization, and their success is what will make your organization thrive.

### The ROI of Employee Engagement

Patient relationships directly impact revenue, and ultimately your bottom line. Yet [a survey](#) by Kaufman Hall and Cadent Consulting Group shows that fostering these relationships isn’t easy. More than three-quarters of respondents said patient experience was important to understand, but less than one-sixth said they currently have the capability to achieve that understanding.

Enter the importance of employee engagement. [A report by Deloitte](#) found that a highly engaged staff likely boosts patient experience, and higher patient experience ratings are associated with increased profitability. According to the report, “Focusing on the commitment of hospital staff—nurses in particular—to consistent and productive engagement with patients and caregivers could assist hospitals in transitioning to a true patient-centered culture while also potentially improving quality and financial performance.”

However, many providers don’t have the right strategy and foundation to effectively engage their employees. Read on for expert advice on this topic from Senior Leader Craig Deao of healthcare consulting firm Studer Group, and managing director at Huron.

# How to Achieve Sustainable Employee Engagement in Healthcare

By Craig Deao

Senior Leader, Studer Group and Managing Director, Huron

The benefits of [employee engagement](#) are widely touted: happier employees mean more satisfied customers, and ultimately result in better business performance. While the payoffs are promising, employee engagement has proven to be hard to sustain, let alone achieve. Gallup's "[State of the Global Workplace](#)" report found that 85 percent of employees are not engaged at work, at the expense of approximately \$7 trillion in lost productivity.

Given the critical nature of the work in healthcare, employee engagement should not only be a focus, but a business imperative for healthcare leaders. A lack of engagement can lead to high employee turnover, more physician burnout, and decreased patient satisfaction and quality of care. To sustain employee engagement, organizations need to foster a culture that encourages meaningful work and increases the discretionary effort of its workforce.

## Engage from the Top Down

Employee engagement has a cascading effect and its importance needs to be

underscored by healthcare leaders, who set the tone for the day-to-day work environment. Employees [perform best](#) in environments where they feel supported and valued, so leaders must help their employees understand how the work they do makes an impact. This concept also applies to employees who aren't interacting with patients, since it can be less obvious to connect the dots about their impact on the patient experience. As a healthcare leader, it's your responsibility to empower your employees and help them find a connection to something that they care about—something that gives their role meaning and purpose.

## Help Employees Move from Firefighting to Fireproofing

When I first set out to research employee engagement, I came upon a study by [Harvard Business Review](#) that asked working professionals to keep a diary and rate their moods, motivation levels, and perceptions of the work environment each day. An analysis of more than 12,000 diary entries found that the days where they were most intrinsically

motivated weren't the days where they received any feedback, rewards, praises, or anything of that nature. It was the days where they felt like they made meaningful progress toward something they cared about.

As you reflect on your own career, you might find that your most engaged days weren't necessarily your easiest days. Rather, you were working on things that made meaningful progress toward what you cared about—when you're fireproofing instead of firefighting. By owning your own agenda and calendar, you can restore a sense of control and free up time to work on more impactful things. This applies to leadership as well as employees—everyone should feel empowered to do their best work.

## Ask What's Working and What's Not

How do you find the engagement-sapping barriers that keep your employees from doing their best work? Ask them. At Studer Group, we advise all leaders within the organizations we coach to meet with each employee every month in a practice we call "Rounding for Outcomes," a brief conversation that's proven to have

a profound effect on engagement and results. In a one-on-one setting, engage with each employee on a personal level by talking to them about something that has nothing to do with work, such as how their family is doing or how their hobbies are coming along.

Then ask the following, in this order: “What’s working well at work? Is there anyone I can recognize who’s been helpful to you? Do you have what you need to support you in doing your best work? Are you encountering any barriers that I can help you resolve?” Most importantly, take notes and be relentless about following up on what you hear.

### Embrace Great Technologies

Enabling employees to do meaningful work is critical to [employee engagement](#) and requires a consistent feedback loop and the right systems and processes to support them. Technology can be a powerful accelerant that offloads mundane tasks and allows employees to apply their skills and expertise to the things that technology can’t do—innately human things that require empathy, connectivity, communications, and influence. The right technology will allow your workforce to do their best work by making what encompasses their role more automated, manageable, and efficient.

Employee engagement isn’t just about getting people to do things differently; it’s about getting them to do fundamentally different things. It starts at the top and trickles down the organization to every employee.



## Finding and Inspiring the Best Healthcare Workers

Healthcare CHROs know that employee engagement is fundamental to their organization’s talent strategies. Yet employee engagement is difficult to achieve when your employees have to use outdated systems and find themselves spending more time on paperwork and manual processes than on patient care. In fact, healthcare consumerism isn’t just about the patient experience—it also includes optimizing the employee experience with technology that enables them to do their best work.

However, many healthcare organizations still operate on legacy ERP systems. In addition to being difficult to use, they’re not designed to help a healthcare organization find and retain talent in today’s world. In particular, your organization requires a human resources (HR) system that provides a single source of truth and manages the talent lifecycle—from recruitment to career development to retirement.

Let’s take a look at the lifecycle of an employee, and how an HR system designed for today’s world will make a difference.

### Recruiting.

A candidate’s initial interaction with your organization may be through the application process. A clunky, hard-to-navigate application process can be a turnoff for the people you hope to attract. The best candidates—whether they’re top-notch clinicians or younger nurses who’ve grown up as digital natives—expect a simple application process, and preferably one they can do on their mobile phones.

### Onboarding.

This is where a new hire gets a sense of how things really are. Without an efficient, clear, step-by-step onboarding process, a new hire’s first impression might not be great. The Society for Human Resources [maintains](#) that good onboarding can help employers acclimate, engage, and, most importantly, retain new workers.

### Self-service.

Whether setting up their payroll direct deposit, enrolling in benefits, or requesting time off, all workers want to feel in control of their own information. Intuitive, easy-to-use self-service capabilities that work equally well on mobile and desktop are a necessity.

## Healthcare Employee Engagement Survey

Are your employees truly engaged? Their answers to these questions may deliver new insights.

- Do you understand how your job impacts the organization and its mission?
- Is your role clearly defined?
- Do you have what you need to do your job? If not, what obstacles are getting in the way?
- What relationships with your colleagues are important for your role?
- Are you able to grow within the organization?
- Are you continuously learning new things?
- Do you receive beneficial feedback that helps you improve?
- Do you feel supported and valued?

**Career growth.**

Once healthcare workers have settled into their positions, what will keep them there? Self-directed experiences, such as opportunity graphs, let them chart their own course in the organization, which is especially critical considering that **Deloitte found** that promotion/job advancement is the most important reason for healthcare employees to stay with their current employers.

**Continuous feedback and recognition.**

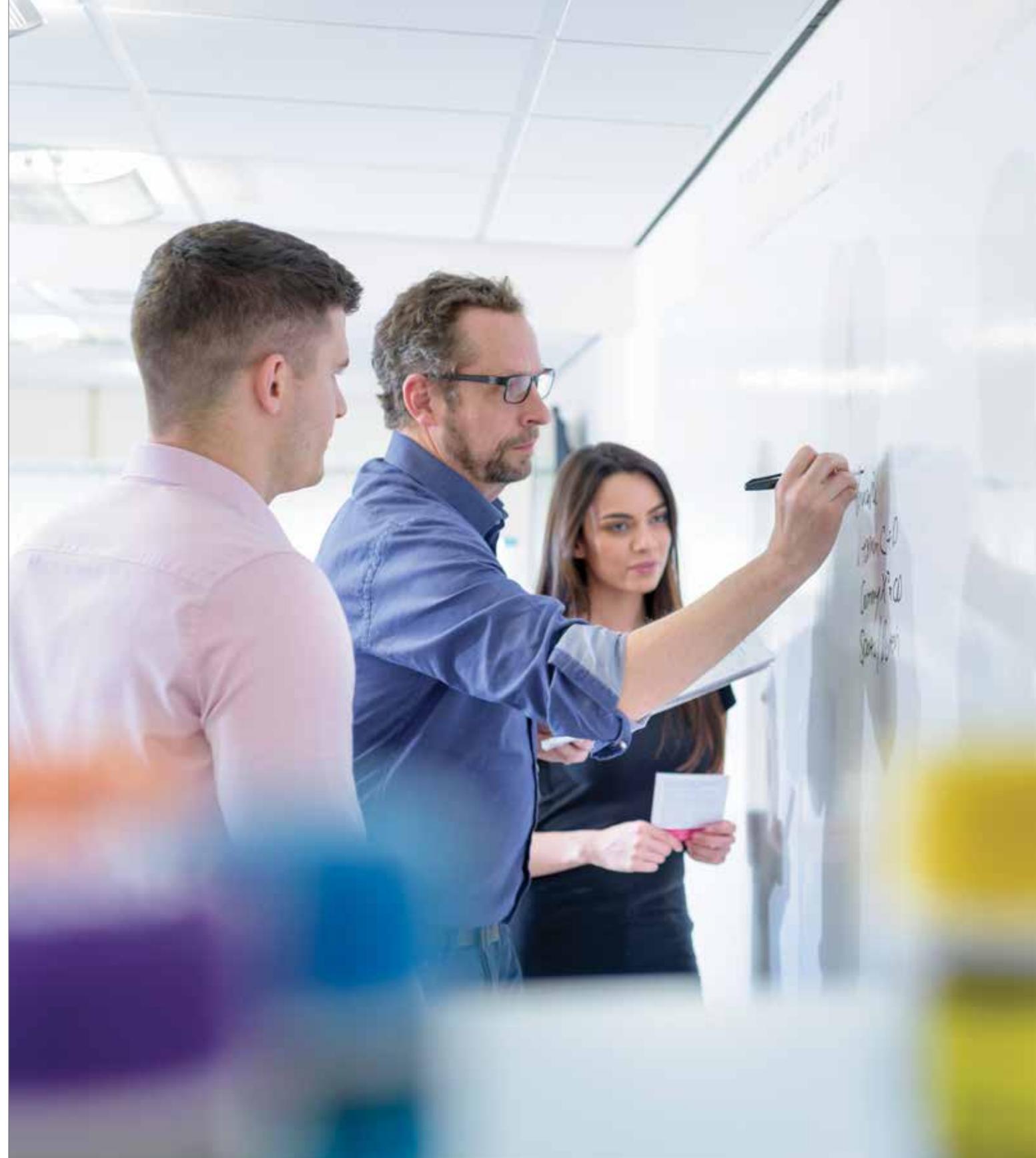
This fosters productive, ongoing dialogues between healthcare workers and their managers, and can help both longtime and new employees unlock their potential. Healthcare leaders can also solicit instant feedback from groups of employees on pressing organization- or department-wide issues, potentially heading off larger problems before they happen.

With more engaged employees and the technology to enable them, organizations can provide the quality of care consumers expect. Having an HR system that allows healthcare leaders to manage the full hire-to-retain lifecycle is critical.

People are the heart of your healthcare organization. When you take great care of them, they'll take great care of your patients. Yet just like a healthy human body, the heart must work with other functions to support a healthy, thriving organization.

“To be credible as a strategic business partner, an HR function must have reliable data and use that data to navigate the gray that is often present in complex people issues.”

—Janine Schue, CHRO at Rochester Regional Health System





## Chapter 2: Providing More Value and Strategic Insights

In the first chapter we discussed healthcare consumerism, which includes consumers getting more actively involved in the decision-making process about their healthcare. Patients expect the same convenience, options, and value for healthcare that they do as consumers of other products and services.

To deliver on this, healthcare leaders need a comprehensive view of key operational areas, enabled by a system that can combine human capital management with financials, planning, procurement, and inventory. When this data is available in a single system, you can understand the impact of each decision across the organization. After all, people, resources, and costs are all interrelated. To make the best decisions, you need to see how staffing changes impact profitability, or how supply usage varies across departments. What's more, healthcare leaders across clinical, financial, and operational functions need to be able to align their staff toward the same goals.

A holistic approach can also help healthcare providers better manage change, too. Consider healthcare reform measures, such as the Medicare Access and CHIP Reauthorization Act (MACRA), which has shifted the focus from fee-for-service to value-based care, impacting reimbursements to healthcare providers. These fluctuations add pressure to already tight operating margins, and providers are reevaluating how they can lower costs and increase revenue while improving patient outcomes.



## In Good Company: How Healthcare Can Meet Uncertainty Head On

What can healthcare leaders do to move their organizations forward? In this episode of *In Good Company*, Mike Evangelides and Walter Porter, principals at Deloitte, talk about how to maintain course in the midst of turbulence around the Affordable Care Act, how to start preparing for MACRA (Medicare Access and CHIP Reauthorization Act), and their insights on industry trends around the shift from patient to customer and emerging business models.



## Finance Function of the Future

Collaboration across the C-suite is key to making data-driven decisions across the organization. Once considered a numbers-only role, the finance function is now responsible for balancing traditional responsibilities with growing demand for data-driven analysis and insights that support growth and strategy.

The chief financial officer's role in healthcare is evolving amid changing regulations, new competitors, and increasing mergers and acquisitions (M&A) activity. Healthcare CFOs must help drive transformation and shift the finance function from crunching numbers to delivering actionable insights that help providers improve outcomes and sustain growth.

### Be a Great Collaborator

People are the heart of a healthcare provider's operations, and finance must partner across the organization to better understand how each function operates and allocates its resources. By understanding the different needs of each function across the organization, you can maintain a strong pulse and better deliver critical information that impacts business performance and patient outcomes. This requires great communication skills.

"The CFO used to be the person in the organization who knew the most about the financial state of the business and could choose how to share this knowledge," **explains** Chris Pass, chief financial officer at John Muir Health. "Today, the CFO needs to be more transparent and make financial information available to other departments so they can operate more efficiently, make decisions more quickly, and do the right thing sooner."

Additionally, working closely with key areas of operations, such as human resources and those running the supply chain, will provide more visibility into outcomes and risks. "There are opportunities to change what we do and provide greater value to the organization—focusing more on the business needs, understanding the business better, and becoming more of an analyst and less of an accountant," **advises** Rob McMurray, chief financial officer at Christiana Care.

Working closely with key areas of operations will provide more visibility into outcomes and risks.

### Uncover the Right Insights

As a CFO, you're charged with managing the organization's finances—monitoring its cash flows and bond rating—and identifying ways to maintain margins. This can be challenging given the shift to value-based reimbursements, which requires increasing efficiencies without negatively impacting the patient experience.

To uncover the right insights, you need to be able to combine financial, workforce, and utilization data with clinical data in a unified system for a comprehensive view of the organization. More importantly, you must also be able to dig into the data to understand challenges in specific locations or parts of the operation.

For example, the use of analytics can be vital to both financial performance and employee morale, allowing managers to better understand staffing needs to minimize overtime while using external staffing services only as needed to support patient care and lower costs. Considering the strong correlation between employee engagement and patient satisfaction, and the shift toward value-based reimbursements, a unified finance and HR system designed for today's world is essential to any healthcare organization's digital transformation.

Sandra Cortez, vice president and corporate controller at Ernest Health, explains, "We've adopted cloud-based systems—like Workday—which not only free up IT resources to focus on other

critical areas but also provide insight into more detailed information, allowing our hospital CFOs and controllers to better identify areas for improvement and cost control."

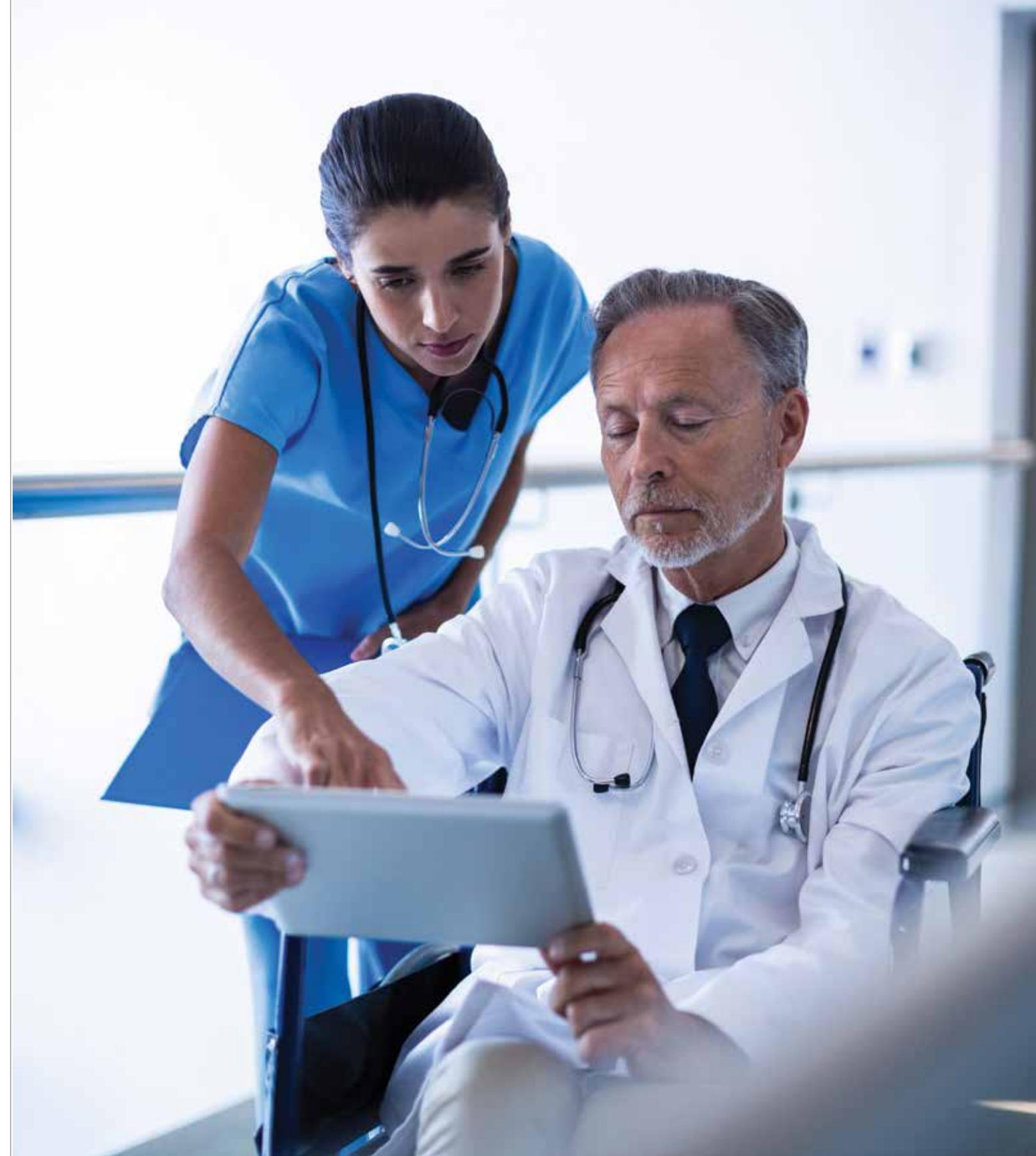
Another way for healthcare organizations to glean insights is to take advantage of artificial intelligence, which frees up time previously spent on manual processes. PwC's ["Top health industry issues of 2018"](#) report reveals that "health businesses are using AI to automate decision-making, create financial and tax reporting efficiencies, automate parts of their supply chains, or streamline regulatory compliance functions." Automating manual, repetitive tasks frees up valuable time and helps reduce human error so the finance team can focus on more strategic initiatives.

### Support and Drive Growth

Survival of the fittest in healthcare isn't just about adapting to change. CFOs must also drive it, identifying and supporting new opportunities for growth. There are many opportunities to deliver growth, including new business lines, joint ventures with other organizations, and exploring M&A opportunities. In fact, [Bloomberg reports](#) that the volume of M&A transactions in healthcare has reached about \$156 billion already this year—the busiest start in more than a decade.

CFOs need to ensure they have ready access to information so they can better predict, advise, and monitor the results of such opportunities, and also better understand their impact to both the patient and employee experience.

Finance is no longer just about the numbers. With the communication skills of a leader, the data-driven approach of an analyst, and the insights and knowledge of a consultant, healthcare CFOs can become change agents for a better future for their organizations.



## Healthcare CFO Spotlight: Insights from Christiana Care

As the healthcare industry continues to undergo significant change, finance leaders are charged with providing their organizations with the strategic insight to make informed decisions. Controllers have a big role in helping organizations navigate these changes, by providing insights and data that can help drive improved patient care and costs.

In this video, Rob McMurray, chief financial officer at Christiana Care, one of the largest healthcare providers in the mid-Atlantic region, discusses his role and how change is impacting the organization. Watch to learn more about how finance leaders can prepare their teams for change.



“There are opportunities to change what we do and provide greater value to the organization by focusing more on the business needs, understanding the business better, and becoming more of an analyst and less of an accountant.”

—Rob McMurray, CFO, Christiana Care

## Focus Area: Improving Supply Chain Management

Healthcare organizations are under enormous pressure to control costs—without impacting the quality of care. One area that can have a big impact on costs and efficiency is supply chain management.

Unfortunately, the traditional supply chain process has been painstakingly complex to manage, let alone optimize. While many organizations have made significant strides in improving their day-to-day processes, there are opportunities to create additional savings without compromising quality, particularly in areas around clinical preference items. In most organizations, clinical utilization and supply chain information lives in separate silos with data residing in multiple systems and databases, giving little insight into true supply usage.

Below are three ways your organization can make strides toward better, more efficient supply chain management.

### **Improve technology and processes.**

According to the [“Healthcare’s silver lining”](#) report by KPMG, “If an organization is using old legacy electronic health records (EHRs) or enterprise resource planning (ERP) software, a move to the cloud is inevitable within the next two to five years as the applications will no longer be supported at that time.”

A single cloud-based system that can combine procurement, inventory, financials, human resources, planning, and analytics provides an automated and seamless process for purchasing, tracking, and replenishing the items and services you need to support patient care.

Improving supply chain processes will allow clinicians to spend less time looking for and managing inventory, and more time with patients.

**Encourage organization-wide collaboration.**

The supply chain touches almost every department within a healthcare organization, and almost every employee interacts with the supply chain in some way. That's why healthcare leaders need to build a culture around cost savings, aligning all staff and stakeholders toward the same goals.

Most healthcare providers have already embraced the concept of clinical value analysis, or have standardization committees to review patient interactions, to determine the ideal way to provide care with the right balance of outcomes, quality, and cost. Supply chain leaders play a key role in providing details on what products are being used, their cost, and suitable alternatives.

As supply chain management shifts to more strategic initiatives, such as cost analysis, the skill set required of supply chain professionals is changing as well. Both analytical and collaborative skills are becoming more critical for supply chain staff, particularly as they play a lead role in driving standardization. Organizations should focus on optimizing the full hire-to-retire lifecycle to recruit and retain the right talent—the individuals who drive the operational objectives that support care quality and outcomes.

**Unify data for standardization.**

As healthcare supply chain teams focus more on value analysis and category management, access to data becomes critical. In fact, the Global Healthcare Exchange's [Supply Chain Leaders Survey](#) found that the top priorities among supply chain leaders were data and analytics for better decision-making, and the standardization of data and business processes across the organization.

Healthcare organizations adopting a strategic, analytical approach to supply chain management need a standardized system that combines procurement, inventory, and financials, and complements that with clinical utilization data to understand what is being used and what it costs. Most importantly, the approach needs to be repeatable, allow for more categories to be analyzed, and track results.

The systems used for supply chain management today are often built on old, inflexible technology that cannot link directly to critical applications necessary for full visibility and informed decision-making.

## Healthcare CFO Spotlight: Managing Change at John Muir Health

Chris Pass, chief financial officer at John Muir Health, shares his thoughts about the shifting healthcare environment and how he's preparing his organization.

**What sort of changes are underway in healthcare?**

Healthcare has always been a changing industry, particularly when it comes to patient care. There are always new medicines coming out and new care protocols. There are more options for inpatient or outpatient treatments. In recent years, surgeons have been keeping people alive with artificial hearts until they can receive a transplant.

While change certainly doesn't come as a surprise, the challenge is we don't necessarily know what will change. Healthcare organizations can prepare by having flexible processes and systems in place that can support those changes. Despite healthcare's advancements on the care side, they are lacking on the back-office side—creating an imbalance for patients as well as employees.

**How does the lack of progress on the back-office side impact the industry?**

One of the largest complaints about healthcare in the United States is how expensive it is. And it doesn't help that it's hard to tell patients what the final cost of their treatments will be with the level of accuracy and speed they are accustomed to in today's technology-driven world.

We can give four people the same treatment, but depending on the type of insurance they have, we will get paid four different amounts. There aren't many business models that operate that way. Unfortunately, that makes things complicated for our customers. It also adds a level of complexity to our bookkeeping—at the most foundational level—as well as to the broader finance operation.

**How are healthcare organizations tackling the affordability challenge?**

As healthcare organizations transform to make healthcare more affordable for patients, we need to automate processes and use technology to redirect resources from areas that don't benefit the patient to areas that do. Only then can we provide better and faster care in the right locations, at lower costs. And to be profitable, we also need to lower operating costs and expenses, which requires a single source of truth—so you don't need to spend time figuring out which number is correct. This is particularly important when you consider that, as a CFO, your organization relies on your data to make informed decisions.



“We need to automate processes and use technology to redirect resources from areas that don't benefit the patient to areas that do.”

—Chris Pass, CFO, John Muir Health

**How does this affect the CFO's role?**

CFOs are challenged with turning the numbers into something meaningful. You need to be able to derive insights and deliver information to the rest of the organization. The integrity, flexibility, and speed of that information enable your management and staff to more effectively manage the business.

Now that many organizations have transitioned from mostly paper-based systems to almost all electronic, we're able to store more information and use it to inform our decisions. With so much data at our fingertips, we're then challenged with making it useful and distinguishing insights from noise.

**What changes have you made at John Muir Health?**

At John Muir Health, we used to have over 13 different back-office systems. It wasn't necessarily the systems that were expensive, but the integrations—the more they needed to talk to each other, the more expensive it was to maintain them. It became obvious that our existing systems weren't adequate for this type of integration, especially when it started impacting our employees. We had folks—whether they were in supply chain or finance—leaving the company because it took so many manual processes to achieve an outcome. In an industry and geographic location with such advanced technology, it was very difficult for us to acquire and retain talent when our back-end systems weren't up to par.

That ultimately led us to the decision to implement a unified system that marries finance, supply chain, and HR. When you put those functions together, it's exponentially more beneficial and efficient for how we deliver healthcare services and for the health system. It's important to be able to have all the information about your employees and contractors in a system where it is integrated with the financials to look at utilization—how many hours people are working and what projects are driving profitability as well as areas that need improvement. That is the true differentiator that will allow us to swiftly adapt to changes in healthcare and transform our organization.

“It's important to be able to have all the information about your employees and contractors in a system where it is integrated with the financials to look at utilization.”

—Chris Pass, CFO, John Muir Health





## Chapter 3: Leveraging Technology to Deliver a Better Experience

Regulatory uncertainty, disruptive new business models, and increasing demands on patient care have more healthcare providers looking for new technology solutions that can help them meet shifting industry dynamics.

That's why many healthcare organizations are converting to cloud-based enterprise systems "to help reduce cost, focus on mission-critical activities, and promote continued enhancements to core clinical systems," according to [Deloitte](#). A cloud-based system enables healthcare organizations to be more strategic and focus on providing the best care, especially when it comes to privacy concerns.



### The Role of the Cloud in Healthcare Data Security

When you're in the business of saving lives and improving well-being, ensuring that sensitive data is well protected comes with the territory. It's not just the right thing to do—it'll cost you if you don't. A recent study found that the cost of the average healthcare data breach is **\$380 per record**—more than 2.5 times the global average across industries. Healthcare providers also amass volumes of financial and employee data that could have huge implications if compromised.

While some healthcare providers indicated that they are confident in their ability to keep their environment and protected health information secure, these security measures may not be sufficient. PwC's **"Top health industry issues of 2018"** report finds "While 95 percent of provider executives think their practice is secure against cybersecurity threats, just 36 percent of providers and payers have access management policies in place, and 34 percent have a cybersecurity audit process in place."

In its **"Healthcare's silver lining"** report, KPMG advises "If an organization is concerned about cybersecurity, it is important to note that moving to the cloud is an opportunity to improve your security profile, as most cloud vendors have more robust cybersecurity capabilities than hospitals could build themselves."

### Building a Culture of Security

Of course, an organization's security practices are only as strong as its weakest link. "Current employees remain the top source of security incidents," according to PwC's **"The Global State of Information Security Survey 2018."** In addition, Chief Trust Officer Josh DeFigueiredo of Workday, has emphasized the importance of building

a culture of security within your organization. He explains that security is everyone's responsibility, and organizations should continually work to increase cybersecurity awareness, provide training, and conduct phishing exercises to educate their employees.

As security continues to be a top priority, healthcare leaders are increasingly embracing the benefits of the secure cloud for some of their most vital business processes. The right tools, coupled with a culture of security, are the way forward for healthcare organizations that want to succeed in a rapidly changing industry.

### More Agility, Less Friction

On top of data security concerns, there are increasing patient demands, new business models, and changing regulations also driving healthcare providers to adopt cloud-based technologies. **KLAS Research** found that "70 percent of healthcare organizations have moved at least some applications or IT infrastructure off-premises, and their future plans lean heavily toward the cloud."

The survey of 144 U.S.-based healthcare organizations revealed that 17 percent of respondents have shifted their enterprise resource planning or human capital management applications off premise, with the majority using a hosted deployment.

In addition, Deloitte's **"2017 Survey of U.S. Health System CEOs"** found that forward-looking CEOs are investing in technologies such as cloud solutions to enable access to continually updated systems rather than housing, maintaining, and updating complex health information technology systems on-site.

“We're focused on understanding changes to our reimbursement and revenue stream, and how we can control costs without compromising patient care. As part of this, we've adopted cloud-based systems—like Workday—which not only free up IT resources to focus on other critical areas but also provide insight into more detailed information, allowing our hospital CFOs and controllers to better identify areas for improvement and cost control.”

—Sandra Cortez, VP and Corporate Controller, Ernest Health

# How CIOs Can Lead a Cloud-First Technology Strategy

Healthcare CIOs are uniquely placed to lead not just the technology adoption, but also the organizational change management required to fully realize the advantages of the cloud. Job security and financial rewards aside, CIOs tend to have the experience and personality that make them suited to spearhead change. Here's how they can do it.

## CIO Checklist for Moving to the Cloud

- Create consensus
- Get executive buy-in
- Collaborate with business users
- Engage IT staff

### Create consensus.

A perfect deployment—from a technical perspective—is useless if users reject it or purposefully don't take advantage of the new system. This is where a collaborative, consensus-building CIO can lay the groundwork for success well before a deployment is set to go live.

The best-structured process for any particular entity—and the many formalized change management models that already exist—is a huge topic. But one thing that all change experts agree on is creating a center of excellence: involving experts from each functional area within the hospital and centralizing them to speak with one voice on best practices for a cloud migration.

### Get executive buy-in.

Getting buy-in from others in the C-suite is a matter of correcting misperceptions and selling the long-term vision. A major misperception is that your data is safer if it's on your own premises. In finance, there are worries about [compliance](#) especially, but in fact, easier and more transparent compliance—and the peace of mind that the vendor is responsible for keeping the service up-to-date as regulations change—is what's driving many health organizations to the cloud.

Once you address common cloud misperceptions, it's time to get buy-in on the vision. Only then can you decide what technology is best. This is an opportunity to fundamentally rethink the way business is done. According to the Deloitte 2016–2017 [Global CIO Survey](#), “CIOs can transform a conversation about individual technologies and their ROI to a more robust discussion about building a set of capabilities to support and drive the organization's digital agenda. Enhancing the conversation in this way can allow CIOs to calibrate their technology investments, capabilities, and the talent needed to deliver value, today and in the future.”

“Our move to having one system of record in the cloud allows IT to be a better partner for finance and HR.”

—Josh Robinson, VP and CIO, Sanford Health

### Collaborate with business users.

With business users in finance, HR, and other areas, healthcare CIOs should gather feedback, try to understand concerns, and invite people to participate in the process as much as possible, whether IT is leading the cloud effort or just assisting.

The ability of CIOs to build consensus and tell a story that conveys a bold—yet achievable—vision of the future will set apart the winners from the also-rans. Dave Smoley, CIO of pharmaceutical and biopharmaceutical firm AstraZeneca, used the power of narrative to drive a multiyear IT transformation at the company. Smoley cut IT costs in half while making IT a force that helps create competitive advantage. When it comes to convincing the business, Smoley says in a [CIO article](#), “You have to connect the dots and translate it into a compelling story that various people who meet with the CEO can share and get people excited about [the tools].”

### Engage IT staff.

Although you should use the same educational, inclusive, and collaborative approach as with everyone above, there are extra sensitivities with IT personnel. IT may wonder how a cloud move will affect its day-to-day duties, so it's important to help IT become active participants in the cloud move—not helpless observers. Training is important—not just on how to understand the incoming cloud system, but on how to best modernize existing

applications to avoid a lift-and-shift, where the same old applications are running in an inefficient way on a new platform. You need training and education to prepare everyone, mentally and in terms of job skills, to succeed.

As one longtime CIO explains in an [InfoWorld article](#) on changing IT careers, “The more complex and interconnected these cloud environments become, the higher amount of a general understanding and knowledge of how it all works together will be required from IT teams. The days of simple technology verticals are over. If you want to build it, maintain it, or fix it, you have to be able to see and understand how it all connects together.”

At a recent roundtable with Workday customers, a business leader shared that he doesn't think of the benefit of upgrading to the cloud in terms of removing the burden from IT, but more about how it empowers people at all levels of the company—including IT—to accomplish more than they ever thought possible.

And, it's important to emphasize with IT staff that because business users are going through the same transformation, there are likely new opportunities to collaborate, and new places where IT skills can be used to drive the business forward that don't exist in the traditional “stand up and power up servers” world of the past.

“Migrating to the cloud and Workday allowed us to rebalance our time and reframe the question from ‘What's the best technology to achieve our organizational priorities?’ to ‘How will our key organizational priorities be achieved leveraging the best technology?’”

—Lisa Kelly-Croswell, SVP and CHRO, Boston Medical Center Corporation



## Healthcare CFO Spotlight: How Sanford Health Is Innovating with Workday

Sanford Health is an integrated health system headquartered in the Dakotas. It is the largest rural, not-for-profit healthcare system in the nation with 44 hospitals and 291 clinics in 9 states as well as locations in 4 other countries. Sanford Health has more than 28,000 employees, including nearly 1,400 physicians in more than 80 specialty areas of medicine.

In August 2017, Sanford Health chose Workday Financial Management, Workday Human Capital Management, and supply chain management capabilities for healthcare to support the organization's initiatives of delivering the best patient experience. Josh Robinson, vice president and chief information officer at Sanford Health, shares how the organization plans to enhance the patient experience by improving the employee experience.

### What business challenges are you facing with your current system?

We are operating on an archaic, 30-year-old payroll system and have no HR system of record. Our teams are burdened by the labor-intensive, manual work required to interact with the system. These cumbersome processes around payroll, benefits, and onboarding prohibit our teams from contributing to our goals of improving the patient experience. After seeing the benefits of transitioning to electronic medical records across 44 hospitals and hundreds of clinics, it became clear there was an opportunity to modernize our back office as well.

Because of our current system constraints, we are operating in a culture in which information is pushed out to employees. We've had to closely guide our teams and managers through different processes, resulting in low employee engagement because they were so tedious. This isn't an effective or scalable approach, and our employees aren't able to seek out the information they need based on their job roles, existing knowledge, and interests. To retain our top talent, we realized we needed a system that could foster a more proactive, self-service approach.

Workday will allow our leadership and staff to do things on a self-service basis and understand the impact certain things have on the rest of the organization and on the patient experience. With the back-office work involved across our key areas of operation—from finance to HR to supply chain—it can sometimes be hard to make a connection with what's happening on the front lines, but it's so critical.



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—Josh Robinson, VP and CIO,  
Sanford Health

**As an integrated health system, how do you ensure the patient experience is consistent?**

Delivering a consistent patient experience requires delivering the same care and messages across each center of care. This can be challenging when you consider there are different ways to practice medicine as well as different physicians and nurses who deliver the care. To align your staff around the patient experience, organizations need to rely on one source of truth and have intuitive systems and collaboration tools to support their employees.

At Sanford, we've done a lot of great work using clinical data to improve our data analytics structure. However, there is also a lot of operational, back-office data involved that our current system doesn't support as a lot of the data we need isn't easily accessible. This type of data is critical because it impacts employee decisions and qualifies how they're operating.

**How is Sanford innovating as a healthcare organization?**

We recognize that we need to be more than a healthcare delivery organization, which is essentially where you go when you need to see a doctor or get a procedure done. For our business to be viable and sustainable, we need to deliver an end-to-end experience for consumers.

Aside from our healthcare delivery systems, we have a robust research and development division that has a

branch focused on partnering with leading pharmaceutical and medical device companies. We also offer small to midsize health plans and are rolling out profile stores for healthy lifestyle management that include lines of food designed by physicians. In terms of our philanthropic initiatives, we provide top-of-the-line Western medicine to underserved areas around the world. Healthcare organizations are in the business of saving lives, and we're committed to doing that beyond the doctor's office.

**How does Sanford plan to improve its back-office functions?**

There are three legs of the stool: finance, HR, and IT. Finance is responsible for everything from accounting to analytics and the revenue cycle, and HR manages the talent and ensures we have the right people to deliver the best experiences. For a long time, IT in general—agnostic of any industry—has been a heads-down, hands-on shop. Today, IT aspires to be a strategic business partner that not only understands and maintains technology but shares analysis and insights with the entire organization.

As Sanford has grown through mergers and acquisitions, we've tried to manage our corporate services centrally. Unfortunately, that hasn't always worked. For example, while

we had one CHRO managing the HR function, each legacy organization we merged with was still delivering services the same way they always did. We weren't functioning as one cohesive organization.

As we started the process of transforming our organization, we began evaluating how we could better deliver HR services. We quickly realized that we wouldn't be able to do it the right way without technology to support the transformation, and without alignment and visibility across the different functions. Our move to having one system of record in the cloud allows IT to be a better partner for finance and HR, and it will allow our entire organization to operate and scale better as a result.

Workday will provide us with more visibility into the costs and performance of our workforce and organization, and give us insight into how we're delivering services across our different locations. Take, for example, supply chain management, which is a critical business function in healthcare. Having the right item at the right time for the right person—every single time—is a matter of life and death.

**What features stood out as being the most beneficial to your organization?**

Workday will allow us to deliver an employee experience that aligns with the innovations we've made on the consumer side. Putting the power of Workday into the hands of our supply chain and finance users was a compelling data point in our decision to move forward with a unified platform.

It will also help us streamline our business processes, such as PTO and timecard approval. In some departments, our leaders may have 200 direct reports, including nursing and support staff, and managing that administratively with our current system is burdensome.

Another differentiator of Workday is around talent management and reporting. Sanford operates locations in rural areas, where it can be tough to recruit and retain nursing and physician talent, especially when you're competing nationwide. With Workday, we will be able to drill into why certain markets have turnover and figure out how we can correct in real time. In addition, we can develop and track talent pools that will allow us to more effectively recruit new talent. With our current system, that type of data took weeks or months to get, and we didn't know if it was accurate.

**What advice would you give to other healthcare leaders as they look to replace their legacy systems?**

Be sure to engage your nursing leadership early on. We included our nursing directors and executives very early in the evaluation process and gave them visibility into how Workday could help with the challenges they were running into. Not surprisingly, the nursing leadership, along with our other business partners, such as those doing data analytics, became the biggest advocates throughout the organization.

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## Conclusion

Healthcare is an industry notorious for change, and the coming years will bring about even more. New practices, technologies, and innovations can help providers navigate a new era of digital transformation as they strive to improve the quality of care and provide more value.

To deliver quality care, healthcare providers must take an employee-centric approach, align across the organization, and continue to drive technology innovation to find and inspire the best talent and enable them with the right technology.



## Workday Cloud-Based Applications Selected 2018 Best in KLAS Enterprise Resource Planning and Category Leader–Talent Management

When healthcare providers search for the best in their technology solutions, they look to KLAS ratings, the standard by which thousands of healthcare provider organizations evaluate vendor performance.

Workday is pleased to announce that our clients have ranked us as the highest-performing cloud-based vendor in the Best in KLAS–ERP market segment for 2018, and named us Category Leader–Talent Management. KLAS' rigorous research of real-world performance based on end-user data is renowned in the healthcare industry.

### About Workday

Workday gives healthcare providers the ability to adapt to reform-driven changes, implement and monitor new business models and service lines, cultivate the right talent to provide superior patient care, and much more.

Workday serves organizations ranging in size from 400 employees to 120,000 employees across the entire continuum of care. Some of our customers include Bayada Home Health Care, CityMD, Christiana Care Health System, Dayton Children's Hospital, and Sanford Health.

To learn more about Workday for healthcare, visit [workday.com/en-us/industries/healthcare.html](https://workday.com/en-us/industries/healthcare.html).



“Best in KLAS is more than a ranking. It is a recognition of vendors committed to delivering superior solutions. It gives voice to thousands of providers who are demanding better performance, usability, and interoperability in healthcare technology.”

–Adam Gale, President, KLAS

