

Selling the validated value of emerging solutions in an interconnected world

In a world challenged by global insecurity, the shareholders of private sector and public sector policy makers are demanding more results from less funds before granting investment in major technology based initiatives that solve complex problems.

This places additional demands on CIOs who have used the tried and tested arguments that range from efficiency gains, time for a refresh or that the “sky will fall in” if the demands for non-capped budgets are not met.

Many vendors of these evolving interdependent technologies admit to being able ‘only to do so much’ in enabling the CIO to make a meaningful business case for transitioning the organization towards a stated value based endpoint.

Understanding the nature of eco-like interconnected worlds that technologists have and will continue to unleash upon senior managers with limited IT comprehension is mission critical for the adoption of solutions on offer today. Not only does this introduce new complexities when calculating the broader implications, it also dramatically increases the number of interdependencies upon any initiative especially relationships between stakeholders, which is never ‘cut and dry’. Gone are the days of well managed silos of information, power or even control, and enter a more federated structure where value becomes king and trust is a core commodity. A simple ‘acid test’ used by today’s financial controllers is to ask who will take the responsibility (and budget liability) for a proposed initiative not reaching its critical mass of adoption. The reality is that because the interdependencies become greater and more complex as an organization reaches the tipping point of adoption and sustainability becomes the greatest risk, no one wants responsibility.

That is why it now appears to business stakeholders that by solving the vexed problem of transaction interoperability and system integration we have in fact created a new and even more challenging set of problems.

This was clearly articulated in 2006, by Jane Treadwell, the then CIO of the Victorian State Government, who refreshed the complex Centrelink welfare systems in her previous role, was well qualified to remark: “To justify an investment in a network of organizations in the same sector (potentially one’s competitors), traditional business cases will satisfy the needs for notions of cost savings and return on investment (ROI). But when it comes to understanding and leveraging the value that comes from a network of operators working together, traditional methods are no longer applicable or useful.”

Case Study

Through a series of events, a leading Australian Managed Service Provider brought together groups of senior policy and business managers from various government agencies to evoke an open debate where the common strategic and operational problems could be identified.

The intention was to see through an open, intelligent and collaborative approach to doing business in Government could be identified if the operational value created to each of the parties would solve the fundamental problems, and to establish whether the industry solutions, if provided in a neutral and secure environment, could also fast track clients towards their strategic aspirational endpoint. More importantly, that some of the solutions to problems their own people had already declared as being too complex to solve were within grasp and had already been established.

Interestingly, for most government agencies that are grappling with budget cuts, the capital cost of a solution is, in itself, a major problem so a "configuration and pay as you go" approach would get them over the first barrier. The second inhibitor was time, which was overcome by virtue of the MSP's existing services which had already been deemed by agencies as an internal order. The third major barrier was overcoming the complex compliance and risk migration requirements (real and imagined) and again, the MSP could provide verifiable assurance that this critical issue was addressed as they operate and manage the secure connection and the compliance requirements of the environment.

The MSP, 4 years previously, had been approached to provide input into how one Health Alliance Service Provider would afford to integrate the many legacy systems and numerous health practitioners to a single patient view system. A Personal Health Record Initiative funded by the Australian Federal Government was on the distant horizon at the time and suspicions that any additional funds to cover the bulk cost required for this integrative activity, much of which was proposed to be a State Government responsibility, would result in very little content finding its way in to the centralized record.

However, it was soon realized that if the record system was connected via an existing "cloud" solution which was in a neutral and secure environment where no upgrade of the legacy systems would be required then a pathway forward could be found, especially if the operational cost could be covered within the savings of existing operational budgets and the value to each of the connected parties could be demonstrated and meaningful.

This was quickly resolved by turning the attention to unlocking the potential value of patient management. In this instance it was identified that the existence of an integrated health record would resolve many of the day to day operational problems across the health region. The root problem that health regions experience is that all of the systems, processes and many procedures are in fact disconnected from each other creating dramatic amounts of operational pain for all parties. The aspirational endpoint is expressed as a continuum of care between all parties from a patient perspective.

For example, managing chronic disease patients (many of who are drug dependent for life) account for about 80% of operational pain in these regions as they get churned through a disconnected health system.

In one region alone it was confirmed that managing the annual check-up for diabetics alone generates 45% of duplication of appointments, medical prescriptions and medical testing to an average of six referred specialists for each patient each year. This increases in some regions to 100% duplication between GP's and hospitals. The assessment was made that if resolved; the solution would also reduce all hospital admissions in any State by 12% as a third of the "avoidable errors" would be eradicated.

In all, big money, big savings and tangible verifiable public value to patients and the community at large without having to refresh large systems. All that would be required is the task of interconnecting some of the systems with technologies which would connect to the personal health

record system and as act as the ID enabler and development catalyst providing a gateway to a web-enabled low-cost patient booking and reporting system.

This solution matching game continued, which resulted in a number of solution problem matching activities ranging from the realization that all the components already existed to set up a medical imaging 'cloud' on a 'pay as you go' basis, that most of the data for traffic management already existed, with the majority of it outside governments, and that all IT education budgets could be slashed by sharing what had already been paid for.

The growing realization that someone (in this case, the Australian Managed Service Provider) had already constructed a complete solution that overcame the real business, financial, risk and technology barriers, and that it delivered operational value whilst delivering policy outcomes, was clearly embraced.

The Value

The observation is that if a client understands it has a strategic problem with a lot of associated operational pain and suspects it needs a holistic solution, they would invest in the process of measuring the value of a collaborative outsourced solution that brings together the best of breed technologies in a neutral and secure environment. This delivers significant cost savings by bringing various vendors to the table to ensure that the best configurable solution is designed to meet the needs of many.

There is no doubt that if the requirement is driven top down, then it would be hard to see how to deliver a solution without this type of approach, once two key principles are established. Firstly, those solutions can be accessed with little or no CAPEX and secondly, that new knowledge based assets with commercial value can be generated as a by-product of delivering public services which result in the discussion quickly moving towards creating partnerships. This is not a technical discussion as the nature of the exploration is one of public value creation (through creation of infrastructure), brokering, governance and the commercialization of newfound digital assets.

On a final note, there should be a great deal of admiration for pioneers of this innovative industry that are interconnecting the world to morph it towards a knowledge-based economy. However, it's indefensible not to identify, measure and then validate the meaningful value of what has already been created (and paid for) to each party for technologies that already exist and often underpin all that drives today's successful Consumer centric economies. Even a casual exploration of the value generated by these interconnecting technologies can reveal startling evidence that could be used by the CIOs to justify the next investment required in their evolving journey. Through a casual exploration of the value of a connected technological infrastructure we reveal that CIO's are able to justify future investment upon closer exploration of the evolving nature of the industry.

So perhaps we could emulate what occurred in the heyday at Silicon Valley where we too could each collaborate for the sake of a common goal for the common good. In today's technological environment, one would be hard-pressed not to agree that it is easier to work together in a collaborative environment in order to ensure that the collective client pool will be able to identify and therefore celebrate the validated worth created for their own customers as a core business activity.

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