

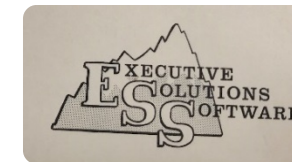
WINE INDUSTRY  
**TECHNOLOGY**  
SYMPOSIUM

How to Build and Sell a Fire-Year IT Plan to Your CEO 1

# Building & Selling an IT Plan

## Todd Hauschildt

- **National Semiconductor** – Semiconductor industry
- **Executive Software Solution** – Software industry
- **Hewlett-Packard** – High Tech industry
- **Agilent Technologies** – Test and Measurement industry
- **Verigy/Advantest Technologies** – Semiconductor industry
- **CRC Healthcare** – Behavioral Healthcare industry
- **Symantec** – Software/Security industry
- **Veritas** – Software industry



# What We'll Cover

- ✓ Approaches to building a plan
- ✓ Approaches to selling the plan
- ✓ Approaches to execution and review of the plan

But first...

# What are the 3 key responsibilities of a CIO?

- Enablement of the business strategy
  - Keep the lights on
  - Enable / support the strategy
- Cost – manage cost as efficiently as possible given the company strategy
- Risk and Liability Mitigation

# What should the CIO spend a majority of his/her time on?

Building relationships with the business AND understanding and support the business!

## And what is the best way to do that?

Include them in the process – every step of the way!

# ✓ Approach to Building the Plan

- Determine the Implications of the Business Strategy for IT
- Diagnose IT Performance Gaps
- Determine Actions to Meet IT Objectives – building the plan
- Communicate the Strategic Plan to All Stakeholders

# Determine the Implications of the Business Strategy for IT

- Business Goals
- Key Business Capabilities that Support the Business Goals
- Underlying Challenges and Opportunities
- Trends Impacting the Company

# Correlation of themes to business objectives

Key Business Themes	Business Objectives																		
	Reach Families in Need--Increase Admissions by >8% in every Line of Business					Become the <b>Recognized Leader</b> in Clinical Excellence and Value				Drive Operational Excellence thru Engagement and Continuous Improvement									
	Drive Inquiry Growth >15% thru Integrated Marketing Initiatives	Leverage Private Pay sales force to achieve admissions growth of 13% (Sierra Tucson) and 10% (Aspen)	Drive Commercial/Public sales force for >6% admissions growth	Increase the Overall Admissions/Inquiry Rate from 21% to 24%	Increase Weight Management Admissions by 25% (>500 Admissions) in FY12	Implement CRC Treatment Model (Client Directed – Outcome Informed) Company-Wide	Deploy Enterprise Risk Management framework to drive Quality and Compliance	Enhance CRC Reputation as Clinical Leader	Increase CTC Average LOS (439 Days) by >40 days by Q3	Drive Critical Operational Metrics:	Improve CRC MHCA Customer Satisfaction from 4.0 to 4.2 in FY12;	Residential RD: Improve to 4.4; CTC: Improve to 4.0	Aspen: Improve to 3.7; WM/ED: Improve to 4.5	UR : Increase average days authorized from 22 to 22.5 at commercial programs	Reduce bad debt expense to <1.65% total revenue for FY12	Reduce Voluntary Employee Turnover to 20% and Raise Engagement Scores to >3.75	Leverage Financial Control and IT as Business Partners	-Correct material weakness in internal control environment by Q2	-Redesign 2013 budget process to achieve greater efficiency and accuracy by Q3
<b>EMR</b>																			
Residential	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Clinical	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Youth	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
WM	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
ED	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
<b>ERP</b>																			
Finance	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
HR	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
Executive Management	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
<b>Infrastructure</b>																			
Remote Sites	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Phones	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Connectivity	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Sales - Mobile Workers	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
<b>Compliance &amp; Security</b>																			
Executive Management	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
<b>Data to manage the business - not at the facility but at the enterprise</b>																			
Data Quality	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Key metrics	Green	Green	Green	Green	Green	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
Payer data	Green	Green	Green	Green	Green	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
Patient data	Green	Green	Green	Green	Green	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
<b>Clinical Excellence</b>																			
Outcomes Data	Green	Green	Green	Green	Green	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red
Etc	Green	Green	Green	Green	Green	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red

■ No Impact   
 ■ Potential Impact   
 ■ Strong Impact



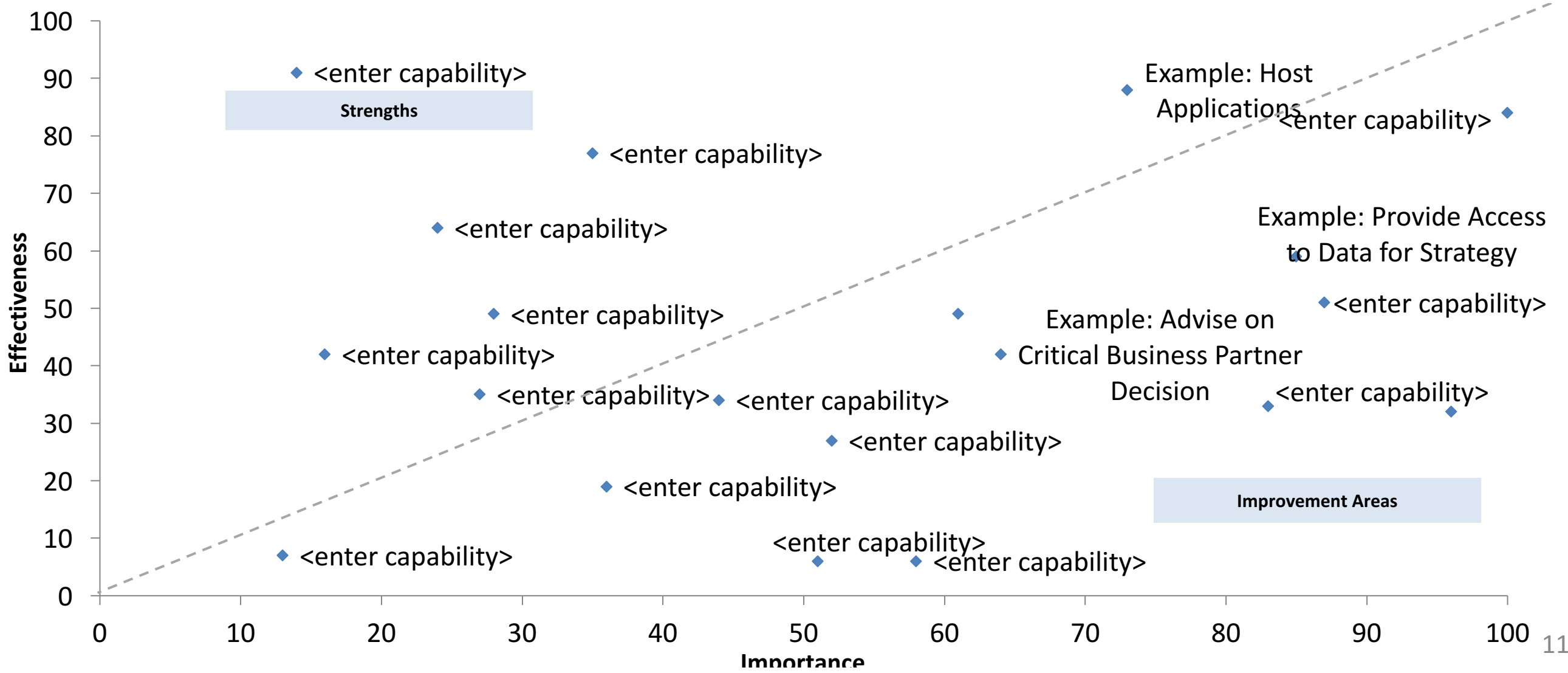
# Diagnose IT Performance Gaps

- Business Partner Perception of IT Performance
- Technology & Capability Roadmap
- IT Skill Gap Analysis

# Diagnose IT Performance Gaps

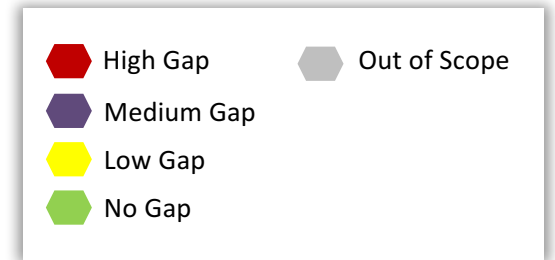
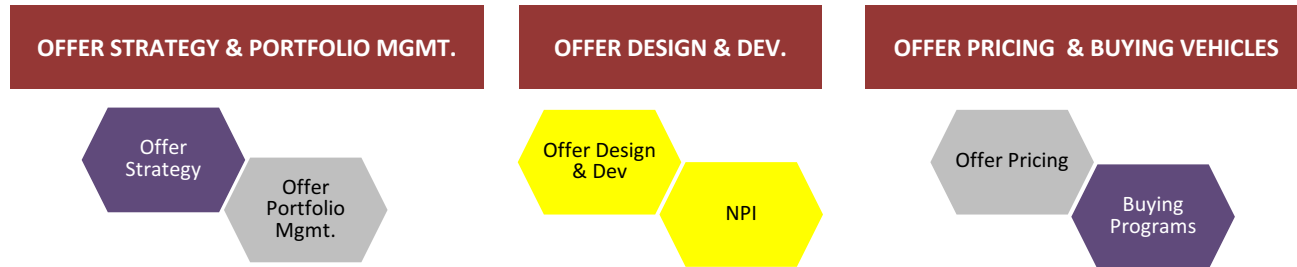
Engage Business Partners	Design and Manage Architecture	Manage the Project Portfolio	Deliver Technology Capabilities	Manage Information Risk	Develop and Manage Talent	Manage the Function
Structure Business Engagement	Manage Business Architecture	Assess Investment Proposals	Manage Business Requirements	Assess Information Risk	Plan Workforce Strategy	Design IT Strategic Plan
Communicate Strategy and Performance	Plan Future State Architecture	Manage the Project Prioritization Process	Build and Integrate Applications	Manage Risk Policies	Assess and Manage Employee Performance	Manage IT Functional Design
Manage Enterprise Change	Define Data Strategy	Manage Projects	Manage Infrastructure Operations and Support	Manage Employee Awareness	Develop Critical Skills, Competencies, and Mind-Sets	Manage Technology Spend
	Drive Digital Strategy and Innovation	Monitor Portfolio Health	Manage IT Product Lines	Respond to Regulatory Requirements	Guide Employee Career Progression	Measure IT Performance
				Operate Security Controls		Design Sourcing Strategy and Partner Selection
						Manage Sourcing Relationships and Performance

# IT Skill Gap Analysis

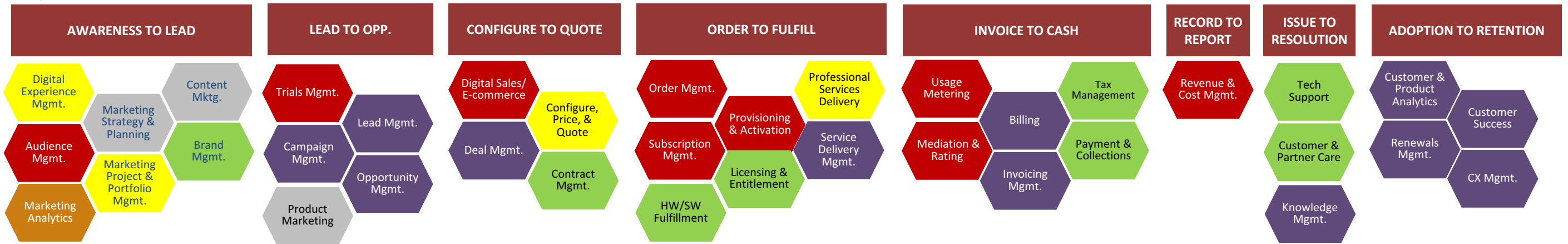


# Capability Gap Analysis

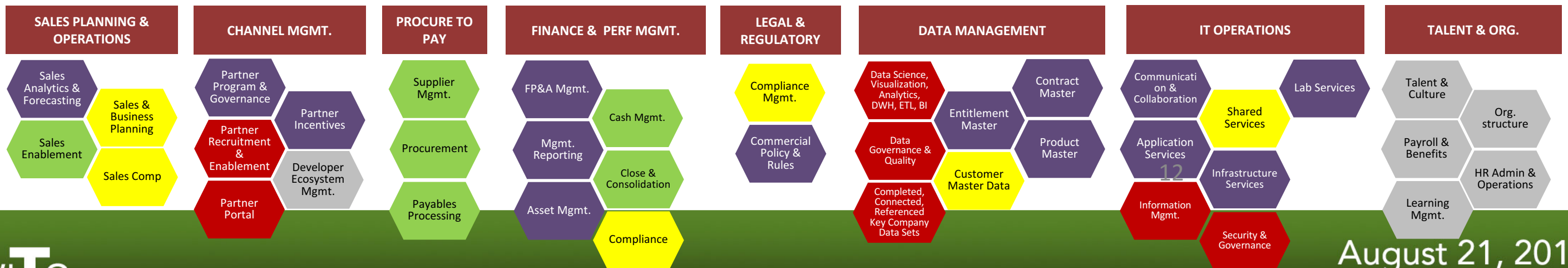
## IDEA TO OFFER



## ACQUIRE AND GROW THE CUSTOMER



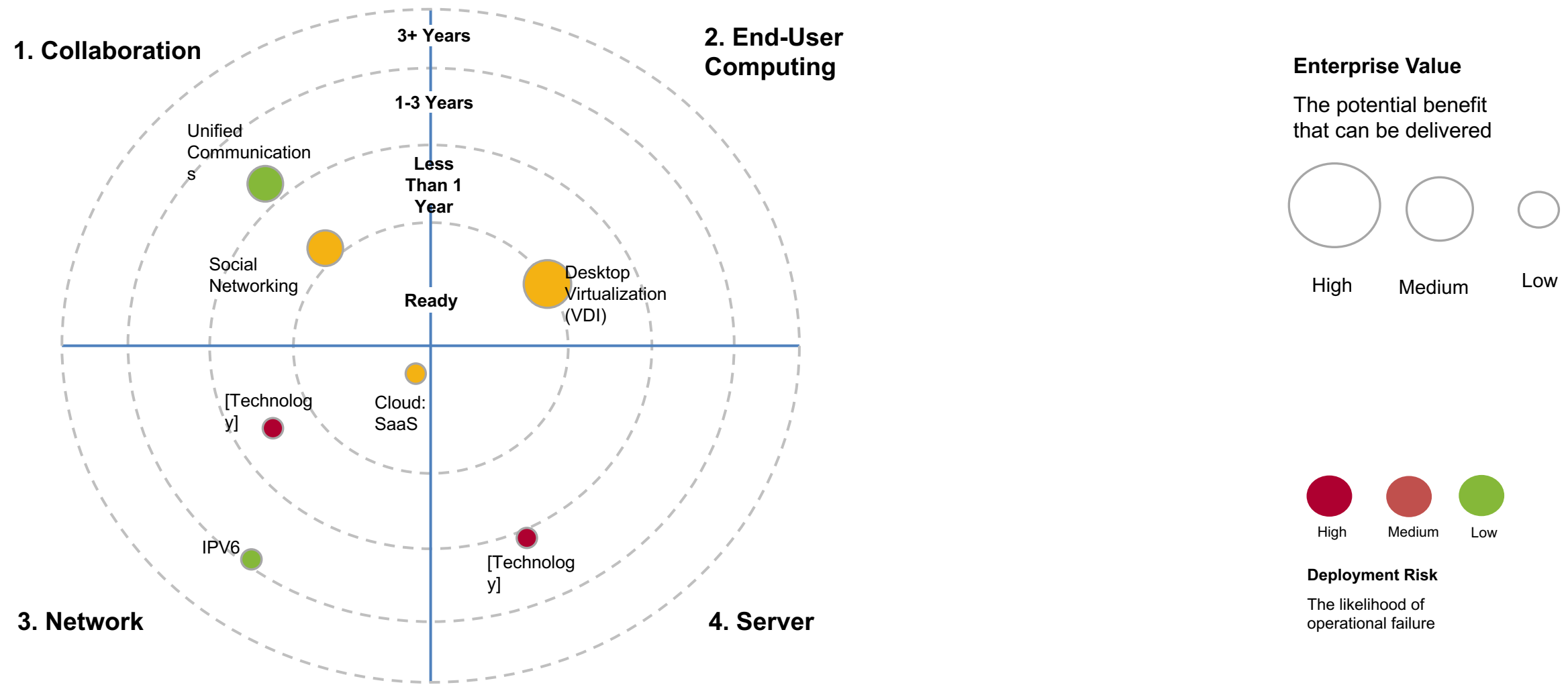
## MANAGE THE ENTERPRISE



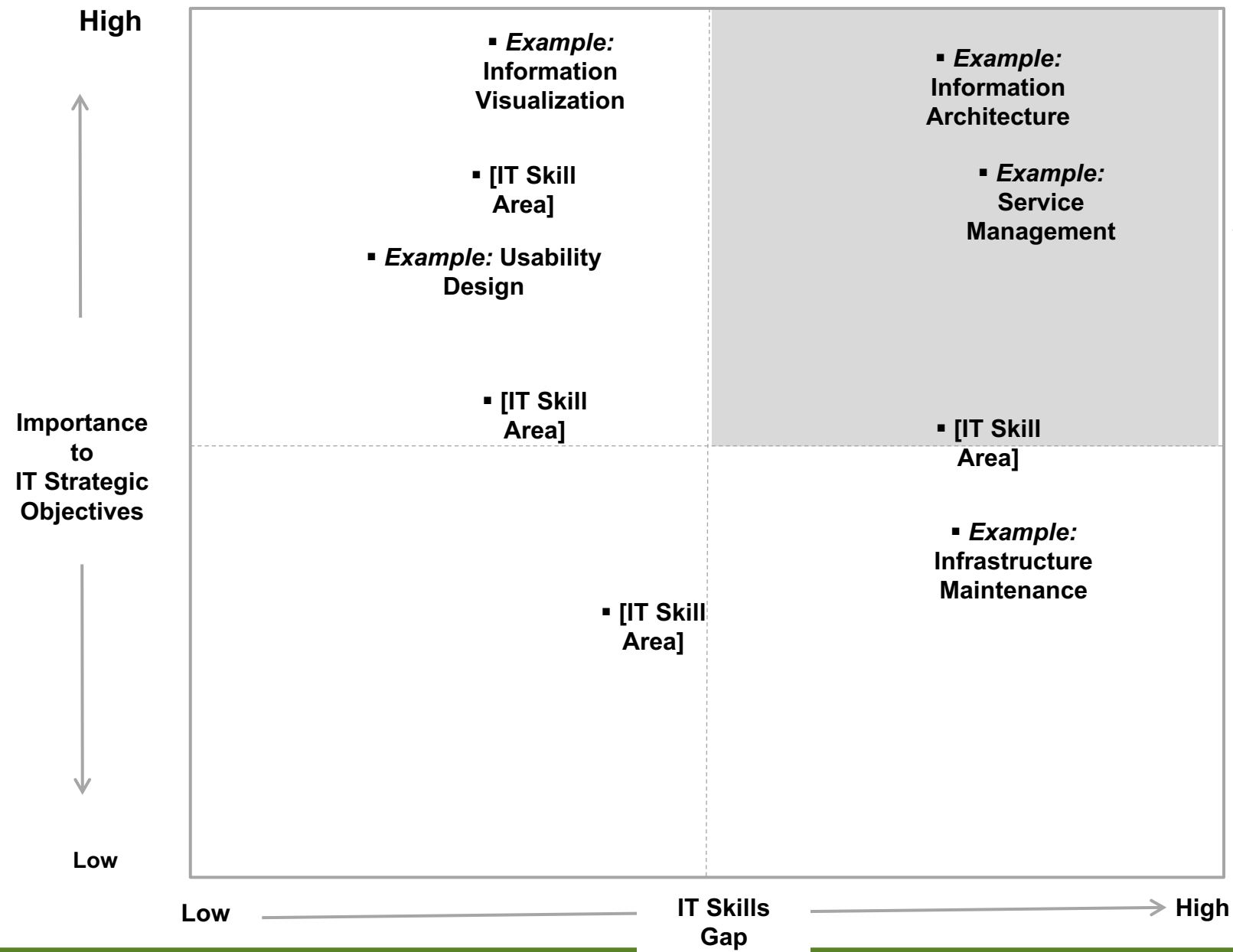
\* The assessment is based on inputs provided by functional owners

August 21, 2018  
 Napa Valley Marriott

# Technology Capability Roadmap



# IT Skill Gap Analysis



## Action plan to close skills gap

- Rotations
- Classroom-based training
- E-learning
- New hiring
- Outsourcing
- [Action Step]



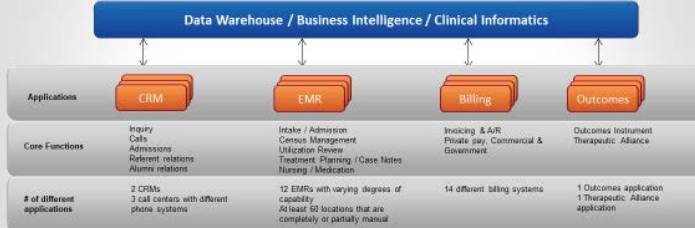
# Determine Actions to Meet IT Objectives

Key Business Themes	Business Objectives									
	Reach Families in Need - Increase Admissions by >8% in every Line of Business		Become the Recognized Leader in Clinical Excellence and Value			Drive Operational Excellence thru Engagement and Continuous Improvement				
EMR	Drive Digital Growth >15%/Yr	Integrate Existing Applications	Improve Patient Care	Reduce Costs	Improve Efficiency	Reduce Risk	Improve Quality	Improve Patient Satisfaction	Improve Employee Satisfaction	Improve Operational Efficiency
Residential	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Clinical	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Youth	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
WV	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
ED	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Finance	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
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Infrastructure	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
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Data to manage the business - not at the facility but at the enterprise	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Data Quality	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Key metrics	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Payer data	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Patient data	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Clinical Excellence	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Outcomes Data	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
Etc	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green
	No Impact	Potential Impact	Strong Impact							

## Workday Initiative Summary

### HIE & Data Warehouse / Strategic Initiative Key Challenges to integrate data and provide standard patient metrics

- Numerous data sources, variance in modules/functionality, and limited master data provide challenges in delivering enterprise patient metrics for the organization....however, several technology options may facilitate this effort



- Key Challenges**
- 1) No unified view of patients, payers, and enterprise definitions
  - 2) Integration of data between applications
  - 3) Demand for analytics, reporting, dashboards over unified view of patients
  - 4) Visibility / Data feeds with external parties such as payers, referents.
- Potential Technology Solutions**
- Master Person Index and/or MDM solution
  - Integration engine to more efficiently move/manage data flow between systems. This includes application to BI / Clinical Informatics layer and CRM to EMR, etc.
  - Leverage standard data model(s) that allow extensibility and prebuilt dashboards & reports
  - HIE & Secure messaging technologies

**Initiative**

**Project Overview:**  
CRC Health Group has the need for a common Enterprise Resource Planning tool to support its Financial reporting requirements as well as core enterprise activities such as Human Resources, Procurement, Expense tracking and Finance (Accounts payables, Receivables, and potentially contracts)

**Objectives/Benefits:**

- This project supports issues around financial controls as well as other operational excellence activities by aggregating enterprise information and developing common processes.
- Support CRC implementation of efficient and effective best practice workflows for a multitude of common processes.
- Use "out of the box" functionality in the cloud (SaaS)
- Leverage existing processes and product knowledge

**Current Status:**  
Microsoft Dynamics Great Plains

**IT Action Plan:**

- ERP Steering Committee identification
- Requirements definition
- GAP analysis
- Process redesign and standardization
- Infrastructure readiness
- Product readiness
- Deploy

**Major Technology Impacts:**

- Enterprise reporting (Financial audit compliance)
- Interface/integration with current Cognos/Data warehouse environment
- Interfaces (GL, Lab, Prescriptions, EDI billing, State reporting)
- Migration to SaaS model
- SOX Compliance

**Budget Impact:**  
Sum Capex  
3 yr ROI: 30%

**Timeline & Major Milestones**

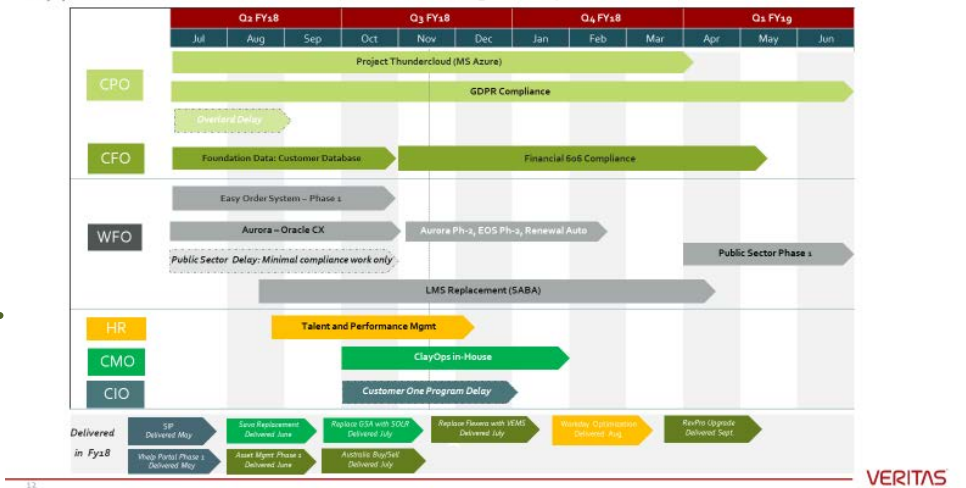
The timeline shows the following milestones:

- ERP Steering Committee: Q2 '13
- Requirements: Q2 '13
- GAP: Q2 '13
- Process redesign: Q3 '13
- Infrastructure Readiness: Q3 '13
- Product Readiness: Q4 '13
- Deploy: Q1 '14

**Primary Project Risks**

Risk	Potential Impact	Mitigation
IT Staffing	High	Hire/Outsource/vendors
Infrastructure	Medium	Assessment
Security/SOX	Medium	GAP, Remediation
Vendors	High	Exec support, communication
Business Staffing	High	Exec support
Scope	High	Change Mgmt., Steering
User Acceptance	High	Exec Support, communication
Process Redesign	High	Exec Support, Steering

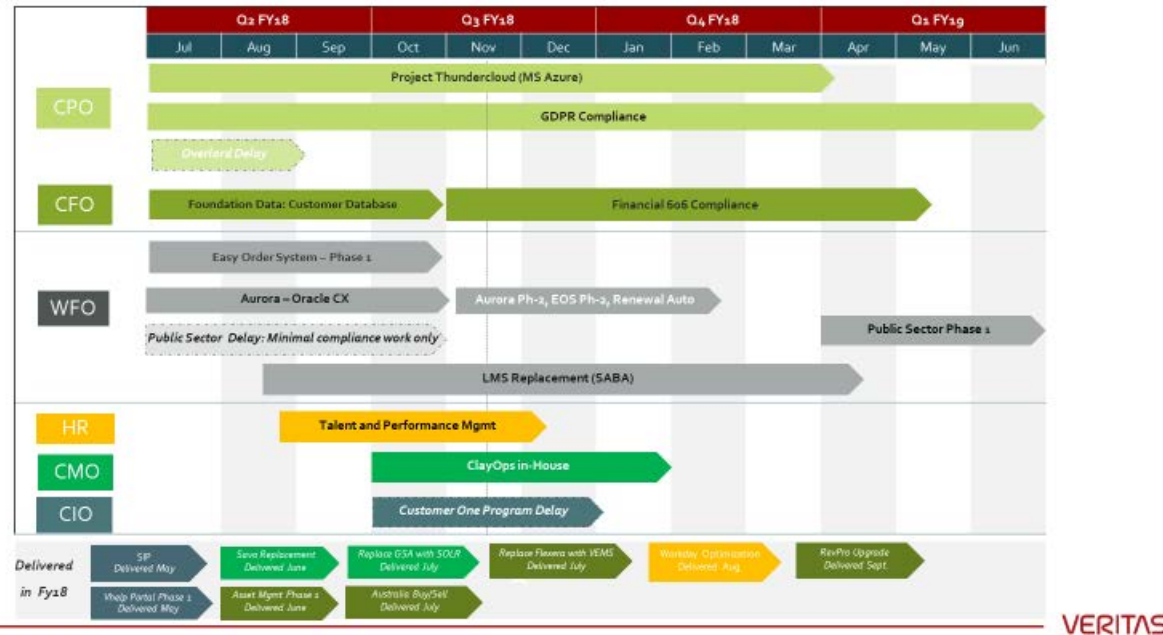
## Approved POR Business Investments 9-08-17: FY'18



# Communicate the Strategic Plan to All Stakeholders

Approved POR Business Investments 9-08-17: FY'18

Black Print - Final Requirements  
White Print - Requirements TBD or WIP



VERITAS

Use terms they relate to. For example: Cost savings, Efficiencies, Distributor Satisfaction...

Don't talk about the technology (unless it is appropriate), talk about the enablement they will receive

## Summary of IT Strategy for 20XX-20XX

**Statement of IT Strategy:** To help achieve company goals of driving growth by providing IT-enabled capabilities and supporting business-led technology initiatives that improve cross-selling and team collaboration and simplify the customer experience



Source: CEB analysis.

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# ✓ Approach to Selling the Plan

Once you have completed the IT Strategic Plan – including:

- The functions and features they will receive
- The projected Return on Investment (Based on a Rough Order of Magnitude)
- What it will take to get there (Skills, Participation & Governance)

Review it with the key stakeholders to build support – the folks you talked to along the way

# Approach to Selling the Plan

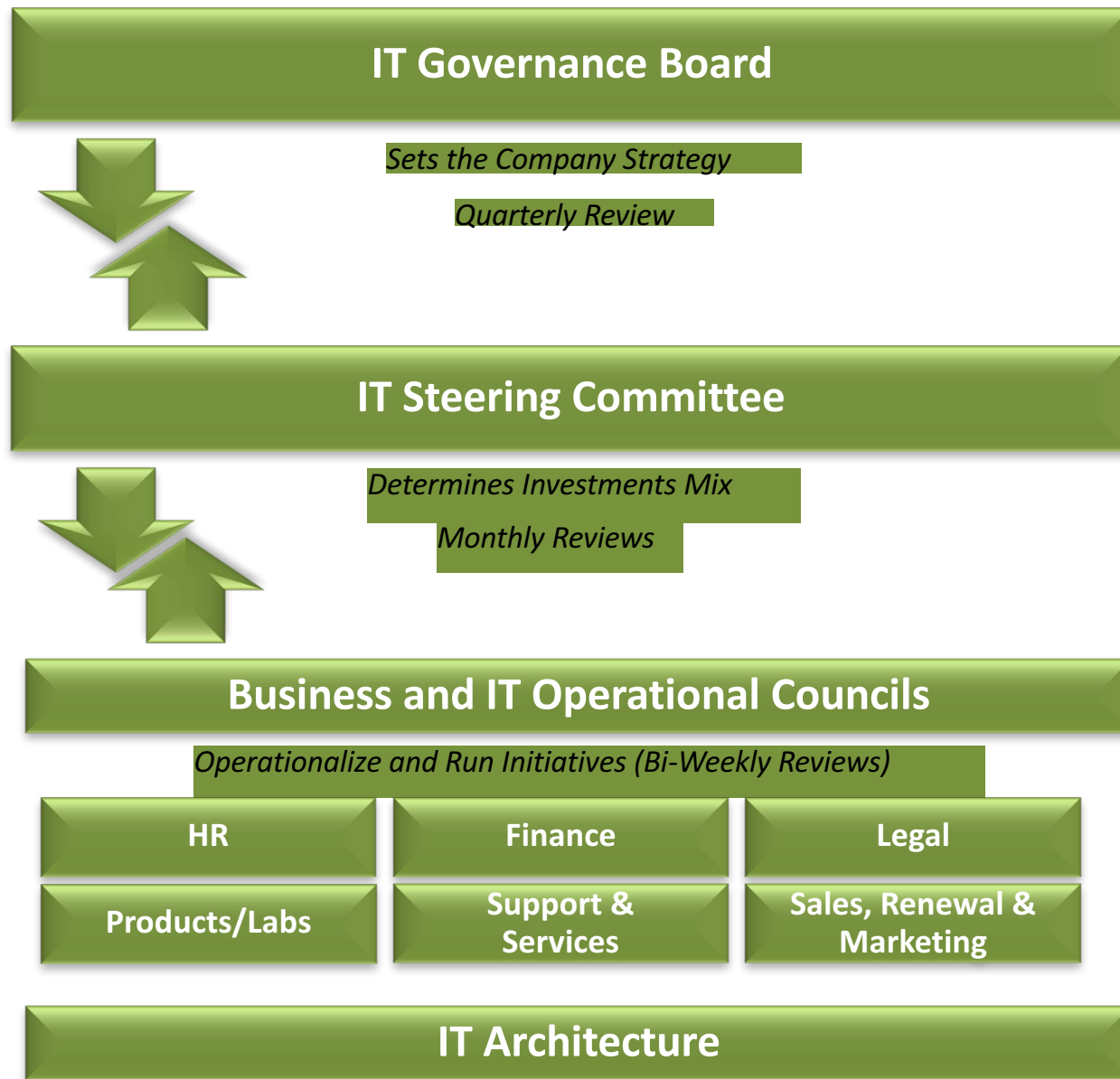
The last step may take several iterations.

Review it with your CEO, Board, Executive Committee

When reviewing with your CEO it is best to include several of your key stakeholders – they are now your best supporters!

**Good Luck!**

# ✓ Approaches to execution & review of the plan



## Responsibilities

- Ensure investments are in alignment with strategic goals
  - Review high level business cases
  - Active Executive Sponsorship and issue resolution
  - Provides Enterprise view of initiatives
- 
- Review project / change requests
  - Apply "filters" to screen out projects
  - Review final business cases
  - Assign IT resources to detail out business case IT costs and benefits
  - Issue Resolution
  - Risk Management

## Dashboards for Review



**Workday Optimization Status Dashboard – week ending <12-May-2017>**

TRACK	Overall	Scope	Cost	Budget	Status/Driver(s)
Recruiting	G	G	G	G	Configuration complete, integration configured, with weights, end-to-end testing in progress
Compensation	Y	G	Y	G	Configuration complete, delay, end-to-end testing in progress
PKM	Y	G	Y	G	End-to-end testing in progress, impacted by delay in compensation configuration
Security	Y	G	Y	G	Configuration complete, delayed by 2 weeks for short term security design, checking up to OrgUnit Test and staff testing as part of end-to-end

**Executive Summary** Workday Optimization project to

- Re-design compensation setup (sales/non-sales compensation packages)
- Optimize Hire, Change Job and Term Business Processes (consolidate approvals)
- Automate Offer Letter generation and integration to Hire Right background checks


Milestone	Planned	Expected /Actual	Status
Project Kick-Off and Planning	21/01/2017	30/01/2017	G
Business Requirements (Design)	17/02/2017	01/03/2017	G
Design/Architect Solution	14/04/2017	28/04/2017	G
Sign-off and Commit to Solution	28/04/2017	05/05/2017	G
Configuration Complete	05/05/2017	12/05/2017	G
QA Testing Complete	19/05/2017	26/05/2017	Y
User Acceptance Testing Complete	16/06/2017		G
Testing Sign-Off	21/06/2017		G
Customer Plan	20/06/2017		G
Deploy	14/07/2017		G

**Risks - Issues - Actions**

Type	Description	Next Action/Mitigation Plan	Owner	Due Date
R	Project go live date moved by two weeks (RCS to TST) due to launch	Secure approval for budget release into org		6/20/2017

# Keys to your Success

- Relationships
  - Dialogue
  - Listening
  - Talking in Business Terms
-  This builds trust

# Services that I have used

- Corporate Executive Board – a Gartner Company
- Deloitte Consulting
- Stratam Consulting
- Certainly other consulting firms!

# Q & A

# Thank You

[Todd.hauschildt@veritas.com](mailto:Todd.hauschildt@veritas.com)

Todd.hauschildt@sbcglobal.net