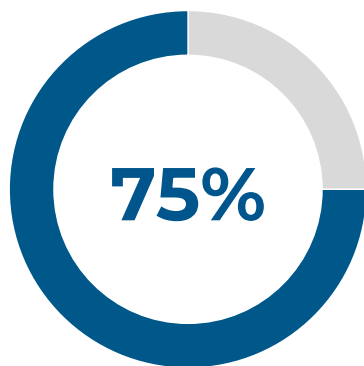




Are your ERP implementation goals tied to the right outcomes?

Focusing on achieving outcomes when implementing new technology

Healthcare organizations are investing heavily in enterprise resource planning (ERP) platforms to manage their business more efficiently, lower costs, and ultimately deliver better service to patients and employees. Without establishing the right vision to achieve expected outcomes, the complexity that accompanies implementation often leaves organizations with technical versus outcomes-based goals.



According to [Huron's research](#), nearly 75% of healthcare leaders report a lack of cohesion between functions impacted by ERP areas, preventing organizations from realizing the technology's full

benefits. When asked to rank digital investment areas by perceived success, core technology – including ERP platforms – ranked last. The question is not whether organizations will continue to invest in ERP; instead, it's how they can maximize the value of that investment.

While a new ERP platform can enable current tasks to be performed more efficiently and bring existing KPIs within reach, an implementation that merely aims to update or enhance current-state operations won't lead to significantly higher levels of productivity and performance.

Forward-thinking organizations are using implementation as an opportunity to determine the long-term outcomes they want and how they can transform their processes to achieve future-state performance.



Is good, good enough?

Organizational goals during implementation translate directly to post-go-live outcomes. In some functional areas, an optimization level of good can be enough. In other areas that are more differentiating to your business performance, striving for best-in-class is worth the time and effort. The pitfall is failing to see how you can do more to achieve operational excellence.

Organizations should consider whether they're contorting their ERP platform to meet them where they stand today or positioning it to help them thrive in the future.

	Update	Enhance	Transform
Goal	Mirror the current environment, only addressing technology and business processes and implementing solutions in certain functional areas.	Expand capabilities while primarily focusing on data management and decision support opportunities.	Reimagine your organization to become more agile and innovative.
Outcome	Organizational structure, leadership and culture, management processes, goals, and metrics remain the same.	Organizational structure and leadership remain the same; a few management processes goals, and metrics are updated.	Restructured management processes, service delivery, leadership and culture, and goals and metrics enable future state operations.
Timeline	12-15 months	15-18 months	18-24+ months



Critical considerations for moving beyond the ERP status quo

What level of change is required?

While the outcomes that an organization wants to achieve largely influence the level of change required, target operating model improvements focused on service delivery and data and analytics often have the greatest impact in reaching those goals. A lift and shift of technology with little to no operating model changes will primarily yield technical improvements that don't address systemic inefficiencies.

Beginning implementation with a business process decomposition approach can help identify key areas for improvement and support organizational alignment on realistic, actionable goals that lead to transformational outcomes.

How will change management be addressed throughout implementation?

While disseminating information from the top-down is necessary, it can sometimes be sidetracked by a consensus-driven implementation strategy where major compromises are made. Organizations that prioritize collaboration and fully utilize the varied skills of different experts and implementation partners can result in driving more considerable potential.

Organizations can further position themselves for success by placing more emphasis on end user training throughout implementation. Healthcare leaders point to lack of training as the [leading cause of why technology investments don't achieve ROI](#) – a stark reminder that going live carefully rather than quickly is a more reliable way to position your organization for long-term success.

What differentiating capabilities do you need to invest in?

Achieving future-state performance demands more than an in-depth assessment of your organization's current capabilities. It requires considering how your current way of working will need to change to take your organization to the next level and drive long-term success. Investing more time and effort in areas that enable your organization to achieve transformative outcomes, including sourcing, contract management, grants and research, and financial planning, can help you move beyond simply treading water with your capabilities.

If organizations want to move beyond current-state operations and achieve transformational outcomes post-ERP implementation, they can start by setting loftier goals that align with where they envision their organization heading. The next step is to accurately identify where they stand today, prioritize collaboration throughout digital transformation, and adjust how work gets done to meet future goals.



huronconsultinggroup.com

© 2024 Huron Consulting Group Inc. and affiliates. Huron is a global consultancy and not a CPA firm, and does not provide attest services, audits, or other engagements in accordance with standards established by the AICPA or auditing standards promulgated by the Public Company Accounting Oversight Board ("PCAOB"). Huron is not a law firm; it does not offer, and is not authorized to provide, legal advice or counseling in any jurisdiction. 24-5992