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Frontiers for Project Management!
Projects & PM in Healthcare & Medical Treatment:
Part I - PM for Hospitals & Medical Centers

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Introduction

Over the last year, I have identified a number of new industries, or existing industries that are changing rapidly, that represent “new frontiers” for projects and project management. Some of these frontiers are in newly emerging industries, such as nanotechnology, earth sciences, humans in space, etc. Others are in well established industries and fields, including basic human services such as agriculture, energy, food production, healthcare, housing, security and transportation, where technology is now being rapidly incorporated and massive investments are occurring.

Healthcare, medicines and medical treatment are sectors that are growing rapidly, due to demographic changes, increased use of technologies, and fundamental changes in health and medical organizations and industries alike. Like other industries, healthcare, medical treatment, medicines, pharmaceuticals, and disease management are becoming more project-oriented. That is, every drugs, healthcare and medical organization in the world now has many programs and projects to plan and manage, representing trillions of dollars of investment each year, and a dramatically growing need for program and project management.

In addition, medical emergencies can also require rapid responses, programs and projects, and the need for critical PM-related support services. This month as we go to press, the world is facing a Flu Pandemic, with the World Health Organization (WHO) raising the pandemic level to 5 (with 6 being the highest). The H1N1 Flu Virus (also known as the Swine Flu) that began in Mexico two weeks ago has now killed 180 people, spread across Mexico and to 12 US states, and has been identified in least a dozen other countries. While the death toll has not risen too high or too fast, this virus is new, humans have no natural immunity to it - nor a vaccine, and the risks of further transfer is highly likely according to international health organizations, including the Center for Disease Control (CDC) in the USA.

For that reason, and because I have some experience in this area, I thought it time to address project management in the healthcare and medical sectors in an editorial. This is big topic, however. Therefore I propose to discuss this general topic in a series of editorials (papers), perhaps something like the following:

- Part 1 – PM for Hospitals, Medical Centers & Regional Healthcare
- Part 2 – PM in Healthcare for the Developing World
- Part 3 – PM in Healthcare for an Aging Population
- Part 4 – PM in Medicines and Drugs Development
- Part 5 – PM for Government Health Organizations
- Part 6 – PM for Fighting Diseases and Medical Emergencies

This is the target, although whether I can really make it through all those topics might be questionable. Nevertheless, each of those subjects represent areas where projects exist and where more and better project management is needed, on a global basis. With respect to Part 1, project management for hospitals, medical centers and regional healthcare providers, this is an area where I have had some recent experience.

Background – some experience

A few years ago, I had the opportunity to assist senior executives at a regional public health network in Texas with developing a Strategic PM Program, including Project Portfolio Management and a Project Management Office (PMO). This large public healthcare organization owns and operates a large public hospital, including emergency care facilities and a large psychiatric unit; multiple neighborhood health clinics; pharmacies; and county-wide health delivery services.



The organization had an established strategic planning process. I was brought in by the vice president of facilities who was working closely with the Chief Information Officer (CIO). The two had responsibility for the largest and most visible projects in the organization and were discussing how to (a) incorporate project portfolio management at the hospital; (b) how to improve internal project planning, reporting and communications; and (c) how to implement a PMO to coordinate the projects.

In addition to myself, **David Mathie** from Australia also assisted, bringing his 30+ years of experience in European industry, project management technology, and executive consulting. We interviewed senior executives in the organization, studied strategic and organizational documents, became familiar with the administrative, medical and other activities underway throughout the organization, and reviewed project plans. We identified the major categories of projects, established a weighted prioritization system for portfolio management purposes, went through a

source selection process for PM software tools, and developed a Program Management Plan for the whole improvement process.

As you might imagine, we discovered organizational roadblocks, cultural and political issues, various types of risks, and some not so obvious critical success factors. In the paragraphs below, I will try to share some of what we learned.

Categories of Projects in Hospitals and Medical Centers

We identified five major categories of projects, which I think are typical of many large hospitals, medical centers and healthcare providers, as follows:

1. **Facilities Projects** – including modifications to floors of the hospital, new or remodeled units or wings (for example, remodeled emergency room (ER)), new or modified parking facilities, new buildings, power plant projects, access and landscaping projects, maintenance projects, and support projects. In some cases, entire new facilities need to be designed, constructed, fitted out and inaugurated.



In other cases, projects were in response to requests or needs for changes. Many of these projects were, surprisingly, more or less stand alone projects – for example, parking garages, new buildings, etc. In other cases, the facilities upgrades were a subset of larger projects, but were assigned to the facilities engineering department for lead responsibility. These projects tended to be managed by a very small staff, with outsourced support provided by an architectural firm and contractors hired for each project. Project sizes ranged from small \$50,000 jobs to multi-million \$ and multi-year contracts. The VP Facilities had by far the most PM experience in the entire organization.

2. **Information Systems & Technology Projects** – The IT department had a portfolio of system development projects. In some cases, these were in support of administrative systems, in others medical, and also compliance. The IT department consisted of approximately a dozen software analysts, programmers and project leads, and were responsible for both new projects and maintenance of existing systems. Projects tended to be less costly (generally under \$1 million and less than one year long), but were complex, involved multiple stakeholders throughout the organization, and in many cases were very important. The IT department personnel were highly

Microsoft-oriented, but technology savvy and quite talented. The CIO had some PM knowledge and experience, and had some staff with PM-related knowledge, but also had a number of highly visible and mission critical projects, several involving compliance with state and federal laws.

3. **Medical Projects** – projects included such things as launching new medical services, purchasing and installing new equipment, introducing new procedures, revamping emergency room operations, introducing a new pharmacy service, launching new community medical and healthcare services, and other similar projects. These tended to be core services, so highly critical and subject to both internal politics and public scrutiny. There was no history of using project management methodology on these projects.



4. **Administrative Projects** – including policies, procedures and practices associated with internal and external communications, emergency communications, employee benefits, hiring and training, coordination of internships with universities and other hospitals, coordination and administration of regulatory matters, legal and other operational systems. The strategic planning process was an example of an administrative project. Food services is another important administrative program in a hospital, with all the associated projects and processes involved with nutrition, food preparation, cafeterias, delivery, storage, purchasing and service.
5. **Mixed Projects** – these had not been previously identified as projects, but included the development of new services that involved facilities, information systems, medical services and administrative aspects. For example, a new neighborhood health clinic required a building to be either built or “fitted out”, installation of computers and communication systems, launch of new or transferred medical or healthcare services, and all of the administrative activities and interfaces associated with startup and operations.

Strategic and Top Down Project Portfolio Management

With a good understanding of the categories, types, sizes and nature of the projects within a hospital, clinic or healthcare organization, it becomes much easier to envision a traditional strategic planning process, with projects aligned and prioritized according to strategies and plans. The key elements are the following:

- Strategic Planning Process
- List and definition of projects, either planned or already underway

- Criteria and Process for assessing, valuing and prioritizing the projects
- Organizational team and clear responsibilities – related to strategic planning and portfolio management

Criteria for project portfolio management in a hospital might include both the obvious mission-critical and compliance related issues, as well as business-related criteria (for example, projects that generate additional revenues, grants or other funding).

PMO – Processes, Methodologies & Tools

The question as to whether to establish a PMO, in my opinion, depends on two issues: (1) whether project management is to be implemented and/or improved across the entire organization (for all projects); and (2) how to improve both efficiency (productivity) and performance on projects at the least cost (or best cost/benefit ratio).



The answer to question one, enterprise-wide PM, in a healthcare organization will only be positive when both senior executives and senior medical staff (both doctors and nursing) support it. I think this most often occurs as a result of a crisis related to medical services – for example, a disaster in the emergency room, people dying due to lax procedures, data getting lost or misused, etc.

Without that top-level support, it might be more cost effective and productive (and more practical) to assign lead PM responsibilities within individual departments, portfolios or program areas.

In any case, decisions are needed related to standard project management processes, methodologies and tools. With a PMO in place, it becomes easier and more common for a systematic approach to be used for planning, designing, procuring and implementing standard methods and tools. In the case cited above, the VP Facilities and CIO formed an executive team, with expert consultants, to establish criteria and procure a web-based solution for communicating on projects, both internally and to top management. The solution had to be capable of interfacing with and accepting data from both Primavera (used by facilities contractors) and Microsoft Project (used by the IT staff).

Challenges & Rewards

As in most organizations, the primary challenges related to implementing superior PM processes and practices in a hospital or healthcare organization are associated with internal organizational issues, including the following:

- Support of senior executives
- Support of senior medical staff
- Clear business case – sold to senior staff
- Organizational politics (power, influence and relationships)
- Leadership, inter-organizational teamwork and communications

Technical challenges are really no different than in other organizations. That is, one or more executives and professional staff must know something about project management, and have a passion and commitment for improving the results of projects in the organization. Challenges to overcome then include PM education, process definition and/or improvement, tool selection and use, and reporting and using project management information. Most good textbooks can provide guidance on these issues.

The rewards for better performance on projects in hospitals and healthcare entities, however, can be both tangible and personal. Delivering a new medical service better and faster can save lives. Improving the hospital experience for both patients and medical staff is always highly appreciated. Increasing the efficiency, performance and productivity of hospitals, health centers and healthcare organizations helps people and benefits society. These are highly valuable rewards, in my opinion.



Critical Success Factors

As for lessons learned, here are a few critical success factors for implementing modern project management in hospitals and healthcare organizations:

- ❖ **Strong Executive Champion** – without an executive champion, any initiative is bound to fail. The higher the executive in the organization, the greater the commitment, visibility and probability of success.

- ❖ **Support of Senior Member of Medical Staff** – without the buy-in of a senior and well-respected member of the medical staff, most initiatives in medical facilities will also fail. It is best to get the support of a senior doctor who has been in the organization for a very long time and has won the respect of other doctors. In the case cited above, we had such support.
- ❖ **Strong Business Culture & use of Business Cases** – a good business case should be used for implementing strategic, enterprise or portfolio PM. Business cases should then be used to justify and/or support individual projects. It can be very powerful when a project both directly supports a strategic objective and has a strong business case – and even better if well documented.
- ❖ **Well defined Strategic Planning Process** – the implementation of top down portfolio management and enterprise-wide project management fit naturally with a solid strategic planning process, as it becomes quite clear that those processes can help implement strategies more effectively. In the case above, the hospital was implementing a strategic planning process recommended by the consulting firm Deloitte, Touche & Co. and was both embraced and respected internally.
- ❖ **Well connected External Champion** – not surprisingly, hospitals and regional healthcare providers are subject to political oversight and external influences. A local industry or political leader who uses and support good PM practices can gain the ear of and exert enormous pressure on hospital administrators. In some cases, they might have funding influence as well.
- ❖ **Strong Cooperation of IT and Facilities Departments** – most projects in hospitals involve both facilities and IT. Close cooperation can help avoid problems, improve teamwork, and reduce risks.
- ❖ **Top down definitions of projects** – to ensure that all elements are addressed, including administration, facilities, medical systems and IT.

Surprises

I was surprised to learn the following, related to PM in healthcare:

- Organizational Silos – while this is quite common in many organizations, it was somewhat surprising to see it in a regional hospital; it seemed that administration, medical services, facilities and IT seldom worked closely together, with executives meeting regularly in management meetings but with few integrated project teams.

- Influence of External Political Leaders – in our case, we were working in a public healthcare organization that was subject to oversight by a County Commissioners Court; the hospital made monthly reports and presentations to the Court, and had to respond to questions and inquiries. Individual commissioners had great influence, and potential to support or block initiatives.
- Regulatory Drivers – many projects in hospitals and healthcare organizations are caused or driven by regulations or regulatory reporting requirements. Some of these affect access to funds. In our example, these projects directly supported strategic objectives related to compliance.
- Potential Impact – while not really surprising, the impact of better project management in hospitals and healthcare organizations is very dramatic. That is, improved PM actually affects lives, whether related to emergency services, life threatening response capabilities, or delivery of medical services to the elderly. These are projects that really matter.



Otherwise, a surprise might be that the actual projects were relatively traditional in nature – IT projects are IT projects; facilities projects are design and construction projects, etc. There are many models, methodologies and best practices for these types of projects. Those working in hospitals and healthcare organizations simply need to learn and apply those processes.

Recommendations and Conclusion

The above examples and discussion are based on experiences and insights gained working in a public health service organization in the United States. Certainly, some conditions and factors will be different in other locations, cultures and economic environments.

One major recommendation, therefore, is to begin to document and collect case studies, best practices and advisory papers related to project management in healthcare. Doctors and hospital administrators do not naturally learn about projects and project management during their education or careers. We must make this information available and more accessible to the medical profession, and to those in the healthcare industry.

Communities of practice will most certainly emerge in these industries, which will be great. The potential for good work is very high.

In this paper, I have only touched on one aspect of the medical and healthcare industry. Projects and project management related to delivering medical and healthcare services in remote regions, developing countries, emergency conditions, and poor neighborhoods deserve equal treatment. Program and project management in governmental organizations need attention; here in the USA, hundreds of billions of dollars are being spent on programs and projects by the US Department of Health & Human Services, National Institutes of Health, Center for Disease Control, and other medical institutions and organizations that are entrusted to deliver publicly funded health and medical services. How do they manage those funds and those projects?

What about the drugs and pharmaceutical industries. While modern project management is well established in major pharma organizations, why do new drugs take so long to develop and cost so much? Why is there such a difference between drugs development in America versus India, for example? Are all these differences due to regulations, patent protection and market forces? There must be a better balance, in my opinion.

There is also a growing industry associated with fighting diseases, such as AIDS, Cancer and Malaria. The Bill and Melinda Gates Foundation is channeling hundreds of millions into such programs. Are those programs and projects planned according to professional project management principals? I just don't know. And now, in light of the global concern about pandemics, what about projects responding to medical and health emergencies – which is also a major element of disaster response and recovery programs.

Finally, I am getting older, along with many others in this country and others. Programs and projects addressing care for an aging populations need more attention. And let's not forget about infant and child healthcare programs. They all need good project management. Let's keep moving this profession forward in the health and medical fields where the potential to help so many people really exists.

Good luck with your projects!

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