

Technology and Process Improvement Healthcare Consulting

About Impact Advisors

Impact Advisors is a nationally recognized healthcare consulting firm dedicated to improving healthcare through technology and process improvement. As a trusted healthcare leader, we help clients optimize clinical and operational performance through our Best in KLAS[®] advisory and implementation services.

Our experienced and dedicated associates are focused on helping our clients work towards their critical mission of improving the quality and safety of patient care through IT solutions. We stand behind our commitment to quality by exceeding client expectations with value-driven outcomes.

We empower our clients by offering a broad suite of services and solutions which span the lifecycle of their needs and the breadth of established and emerging healthcare technologies. Our deep understanding of our client's needs helps us to solve some of their toughest challenges.

Commitment to maintaining and enhancing firm culture and associate satisfaction drives our success and our fun, caring and motivational atmosphere make us a desired place to work and has earned us a number of culture-driven awards.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Smith, what is the concept at Impact Advisors?

Mr. Smith: Impact Advisors is a healthcare consulting firm dedicated to improving healthcare through technology. Our clients are predominantly hospitals, large hospital systems and physician practices. We are dedicated to three key lines of service within our market. The first major service line is what we call advisory services. This is all of the work in terms of advising our clients on their directions in technology. This includes operational assessments of their IS (information systems) environment. It could also include helping them define their long term strategy for technology convergence and technology deployment and governance modeling, as well as any kind of analysis around multiple problems they might have. The second major service line is implementation, or providing large scale project direction and project management for helping clients implement technology. An example of this would be helping clients to implement electronic medical records, revenue cycle systems, and ancillary systems such as lab, radiology and cardiology systems. Our third and final service line is optimization, which involves helping clients to optimize those systems through process engineering. That is our business in a nutshell.

CEOCFO: What do you understand fundamentally about working in this field that perhaps other companies do or do not understand as well?

Mr. Smith: We understand that we are in the service industry. We are usually working with clients who are in a difficult situation – they have probably made large investments in technology and, given the size and scale of some of these projects, there is very little margin for error in terms of that deployment. These projects can be investments of hundreds of millions of dollars. In fact, some of the organizations that we work with have invested close to one billion dollars in technology. We recognize that, ultimately, we are trying to serve not only our clients, but also the communities and the patients who they serve. I think there is a real passion among our practitioners. Many of them are clinicians that have a desire to help people and patients at a fundamental level. We recognize that there is a link between technology and the communities and patients. To some extent, many of us that are in this business have gravitated to it because of the passion for working with and helping people.

CEOCFO: Would you briefly walk us through a common engagement for you and maybe something a little more outside the box?

Mr. Smith: I'll give you a couple of examples. First, let's take an advisory services project. A large Integrated Delivery Network (IDN); or a group of hospitals, will engage us to help define a strategy and plan to get technology deployment



Peter Smith
CEO & Co-Founder

over a five-year timeframe. This includes both the design of the systems that they will have to purchase, as well as how they will integrate those systems. Systems would be eliminated from their environment as they move through that five-year window of planning. Our advisory services would ultimately define the investment schedules, and identify the timing and the resources required to achieve that vision. This is the content of the work.

The more subtle nuances of the work are working with that organization, their leadership, their physicians and their executives to be in agreement with the plan, the investment schedule and the commitment of resources. This process can typically take three to five months. In the end, we have a plan that will outline their direction and technology, as well as an agreement from the organization, with executives in position to execute that plan. The subtle side is getting the consensus around that work.

Another example of our work is when we provide health systems a process for implementing its medical records. Projects like this could take two to four years to be deployed in ten to fifteen hospitals. Imagine a project team of maybe a couple of hundred people that are dedicated full-time to that project. We provide the project leadership for the various aspects of that project. You might be a leader for clinical documentation. You might be a leader for lab or pharmacy. In a project like that, we would provide the certified project managers. Our firm stays with that client for the duration, helping them implement the project.

Finally, an example that is a little bit out of the box can be seen in our efforts to help our clients achieve their objectives to meet government regulations. Healthcare is obviously heavily regulated by the government. There's always a new government regulation coming out, and quickly reacting to those government regulations, and the problems that come with them, is very important. For example, there is something called "meaningful use", which is part of the HiTech Act. It requires hospitals to meet a number of objectives. We do a great deal of work around helping our clients achieve the necessary objectives.

"To some extent, many of us that are in this business have gravitated to it because of the passion for working with and helping people." - Peter Smith

CEOCFO: *When you are called in and you are making an assessment of what needs to be done, what are some of the areas you might take into consideration that other less experienced firms would not?*

Mr. Smith: We recognize the importance of clinician and physician involvement. Hospitals are typically in a delicate situation, because oftentimes their physicians are not necessarily employees, or even tightly aligned associates, but they still have a very heavy influence. If you take a closer look at hospitals, they actually have a couple of customers. One group of customers is the physicians that are referring patients to that hospital. They are a very powerful and often independent group. Therefore, understanding their needs and dynamics, and getting their consensus to influence, can be very important. However, the hospital is not in the position to direct authority over that constituency. We are able to provide the knowledge of our own physicians, who are really adept at understanding the requirements and taking those requirements and translating them into technology. They are then able to work with other physicians to deploy and ultimately utilize that technology. Working with the physicians in the extended community is a very unique component to our approach because they cannot be managed as they are in many other organizations and industries.

CEOCFO: *With so much changing technology, regulation and medical protocol, how do you help a hospital with a grand plan and a plan that is going to last a number of years?*

Mr. Smith: That is a great question and one that we think about all the time. There are really a couple of answers to it. Number one, what we need is a strategic direction for the long term. We think that direction is durable over the course of a planning horizon – let's say three to five years. An example of that direction would be, where many organizations have purchased many different systems to accomplish their objectives. In my industry, a shifting trend and a shifting direction is looking at aggregating one enterprise portfolio to an enterprise vendor. This is a common trend that many of our clients are moving towards, and that is the philosophy and the direction that is durable over a longer period of time. When you think about a strategic plan, you think about a broad philosophy, with what guiding principles to start. Within that plan, there is flexibility to make individual decisions along the way, as time, technology and individuals change. For example, think about the technology architecture for constructing a house - there is a foundation, framework, walls, a roof and then all of the decorating. We want to help an organization build a really strong foundation, with very good carpentry and then a really nice roof. Then they can change the paint and the decorating. There are plenty of decisions that can be made, especially based on changing technology and changing directions. However, at the core, you still have a very solid, durable foundation.

Some philosophies have very long-term benefits for organizations. We also work with organizations to define their tolerance for innovation. This is important because we recognize that we are in an industry that advances very quickly. For example, mobile technology in healthcare right now is changing rapidly. We are accessing our information through the

iPad, iPod, iPhones and mobile devices. We've started taking our personal health biometrics on these mobile devices and personal devices – it is revolutionary right now. Therefore, we ask our clients what percentage of their budget they think is reasonable enough to invest in these technologies, knowing that there could be an associated risk. That investment may diminish in some cases because the technology is not up to industry standards. Therefore, we want to define an agreed upon approach to innovation and risk.

CEOCFO: *How do you reach prospective clients? How do they find you?*

Mr. Smith: Healthcare technology is a very tight industry and it surprises many people when I say that, because there are 5,000 hospitals in the industry. But, it is a community that is very collegial. The CIOs, CEOs and COOs of those organizations are usually very tightly connected. This is an important context because our sales are based on a combination of referrals and our leadership's connections in that industry. Most of our senior leaders have been in the industry some twenty plus years and they know many of the organizations and many of the executives of those organizations through previous relationships. Therefore, our source of clients is predominantly referrals from one to another. Our best sales approach is the work we are doing for our current clients. For example, when we do really solid work for a community, the CIOs will often refer us to their friends in the industry. That is our primary method for sales and marketing. We do very little cold calling. We will occasionally respond to a blind RFP if we get it. However, we typically work within our continuously expanding network of relationships. It's a nice position to be in.

CEOCFO: *You mentioned working with medical practices as well as hospitals. Are hospitals more primary for you or is it opportunistic?*

Mr. Smith: Hospitals are more primary for us. Most hospitals have physician groups either tightly aligned or owned by the hospital. When we work for a hospital or large hospital group, we are almost assuredly working for their physician community as well. To some degree, that comes with balance. The hospital's physician group is a smaller part of a larger organization, much different than if an independent physician were to come directly to us. That does happen of course, but the trend in our industry is many physician groups are aligning tightly with hospitals, either in an ownership or a tightly affiliated model. It is very rare that we would work for a physician practice, because the average physician practice is two to five doctors – very small. However, when they aggregate the fifty to one hundred doctor practices, they start to take technology a little bit more seriously and have to have the resources to invest. That's when we would start working with them.

CEOCFO: *Would you tell us about the Best in KLAS® award?*

Mr. Smith: KLAS® is a consumer report of healthcare, software and services companies. Many in the healthcare industry look at the report to determine the rankings associated with the quality of a healthcare, software and services company. We as a firm have been very fortunate to win a number of awards for the past seven years. In essence, we have won awards in most all of the spaces where we have competed. In most cases it is Best in KLAS®. Over the past couple of years we have won the Assessment & Planning category multiple times. We have also won the Clinical Implementation Principal category multiple times. Those are the chief service lines that we offer. We have also been recognized in *Consulting Magazine*. Most recently, our real crown jewel, is that we have been recognized for two years in a row as the Overall Services Firm in KLAS®, meaning that our firm across all of our services portfolio, is the highest ranked and Best in KLAS®.

CEOCFO: *What might be different a year or two down the line for Impact Advisors?*

Mr. Smith: I think the primary difference is that we continue to reshape our service portfolio. This is because our industry is changing very rapidly. Therefore, within our service lines, we have many products that we offer to our customers. We are constantly incubating and maturing these services. In essence, I predict that over the next two years, we will broaden our service portfolio and continue to stay ahead of the market. Our goal is to stay two years ahead. We try to anticipate what our industry will require from consulting in the coming years and build those services today. Recognizing that is an investment for us and they do not often sell, but we wait patiently for them to do so.

BIO: Peter has over 20 years of experience in healthcare information technology and is an industry thought leader, from ambulatory to long-term care, and from core clinical information systems to HIE.

He specializes in IT assessment and strategic planning, IT organizational design and IT governance modeling. Like Andrew, Peter serves as a trusted advisor to numerous industry-leading CEOs and CIOs. Prior to founding Impact Advisors, Peter was a Vice President at a large healthcare consultancy with national responsibility for managing the Advisory Services practice.



Impact Advisors LLC

400 E. Diehl Road

Suite 190

Naperville, IL 60563

www.impact-advisors.com