Case Study
Healthcare Provider Deploys CSI to Reduce Costs by Improving Productivity

Client Profile
The client is a world-renowned healthcare organization located in the Midwestern United States, and ranked as one of the top five medical institutions in the world. Through its 43,000 employees, the organization manages nearly 6 million annual patient visits in over 100 countries.

Pomeroy has been engaged as part of a multi-year agreement to improve IT support to 24,000 end-users at 160 geographically-dispersed hospitals, family practice centers and physicians offices.

The Challenge
Motivated in part by concerns the Affordable Care Act will negatively impact future service reimbursements, the client initiated an organization-wide review of its cost structure, without which operating costs might become increasingly misaligned with income flows.

The IT organization responsible for end-user support was tasked with finding over $12 million in cost reductions over five years. Despite such a formidable financial target, the corporate culture dictated that a solution not be dependent upon significant reductions in force. Rather, process and productivity efficiencies would have to be identified in order to achieve the required cost improvement.

Cost Repositioning
Review, modernize and streamline end-user support in the areas of the service desk, deskside support and asset management. Expert analysis of baseline data and practical recommendations were required in order to reduce costs while achieving clinical goals for patient service quality.

Best Practices
IT support was provided through a legacy organizational structure, operating model and workflow processes largely unchanged over 20 years. The evaluation would include staffing levels, market-based compensation, training and skills enhancement.

Service Quality
End-user support and customer service were acknowledged to be sub-par based upon key performance metrics, including speed to answer and first call resolution, and recognition that current resource allocation may hinder service quality rather than improve it.

IT INFRASTRUCTURE SERVICES
- Continual Service Improvement (CSI)
- Hardware and software support
- Operating system optimization
- Procurement and depot services
- Technical staffing
- Project management
- IT asset management
- Managed print services

Results
The CSI assessment identified $12.8 million in cost savings and process and productivity improvements over three years. A shared, two-pronged approach was taken to implementation.

Pomeroy
- Increase ticket resolution at the service desk - $10,865,708 savings

Client
- Automate password resets and increase end-user self service - $1,392,257 savings
- Establish a two-tiered service desk to improve first call resolution - $390,600 cost reduction
- Increase service desk analyst availability per industry standards - $227,088 cost reduction
The client approached Pomeroy based upon its experience in Continual Service Improvement (CSI) to independently rationalize end-user support despite work already underway by Big 4 and IT consulting firms. Rather than provide another high level, strategic view, Pomeroy would develop insights at a grass roots level where work was actually being performed, and where process issues could be best observed.

**The Solution**

Pomeroy initiated its CSI Optimization Assessment of service desk and deskside support operations, drawing upon experience gained through management of service desk and end-user support.

- Analyze and benchmark IT processes by shadowing and interviewing service desk and deskside support staff at multiple sites, documenting workflows, and analyzing ticket and root cause data
- Establish realistic improvement targets based upon client benchmarks rather than general industry (non-healthcare) benchmarks and best practices
- Rationalize redundant support processes and resource allocation to improve ticket resolution
- Consolidate multiple help desks into one service desk to coordinate all internal and patient end-user support
- Consolidate multiple deskside support vendors and eliminate redundant processes
- Establish processes to resolve 50-60% of higher cost deskside support tickets at the service desk
- Assign a Pomeroy CSI manager to help guide process, productivity and cost improvements

**The Results**

Pomeroy identified $12,875,655 in productivity and cost improvements over three years ($4.3M year one). Implementation followed a two-pronged approach with the client and Pomeroy dividing responsibilities for key improvement initiatives.

**Pomeroy:** Increase ticket resolution at the service desk by migrating away from a costly deskside support model, saving $10,865,708 (21% cost reduction)

**Client:** Implement Pomeroy CSI recommendations in three areas:
- Automate password resets and increase end-user self service, saving $1,392,257 (20% savings)
- Establish a two-tiered service desk based upon analyst skill levels to improve first call resolution, a $390,600 cost reduction
- Increase service desk availability in line with industry standards, a $227,088 cost reduction

**The Value**

Pomeroy CSI methodologies identified significant cost, productivity and service quality improvements—not over five years as originally planned—but over three. The client would be able to accelerate plans for improved fiscal performance in an uncertain regulatory environment.

The client observed that Pomeroy’s CSI methodologies and ability to develop process insights and practical recommendations far exceeded those of other IT consultants working concurrently with the same data.

Tangible value is created through Pomeroy’s ability to implement its recommendations and capture the promised productivity and cost improvements.