Strategic Selection Strategies:
How to Choose a Vendor that Syncs with Your Organization
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Software selection — Burden or opportunity?

Every hospital or healthcare organization faces a similar and recurring challenge: choosing software packages and applications to effectively support and expand their operational effectiveness. Since 2003, the federal government has spent more than $600 billion in healthcare IT investments and is expected to spend an additional $82 billion in 2014. But in spite of these massive expenditures, the GAO reported in a recent FierceHealthIT article that the government “has achieved little of the productivity improvements that private industry has realized from IT”\(^1\). The article went on to say that an additional 154 IT investments totaling $10.4 billion currently are considered “at risk”. The US healthcare private sector also spends enormously on IT projects, expecting to spend over $34 billion in 2014 alone, and has also struggled to recognize acceptable returns on its investment.

A group called Technology Business Research (TBR) recently drafted a report that underscored the importance decision makers place on industry expertise and indicated that future budgets will be specifically earmarked for highest-priority and efficiency projects in an attempt to improve their collective ROI. “The wide variety of regulatory mandates and changes coming into force in the near term in the US magnifies the pressure on healthcare providers, commercial payers and public sector agencies to maximize the value and ROI of their IT spend to meet these requirements,” said TBR healthcare analyst Joseph Walent, in a recent news release\(^2\). The impact of not choosing the right software package for an organization is enormous. Implementing a new software package is an expensive, time-consuming process that has broad ramifications and affects every part of an organization. Executives recognize the importance of good, strategic decision making when it comes to selecting a software vendor, but are frequently at a loss about how to effectively evaluate the merits of an application or its impact on the organization as a whole.

Most executives would classify their organizations as “time poor” without the available bandwidth to devote to an effective vendor selection approach or implementation strategy. But this mindset frequently ends up costing far more in terms of choosing packages that do not support the long-term strategic vision of the organization.

Making the right choice for your organization

Software implementation tends to be cyclical in nature due to the cost associated with it as well as its tendency to disrupt normal operations. Evaluating simple metrics, such as return on investment and total cost of ownership, are only the first steps in determining the right software for a
particular organization. Since no two healthcare entities are ever exactly alike, a one-size-fits-all approach to selecting software usually won’t work. Each hospital or health system has very unique operational, competitive, regulatory, and fiscal challenges that need to be effectively addressed. A package that works very well at one facility may prove to be disastrous at another. Since the organization will have to live with the decisions for five to ten years, making the correct choice becomes even more essential.

How most organizations pick their software
Hospitals and health care systems use a variety of approaches when it comes to picking a software application, often with varying degrees of success (or failure). Here are some of the more prevalent approaches:

**Go with what we know** — some organizations will stay with the same vendor for years, even decades, because they have grown comfortable and complacent and don’t want to “rock the boat,” even if the software isn’t meeting the organization’s requirements. They will continue to accept upgrades and migrations to newer packages without taking the time to explore other options or opportunities. The problem with this approach is that advances in technology can be easily overlooked and the organization gets stuck in a paradigm, believing that if their vendor can’t provide an adequate solution, then the solution must not exist and they must settle for what they have. Missed opportunities can be the most expensive of all.

**The dominant personality** — every organization has that one individual who, through the sheer force of their personality, manages to dominate every meeting and discourage others from giving their input. The problem with this approach is that creative thinking and brainstorming is stifled or discouraged and better alternatives are frequently overlooked. If the dominant personality is in a position of authority and is reluctant to discuss other options, the other participants may be unwilling to challenge him or her, and decide it is just easier to go along, even if they know that a bad decision is being made.

**The aggressive vendor** — sales representatives are usually highly persuasive, very effective individuals that are extremely good at convincing their clients that they must use their
Software or their organization will perish. Vendors are an invaluable source of information and should certainly be leveraged when researching solutions, but clients should always strive to maintain their objectivity and trust themselves first.

**Cheaper is better** — some organizations evaluate the merits of software packages on a single criterion: cost. They will immediately choose a software solution if it is the cheapest, regardless of any other consideration, believing that they are saving the organization money by doing so. But with software, like most things, you get what you pay for and the cheaper choice can often be the most expensive to the organization. Cost should always be a determining factor when evaluating software packages, but should not be the sole driving factor in the final decision.

**The Dog and Pony Show** — many executives, determined not to succumb to the pitfalls of the approaches previously mentioned, will bring in many vendors to provide formal demonstrations for the end users. This is a well-intentioned strategy, but without a focused, structured, and strategic evaluation process, the exercise becomes a glorified beauty contest. The participants tasked with evaluating the software packages often have no way to effectively quantify the features and functionality of the many packages they evaluate. After several demonstrations, “demo fatigue” sets in and the evaluators can’t keep track of which system can perform which function. Often in this case, the last vendor presenting will win the business, either because its functionality is the freshest in the minds of the evaluators or simply because they are tired of looking at the systems and just want to be done with it.

**Our neighbors have it** — some organizations look at the software their competitors use and assume that if it’s good enough for the hospital across the street, it’s good enough for our hospital. A similar situation arises whenever someone is hired from a nearby, competing facility and wants to implement the same package they used at their old job because they’re comfortable with it and don’t want to deal with the learning curve a new package would require. But, as stated previously, what works well at one facility may not
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work as well at another one due to differences in service offerings, core competencies, regulatory requirements, or a whole host of other reasons. Evaluating the merits of a software package using an objective, quantifiable approach is always preferable and will yield the best results.

Strategic considerations first
Hospitals and health organizations should consider the strategic impact of implementing a new software package and not become too focused on the tactical steps of the selection process. The following are some strategic implications that should be considered before beginning the selection process.

What is our strategy for carrying out our work? It is crucial to combine the features and functionality available in a new system within a defined framework for how the work will be carried out within the user community. This sounds complicated, but put simply, it means taking a process or group of processes and defining an overarching goal, then looking at what the potential new package can do to support that goal. For example, if a hospital says ‘we need a way to effectively communicate our business metrics to all of the key decision makers so that we can make better, more informed business decisions’ then the hospital must take a strategic approach during the selection process to evaluate the features of the candidate systems and choose the one that best meets that requirement. It doesn’t mean the hospital has to already know or decide how that requirement will be met and choosing the package that can do it. It means the hospital should avoid getting trapped within a paradigm and keep an open mind about how the strategic goal can be met. In other words, let your vendors present you with potential solutions supported by facts and anecdotal evidence that they have an effective way for you to meet your strategic goal. Hopefully, they can present options that the organization never knew existed that will fulfill the stated requirements better than anything previously considered.

What new skill sets will be required to fulfill the needs of our new strategic vision? A frequent mistake that many organizations make when defining their strategic vision is not considering the unintended consequences of their new approach. If the new strategic vision requires a fundamental shift in the underlying technology to support it, consider whether anyone has given thought to the impact that might have on the organization’s IT infrastructure. For example, if a hospital department director sees an application at a technology conference and decides that its functionality is precisely what his department needs to meet its strategic goals and wants
to implement it, has any consideration been given to how many programming resources will be needed to support it? If everyone in the IT department has experience in another operating system, has anyone considered how many subject matter experts will need to be hired to effectively implement the new solution? Does that mean the organization will no longer need as many legacy system programmers and will that lead to layoffs? Are the required subject matter experts even available within the geographic location of the hospital or would an expensive national recruiting effort be required? Just because a software package can fulfill a set of defined requirements doesn’t necessarily mean that it makes sense to implement it.

**What level of integration effort will be required to existing systems?**

Within hospitals and health systems, special consideration must be given to existing clinical applications and the possible need to integrate them to other proposed applications. Integration is more than just building interfaces that allow systems to communicate with one another. Integration is about taking a holistic view of the existing systems and the proposed systems to determine whether the organization can effectively support them as a whole. If the introduction of a new system requires new technical infrastructure, extensive training, and engaging a large number of external resources to implement and sustain it, the resulting benefits may not be worth the required cost and effort.

To summarize, an effective vendor selection process must look beyond the features and functionality of a particular system and assess how its introduction will affect the organization as a whole.

**Tactical questions to ask before choosing a package**

When an organization decides that a new software package is required, there are several questions that should be thoroughly examined before undertaking such a transformative and pervasive activity like an implementation project. Whether the software is for a single department or an enterprise-wide application, the same questions should apply. They include:

- What pain point or requirement are we trying to resolve with this new system?
- Is there a way to meet that need with our current system, or by changing processes or workflows to address the need?
- Does the solution address the specific business requirements or issues?
- What is the biggest functionality gap(s) in our current system? (i.e., what is it that we can’t do today that we want to be able to do in the future?)
- What competitive advantage are we seeking to gain by switching to a
new system?
• Will you have the full support and cooperation of the executive leadership?
• Is our organization prepared for the changes we are contemplating and are we prepared to address the issue?
• Do we possess adequate resources within our organization to successfully complete the implementation or do we need to engage third-party (i.e., consulting) resources?
• Do we have the correct staffing in place to transition to the new system or will it require us to lay off existing staff and hire new resources and/or pay for costly training?

Once these questions have been adequately answered, focus attention on specific aspects of the software packages under consideration:

• Does the software create output that is both credible and usable?
• Will the software enable you to drive profitability (or other identified benefits) to your bottom line?
• Has the change management groundwork been completed before proceeding with selection?
• What is the current financial and operational condition of the vendor under consideration? Is it likely that they will be around one, five, or ten years from now?
• Is the technical platform of the software package compatible with others managed by your organization’s information technology (IT) department?
• What are the projected ROI and TCO for each of the packages?

Organizational change management
As an organization continues to grow and evolve, it may find that some of the processes it has been relying on no longer work as effectively as they once did or have simply become obsolete. Technology is changing at an incredibly rapid pace, and a failure to keep up with it can have devastating effects. For example, a hospital that fails to implement an Electronic Medical Records system not only misses out on a competitive advantage, but may also run afoul of regulatory requirements that could cost the organization millions of dollars in lost incentive payments. When considering whether to purchase and implement a new software solution, choosing the right vendor is of critical importance. But it is equally important to consider the impact of the change on the organization and to plan appropriately to mitigate the challenges.

Change management is the process of identifying areas of operations impacted by a proposed change (like implementing a new software package),
determining what the nature of the change will be and where the change will have the greatest impact, both positive and negative. Change management can be technical, organizational, or cultural and all aspects must be considered to assure successful facilitation and adoption.

Change management services are offered by many vendors who claim to be experts in these areas. These vendors attempt to manage the changes for their clients during the course of an implementation, not always successfully. A vendor that doesn’t have in-depth knowledge of your industry or your organization might end up making things worse instead of better, no matter how good their software is.

When considering a process in a healthcare organization, it is not always an easy task to make changes, especially one that aligns effectively with a new system’s capabilities. Change management can be thought of as the steps needed to evaluate a current process, determining its deficiencies, making a necessary change, and testing the new process to evaluate its efficacy before final adoption. But changing a current process can be very risky, especially in healthcare, where lives can be put at risk if a process is poorly designed or executed.

It is important to discuss the approach to change management that each of your candidate vendors takes on behalf of their clients. Try to assess whether the vendor truly understands the nature and risks of change management and use the information as part of your final selection criteria. Assigning someone internally to champion the change management process or hiring outside firms are options to consider as well. But don’t overlook this important piece and what we consider a “key to success” in the implementation process.

The Selection Process: Internal versus outsourcing: which is better?

The next question that must be examined is whether or not the organization can manage the complex requirements of a system selection project on its own or whether to bring in some outside expertise to coordinate the project.

The best indicator of an organization’s ability to manage a project is whether or not it has a Project Management Office (PMO) that coordinates all long-term projects for the organization. The PMO is typically staffed with professional, certified project managers with experience managing all types of engagements. It should be proficient at coordinating the resource requirements of the project and determining whether adequate resources
exist to successfully execute the project. It should also evaluate the number of current or projected projects within a given time frame to estimate the impact of competing priorities on the staff and their ability to carry out their daily job requirements in addition to the demands of the project(s).

Most organizations benefit from outsourcing the requirements of vendor selection to consulting firms that have the experience and a proven track record of success. The irony of this step is that your organization must now choose a vendor to help you choose your vendors.

So how does an organization evaluate the merits of the numerous consulting firms and choose one that is going to effectively coordinate their vendor selection activities? Following these simple steps can help to choose the right consulting firm:

• **Ask the consulting firm to describe its vendor selection methodology.** The leading consulting firms will have a clear, consistent, and methodic approach for coordinating vendor evaluation activities, including a refined tool kit of forms and documents that can be easily customized to the unique requirements of your organization. Avoid consulting firms that are vague or evasive when describing their approach and tools.

• **Ask the consulting firm about the accreditation of its consultants.** Look for firms that encourage its employees to pursue industry certifications, such as Project Management Professional (PMP) or Six Sigma. These are internationally recognized certifications that have a mix of academic and experiential requirements that assure that the consultants are qualified to manage the engagement successfully. Some firms have their own internal certification programs, but evaluating the effectiveness of these programs can be challenging.

• **Ask the consulting firm to provide a list of previous clients.** It’s always a good idea to consult with the previous (or current) clients of a firm to determine how effective they were at fulfilling the requirements of the project. Be cautious of consulting firms that seem reluctant to provide reference site names. A consulting firm’s work quality should speak for itself.

• **Ask the consulting firm whether they employ a vendor-neutral approach.** Look for consulting firms that maintain a vendor-neutral position that enables them to provide objective evaluation and selection assistance that is truly based on their client’s business needs.
It is not uncommon for the consulting firm that assists the organization with its vendor selection project to team with them on the implementation later. This may actually be a beneficial arrangement. The main benefit is that it allows the organization to evaluate the effectiveness of the consulting firm during the relatively inexpensive selection project. If a consulting firm does an outstanding job in coordinating an effective vendor selection project, it inspires confidence that the firm will do an equally effective job managing the implementation.

**The vendor selection road map**

Whether an organization chooses to conduct a vendor selection project on its own or decides to engage a third-party consulting firm, the following road map should help to establish the proper project infrastructure and guide an organization to making a solid, fact-based choice to meet its strategic objectives.

**Step one: Determine your appropriate business needs and create a business case document that justifies the requirement**

If an organization decides that it needs an enterprise-wide application or a department decides that it needs an application specific to its own functional requirements, the person driving that request, known as the key stakeholder, should carefully document why the application is needed, the problem(s) that it will solve, the competitive advantages it will provide, and any other supporting facts. This business case document will also serve as a baseline for comparison in subsequent implementation waves to accurately monitor costs and functional requirements and will serve to support later project funding requests. A new software package is a significant investment for any organization in terms of money and time, so it is essential that a logical, coherent case is made for why it is necessary in order to improve the chances that it will be approved. Discuss the issues and gather input and support from those affected within the organization and incorporate their feedback into the justification document.

**Step two: Identify potential vendor candidates from a variety of sources**

After defining the business requirements and the problems needing to be solved, begin developing a list of potential vendor candidates that might have viable solutions. Ideally, evaluating vendor candidates takes place in two phases. In the first phase, conducting a simple search on the Internet can yield a list of potential candidates and provide links to information about each one. Socialize the issue with other knowledgeable stakeholders and ask for their input about other vendors they have worked with in the past. Any assessment should also include a review of the legacy system data and
an evaluation of its condition. The ability of the proposed vendor to convert
the data effectively must be taken into consideration. The second phase of
evaluating software vendors involves the actual vendor presentations and
possibly conducting site visits to facilities currently using the system under
consideration.

**Step three: Create the project administrative infrastructure**
Start with forming the **executive steering committee**. This should be
composed of four to eight of the most senior executives of the organization
willing to dedicate a minimum amount of time each month to providing
oversight and guidance to the project team. Identify the executives most
likely to have a stakeholder interest in the new implementation project. It is
almost always beneficial to have the chief information officer (CIO) engaged
on the committee since their department will have such an integral role to
play in the success of the implementation. This committee should plan on
meeting at least once a month for 1-2 hours. The more senior the members
of the steering committee are, the more likely the project will receive the
attention (and more importantly, the funding) it needs to be successful.

Next, create the **project management team**. This team should be
diverse and cross-functional in nature with representation from as many
departments and levels of management as possible. However, keep the
size of the team at a manageable level: usually no more than six to ten
participants or the team runs the risk of falling victim to “analysis paralysis.”
Large teams usually struggle with defining the tactical requirements of
a project and also face the challenge of having some of its members not
consistently attending all of the required meetings. When using a consulting
team, it is a good idea to schedule a formal training session for the team
and the participating consultants. This will give the consulting team an
opportunity to provide an overview of their tools and methodology to
the project team. Conversely, it will allow the project team to educate the
consultants on their internal terminology and business processes, thus
facilitating better communication for everyone involved.

Finally, identify the staff members that will have responsibility for evaluating
the vendor software packages (i.e., the **selection team**). These staff
members can be on the project team, but do not necessarily have to
be. These resources should be representative of the typical end users
from upper level management to line staff. The project team will have
responsibility for explaining the expectations to the selection team and
providing them with the tools and materials necessary to evaluate the
packages. This team usually consists of no more than three to six members,
depending on the functional capabilities of the package being considered.
well-balanced selection team should have representation from IT/Technical, Procurement, Quality Assurance, and the Project Management team in addition to specific functional representation.

**Step four: Develop the RFP and demo script**

After the project team has reviewed the list of potential vendors, the next step is to develop a Request for Proposal (RFP) document that explains the needs of the organization and what features and functionality the package must have in order to be selected. The RFP document can be as small as 10 pages and as large as 500 pages, but following a few simple guidelines will help an organization create an effective RFP.

Elements of an effective RFP:

- overview of the organization, its history, and its current status and an explanation of its core business model.
- outline the current state as far as the software package currently in use and its shortcomings.
- clearly articulate the business needs of the client and the benefits the package must deliver to be considered effective.
- contain all of the relevant evaluation criteria with a clear explanation of how the packages will be judged, scored, and evaluated.
- contain a “demonstration script” that has clearly defined constraints and boundaries for how the presentation will be conducted. Sample scorecards containing the evaluation criteria should also be included.
- describe the vendor selection project management strategy and approach. If a third-party firm is conducting the project, information about the firm and its methodology should be included.
- section that clearly explains the rules and instructions of the evaluation process, including the deadline for submitting the RFP, the format the submitted form must follow, and a contact listing of the project evaluation team that the vendor can contact for questions or other clarification.

**Step five: Develop an evaluation scorecard**

One of the most essential steps in managing an effective vendor selection project is creating a good functional scorecard. The scorecard allows the evaluation team to properly quantify the strengths and weaknesses of each package and compare them fairly and effectively. Using a scorecard takes the emotional component out of selecting a software package because it assigns a numeric (or other) value to each aspect being evaluated. A good scorecard should be easy to use, understand, and interpret in order to fairly evaluate the package. There is no specific “right or wrong” when utilizing compara-
tive scorecards as long as the previously mentioned attributes are present. It is up to the project team to select or develop a scorecard that effectively meets their requirements. The scorecard should not only include the functional criteria of the software, but should also include a section to measure the strength of the vendor companies themselves. The complexities involved with designing an effective scorecard sometimes make engaging a consulting firm a more effective choice since they usually have comprehensive scorecards already developed. The following is an example of an effective scorecard:

**VENDOR ANALYSIS - SCORECARD**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>VENDOR A</th>
<th>VENDOR B</th>
<th>VENDOR C</th>
<th>VENDOR D</th>
<th>VENDOR E</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUNCTIONALITY</td>
<td></td>
<td></td>
<td>▲</td>
<td>▲</td>
<td></td>
</tr>
<tr>
<td>SERVICE / SUPPORT</td>
<td></td>
<td>▲</td>
<td>▲</td>
<td></td>
<td>▲</td>
</tr>
<tr>
<td>ARCHITECTURE</td>
<td></td>
<td>▲</td>
<td></td>
<td>▲</td>
<td>▲</td>
</tr>
<tr>
<td>TCO / ROI</td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
</tr>
<tr>
<td>INTEGRATION</td>
<td></td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shape Description</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶️</td>
<td>Meets or exceeds requirement</td>
</tr>
<tr>
<td>▶️</td>
<td>Meets requirement with minor deficiencies</td>
</tr>
<tr>
<td>▶️</td>
<td>Requires minor modifications to meet requirement</td>
</tr>
<tr>
<td>▶️</td>
<td>Requires extensive modifications to meet requirement</td>
</tr>
<tr>
<td>▶️</td>
<td>Does not meet requirement</td>
</tr>
</tbody>
</table>

This vendor analysis scorecard is effective because it clearly articulates the categories being evaluated and gives a good side-by-side graphical comparison of the various packages being evaluated. The shapes and colors represent the strength or weakness of each criterion being evaluated.

**Step six: Send RFPs out to the vendors**

Contact the vendors being considered first and ask if they are interested in participating in the selection process. Make certain to get the name of a specific contact person with responsibility for coordinating the RFP activity on their end. It is likely that the vendor will want to schedule a meeting immediately to discuss their software with the organization. It is best to avoid a direct meeting and to treat all vendors under consideration in exactly the same way. Give the vendors ample time to respond to the RFP (usually 45-60 days is sufficient, unless there are other time constraints that require a faster response time) and provide them with a contact within the organization that can readily answer any questions or clarify instructions...
for them. The deadline for submitting the RFP should be contained on the document cover sheet in large, easy-to-read type.

**Step seven: Receive the RFPs and begin the evaluation process**

Once all of the RFPs have been received, the process of evaluating the responses can begin. Unless there is a very compelling reason or a mitigating circumstance, RFPs that arrive after the established deadline should be eliminated from consideration. The members of the selection team should be responsible for reviewing the responses and scoring them according to the criteria previously established. This scoring activity should center on how well the vendor followed the instructions for completing the RFP, how extensively and accurately they answered the questions, and how close the proposed package comes to fulfilling the functional and technical requirements previously defined.

Pricing of the proposed package should be a factor. However, it should be given no more consideration than any other factor, unless the quoted price is so far out of the established selection parameters that it has to be eliminated from consideration.

The main goal at this stage is to reduce the number of candidate vendors to no more than two or three. Once the finalists have been identified, they should be immediately contacted and a series of formal demonstrations scheduled. The remaining vendors should also be contacted and thanked for their participation. They should be informed about why their package was eliminated from consideration and provided tangible, legitimate reasons for the rejection.

**Step eight: Finalize the demonstration script and communicate it to the finalists.**

The selection team should create a “script” for how the demonstrations are to be executed. This includes establishing the maximum amount of time to be allotted to each vendor to demonstrate their software, the sequence for demonstrating the specific functionality, the content within each functional grouping, and any restrictions the client wishes to place on the vendor. For example, some clients insist on actual software demonstrations and prohibit Power Point presentations or a “Sales Pitch.”

Some vendors consider the order of the presentations to be crucial and might insist on being the first, or frequently, the last one to perform their demonstration. This decision is at the discretion of the project team, but generally, the best thing to do is to randomize the presentation order so that no vendor has a real or perceived advantage.
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White Paper

Step nine: Execute the formal demonstrations and score their performance
Using the scoring methodology previously established, allow each vendor to demonstrate their software package. In addition to scoring each of the functional areas, consideration should be given to how closely the vendor adheres to the demonstration script and the rules that the client established. As stated previously, vendors that fail to follow instructions or attempt to circumvent the established guidelines probably will make poor implementation partners and, therefore, should be marked down accordingly.

Step ten: Tally the results and review them as a team
The selection team and the project team should meet at the earliest possible time after the completion of the formal demonstrations. The longer the period between the end of the demonstrations and the presentation of the scoring, the more likely important issues and facts will be forgotten. The selection team members should each present their scoring to the group and explain why they scored each vendor as they did. They should be allowed to give their explanations without contradiction or undue justification.

Step eleven: Present the results and final recommendation to the executive steering team
There can be disagreement about whether the members of the executive steering team should participate in the final review. There is no right or wrong answer here. However, executives can sometimes influence the recommendations of the project team, although unintentionally. Better results are usually achieved by allowing the project team to evaluate the scoring results and presenting the findings to the executive team at a separate meeting. The project team (and specifically, the project manager) has responsibility for putting the scoring results into a single document that allows the executives to easily understand, compare, and interpret the results. In addition to the scores, the final presentation document should also include the intangibles that led to the final recommendation. The members of the selection team, and even the project team, should be allowed to express their “gut feelings” about the software packages and have them accurately expressed in the final recommendation document.

Dos and don’ts of system selection
This is a final note about performing a solid vendor evaluation:

- Exercise confidentiality
  The vendors will understandably be looking for feedback about their own performance as well as the performances of their competitors. Resist the urge to share information as much as possible.

- Operationalize the demonstration
  When scripting the demonstrations, make them as “real world” as possible. Align the examples to mirror actual situations that are likely to be encountered to allow the vendors to show how their software can resolve the problems.

- Look for key differentiators
  Evaluate the vendors on more than just the software. Look for things that the vendor can do for the organization or other benefits that can be accrued.

- Look for tangible benefits
  The vendors are going to show the selection team a large number of features that have a significant “wow factor.” But try to evaluate the merits of those features to determine if they actually bring a value-added proposition to the organization. Everyone should focus on the substance of the package rather than the style.

- Don’t buy features only
  Remember to look at the “big picture” when making the final decision and take into consideration the unintended consequences and impact of the final decision.

- Don’t be close minded
  Consider every candidate vendor fairly and without bias. Don’t allow your own preconceived notions or the opinions of others to cloud your judgment when evaluating the software packages.

- Don’t fall for “Last Demo” syndrome
  Evaluating software packages is a daunting task that takes a lot of time and effort. Avoid getting impatient. If the evaluation team seems too exhausted to provide an objective evaluation, it may be better to reschedule the final demonstration in order to assure a fair assessment for everyone.
Summary
A formal vendor selection process is a time-consuming process with many natural barriers to achieving quality and efficiency. To be successful in today's business climate, hospitals and health care organizations have to be more flexible than ever before. But more importantly, they have to make good strategic business decisions based on actionable business intelligence. Following a proven methodology when evaluating the merits of a software package rather than relying on subjective, emotion-based responses will invariably result in better decisions and more profitable operational results for the organization.
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