

Application Analysis 4.2

Contracting with Alegent Health (10<sup>th</sup> Edition)

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What would you list as both the strengths and the weaknesses  
of this contracting process?

The contracting phase of this engagement between Right Track and the Center for Effective Organization was collaborative but could have been less complicated if there was an open dialogue about schedule conflicts up front.

Strengths

The success of this contracting process was related to the Center for Effective Organization clearly identifying a set of steps that would be used to complete the study. They identified the use of the Decision Accelerator's (DA) verbatim transcripts as a qualitative data source. They also identified the tool of interviews of key stakeholders in the managed change process that was being analyzed and researched. The original proposal also clearly identified the benefit of the study and outlined itemized costs. (Pg. 83)

The two parties did communicate on their needs and preferences openly. There was communication around what schedule would work best for both parties. This communication tended to be reactive as opposed to proactive. However, reactive communication is better than no communication. (Pg. 85)

When composing the contract there was confusion around rights and ownership of data created in the research. Both parties collaborated in creating a paragraph in the contract, which addressed the needs of all parties involved and reached an acceptable compromise. (Pg. 85)

### Weaknesses

Instead of proposing September of the current year as the starting time for the research to begin, the leaders of the Center for Effective Organization would have benefited by directly asking the Right Track Director about potential schedule conflicts and when a good time to start would be. (Pg. 83) The failure to ask up front about schedule conflicts was further complicated by the Right Track Director passively proposing a start date in November without explaining why the start-date was postponed. (Pg. 83) This snowballed into a schedule conflict that the Center for Effectiveness had which led to a string of reactive emails and phone calls that pushed back the start date further. (Pg. 85) Ultimately this lead to a rush to schedule interviews and the initial meeting of the “study team” was overlooked. (Pg. 86)

When the Center for Effective Organization identified that the DA / Right Track team required more information they stated that they received communication indirectly from “the consultants” . (pg. 83) If the director of Right Track did not find the initial proposal to be acceptable then the best course of action would have been direct communication with the leadership of the Center for Effective Organization. (Pg. 83)

Similarly, there was a break in communication regarding edits to the contract itself. The Decision Accelerators stated that they “Attempted to create one cohesive document that can serve as the contract.” (Pg. 85) Instead of meeting with their partner to discuss and create a contract together, the Right Track director met with one person of their staff and pieced things together. The result was a compiled list of multiple communications from the Center for Effective Organization sporting a “standard corporate consulting contract” as a cover page. This cover page had a paragraph about intellectual property, which contradicted language in the

documents about data ownership. This oversight led to a need to meet further to discuss a new paragraph, which satisfied the needs of both parties. (Pg. 85)

My conclusion is that this contracting process would have gone much more smoothly if both parties had placed time on their calendars and had preliminary conference calls about desired outcomes and schedules.

[Screen Shots of Application 4.2 from 10<sup>th</sup> edition shown below.]

## CONTRACTING WITH ALEGENT HEALTH

Following the verbal approval of the CIO to begin the work, the researchers began working with the Right Track director and the consultants to formulate an agreement on how to proceed with the case study and assessment. The contracting process proceeded on two parallel paths. One path was the specification of the formal contract—who, what, how much, and why—and the second

path was the project scheduling—who, when, and where.

### FORMAL CONTRACTING PROCESS

The formal contracting process required the researchers to propose a purpose, cost estimate, and schedule for the case study. The researchers' initial proposal looked like this:

Work Stream	September	October	November	December	January
DA archives	<ul style="list-style-type: none"> <li>Collect DA materials</li> <li>Create coding scheme</li> </ul>	<ul style="list-style-type: none"> <li>Coding</li> </ul>	<ul style="list-style-type: none"> <li>Write up archival data</li> </ul>		
Interviews	<ul style="list-style-type: none"> <li>Finalize interview questions</li> <li>Arrange interview schedule</li> </ul>	<ul style="list-style-type: none"> <li>First round of interviews</li> <li>Develop coding scheme</li> </ul>	<ul style="list-style-type: none"> <li>Second round of interviews</li> <li>Coding</li> <li>Begin analysis of interviews</li> </ul>		
Governance		<ul style="list-style-type: none"> <li>Meet with "study team"</li> </ul>	<ul style="list-style-type: none"> <li>Feedback meeting</li> </ul>	<ul style="list-style-type: none"> <li>Transfer learning to organization</li> </ul>	<ul style="list-style-type: none"> <li>Article writing</li> </ul>

The first work stream was the DA archives. The researchers had learned, through the consultants and the Right Track director, that the Right Track staff kept nearly verbatim transcripts and descriptions of each of the decision accelerator meetings that took place. Thus, the researchers proposed an analysis of those documents as an important work stream in the process. The second work stream, representing the bulk of the data collection, would be two rounds of interviews with executives, managers, and staff involved in the change process. Finally, the project would be governed by a study team that would work to frame project objectives, receive the feedback and assist in data interpretation, and help to transfer the learning back to the organization.

In addition to the timeline, the research proposal outlined the purpose of the project; the likely benefits to Alegent; the estimated costs

for interviews, data analysis, and direct expenses; the support resources expected from AH, including the establishment of the study team; a statement about data confidentiality; and some suggested publication outlets. The Right Track director reviewed the document and asked for some additional detail. As described in the "Project Scheduling Process" section below, the start date had slipped to early November.

Dear Right Track Director,

We got a message from the consultants that you need a little extra "drill down detail" on the case study assessment project. We've taken a stab at such a document and it is attached.

The document includes a one-page description of proposed dates, activities, and information to be gathered. Please let me know if this meets your needs.

The document also lists a set of potential questions for the initial round of interviews. There are two issues we could use your guidance on. First, what is the appropriate time frame for questions about strategy? Second, we've listed a

couple of options for using a survey during the interview to collect information that would take too long to collect through just interview questions. Your counsel would be appreciated.

Thanks.

#### DATA COLLECTION PLAN—RIGHT TRACK ASSESSMENT PROJECT

Date	Activity	Data to Be Collected
Day 1 during the week of November 6th	<ul style="list-style-type: none"> <li>Meet with study team members to verify objectives and methods and refine them in order to incorporate sponsor concerns</li> <li>Initial interviews with senior executives* to understand broad strategic context of organization and Right Track process</li> </ul>	<ul style="list-style-type: none"> <li>Executive sense of business strategy, organization design, and Right Track impact on organization</li> <li>Broad scoping of the post-RT implementation/refinement activities germane to planning remainder of interviews/data gathering</li> <li>(Initial draft of questions attached)</li> </ul>
Day 2 during the week of November 6th	<ul style="list-style-type: none"> <li>Initial interviews with senior executives* to understand broad strategic context of organization and Right Track process</li> </ul>	<ul style="list-style-type: none"> <li>Executive sense of business strategy, organization design, and Right Track impact on organization</li> <li>Broad scoping of the post-RT implementation/refinement activities germane to planning remainder of interviews/data gathering</li> <li>(Initial draft of questions attached)</li> </ul>
Prior to next visit	<ul style="list-style-type: none"> <li>Finalize detailed interview questions for different stakeholders</li> <li>Validate questions and sampling approach with study team</li> </ul>	<ul style="list-style-type: none"> <li>Work with Right Track office to schedule interviews</li> </ul>
Potential dates: November 27, 28 December 4, 5 December 7, 8 December 13, 14	<ul style="list-style-type: none"> <li>Detailed interviews with RT participants, nonparticipants, service-line managers, and other related managers**</li> </ul>	<ul style="list-style-type: none"> <li>Details about perceptions of RT process, service-line strategies, implementation processes, and implementation success</li> </ul>
Ongoing	<ul style="list-style-type: none"> <li>Telephone interviews with key personnel unavailable during visits to Omaha</li> </ul>	
January, 2007 (date to be mutually determined)	<ul style="list-style-type: none"> <li>Meeting with study team and/or extended stakeholder group to review and discuss implications of findings</li> </ul>	
February	<ul style="list-style-type: none"> <li>Work with Alegent sponsors to determine a publication strategy</li> </ul>	

\*Initial interview sample includes as many of the following as possible: [List of executives and physicians.]

\*\*Interview sample for detailed background information includes: [List of executives, managers, and other roles expected to be important.]

Shortly thereafter, the Right Track director sent the following email:

Center for Effective Organization  
Researchers,

Thanks for this added info. I, along with one of my staff members, have taken this along with all the documentation you have sent me to date and have attempted to create one cohesive document that can serve as the contract, statement of work, action plan, cost estimate, etc ... This document is attached for your review.

I have also tried to answer some of the outstanding questions we have had in this document and have tried to further narrow the onsite dates and activities to include the interview list and the two questions you mentioned below. On your questions I think the two-year window is appropriate and I preferred option 2 which is incorporated in the attached.

Please review this latest document and provide any feedback and/or changes you might have to us all. I will be out of town for a few days but my staff can keep the process moving through Legal and the CIO's office in my absence. I can also be reached via cell phone through the rest of the week as needed.

Thanks.

The attachment referred to in the Right Track director's email was a standard, corporate consulting contract, with the researchers' proposal and revised schedule attached as the scope of work. Within the standard contract was a paragraph noting that all surveys, data, and documents created during the project would become the exclusive property of the Alegent Health corporation. The paragraph directly contradicted the confidentiality statement in the researchers' proposal. A number of conversations among the consultants, the researchers, and the different Alegent departments ensued. Eventually, a paragraph was written that was satisfactory to all parties and allowed for the researchers to use the data in their publications, but also gave Alegent the right to review, edit, and approve any articles, chapters, or descriptions of the organization change effort.

#### PROJECT SCHEDULING PROCESS

The project scheduling process—which was done in parallel with the formal contracting process

described above—involved working with the Right Track office to pick dates, schedule interviews, communicate with interviewees, and set up other logistical requirements to begin the study. Following a few introductory emails, and based on the CIO's interest in beginning in October, the researchers sent the following message in early September:

Hi Right Track Director,

With the CIO's approval, we're ready to begin the Right Track assessment project. The consultants and the researchers are very excited about the effort. We need your help to set up the first couple of days in October, ideally on the 17th and 18th.

On the 17th, we'd like to have a meeting of the "study team." This can be in the morning or afternoon, whichever best fits into the CIO's schedule.

The balance of the 17th and all day on the 18th should be 60-minute interviews with the senior leadership of Alegent. Based on our discussions with the consultants and the CIO, the list for the initial round of interviews would be 10 to 12 of the following people:

[List of top 15 executives and 7 key physicians]

Thanks for your help.

In response, the Right Track director sent back the following email:

Center for Effective Organizations  
Researchers,

Welcome aboard and looking forward to working with you on this effort. Is there a specific reason you are targeting 10/17 & 18? I ask because there is a DA scheduled those two days that some of these folks are supposed to be in and that I will be helping to support. It is actually an external group, namely the Boy Scouts. Are you planning to come that week because of that or is this just a coincidence? My contact info is enclosed.

Thanks.

Thus, there was some initial confusion on the start date of the project, and subsequent phone calls and emails clarified that starting the project in November would be a better fit for the Alegent organization. Some initial dates that fit in the researchers'

schedule were not good for the AH executives and physicians, while dates that were good for AH didn't fit with the researchers' schedule.

Eventually, the beginning of the project was pushed back to early December, and the

researchers flew to Omaha to begin the interviewing process. In the rush to schedule interviews, make travel arrangements, and finalize the interview questions and survey items, the meeting of the "study team" was overlooked.