

THE ACQUISITION OF A NEW LIS: A Tag Team presentation

LABINFOTECH SUMMIT 2007

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BÄNNIS

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TOPICS

- Considerations in Evaluating and Selecting an LIS
- Traditional and Non-Traditional Approaches
- Demonstrations
- Contracts



LIS Evaluation and Selection

A multi-phased process

- Do I need a new system? *Replace or “surround”*
- Who’s good? *Identify viable candidates*
 - *Best of breed/Single vendor*
- What’a they got? *Obtain system and corporate information*
- What’ll it cost? *Obtain cost quotations*
- Ask and listen *Telephone reference checks*
- See it, feel it, touch it *Onsite demonstrations*
- Visit peers and validate *Possible site visits*
- Tighten the screws *Contract negotiations*
- Go to their house *Corporate visit*



EVALUATING AND SELECTING AN LIS

- Obtain valid current information
- Understand/document your major needs
- Avoid “paralysis through analysis”
- Achieve high confidence and comfort
- Make a decision



SELECTION FACTORS INFLUENCING THE LIS DECISION

- Functionality to Meet Needs
- Compatibility/Synergy With Other Systems and Networks
- Growth Potential (Hardware/Software)
- Cost (Hardware/Software)
- Relative Value of Vendor Alternatives
- Support/Maintenance Costs

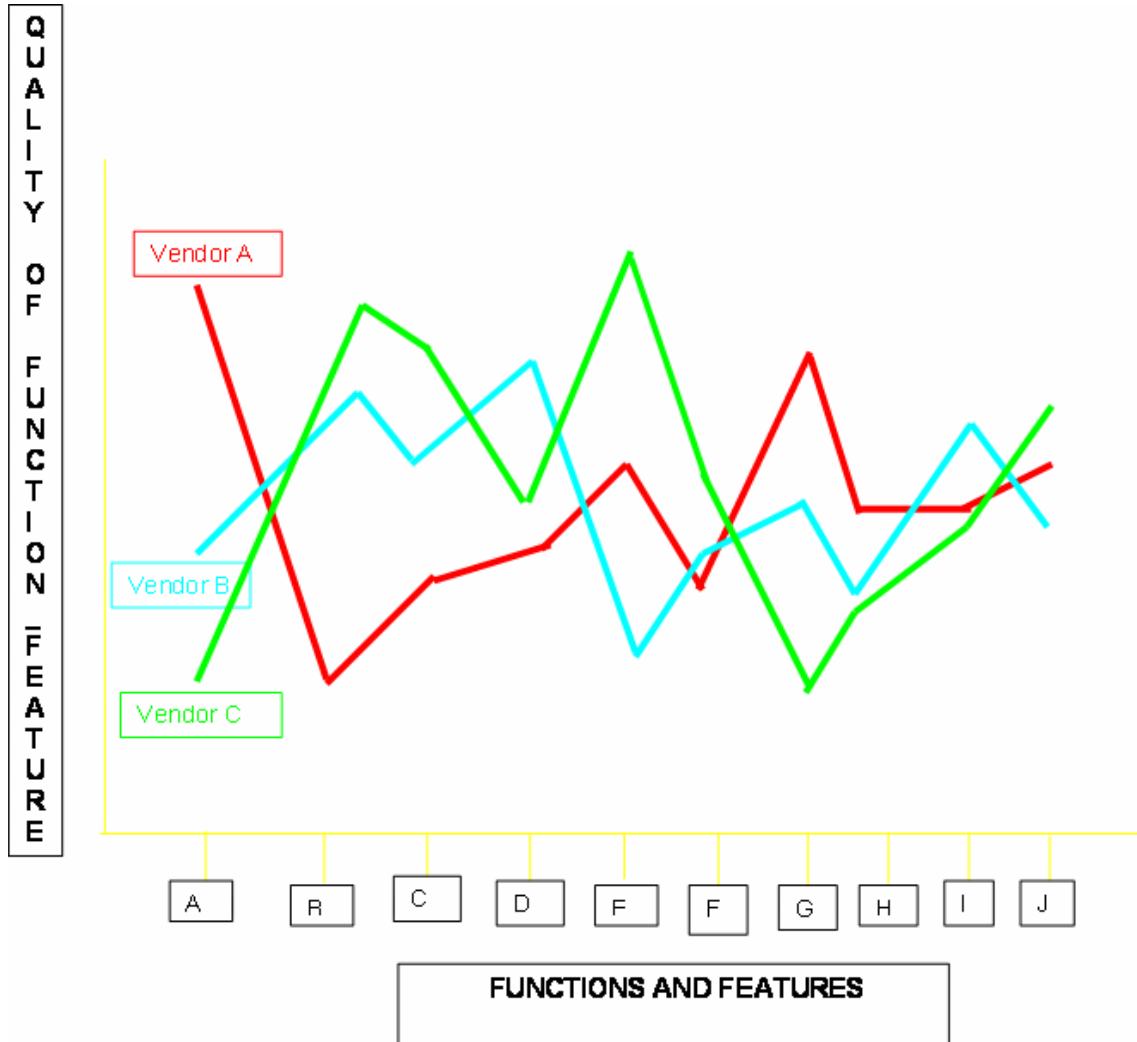


SELECTION FACTORS INFLUENCING THE LIS DECISION

- Vendor Support Reputation
- Transferability of Software License
- Schedule/Time to Implement
- Vendor Corporate, Financial Stability and Strategic Direction
- Internal Infrastructure Required to Install and Support



LEADING VENDORS ARE COMPARABLE OVERALL BUT SELECTION IS BASED ON THE QUALITY PATTERN OF FUNCTIONS AND FEATURES THAT ARE OF THE GREATEST IMPORTANCE TO THE LABORATORY



TIME FOR SOME ALPHABET “SOUP”

- RFI - Request For Information
 - Initial screen, validate vendors
- RFQ - Request For Price Quotation
 - Affordability, understanding of needs
- RFP - Request for Proposal



RFP - REQUEST FOR PROPOSAL

- Detailed analytical form
- Differentiating questions
- Encompasses RFI/RPQ elements
- Consider evaluation process in advance
- Not the final step
- May not be necessary



RFP - REQUEST FOR PROPOSAL

- Voluminous response
- May not be comparable across vendors
- Question responses may/will be ambiguous
- At best, an imperfect form but can help to evaluate.



EVALUATION SEQUENCE

Traditional

- RFI - If need information about vendors
- RFP - Detailed Questionnaire
- Onsite Demonstrations - Sequenced
- Site Visits - Vendor Selected



SUGGESTED SEQUENCE #1

Semi-Traditional

- RFI - If need information about vendors
- RFI/RPQ combination - If vendors known
- Telephone Reference Checking
- Onsite Demonstrations - Concurrent
- Site Visits (Local...Maybe) Like Yours
- Corporate Visit(s)



SUGGESTED SEQUENCE #2

Non-Traditional

- Prepare Requirements Document
 - Functional Needs
 - Operational Needs
 - Performance Needs
- Send to 2-3 Pre-Selected Vendors
- Corporate Visit(s)
 - Requirements Discussions
 - Demonstrations
 - Pricing Discussion/Negotiation
 - Contractual Issues



SUGGESTED SEQUENCE #3

Hybrid

- Prepare Requirements Document
 - Functional Needs
 - Operational Needs
 - Performance Needs
- Send as RFI/RPQ to 2-3 Pre-Selected Vendors
- Telephone Reference Checking
- Onsite Demonstrations - Concurrent
- Site Visits (Local...Maybe) Like Yours
- Corporate Visit(s)



SUMMARY

- Get Valid, Current & Comparable Data
- Focus On Key Issues
- Become Confident And Comfortable
- Make A Decision



GETTING THE MOST FROM LIS DEMONSTRATIONS



GETTING THE MOST...

- Consider your priorities
- Consider the good as well as bad in your present system
- Prepare questions, playscripts in advance
- Have concurrent vendor demos (multiple on same day)



GETTING THE MOST...

- Submit questions and playscripts to vendors in advance of demo
- Require vendor to respond to playscripts
- Allow vendor to show their uniqueness



GETTING THE MOST...

- SEE VARIOUS PROCESSES
 - -Beginning to end
 - -Use Playscripts
 - -Get answers by seeing – NPO
- OPERATIONAL, PROTOTYPE OR DEMO?
- TRY IT YOURSELF
 - -Hands-On with vendor guidance



GETTING THE MOST...

- ASK QUESTIONS
 - Vendor responsible for understanding
 - This is YOUR profession
- COMPARE WITH OTHER VENDORS
 - Ability to meet playscripts
 - Bests and worst
- RETURN TO RE-VISIT VENDORS
 - -Confirm observations
 - -Answer remaining questions
 - -Firm up evaluation/ratings

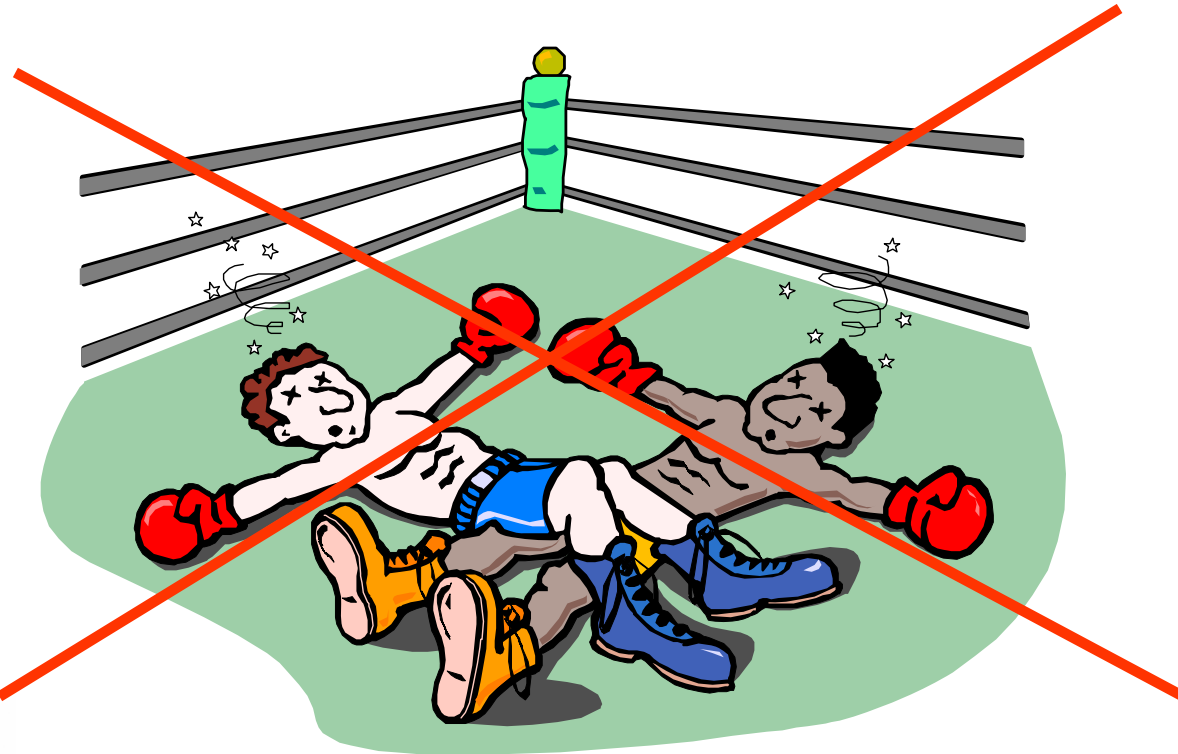


GETTING THE MOST...

- RECORD YOUR OBSERVATIONS
 - -Detailed question sheets and notes
 - -Playscripts
- RANK ORDER PREFERENCES
 - -Strong and weak points
 - -Why ranked #1, #2, #3
 - -Assign “merit” value to each
 - -10 = Perfect 1 = The Pits



SPECIFYING & NEGOTIATING A “WIN-WIN” LIS CONTRACT



TOPICS

- What is a Contract?
- Types of Contracts
- Approach to Negotiation
- Contract Checklist
- “Win-Win” Criteria



A CONTRACT IS:

- “A promise or set of promises for deliverable items and/or services for the breach of which the law gives a remedy; or the performance of which the law recognizes as a duty.”
- i.e. If you say that you will do it, then you should. If you don't do it or don't do it on time, you will be penalized (or not rewarded).



Contract Premises

- Premise # 1
 - Worst time to negotiate contract is during contract negotiations
- Premise # 2
 - The vendor standard contract has value
 - The stuff in bold can be changed
- Premise # 3
 - Contract must cover the ENTIRE system
- Premise # 4
 - Contract must be fair and protect the interests of both parties (not a contest)



3 GENERIC TYPES OF CONTRACTS

- “HARDNOSE”
 - Rigid, Inflexible
 - Negative, Punitive
- “LOOSY-GOOSY”
 - Vague, Non-Specific
 - Missing Important Elements
- “RIGHT-ON”
 - Covers ALL Important Elements
 - Mutual, Reciprocal



APPROACH TO NEGOTIATION

- Include contract provision desiderata in RFI/RFP
- Vendor response to be part of contract
- Request sample vendor contract during selection
- Form a negotiating team
- Prioritize (realistically) your objectives
- Maintain an “issue-resolution” attitude
- Be flexible (within limits) – Be fair
- Don’t be adversarial
- Loose lips cost money!!!



LIS CONTRACT CHECKLIST

- System Specifications
 - Function/Feature
- Operational
 - Performance
 - Reliability/Availability
 - Backup/recovery
- Acceptance Testing Criteria
- Delivery/Implementation Performance



LIS CONTRACT CHECKLIST

- Terms and Conditions of Licenses
- Payment Terms
- Source Code Availability
- User Programming Provisions & Constraints
- Warranties (Coverage and Term)



LIS CONTRACT CHECKLIST

- Inclusion of RFI/RFP Response
- Confidentiality of Data (*vendor access*)
- Provision for Additional Locations/Users
- Rights to Future New Applications (*lock price*)
- Manuals and Other Documentation
- Support services (*new releases, escalation, renewal, response times, costs, 3rd party access*)



LIS CONTRACT CHECKLIST

- LEGAL STUFF
 - Arbitration vs. Litigation
 - Laws of YOUR State
 - Cancellation
 - Remedies
 - Liability
- DOMAIN OF YOUR ATTORNEY



**FINI...NO MAS...FINITO...
THE END**

