

The Copperwood Group

Innovative Healthcare Strategies

Revitalizing Outsourcing Relationships

Experts speculate that 50% of outsourcing arrangements will fail. It is likely that many more outsourcing relationships are failing to meet expectations. In a recent survey, a significant number of buyers reported that their outsourcing objectives are not being met and that they are concerned about the financial payback. The situation will only worsen if nothing is done.

If any of the following are true, your outsourcing relationship may be in trouble and fail to deliver the expected value:

- The outsourcing agreement is out of alignment with your expectations or business objectives;
- Unexpected change control has caused significant cost increases;
- Service delivery is unsatisfactory or marginal;
- Service level agreements (SLAs) do not match your priorities – frequently, users are dissatisfied even though SLA performance standards are being met
- SLA performance standards are too low or SLA performance reporting lacks sufficient detail;
- The outsourcer has lost focus or changed its direction;
- You are having difficulty managing your outsourcing partner;
- The deal structure is not dynamic enough to adapt to your changing needs;
- The governance model is non-existent or ineffective.

Outsourcing Revitalization Services

The good news is that action can be taken to revitalize a troubled outsourcing relationship, improve service, get cost under control and prevent failure. **The Copperwood Group** has worked with many health systems to revitalize their outsourcing arrangements to keep them current and meeting expectations.

Based on our revitalization work with other health systems, we have developed an array of Outsourcing Revitalization Services for health systems who are concerned about their outsourcing relationship and prepared to do something about it.

Outsourcing Audit and Assessment – Copperwood meets with key stakeholders, reviews outsourcing agreements, SLA performance, and customer satisfaction surveys. We evaluate the alignment between objectives, cost, expectations and performance. Deliverables include a comprehensive report presented to executive management including specific recommendations for improvements and changes.

SLA Review and Updates – Copperwood reviews all elements of SLA performance and SLA performance reporting. We identify questionable SLA reporting and make recommendations for improved performance standards, adjusted penalties and credits and suggestions for new SLAs and performance standards.

Contract Compliance and Performance Audit – Copperwood provides a quarterly contract compliance

and performance audit. SLA performance reports and supporting detail, change control documents and other information are reviewed. Deliverables include with a written audit report and a report card on outsourcer performance with specific recommendations for areas and issues to be addressed with the outsourcer.

Contract Renegotiation – Copperwood assists in preparing for a mid-term and end of term renegotiation with the existing outsourcer. We prepare and communicate terms, objectives, and process to the outsourcer. We conduct good faith negotiations with the outsourcer to redefine and/or clarify:

- Scope of services
- Terms and conditions
- Pricing approach
- Service level agreements

Copperwood is able to provide legal and outsourcing advisory services to support a cost-effective renegotiation or renewal of the outsourcing agreement.

Outsourcing Relationship Management – Copperwood acts as the health system's relationship manager. In this role, we participate, on behalf of the health system, in all formal outsourcing governance activities. Frequently, we act as the health system's strategic advisor for all IT-related matters.

Interim Management – Copperwood provides temporary leadership to manage strategic projects, outsourcing transitions or other critical initiatives. As part of this service, we assist with identifying and recruiting full time resources if needed.

The Copperwood Group Advantage

The Copperwood Group is comprised of seasoned executives who each possess extensive experience with information technology and outsourcing for healthcare. As the architects and managers of several hundred million dollars of outsourcing transactions, we have the proven experience to make meaningful improvements in your outsourcing relationship.

Health systems benefit from working with **The Copperwood Group** in several very important ways:

- Copperwood involvement always gets the outsourcer's attention and compels them to focus on change
- Copperwood forces alignment of outsourcing services with business objectives
- Copperwood experience enables us to recommend best practice approaches to be employed by the outsourcer
- The Copperwood track record indicates that we will achieve significant improvement in outsourcing performance, reduce costs and increase health system satisfaction with the outsourcing relationship
- Copperwood provides integrated outsourcing and legal advisory services resulting in cost-effective restructured agreements.

Outsourcing revitalization helps:

- Realign business objectives and outsourcing agreement
- Enhance SLAs and performance standards
- Update pricing approach and clarify scope
- Reinstitute governance and oversight