

White Paper

Choosing the Right Web Vendor for Your Hospital

From RFP to Relationship

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A 36-page checklist of functionality. An Excel spreadsheet laden with technical jargon.
A repurposed PowerPoint explaining why an organization is an early adopter of technology.

Requests for proposals (RFPs) come in all shapes and sizes. And in the 10 years Geonetric has been building online solutions for the healthcare industry, we've seen them all. Some make us think, "wow, this organization knows what it wants." But many of them — like the 36-page checklist of functionality — make us wonder if the organization truly understands the goals for its Web site.



If you're searching for a partner to help build an online solution for your hospital, this white paper will help you determine how to develop an effective RFP and select the best vendor for your organization.

GETTING STARTED

So you've been tasked with managing the development of a new Web site or patient portal at your hospital. Before you start writing the RFP and contacting vendors, make sure to do some homework. It's important that you understand your goals, your current Web presence, the wants and needs of your executive stakeholders, and that you have a firm grasp on what resources are available for the project. The answers to these questions will give you a great framework for drafting your RFP and help vendors respond appropriately.

Understand Your Web and Organizational Goals

When evaluating a possible goal for your Web initiatives, repeatedly ask yourself "why" until you are able to develop a list of concrete objectives. We often see RFPs that list goals such as "increase Web traffic." The real question is, "Why do you want to increase traffic?" Think strategically about your online goals. And when possible, try to develop goals that are connected to your organizational initiatives. Developing meaningful goals helps vendors understand your true objectives, and it will help you prove your Web site's value over the long term.

Understand Your Current Web Presence

Perform a critical assessment of your current Web presence. Are there any departments or service lines that aren't adequately represented? What impression is the site giving visitors? Evaluate the content, traffic, and overall feel of the site and try to determine what's working and what's not. This not

only gives you a solid foundation to work from, but helps vendors understand the history of your Web initiatives.

Understand Your Stakeholders

Remember, each stakeholder has a different agenda. Try to get input from marketing, public relations, I.T., key service lines, human resources (for most sites, "careers" is a top visited section) and other important stakeholders in your organization. If the stakeholders are involved in the development of the site and understand the value, they are more likely to support the rollout of the features.

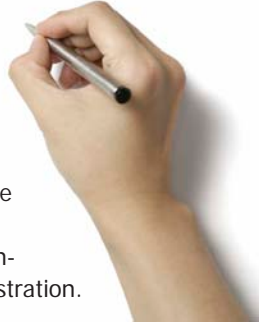
When soliciting stakeholder input, don't be surprised if you receive numerous emails from executives with a URL and the message "I like this site." It's important that your stakeholders understand that everyone likes certain Web sites, but that doesn't mean your organization has the same goals or budget as the favored sites. Instead of sharing URLs in your RFP, try to determine why your executives like certain sites. Does it have Web 2.0 elements? Does it offer eCommerce functions? Does it have a compelling design? Try to identify themes so you can include them in the RFP.

Understand Your Resources

To write an effective RFP, you need to understand your resources. Most organizations find that they need to have internal staff, at a minimum, organize, gain buy-in and provide accountability for online efforts. Determine what resources you have in-house and what you expect the vendor to bring to the table.

WRITING AN EFFECTIVE RFP

The goal of an RFP is to help your organization narrow down a group of possible vendors to two or three finalists. If you've already narrowed your search to a few vendors, you don't need to send an RFP. In this case, a more effective approach would be to ask the vendors on your shortlist to provide an in-person presentation and product demonstration.



If you are considering a large group of vendors, you need an RFP. And there are a few details you should know from the start. First, there is no universal standard format for an RFP. Your RFP can be as unique as your organization. Structure your document in a format that works for you, considering the elements of your project and the resources at your disposal.

An RFP that simply lists desired functionality doesn't work for most hospitals. If you have a large Web and I.T. staff that plans to dedicate significant time to managing your site, then it may be right for your organization. But if you're like most hospitals and are looking for a partner to help with your Web initiatives in a more strategic way, the list of functionality isn't going to garner the type of response you need.

Define the Type of Vendor You're Looking For

As you write your RFP, it's important to have a basic idea of what type of vendor you're looking for. Ask yourself:

- Do you want a vendor that is healthcare-specific?
- Do you want to build your Web site once and leave it, or do you want to continue to add functionality, such as a portal, over time?
- Do you want a vendor with a culture that is a good fit with your organization?

Include the Basics

Assuming you're looking for more than just software, most RFPs include the following core elements:

- **Hospital background:** Add information about your organization, information about your main competitors, a history of your Web initiatives, and the driving forces behind the RFP.
- **Information about your existing site:** Include a high level review of your existing site – communicate what's working and what's not and any top-line site metrics you might have. If you're requesting help with site migration, you should also include the number of pages because this can affect pricing.



RFP vs RFI vs RFQ

RFP. RFI. RFQ. It's easy to confuse these acronyms. Here are some helpful definitions:

Request for proposal (RFP): An RFP is an invitation you send to a select list of vendors asking them to submit a proposal on a specific service or product. The document outlines all of the requirements of the project, from scope and timeline to expected deliverables. An RFP is usually part of a competitive process, as it allows several vendors to send you their proposals for comparison.

Request for information (RFI): An RFI is used to gather information that will help you decide how to move forward with the project. The document asks for general information about the vendor's company and services. It is typically sent before an RFP and allows you to narrow down a long list of vendors to a more manageable number.

Request for quote (RFQ): An RFQ tends to be more focused on pricing and availability of products. It works best when buying widgets or products that are easily comparable. An RFQ may require respondents to note detailed pricing and timelines for specific items of a project.

- **Project goals and description:** Include your goals for the new site and a list of the main stakeholders. You'll also want to discuss vendor expectations as well as any process requirements.
- **Functional requirements:** Mention what you want the new Web site to do – literally. Think about what end users expect from your Web site (e.g., potential patients need to make appointments, sign up for classes, etc.) and what your internal users/stakeholders expect from your Web site (e.g., nurses need to post baby photos, human resources needs to add jobs, etc.). It's also important to distinguish between needs and wants. Try to avoid a long wish list of items and focus on what is critical to helping you meet your goals.
- **Technical requirements:** Outline your expectations for hosting, third-party application integration, security, etc.
- **Timeline:** Address when you expect the site to launch. It's important to let your vendors know what you foresee as a launch date so they can determine if your timeline is feasible and if they have resources available to meet your needs.
- **Vendor information:** Request information you want to know about the vendor. For example:
 - o Company background: Their history, experience, competitive differentiators, team member biographies, array of services, etc.
 - o Process and philosophy: How they plan to work with your organization, how they approach design and development, their project management methodology, and how they plan to secure buy-in from key stakeholders.
 - o Pricing and packages: An outline of the pricing options available as well as their recommended approach.
 - o References and sample work: A list of references that are similar to your organization in terms of size or project scope as well as case studies that describe how they've helped clients meet their goals.
- **Evaluation and selection guidelines:** Include information on your decision-making process and when you plan to select a vendor.

- **Submission guidelines:** Include information on how to submit the proposal. Make sure to provide contact information and any rules for submitting questions.

Also remember to be as specific as possible with functional and technical requirements. The requirements section determines the cost of your project and if your requirements are vague, you will likely receive inaccurate price estimates.



Sometimes Less is More

Creating an RFP is a considerable amount of work, but reviewing the responses can turn into far more work. You don't want to be in the throes of the RFP process over the next year, so make it as easy as possible.

Review your RFP, look at each item and ask the question, "So what?" Why are you asking for this information? Will the answer to this question impact your decision? Will the answer ultimately help your hospital select a partner to build a Web site that delivers the results you desire?

Keep in mind, if you create a 40-page RFP, you will receive lengthy responses and it will take you a significant amount of time to review them. So, don't ask questions for the sake of asking questions – only request information that will help you in the decision-making process.

If you're looking for a more detailed outline to shape your RFP, check out the sample we created on page six of this white paper.

SELECTING RFP RECIPIENTS

Now that you have written an effective RFP, how do you select the vendor recipients?

Keep in mind, the goal of the RFP is to help you narrow down a list of possible vendors to a few finalists. If your organization has a purchasing department that requires you send the RFP to a certain number of vendors, you need to follow their requirements. However, if you don't have any guidelines to follow, we suggest you send RFPs to a maximum of three to five vendors. You will be responsible for reviewing the responses, so the more vendors you select, the more time and resources it will take for the review process.

If you're looking for possible vendors, here are some ideas:

- **Industry tradeshows:** Industry tradeshows are a great way to meet vendors. When you attend conferences hosted by organizations such as Society for Healthcare Strategy and Market Development (SHSMD) or Healthcare Strategy Institute (HSI), be sure to seek out information on products and services you may need in the future.
- **Educational resources:** Check out the variety of educational resources available. For example, have you seen any vendors speak at industry associations or read articles from vendors in industry publications? Or, do you routinely go to Webinars or read white papers from industry experts? These are great resources for uncovering knowledgeable vendors.
- **Peer groups:** Many professional organizations have lists of preferred vendors. If you're member of an industry association, such as SHSMD or the America Hospital Association (AHA), check to see if they have a list of vendors they recommend. Or, ask members of the association through ListServes or committee groups if they've worked with any vendors.
- **Eye-catching sites:** If you see a hospital Web site you like, contact their Web manager and ask about the vendor they use.
- **Award winners:** Check out organizations that offer Web awards, such as the Web Marketing Association, Aster Awards, eHealthcare Leadership Awards, The Hermes Creative Awards, Healthcare Advertising Awards, and the Web Health Awards. The winners' listings typically include the name of the hospital's Web partner.

EVALUATING RESPONSES

From reviewing the proposals to developing measurement metrics to inviting vendors for face-to-face presentations, evaluating responses can be overwhelming. Here are some ideas to help you make the process as painless — and effective — as possible.

Develop a Scorecard

Begin by creating a scorecard that allows you to evaluate each response using the same criteria. To create an effective scorecard, be sure to obtain input from stakeholders in the process. Influencers usually include representatives from I.T., marketing, and the Webmaster or person using the software.

The scorecard should have a maximum of six to eight measurement factors which can be ranked. You can assign different weights to the factors that are most important. For example, if your I.T. representatives say the site must be designed in .NET, then you should give that measurement a higher weight.

Some of the criteria in a typical scorecard include:

1. Industry experience (e.g. healthcare specific)
2. Overall functionality (e.g. modules, features)
3. Service (e.g. project management support, design)
4. Language (e.g. .NET, open source)
5. Overall value (e.g. price, ROI, support)
6. Ability to meet goals (short- and long-term)

Review the scorecards with the stakeholders you identified and narrow the finalists to two or three. Remember to evaluate the scorecards by what's most important to you and your team.



Some purchasing departments won't allow you to talk to vendors during the evaluation process as a way to limit bias. In reality, if a vendor's response isn't clear, it's important that your questions are answered before you make a decision. So it's best to call a vendor and ask follow-up questions or ask for additional information if needed.

Buyer Types

As you go through the vendor selection process, your internal team members will have lots of questions for your vendors. It will help you prepare if you keep in mind the three types of buyers and their concerns.

1. Economic

The economic buyer seeks to understand the value of the purchase. This individual will be focused on price, but equally importantly, on measuring the value of the investment. To meet this buyer's needs, be sure to have your vendors address total cost of ownership, return on investment, and overall value.

2. Technical

The technical buyer will focus on a checklist of what the product does and doesn't do, as well as compliance to standards. To meet the needs of this buyer, expect questions about functionality, HIPAA and PCI compliance, and infrastructure compatibility.

3. End-user

The end-user wants a better, more efficient process. This person deals with the day-to-day issues and wants to be reassured that the new solution will be easy-to-use, streamline processes, and improve results. Expect more tactical questions about product features such as workflow, and procedural questions about the implementation plan and ongoing vendor support.

Each type of buyer brings a different, valuable perspective. Understanding, appreciating, and addressing those individual viewpoints and concerns will allow you to be more prepared, evaluate vendors and their solutions more fully, and eventually, make the best selection for your organization.

Face-to-face Presentations

After you pare your vendor list down to two or three prospects, it's time to invite the finalists to your organization for in-person presentations.

It's important to get the right stakeholders to the in-person presentations. Including too many people may hurt the decision-making process, but not having the right people in the room can have the same effect in the long run. If possible, try to have the CEO involved in the in-person meetings — if you can get your CEO on board from the beginning it will help improve organizational buy-in of Web initiatives and eventually the adoption of the new Web site.

Since you're inviting different stakeholders to the in-person meeting, create another scorecard to be used to evaluate the in-person presentations. Feel free to share the review criteria with the vendors so they know how to structure their presentations. Don't make it your goal to trick or surprise the vendors, it will only make the presentations less meaningful and reflect poorly on your finalists. By being upfront about expectations, stakeholders and their unique agendas, the vendor can address the most important topics and make the best use of everyone's time. Remember, the in-person presentation is much like a job interview. Your team is evaluating the vendor, but the vendor is also evaluating you as a potential client.



Tips to get the most out of in-person presentations:

- Request all presentations be the same length
- Get the right people in the room
- Include time to discuss each vendor's presentation immediately after their presentation
- Establish common criteria for evaluations
- Create a scorecard similar to the scorecard you used for the proposal review only with more high-level categories like "vendor understands our needs," etc.

And the Winner Is...

After evaluating the vendor presentations, you will either have one clear winner or two vendors that are close, but usually for different reasons. If you are deciding between two vendors, try not to base your final decision on price alone — also consider the value the vendor brings to your organization. For example, are they able to help you align your Web site's direction with the goals of your organization or have they demonstrated examples of how they've helped clients meet their specific goals?

FIND A VENDOR THAT DELIVERS VALUE

Taking the time beforehand to understand your goals and create a well-crafted RFP will save time, money, and headaches. But the RFP is just one step in the process of finding the right Web partner for your organization. You also need to look at vendor relationships in a strategic way and choose a vendor that will help your organization in the long-term. Remember, the definition of success is not just awarding the contract, but finding a partner you can trust that will deliver on their promises.

Can I trust references?
 Just like a job interview, your prospective vendors are hand-picking the references they want you to call. All vendor-client relationships go through typical ups and downs, but you can learn a lot about how the vendor handles themselves from a client that has run into a challenge. Ask references about times when the relationship has had challenges and learn how the vendor responded to those situations. Also, be sure to check if references are being compensated for their remarks.

SAMPLE OUTLINE FOR AN RFP

- I. Hospital background
 - A. Organizational history
 - B. Organizational specialties and locations
 - C. Impetus for project
 - D. Internal stakeholders
 - E. Competitive environment
- II. Details of current site
 - A. Site URL
 - B. Top-line explanation of what's working and what's not
 - C. Number of pages on current site
 - D. Overview of site metrics
- III. Project goals
 - A. Web goals
 - B. Organizational goals
- IV. Project scope:
 - A. Design requirements
 - B. Functional requirements
 - C. Technical requirements
 - D. Ongoing maintenance requirements
 - E. Timeline
 - F. Budget restrictions
- V. Vendor requirements:
 - A. Your proposed solution
- B. Company background
 - 1. History & experience
 - 2. Philosophy
 - 3. Competitive differentiators
 - 4. Sample team biographies/résumés
- C. References & Examples
 - 1. Three to five references with contact information and URLs
 - 2. One to three case studies from similar organizations
- D. Price
 - 1. Cost of proposed solution
 - 2. Payment options
- VI. RFP instructions:
 - A. Overview of selection process
 - 1. Due date for pre-submission questions and instructions for question submission
 - 2. Date to issue responses to vendor questions
 - 3. Due date and time for response submission, including delivery format
 - 4. Evaluation criteria and score card
 - 5. Date to announce finalists to all vendors
 - 6. Date(s) of on-site presentations
 - 7. Date to begin contract process
 - B. Legal information
 - 1. Critical contract information
 - 2. Minimum number of days response should be valid
 - 3. Any other information the purchasing office needs to include

ABOUT THE AUTHOR

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Ben is a co-owner of Geonetric and serves as a thought leader for Geonetric's prospects and clients – writing and speaking extensively about Geonetric's research in eHealth and the industry-leading efforts of its clients. With 12 years of professional experience in information technology, business and healthcare, he has helped lead Geonetric through its rapid growth.

Prior to working at Geonetric, Ben worked in business process re-engineering and enterprise software development with top-tier organizations including University of Iowa Healthcare and the Michigan Insurance Bureau. He holds a BSE in Computer Engineering from The University of Michigan and an MBA in eBusiness and Strategic Management from The University of Iowa. Ben is a member of HIMSS (the Healthcare Information Management Systems Society) and is a co-chair for the HIMSS eHealth Special Interest Group. He is also a member of the Microsoft Healthcare Users Group, ACHE (the American College of Healthcare Executives), SHSMD (the Society for Healthcare Strategy and Market Development), and has been a judge of the eHealth Leadership Awards for the past five years.



ABOUT GEONETRIC

Geonetric helps hospitals and health systems develop and implement innovative Web strategies to engage their patients and communities online. VitalSite®, Geonetric's robust content management software, easily manages Web sites, portals and intranets, and includes a large selection of interactive modules. Geonetric also provides a comprehensive suite of online services, from strategy and design, to search engine marketing and social media management, to ongoing support and hosting – all designed to engage site visitors and deliver measurable results. Visit www.geonetric.com.

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