

APC FORUM: CARESTREAM HEALTH'S IT TRANSFORMATION¹

Madeline Weiss
Program Director,
SIM Advanced
Practices Council

<p>Bruce Leidal Chief Information Officer</p> <ul style="list-style-type: none"> • Strong track record of success through building and developing strong teams in global organizations. • Significant experience in the development and implementation of strategies that lead to significant earnings performance contributions. • Madonna University, baccalaureate degree 	<p>Carestream Health</p> <ul style="list-style-type: none"> • Leading global provider of medical imaging systems to healthcare facilities worldwide, radiology healthcare IT solutions, dental imaging and dental practice management software, molecular imaging solutions for pre-clinical research, non-destructive testing imaging for industrial markets • 8,000 global employees • Headquarters: Rochester, New York with operations covering 150 countries • 2011 revenues: \$2.5 billion
--	---

When Bruce Leidal, Carestream Health's new chief information officer, arrived in 2008, he discovered many opportunities to increase business capability and productivity while decreasing the cost of IT as a percent of revenue.

He began by creating a strategic framework for IT that included overall business direction linked to technology direction. Operationalizing the strategies involved changes in just about every aspect of IT: relationship management, enterprise architecture, governance and project management, application development and support, global IT operations and infrastructure, and people management.

RELATIONSHIP MANAGEMENT

As part of establishing a portfolio management process to facilitate decisions on IT priorities and manage the global portfolio, Leidal brought his business colleagues up-to-speed on the value of effective portfolio management and best practices. Working together, they then oversaw the creation of project briefs, project charters, and unified project scoring. Leidal then reshaped the IT Council so that he and key business executives who sat on the council could focus on portfolio decisions, gain agreement on key strategies, and confirm IT direction.

ENTERPRISE ARCHITECTURE

Leidal focused on two key aspects of enterprise architecture: technology and data standards. His team created single sign-on for easy user access and a data-bus strategy for application integration. The team implemented Business Objects to integrate on-premise and cloud-based data for deep analytical capability. Global

*MISQE is
Sponsored by*



¹ This is part of a series of columns from the SIM Advanced Practices Council, an exclusive forum for senior IT executives who value directing and applying pragmatic research; exploring emerging IT issues in depth; and learning different, global perspectives from colleagues in other industries.

Sharepoint was established for light document management, workflow and collaboration. And standards were established for servers, backup and recovery.

His architecture team established a Master Data Management Council with strong business participation. For each master data area identified, the Council named a business trustee.

GOVERNANCE AND PROJECT MANAGEMENT

Project System was installed for time tracking and billing. Planview was installed for portfolio management, master resource planning, individual project management, project forecasting and reporting. Rigorous financial planning and tracking were also established.

Several core IT governance bodies took shape for policy deployment, IT architecture, change advice and supplier management review.

A formal project management office was established and overseen by a director who reported directly to Leidal. The dedicated project managers, all of whom achieved PMI certification, began implementing state-of-the-art project management methodologies in order to streamline project delivery and improve quality. The methodologies included stakeholder governance for projects so that a business project leader took responsibility for project implementation and a project manager ensured that project processes were followed. A repeatable acquisition integration process was established.

APPLICATION DEVELOPMENT AND SUPPORT

In order to simplify the application development environment, Leidal's application team reduced the application portfolio from 680 applications to about 400. Commercial off-the-shelf applications, especially best-of-breed solutions, were adopted. If the solution appears in Gartner's upper right magic quadrant, it's considered safe for adoption.

When Leidal arrived, application support was outsourced. Realizing that the contractor had little incentive to correct root causes, his team in-sourced support and encouraged his developers to solve root causes so they could get back to doing what they truly enjoyed: development.

GLOBAL IT OPERATIONS AND INFRASTRUCTURE

Leidal's Global Operations team outsourced most of the infrastructure, but based on technology towers that could be in-sourced with short notice to maintain options. Internal operations were consolidated from 44 to four key locations and 300 servers were consolidated into 60. His Global Operations team established a Center of Excellence to provide architecture expertise and lead infrastructure transformations and improved the desktop support ratio to 400 to 1.

His team implemented an ITIL-based service desk which achieved an average customer satisfaction rating of 4.5 on a 1 to 5 scale. They established industry-based service level agreements which are reviewed weekly, and achieved a score of 90% for each.

Improved capabilities include: capital lease program for infrastructure refresh that maintains a constant depreciation level with built-in refresh, updated storage solution, consolidated server environment, improved backup and recovery, refreshed regional servers, improved security and anti-virus protection, tokenless VPN access, upgraded data center to class A, and single sign-on platform.

PEOPLE MANAGEMENT

Leidal implemented Topgrading for hiring, employee development and promoting. Methods include: creating clear in-depth job descriptions (Job Scorecards), screening candidates from a Career History Forum, using the Topgrading interview approach, and requiring top candidates to arrange personal reference calls with former supervisors and others. In addition, he started a college hire program, added general competencies to the performance management process, and established detailed job expectations by job level. He conducts a bi-annual performance correlation to ensure consistency of ratings.

Carestream Health's 40% turnover in IT and \$100,000 investment in staff training over the last three years ensure that it has the talent it needs.

The results speak for themselves: increased business capability and productivity, in combination with reduced costs – from 3% of revenue to 1.5%.