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# The Healthcare Executive's Guide

Seven factors to consider when selecting your Enterprise Resource Planning (ERP) solution.

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Managing the complex financial aspects of your healthcare business is a daunting task. You need a holistic, intuitive and intelligent solution that empowers you to be proactive and control costs with precision.

Use this guide to make the most informed decision when selecting an ERP solution where **better patient care is the bottom line.**



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Keeping these seven factors top of mind can help you make a more informed decision about the right Enterprise Resource Planning (ERP) solution for your health system.

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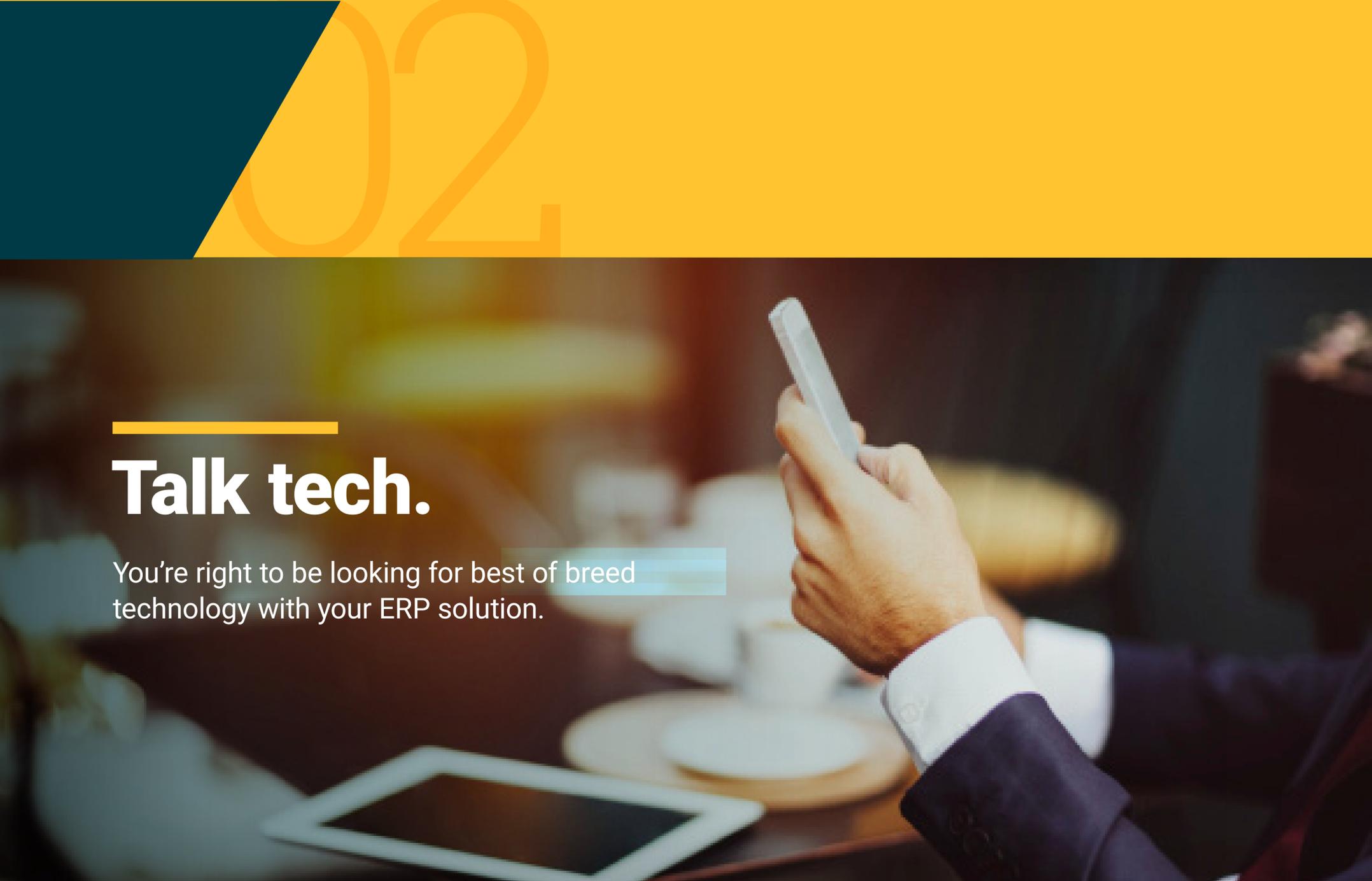
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# Best, or best for me? Relationships are key.

Purchasing an ERP for your health system is like embarking on a marriage. You should understand each other. Your long-term strategies should align. Your definitions of success should be consistent.

## *Before you embark, consider:*

1. Does the ERP vendor's strategic vision align with your health system's objectives?
2. Do they understand your unique, healthcare-specific needs?
3. How will they be vested in the future success of your organization?
4. What level and frequency of executive engagement can be expected?
5. Will your health system have a voice in the future direction of the solution's features and functionality?



# Talk tech.

You're right to be looking for best of breed technology with your ERP solution.

*Beyond features and functionality, make sure to question:*

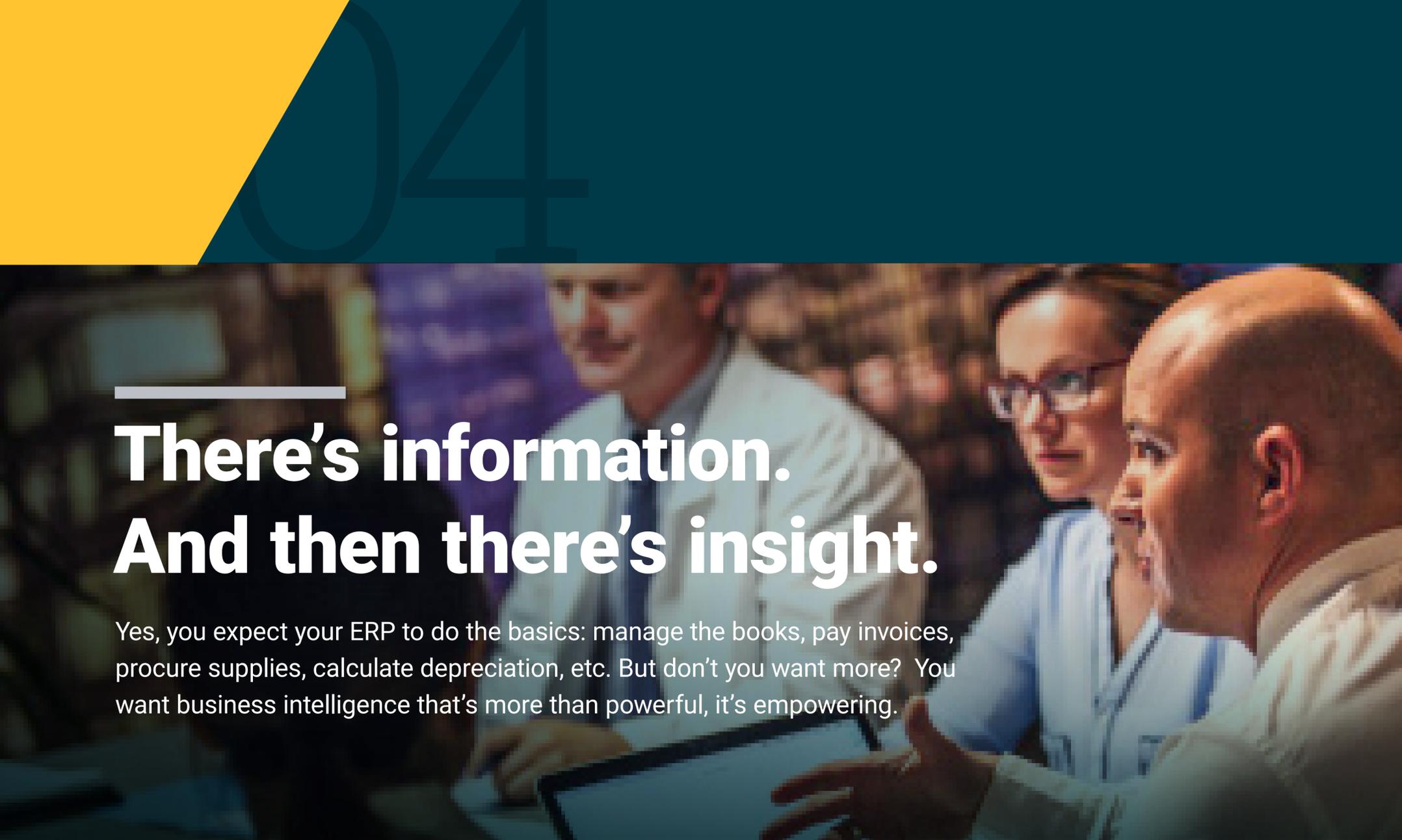
1. What resources (equipment, people, data space, etc.) are required to implement and maintain the system?
2. How will the technology impact the security and privacy risk of your health system?
3. Is it scalable and supportive of your future growth needs?
4. Will it enable the centralization of any job functions?
5. Can it support standardization across your health system to improve compliance?
6. How often will upgrades occur and what will they entail?

# Think beyond ERP.

ERP software is only one component of a comprehensive cost management solution. Therefore, it's essential for other solutions to seamlessly integrate with your ERP.

## *Don't forget to consider:*

1. How seamless integration occurs among the ERP modules (General Ledger, Accounts Payable, Materials Management, etc.)?
2. Is the architecture open and friendly?
3. Can the ERP be integrated with budgeting, advanced analytics and other reporting tools?
4. Can the ERP connect with niche Payroll/HR solutions?
5. Can complimentary, independent solutions, such as warehousing, exchange services and/or point of use tools, easily connect to the ERP?
6. How does the ERP connect cost, quality and clinical outcomes?



# There's information. And then there's insight.

Yes, you expect your ERP to do the basics: manage the books, pay invoices, procure supplies, calculate depreciation, etc. But don't you want more? You want business intelligence that's more than powerful, it's empowering.

*Consider the following when looking for your next generation ERP:*

1. Can the financial tools provide real-time alerts to signal when variances occur?
2. Are document management capabilities embedded in the solution or does that require a separate purchase?
3. Can the solution provide a consumer-like user experience for requisitioning supplies across all care settings?
4. How does the solution support compliance to help the organization leverage contract prices and maximize discounts?
5. Does the solution automate item price changes?
6. What Electronic Data Interchange (EDI) capabilities are available?
7. Can the solution infuse real-time decision support into the supply chain?

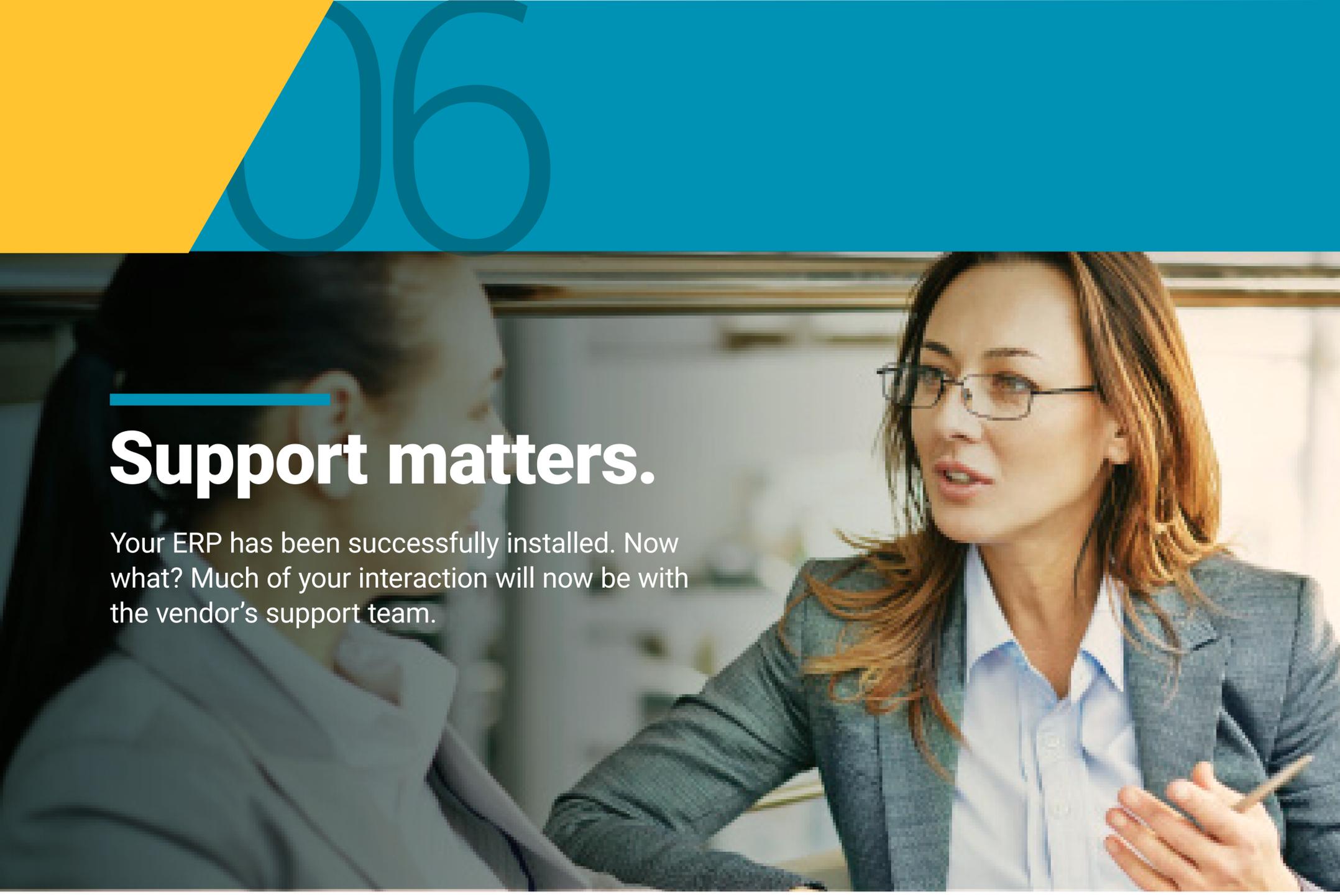


# After the ink dries.

Sign on the dotted line, shake hands and...  
now the real work begins.

## *Be clear on implementation methodologies upfront:*

1. How many people are included on the vendor's project team and what are their roles?
2. Are they tenured in the healthcare industry (i.e. will they bring value and expertise to the project)?
3. Are third-party consultants necessary and/or recommended to implement the solution successfully?
4. What is the typical implementation timeline?
5. What does training look like?
6. How quickly do users become proficient using the software?
7. Will the vendor convert historical ERP data? If so, how much and what are the costs?
8. Is data cleansed, such as duplicates removed, prior to conversion?
9. What steps, such as tests or mock go-live events, are taken before the solution moves to production to ensure the actual go-live is a non-event?

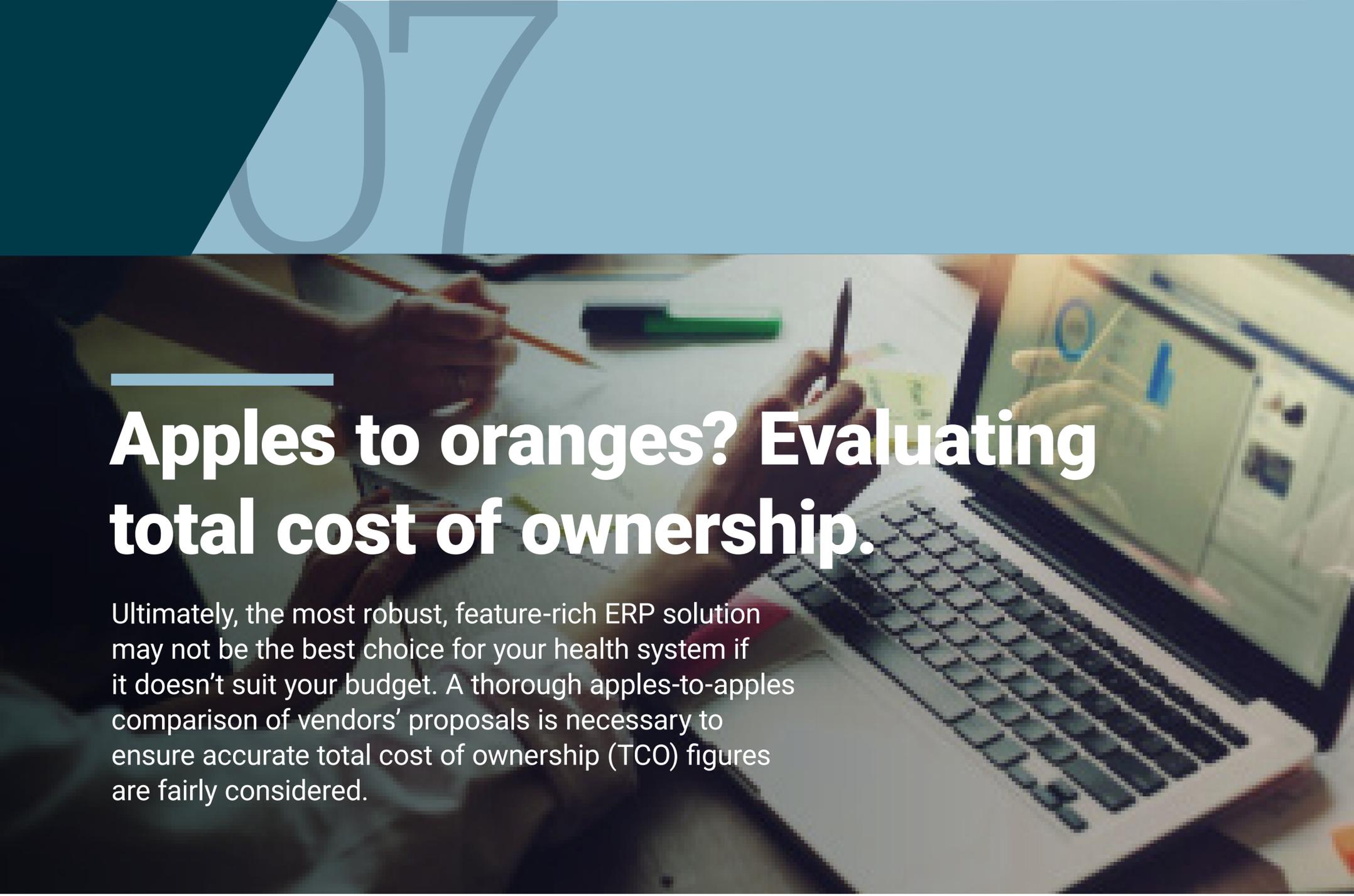


# Support matters.

Your ERP has been successfully installed. Now what? Much of your interaction will now be with the vendor's support team.

## *Understand the following:*

1. Support team accessibility:
  - Hours of operation
  - Domestic or offshored
  - Staffing levels
  - Phone/web
2. Is support included or an additional fee?
3. What service level agreements will the vendor commit to regarding turnaround times?
4. How will the vendor treat ongoing education requests for either new hires or new features?



# Apples to oranges? Evaluating total cost of ownership.

Ultimately, the most robust, feature-rich ERP solution may not be the best choice for your health system if it doesn't suit your budget. A thorough apples-to-apples comparison of vendors' proposals is necessary to ensure accurate total cost of ownership (TCO) figures are fairly considered.

*A handful of line items to scrutinize are:*

1. Are there hardware purchase requirements?
2. Are there data storage costs?
3. Are there third-party software fees?
4. Are there any vendor implementation fees?
5. Are there third-party consulting fees?
6. Are there any subscription fees?
7. Are there maintenance fees?
8. Are there support fees?
9. Will upgrades require additional hardware, software, service/education/consulting fees?



# Conclusion

The system selection period for a new ERP is an exciting time filled with expectations about nifty new features, improved workflows and satisfied end-users. We hope the advice offered in this guide helps you select the vendor solution that best fits your organization's needs. Doing your due diligence during the ERP evaluation process will determine if you'll renew your vows or seek an annulment from your vendor down the road.

**For more about our healthcare specific, cloud-based ERP solution, email [premierconnect@premierinc.com](mailto:premierconnect@premierinc.com).**

To speak with one of our experts, call 877.777.1552.

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