

# Wired for Change: Investing in Collaborative Information Technology

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## INTRODUCTION

The Community Clinics Initiative (CCI), a joint project of The California Endowment and Tides, is a partnership designed to strengthen the capacities of California community clinics and health centers. In 2003, CCI created the Strategic Investments Program to explore how collaborative endeavors could advance community clinics' installation and use of IT. Grants were made to existing membership organizations that serve networks of community clinics, usually within one geographic region such as a county. To varying degrees, these intermediary organizations already served as hubs for clinic collaboration, centralization and coordination with deeper IT and operational capacity than many individual clinics in their networks.

The Strategic Investments Program represented a shift in CCI's approach to IT funding, moving away from primarily funding individual clinics to a network-based collaborative approach that involved larger multiyear grants for more complex IT projects, most of which pushed grantees into new and uncharted IT territories. CCI was particularly interested in exploring innovative or replicable technology applications that could be used by a broad range of clinics.

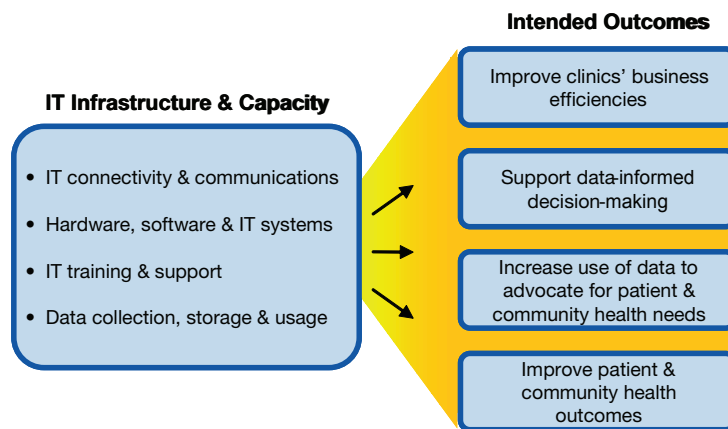
Over the three-year lifespan of the Strategic Investments Program, CCI accrued valuable insight and knowledge about supporting collaborative IT efforts. The evaluators of the Program, BTW *informing change*, identified critical factors for success. In this brief, we highlight key findings from a larger evaluation of this Program. Our intent is to inform funders, nonprofit leaders and technical assistance providers as they consider designing and implementing similar collaborative IT efforts. A list of considerations for a program of this type, with specific suggestions for funders, appears at the close of this brief.

**PROGRAM DESCRIPTION**

CCI made Strategic Investments grants ranging in size from \$650,000 to \$1,000,000 to five community clinic networks.<sup>3</sup> Grantee projects varied in size and scope but all fell within four areas of IT infrastructure and capacity for a set of intended outcomes, as outlined in Exhibit 1.

To maximize the value of these investments, CCI provided grantees with a number of additional supports, including expert technical assistance; a Learning Community to support cross-program reflection and shared learning, comprised of two to three leaders from each collaborative organization; and access to CCI's online community, which provides news, monthly e-mail updates and discussion forums.

*Exhibit 1*  
**TYPES OF IT INFRASTRUCTURE & CAPACITY & INTENDED OUTCOMES**



*Exhibit 2*  
**CRITICAL INGREDIENTS FOR SUCCESSFUL IT COLLABORATION**



**CRITICAL INGREDIENTS FOR IT COLLABORATION**

The evaluation identified three critical ingredients that contribute to successful collaborative IT projects: the right technology, an intentional collaborative process and attention to change management (See Exhibit 2). When woven together, the three ingredients enabled grantees to craft solutions to challenging problems and overcome complex hurdles.

The experience of the Strategic Investments Program demonstrates that collaborative IT requires an explicit and effective structure and process to facilitate sharing resources, identifying best practices and the cross-fertilization of members' knowledge and ideas.<sup>4</sup> To successfully deploy technology, members in collaborative IT projects need to acknowledge and address the process of change—a process that touches every part of involved organizations. Consistent attention to all components of change management results in smoother IT systems adoption and a higher likelihood of sustainability. Specific lessons learned about each of these three key ingredients follow.

## CHOOSING THE TECHNOLOGY

**Identifying the right IT strategy is critically important but not easy since IT and IT needs keep changing.** Even within one organization, finding the right choice of IT among the many options available requires consideration of the organization's specific goals and circumstances, thoughtful planning and ongoing adjustments throughout implementation. This challenge is compounded when multiple organizations work collectively, since the needs of organizations are likely to change over the course of the collective work, resulting in shifting priorities that must be managed within the group.

**IT lends itself well to pilot testing, which can lead to broader replication and scaling.** Pilot testing an IT application by one member of a collaborative provides an opportunity to work out the kinks and share knowledge with other organizations in the collaboration. This increases the likelihood of "right-sized" implementation because other collaborative members see how innovations work and are better informed to determine whether and how to pursue the IT strategy. This is especially useful for late adopters who typically take action after they see demonstrated success.

**Some IT infrastructure development issues are better suited to collaboration than others.** Issues that lend themselves to standardization and economies of scale, such as application trainings, technical support, group purchasing and user groups, are especially well suited to centralization. IT projects that require organizations to engage in fundamental system changes also derive advantages from collaboration, since organizations benefit from information and knowledge sharing, but prove more challenging in a collaborative environment since they involve more comprehensive organizational change.

## BUILDING & STEERING THE COLLABORATIVE

**The collaboration process needs sufficient time, resources and shared purpose.** Collaboration doesn't just happen; it needs to be cultivated and managed. The more attention paid to establishing, nurturing and growing a collaborative body, the greater the possibilities for true, ongoing partnership among organizations—especially organizations that may share similar goals but have very different clients, processes and organizational cultures. From the start, it is important for the collaboration to have a real, shared purpose and not be funder-driven.

**Collaborative IT efforts have greater potential for success when participants have a track record of successful partnerships or collaboration.** Due to the complexity of IT issues, partnering is more successful when collaborative members have struggled together previously and successfully resolved problems.

**A collaborative environment magnifies the need to balance standardization and customization.** A collaborative IT strategy needs to share one basic framework for cross-organizational efficiencies yet stay flexible enough to meet multiple needs and work in different environments. Customization for each collaborative member is usually cost-prohibitive and limits opportunities for meaningful information sharing and benchmarking across organizations. However, even after collaborative members strike a balance between standardization and customization, the changing needs of one member can upset the balance again.

*“The success [of our efforts] is that we’ve been able to combine a diverse group of clinics into a cohesive collaboration.”*

## INVESTING IN THE PROCESS OF CHANGE MANAGEMENT

The success of the grantees was highly related to their attention to the process of change management. In this section, we highlight seven themes that emerged from the evaluation findings about change management.

### 1. Strong & Engaged Leadership

**Effective change management requires committed, ongoing, effective leadership.**

It is important to cultivate and support leaders within each collaborating organization, as well as the leaders of the collaborative endeavor. Executive directors and CEOs play an especially important role in facilitating ongoing project engagement among staff and ensuring that the collaborative IT project remains a priority in the midst of competing demands. Collaborative IT projects get underway more quickly and make more progress in organizations where leaders embrace change, regularly communicate their vision for change and create an environment for accepting and adopting change, including allocating adequate resources (staff time and materials) to the change process.

**A multidisciplinary leadership team facilitates progress.** Providers, IT staff, administrators and management staff all have leadership roles to play. A key to success is having this combination of expertise in the same room for productive, collective discussion and learning.

**Collaborative endeavors across organizations demand a new level of leadership.**

Successful collaborative IT requires strong leaders who represent the views of the constituent organizations and balance the need for a shared vision across the collaborative, while still recognizing the autonomy of individual member organizations. The leadership teams of successful collaboratives visibly demonstrate their engagement and support of the IT project to staff of the member organizations.

### 2. Organizational Structure, Culture & Context

**The collaborative needs a change process that builds on and supports characteristics that are common across organizations.**

Organizational similarities and differences can either stimulate or confound the potential for shared learning and support in a collaborative structure. For example, local affiliates of national organizations have an additional layer of considerations when designing data collection processes; organizations in rural communities share common concerns about transportation and organizing in-person meetings.

**Understanding organizational culture helps to incorporate new IT systems.**

It is easy to underestimate how much collaborative IT tests, pushes and changes an organizational culture; it affects or bumps against organizational values, staff readiness to change and how individuals work with one another. The deeper the organizational change required by a collaborative IT project, the greater the impact on organizational culture.

**Change agents are critical actors in implementing new IT infrastructure.** Identifying, cultivating and supporting change agents at every level of the organization and at a variety of points of service, from front line staff to administrators, from IT staff to providers, facilitates IT infrastructure adoption. When change agents are not involved, collaborative IT efforts are in danger of failing or falling significantly short of expectations. For community clinics, physicians were essential change agents.

*“We are changing practices—our attitudes towards learning, each other, organizational values and accountability. It goes deeper and broader into our organizations than [we] ever thought.”*

**A culture of ongoing learning and reflection supports the change process.** Helpful practices include convening collaborative partners for regular discussions about successes and failures, documenting lessons learned to ensure consistency and holding meetings at different partner sites for greater peer exchange and learning.

### 3. Cost-Benefit Analysis & Balance

**Participants in a collaborative IT project need to understand the relative advantage of engaging in the project.** Is the cost of the time and resources collaborative members need to invest to implement a project worth the benefits that they will receive? This is a particularly challenging ratio to describe when collaborating across multiple organizations—the answer differs based on each organization’s strengths, expertise, needs and risk tolerance. While identifying these benefits and costs at the project outset is important, periodically revisiting them during project implementation can help to facilitate ongoing engagement.

**The scale of collaborative IT projects must match the members’ individual capacities as well as the collective capacity of the group.** The level of involvement required of collaborative members needs to take into account their size and IT sophistication. Sometimes larger organizations with greater capacity do not receive as many benefits from collaboration as smaller organizations. Conversely, resource constraints can be a barrier for smaller organizations to successfully engage in the collaborative project. Reaching a common agreement that meets the needs of all groups requires each participating organization to believe in the relative advantage of working together.

### 4. Explicit & Regular Communications

**A collaborative IT process demands ongoing, multi-directional communication.** Open forums and explicit communication channels for cross-organizational communication need to be established upfront to obtain broad input, facilitate feedback and share updates and results in a timely and transparent way. While it is important to share successes, it is equally important to discuss and analyze difficulties and explain the steps that are being taken to address those challenges—or solicit input into possible solutions.

**With IT’s unique and changing vocabulary, it takes time to ensure that everyone speaks the same IT language.** Clarity of language helps bridge differences and smooth communications among participants who represent a variety of positions and can come into a collaborative with diverse perspectives. A common language promotes mutual understanding and increases participants’ comfort level to actively engage in the process.

**Setting, communicating and revisiting realistic expectations keeps all constituents on the same page.** The process of installing and implementing IT systems can be much slower than anticipated. Managing expectations involves matching the interests and demands of collaborative members with the collaborative’s capacity, and communicating about this.

### 5. Available Expertise

**Securing and retaining appropriate staff is a key driver of successful collaborative IT.** The IT staff in nonprofits, such as community clinics, frequently wear multiple hats. Staff hired for their program knowledge who subsequently take on IT responsibilities often lack the expertise to usher a full IT infrastructure project through an organization. Further, the competitive labor market for IT personnel makes it difficult for nonprofits to recruit and retain staff with technical expertise.

*“I have positioned myself as the person who knows the least about IT. The rule in our lead group is that if I can understand it, anyone can understand it.”*

*“You need good management—people who understand project management with all of the complexities of business but can be kind to people and not ‘kill’ anyone—someone who can do this with staff who already are overworked.”*

**Grantees value the guidance of outside experts in the areas of IT, planning and change management.** The benefit is most evident when consultants provide a different capacity or expertise than internal staff rather than simply being “an extra pair of hands.” However, identifying, negotiating with and managing external consultants bring forth some additional challenges. For example, nonprofits may lack experience in assessing a consultant’s skill level, determining the mix of expertise needed (e.g., IT vendors with good training skills as well as technology skills) and developing consultant contracts.

## 6. Attentive Project Management

**Collaboratives benefit from developing, following and periodically revisiting a comprehensive IT infrastructure development plan.** Flexibility and an adequate timeline are particularly important, since a small system glitch at one member organization can hold up the process for every organization involved in the collaborative.

### **Dedicated staff managing the collaborative IT endeavor facilitates good process.**

Hiring a manager with the explicit role of coordinating the collaborative IT work is instrumental in keeping projects moving forward. Adding collaborative project management responsibilities to existing staff’s workloads usually compromises the level of management attention that these projects require. Also, it takes additional attention to effectively involve IT vendors and outside consultants in collaborative endeavors, since many of them are accustomed to working in a for-profit business environment and are unfamiliar with the nonprofit sector.

**Step-by-step implementation builds project support and ownership, as do celebrations of incremental victories.** A sequenced roll-out helps staff see and appreciate the progress being made rather than focusing on how far they still need to go to reach the ultimate goals.

## 7. Preparation for a Continuous, Iterative Process

**Collaborative members need to anticipate that IT infrastructure development work is never done.** Collaborative IT projects launch an ongoing process of organizational change, setting in motion the need to regularly maintain, update and pay for systems management, data collection, staff training and external technical support.

**To pursue collaborative IT opportunities, organizations need an initial surge of external resources and a plan for sustainability.** Organizations usually cannot absorb start-up costs for initiating large-scale change into their regular operating budgets. Significant government or foundation grants allow the launch of IT infrastructure enhancements. However, to build on and sustain these efforts, organizations need to incorporate ongoing technology improvements in their operating budgets, adopt new business models that generate earned income (e.g., graduated approach to increased cost sharing), revisit and adjust their initial business plans and determine strategies to achieve economies of scale (e.g., through expanding membership).

## FOR CONSIDERATION

Below we offer some questions for grantmakers, nonprofits and others to consider as they undertake collaborative IT work and change management. The box on the last page contains suggestions specifically targeted to grantmakers.

*“The most senior levels of leadership ...need to understand that using technology to improve quality of care is not a sprint; it is a marathon.”*

- **Readiness.** To what extent is each participating organization ready to change? Have the organizations identified key change agents who can support the collaborative IT process? Have all partners assessed their readiness for collaborative IT development efforts?
- **Leadership.** Is there a strong multidisciplinary leadership team that can provide vision and guidance throughout the process of change? Does this exist at the collaborative level as well as within participating organizations? Are leaders willing to allocate adequate resources to the project?
- **Collaboration.** Has adequate time been built into the plan for the process of collaboration? Are the terms of partnerships outlined in writing with specific roles, responsibilities and rewards? Is there a process to revisit agreements periodically, especially if leadership within the collaborative changes? Have the structure, membership, capacity and skills needed to sustain successful collaborative efforts been adequately assessed during the due diligence process, including the availability and commitment of team members?
- **Building & Maintaining Momentum.** Are there plans for strategic early wins to maintain motivation and momentum for change? Is there a list of the tangible steps to be taken and acknowledged? What will be indicators of successful progress, especially related to change management? Do certain project elements lend themselves to pilot testing prior to applying them more broadly? Are change management plans built in throughout the grant period so that they progress steadily alongside IT efforts?
- **A Learning Team.** What opportunities are built in for ongoing assessment, reflection and learning at the collaborative level (e.g., learning communities)? What opportunities are built in at the individual organization level? What types of communication mechanisms will be put in place to effectively support the learning? How will learning be documented and shared with new members?
- **Technical & Process Expertise & Support.** What outside expertise (e.g., for change management, IT and planning) will be needed, and at what level? What is the appropriate timing for bringing it in? How will this outside expertise build internal capacity? What type of support is needed to help identify, negotiate with and manage external consultants and IT vendors?

1 Since its inception in 1999, the Community Clinics Initiative (CCI) has provided ninety percent of the community clinics in California with a variety of supports for technology, capacity building and leadership (e.g., grants, knowledge sharing, applied research, convenings and technical assistance).

2 This evaluation reflects extensive data collection starting in the Winter of 2005 and continuing through the end 2006. Data sources include review of the contents of multiple types of pertinent written documents, a survey of individuals closely associated with or part of the collaborative IT work (64% response rate), face-to-face and telephone interviews with more than 40 individuals representing grantee, funder and technical assistance provider perspectives, and a variety of participant observations.

3 The five grantee networks vary in terms of age, size, staffing and resources. On average, a network

has been in operation for 19 years, has 26 full-time equivalent staff members and works with an operating budget of about \$7 million. On average, a network works with 18 member organizations across 56 clinic sites serving 249,000 patients annually. These portfolio-wide averages, however, mask the expansive range of network characteristics. In particular, grantees approached their CCI Strategic Investments projects with considerably different internal IT resources—anywhere from 0.3 to 15 full-time equivalent IT staff members and between \$300,000 and \$1.4 million for their IT budget.

4 Collaboration, as used in this report, means a structured environment that brings together key stakeholders in an intentional process of relationship building, collective learning, priority setting and active reflection. The intended outcome of collaboration is collective action in which what is done together has greater impact and sustainability than what could have been done individually.

## RECOMMENDATIONS FOR GRANTMAKERS

### PROJECT DEVELOPMENT

- Assess grantees' readiness for collaborative IT work by providing useful questions or tools.
- Fund a pre-development planning period to help collaborative groups clarify purpose and process; sometimes "getting to no" is as good as "getting to yes."
- Make planning grants to applicants who have promising proposals but need to address deficit areas prior to collaborative IT work.
- Encourage grantees to take risks, pursue innovative approaches to IT capacity building and share lessons learned with their colleagues; reward appropriately.

### GRANT SPECIFICATIONS & REQUIREMENTS

- Support multiyear grants distributed in phases as grantees reach key milestones.
- Be willing to negotiate reasonable shifts in funding allocations to respond to the opportunities or challenges that inevitably emerge.
- Balance flexibility with accountability and the maintenance of tangible progress.
- Plan and build institutionalization and sustainability—with respect to hardware, software, "humanware" and ongoing affordability.

### COMPLEMENTARY "VALUE ADDED" SUPPORTS

- Create a separate pool of flexible funds to address key needs that arise during project implementation; small amounts of funds can make the difference between a project's failure or success.
- Provide consultant expertise where and when needed; this may include assistance in identifying, negotiating with and managing external consultants.
- Convene grantee representatives in a peer learning community to support their change management work and other aspects of their IT projects.

This *Evaluation Brief*, prepared by Kim Ammann Howard and Ellen Irie of *BTW informing change*, is based on a longer evaluation report, *Wired for Change: Strengthening Community Clinics Through Collaborative Information Technology*, which can be found on the Community Clinics Initiative's website [www.communityclinics.org](http://www.communityclinics.org). Information about *BTW informing change* is available at [www.btw.informingchange.com](http://www.btw.informingchange.com).