

Group Services for America's Blood Centers (GSABC) Creates an IT Strategy to Meet Business Goals



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On April 1, 2006, GSABC, a new cooperative wholly owned by America's Blood Centers (ABC), was formed to provide group purchasing expertise, resource management and resource sharing services to ABC's 78 member blood centers in the US and Canada. One of GSABC's first priorities was to create and implement an IT infrastructure plan that would allow it to deliver on its mission to provide measurable benefit to its members, through resource management and financial returns. The following case study offers a step-by-step summary of how GSABC developed its IT strategy, aided by San Francisco-based consulting firm Lunexa.

1. Business Overview

GSABC began its effort with an in-depth review of its business plan. A team was formed which included GSABC's management team and Lunexa consultants. The team's first task was to identify common goals across the functional areas of the business that could then be integrated to create one cohesive IT strategy. The intent was to avoid disparate planning within each individual area of the business; all organizational sub-strategies needed to align with the organization's larger goals.

Two principal business goals were identified for GSABC which needed to be supported through IT:

- Fundamentally, GSABC was created to extend the group purchasing and resource sharing capabilities of its members. This translates to specific objectives for gross contract revenue, plasma and resource sharing volumes and member "wallet share".
- A key goal for GSABC is to enhance member and vendor relationships through a well planned engagement model and the creation of new value-added services not currently being offered.

2. Validation

The second step in the process involved extensive interviews with GSABC staff, executives and purchasing managers at blood centers and management at GSABC's suppliers, to validate the high-level goals and gather more detailed business requirements related to these objectives. Since, historically, ABC had provided IT services related to group purchasing activities of the member blood centers, the interviews provided an opportunity to gauge the different

From the Press Release:

"Lunexa has helped us define a three-year IT strategy, which will help us continue to strengthen our relationships with member centers. This engagement is an important part of our mission to serve as an information resource for members, by offering a portfolio of agreements that provide quality products and services at the lowest possible cost."

*Jerome Haarmann
President of GSABC*

"We're proud to be working with GSABC, an organization serving North America's largest network of non-profit, community blood centers. Lunexa has evaluated dozens of IT solutions on GSABC's behalf, as well as analyzed the needs of its suppliers and member centers, in order to recommend a comprehensive IT architecture to achieve the organization's goals."

*Jagrit Malhotra
Partner at Lunexa*

constituents' level of satisfaction with technologies currently being used, as well as analyze the existing IT infrastructure for its efficacy and ability to meet GSABC's new requirements. Working closely with GSABC, Lunexa conducted interviews with more than 20 individuals to understand their:

- Vision for GSABC's mission, business plan and strategic goals
- Views on how to meet increased capacity goals for GSABC
- Ideas for enhanced member and vendor relationships
- Feedback on how IT could support the above
- Feedback about current IT infrastructure and any critical missing components

3. Vendor Analysis

The next step of the process involved working with a broad range of technology vendors, primarily software and services vendors, to determine the ability of the technology solutions to meet the requirements documented during the business plan analysis and interview phases. Technologies in each of the following areas were evaluated:

- Data Warehousing and Business Intelligence
- Web-based transactional applications, including B2B exchanges
- Supply Chain Management
- Customer Relationship Management
- Content Management (including an intranet and public website)
- Hardware, software, network and storage infrastructure

4. Strategy

Based on information gathered during the first few steps of the process – business plan analysis, business and technical interviews, and vendor analysis – Lunexa prepared recommended solutions for GSABC. For each solution, high-level capabilities, implementation complexity and cost were identified. This allowed GSABC management to prioritize different IT initiatives by importance and resource requirements. Based on the prioritization by GSABC management, the final IT strategy was then created. It included the following:

- IT initiatives, solutions and projects that would be completed over the next three years
- Detailed breakdown of the functionality provided by each of the IT solutions
- Four nine-month phases, with implementation timeframes for each of the initiatives identified
- Cost analysis of the different projects

5. Consensus

Approval was required from GSABC's board of directors, comprising key executives from a variety of the member blood centers, prior to implementation of an IT strategy. GSABC's board offered their feedback and review, providing an opportunity for unanimous approval by key stakeholders.

6. Results

Three major projects were identified for the first phase of IT implementation. Less than six months after the completion of the IT strategy engagement, one of the projects has already been deployed and the other two are well on their way for an on-schedule release. The advance planning provided by the IT strategy engagement has clearly allowed for the smooth execution and launch of these projects.