

# Developing a Business Proposal for Enterprise Content Management

*How to demonstrate the value of a document  
management and imaging system*

# Developing an ECM Business Proposal

One of the most impactful skills of a valuable employee or manager is the ability to identify innovative opportunities for generating additional revenue, reducing operating costs, or increasing efficiencies. This is as true for healthcare as any other industry.

As healthcare organizations prioritize efforts to operationalize value-based care initiatives, many are uncovering challenges associated with unstructured clinical and administrative data. This issue is frequently the result of compartmentalized efforts in digitizing content across various departments. Well-informed health information management (HIM) and healthcare information technology (HCIT) professionals are recognizing enterprise content management (ECM) as an opportunity to resolve this challenge and improve overall performance. However, simply identifying a solution may not be enough to drive action.

HIM and HCIT professionals eager to adopt ECM should first consider justifying the opportunity through the development of a business proposal. This exercise can provide the clarity of scope, time investment, cost, and benefits necessary for executive leaders to assess the value and viability of ECM. It will also highlight the fundamental components of ECM, particularly the document management and imaging (DMI) systems that allow you to scan, track, manage, store, and search content.

Developing a business proposal can be an ambitious project for those unfamiliar with the process. Whether you are new to the process or simply brushing up on your skills, this document can help you prepare by providing a roadmap for development with best practices along the way.



## Establishing a support network

Before jumping into a spreadsheet or presentation, it is important to temper your eagerness and focus first on garnering the interest and support of your colleagues. The credibility and success of your proposal depends on your ability to develop an effective support network. It is critical to identify influential people who can assist you in assessing risks, determining costs, evaluating benefits, and providing actionable feedback.

As you assemble a support team, your peers and direct managers are a good place to start. Whoever you contact, be sure they have keen business sense and extensive knowledge of not just their specialization, but the broader healthcare enterprise as well.

The usage and impact of a DMI system affects numerous departments and groups. This can include data for clinical, operational, accounts receivable, accounts payable, supply chain management, human resources, and patient financial services. Gaining support from representatives in each of these business units is essential. Share your concepts with them, ask questions, and use their feedback to hone your proposition.

Additional support can be found in speaking with consultants and technology suppliers. These resources provide a wealth of detailed knowledge and first-hand experience in implementing DMI platforms. Their experience in working with other facilities enables them to more easily avoid common pitfalls and identify strategies customized to your unique needs and challenges.

Once a support network is established, it is time to gather everyone together to communicate your expectations for involvement. Be honest about the degree of support and assistance that you require, and do not be offended if someone declines the opportunity. Everyone may not agree with the need for ECM or possess the appropriate time and resources to provide support. In these circumstances, simply share your appreciation for any initial interest and move on. This does not discredit the value and importance of your proposal.

For those who recognize the value in ECM and are willing to offer their support, be respectful of their time and efforts throughout the development process. Keep meetings short, provide ample time for email responses, and use remote collaboration tools to make working together as convenient as possible. Consider making concise and achievable tasks for individual contributors, and avoid open-ended, strategic items to help maintain their interest. Most importantly, take time to recognize individuals for their efforts from start to finish. You may be leading the process, but the business case depends on the support of others.

Finally, be mindful of the current situation and needs of your organization. Adopting ECM may be the right solution, but at the wrong time. In speaking with your support network, you may discover more pressing issues or emergencies. If this is the case, it could be best to put your plans on hold temporarily. This will ensure that company leaders are free from distraction and more readily available to consider your proposal.

## Evaluating the costs

With the formation of a support team and the backing of key stakeholders, you are now ready to initiate the creation of your proposal. To build the proper foundation, you will need to collect and analyze substantial volumes of data to identify financial risks and returns. The more potential outcomes you can predict and evaluate, the stronger your plan will be.

There are 2 types of costs to consider:

1.

**Start-up costs:** One-time payments that are required for initial implementation of ECM. Examples include up-front software licenses, training, server infrastructure (if self-hosted), consultants, labor hours, and new system integrations.

2.

**Recurring costs:** Charges incurred repeatedly, or for each service performed. These can include software licenses, hosting services (if using a hosted solution), maintenance, technical support, ongoing training, and any potential employee salaries that may be required to manage ECM infrastructure.

Estimating expenditures can be a complex and exhaustive process. As you conduct this exercise, lean on your support team for assistance. These individuals may be able to help you identify potential hidden costs, as well as assist with creating estimates. This is also an opportune time to contact several DMI vendors for estimates.

Once you have outlined a detailed list, it's important to determine whether the expenses are fixed or variable. Those with the potential to fluctuate may present themselves in the form of non-contracted technical support fees, future expansions in server storage, or staff wages. Determining the potential changes over time may be difficult or outright incalculable, but including these considerations should strengthen your overall case and demonstrate the thoroughness of your valuations.

Beyond monetary considerations, you should also be aware of any additional expenditures that an ECM investment may incur. For instance, implementation of a DMI system could require additional labor hours over a specified period, and staffing resources assigned to the project could result in delays to other projects currently planned. Be sure to lean on your support team to understand the full, cross-departmental impact.



# Assessing the rewards and risks

Every business investment incurs varying degrees of rewards and risks. Instinctively, you may want to focus entirely on the benefits and advantages that ECM can provide for your organization. However, executive leaders will expect you to outline both. They understand that even good investments come with some level of risk, and visibility of both the positives and negatives are required to make a decision.

## Rewards

There are numerous enhancements that ECM can bring to both your clinical and administrative operations, including medical record transparency, health data security, compliance reporting, and enhanced administrative efficiency. These should be well-documented and prioritized in your presentation. But don't stop there; by digging deeper, you may discover additional underlying benefits. 5 key considerations are:

**Supplemental cost savings.** This can include minimization of floor space requirements for paper document storage, or decreased demand for paper archival and disposal services. Additionally, process automations granted by a DMI system may limit any existing needs for additional staffing, or enable you to reallocate labor toward more value-added activities.

**Surplus assets.** If you intend to host your DMI platform on company-owned server equipment, you may find opportunities to sell older technology assets that are no longer necessary. Furthermore, floor space used for paper document storage can be converted into revenue-generating space, such as new offices or even additional examination rooms.



## Risks

Evaluating risks can be a challenging process, as they can take on several different forms. It's important to be transparent and include every foreseeable risk scenario. There are 4 primary types:

**Financial risks.** This is where all of your up-front cost estimates are applied. Adopting ECM will likely require purchases of a DMI system, server hardware, installation services, and training. Depending on your situation, it may also include investments in additional infrastructure and staffing. To ensure you have conducted a thorough assessment, speak with your support team and review similar undertakings made by comparable institutions.

**Strategic risks.** Consider the non-monetary disruptions that could result from adopting ECM. As an enterprise-wide initiative, integrating a DMI system can be a complex process with numerous interdependencies. As such, your organization could face risks associated with extended implementation timelines. Additionally, employees may be hesitant or slow to adopt the new technology. Consult your support team to understand all of the strategic risks throughout the enterprise.

# Assessing the rewards and risks

## Rewards

**Productivity improvements.** Implementing ECM frequently boosts efficiencies by reducing the time it takes to capture data. Advanced search utilities can also cut back on the amount of time it takes to find and retrieve data in both clinical and administrative settings. As a result, you may be able to service patients more quickly, expedite billing processes, and reduce the time required for quality reporting. ECM can also assist in achieving HIMSS Stage 7.

**Service quality improvements.** Adopting ECM can help improve patient care services from the point of arrival to final collections, putting your organization at the forefront of healthcare services and differentiating you from your competition. Additionally, users will benefit from a more streamlined process with access to entire patient records from within electronic health records (EHR) systems.

**Eco-friendly benefits.** By adopting digital document management processes, you can help minimize paper waste and contribute to a more sustainable, environmentally friendly business model.

## Risks

**Operational risks.** Integration of a DMI system should pose little to no disruption to normal work processes and operations. However, it is important to inform executive leaders of the worst-case scenarios. This could include delayed go-live dates, temporary system outages, or transitory interruptions in connectivity between information systems. Work with your support team to create a mitigation plan that demonstrates how these operational risks can be minimized or avoided.

**Safety risks.** Fortunately, the process of acquiring and implementing ECM typically bears little, if any, safety risk. Nonetheless, you should be diligent in noting any activities that could increase exposure, such as employee travel or manual labor needed for any hardware installation. Be sure to note how to take precautions or avoid any hazards altogether.

Reporting on rewards and risks does not always require a detailed financial analysis. In fact, you can often validate them through case studies, industry survey reports, and even anecdotal evidence and testimonies provided by similar organizations. The most important factor is that you take care to address risk potential while highlighting clear benefits in order to present the most compelling business case possible.

## Calculating the return on investment (ROI)

Now that you have evaluated the costs and assessed the rewards and risks, it is time to demonstrate how the expected return will justify the investment. This financial data is pivotal to the success of your business case, as it provides executive leaders with a sense of fiscal and operational reassurance.

In the simplest of terms, ROI can be expressed as the gain or loss generated on an investment relative to expenditures. Another way to illustrate this concept is in the formula:



Profit

—



Costs



Costs



# Calculating the return on investment (ROI)

While ECM offers numerous benefits and advantages, it should not be considered as a new source for revenue. Instead, it should be positioned as a low-yield, long-term investment. To convey ROI accurately, it is critical to provide a 5-10 year allowable payback period. An average 3.22% annual inflation rate should also be factored into any previously identified recurring costs to help ensure precision. Some common data points you might consider for projecting and calculating ROI include:

## Accounting and Financial Services

- Total annual net revenue increases
- Decreased average days in accounts receivable
- Decreased average discharged not final billed (DNFB) days
- Increased volume of monthly claims processed
- Decreased number of rejected claims or days to process rejected claims
- Reduction in total revenue cycle costs
- Opportunities to capitalize the expense and amortize over time

## Admissions

- Reduction in scheduling response time and abandonment rate
- Improved admission times from arrival to point of care

## Clinical and HIM

- Reduction of total hourly/clerical full-time equivalent (FTE) employees
- Increased annual volume of outpatient services performed
- Reduction of annual operating budget

## Procurement

- Reduction in annual office supply replenishment and storage expenses
- Reduction in annual paper management and destruction services

## Risk Management

- Decreased risk management claims

The process of calculating ROI requires you to lean heavily on your support team. Their unique qualifications and expertise are necessary in projecting estimated cost savings throughout the enterprise, and lend credibility to the final ROI valuation. Additionally, DMI vendors can assist in these processes by providing results from other similar organizations. In some cases, they may even be able to connect you with a customer to exchange information directly.



# Performing a SWOT analysis

Evaluating the strengths, weaknesses, opportunities, and threats (SWOT) can create one of the strongest assets for assessing and reinforcing the validity of any business investment. By conducting this exercise, you can identify and demonstrate how ECM builds upon your existing technology assets (eg, EHR, enterprise resource planning, etc) and growth potential, while also overcoming current challenges and mitigating potential hazards. A SWOT analysis is typically presented in a grid format as demonstrated in the figure below.

## Strengths

- What does your organization do well?
- What unique resources or capabilities can you draw on?
- What competitive advantages do you have over your competition?

## Weaknesses

- Are there things that your organization needs to be competitive?
- What processes need improvement?
- Are there tangible assets required, such as money or equipment?

## Opportunities

- What external factors or market trends are you well-equipped to take advantage of?
- Do your competitors' weaknesses overlap with any of your strengths?
- Are your strengths aligned to patient needs and expectations?

## Threats

- What external factors or market trends are you unprepared for?
- Do your competitors have a competitive advantage over you?
- Is your organization lacking the capabilities to meet changes in patients' expectations?

This can be a highly effective and useful tool for highlighting how an investment can play to your strengths, while simultaneously filling in any gaps or weaknesses. As you conduct this analysis, you and your support team may end up creating a robust list of responses for each quadrant. To avoid overwhelming readers, it is important to truncate the list to only 3-5 responses per category. Keep the items that are most relevant to the impact of ECM and best demonstrate why ECM is a good fit for your organization. Be specific in your supporting evidence. Share examples, details, and statistics that are helpful in illustrating your analysis.



# Developing the proposal

With all of the data, financials, and supporting research gathered, you are now ready to begin constructing a formal business proposal for executive leadership. Take time to organize all of the information gathered to this point, and highlight the most pertinent facts and statistics. Start by typing up a rough draft with the understanding that this document will likely require several revisions before it is ready to share with others.

**A business proposal is typically formatted with 6 sections:**

# 1.

## **Executive Summary**

The opening is your opportunity to grab readers' attention and engage them with intriguing details. It should provide a brief overview of why ECM is needed, a high-level operational description, and an outline of the benefits expected. The key to developing a good executive summary is creating interest and enthusiasm for the idea, while remaining straightforward, succinct, and factual.

# 2.

## **Situation analysis**

In your situation analysis, the goal is to provide a succinct overview of what factors determined the need for ECM in your organization. It should detail the specific challenges, complaints, or other issues that brought attention to this requisition.

# 3.

## **Approach and methodology**

This section will likely comprise the majority of your written proposal. Herein you will define the objectives of investing in ECM, and fully communicate what ECM will accomplish for your enterprise. Using your cost and benefits research, risk analysis, market trends, and SWOT analysis, address all key questions, such as:

- **Why is ECM necessary?**
- **What actions or changes will adopting ECM entail?**
- **What are the risks involved?**
- **How will the project be organized?**
- **Who will need to be involved?**
- **What impact will implementation have on operations?**

While your approach and methodology should remain fact-based with qualitative and quantitative evidence, it is also important to convey your enthusiasm. Positivity is contagious, so make your passion apparent.

# Developing the proposal

4.

## Timelines and milestones

Adopting ECM is an involved process that can take several months. As such, you should work with your support team, including vendors and suppliers, to build a roadmap for implementation. If certain milestones share interdependencies that could lead to delays, note them and be transparent.

5.

## Financial overview

This is where your ROI calculations become essential. First, make sure to build a detailed outline of all basic costs. Review your process for calculating expected monetary returns and note any nonmonetary or incalculable benefits as well. Also, share any financial risks and accompanying mitigation plans.

6.

## Conclusion

With the details of your proposal fully outlined, this is your opportunity to reemphasize the benefits and advantages that ECM can provide. Keep this section short, but include powerful messaging to reinforce the value of implementation, taking care to highlight the most beneficial aspects.

Throughout your proposal development, maintain a grounded perspective with concrete and measurable information. Do not let lofty ambitions or expectations not backed by demonstrable data dilute the project plan. Allow your efforts, research, and the proven, recorded benefits of ECM sell themselves.

Lastly, share credit where it is due by acknowledging your support team members within the presentation. Doing so is not only respectful, but it also helps exhibit the cross-departmental buy-in that your project already enjoys.

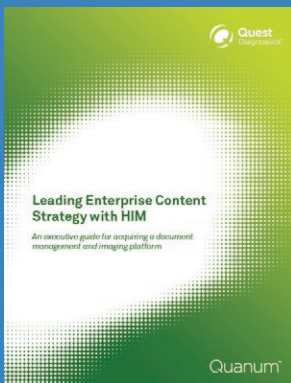


# Summary

Once you have submitted a proposal, be prepared for any outcome. Even the most compelling proposition can be turned down due to unpredictable factors and circumstances, but don't let this become a deterrence. The development process provides a wealth of opportunities to form new relationships with various stakeholders, and your efforts to foster positive change will be noticed.

-When your proposal is accepted, you should be prepared to take on additional responsibilities. Plan to provide detailed recommendations for achieving your goals.

The benefits of Enterprise Content Management are numerous and well documented, yet your executive leadership will likely require a detailed evaluation as required with any business investment. By conducting the necessary research and developing a strong business proposal, you can increase the odds of adoption within your organization.



For additional assistance, we encourage you to download and read our executive guide **“Leading Enterprise Content Strategy with HIM”** which provides a detailed overview of how to identify stakeholders to help lead your DMI platform selection and implementation process.

To request a tailored demonstration of Quantum Enterprise Content Solutions, contact us at [1.888.491.7900](tel:18884917900), or [send us an email](#).