



Sutter Health

Community Based, Not For Profit

MICROSOFT PROJECT Professional

Microsoft Project Server 2002



Sutter Health Facility Planning and Development Uses Enterprise Project Management to Administer a Capital Program That Will Shape the Future of California Health Care

A 10-year and \$3.5 billion capital program requires efficient management, timely interaction between project managers, contractors and architects.

Sutter Health, one of the nation's leading not-for-profit networks of community-based health care providers, delivers high-quality care to more than 100 Northern California communities. To keep pace with community need and enhance patient access to care, this regional leader plans a multibillion-dollar construction program over the next decade to replace dozens of hospitals and outpatient care facilities and to expand physician services.

Meeting the growing health-care needs in the nation's most populous state means constructing new facilities today to provide adequate access tomorrow. Employing more than 36,000 employees in over 100 Northern California communities, the Sutter network consists of more than two dozen acute care hospitals as well as physician training programs, medical research facilities, region-wide home health services, hospice and occupational health services, and long-term care centers. Sutter's not-for-profit health-care model means that it re-invests its resources to enhance patient care, improve facilities and equipment, develop health education and fund community benefit programs. Today, Sutter and its affiliate leaders, volunteer trustees and physicians have created a complex and challenging 10-year, \$3.5 billion dollar construction program to assure community access to quality care for many generations to come.

Initiating a Multibillion-Dollar Construction Planning Process

As part of a broader project management improvement initiative, the facility planning and development department of the Sutter Health network in Northern California employed Capstone Planning and Control Inc. of Denver, Colorado to design and deliver its enterprise project

Solution Overview

Partner Profile:

Capstone Planning and Control designs and implements enterprise-class project management solutions to help organizations achieve project success through improved communication, real-time collaboration and resource optimization for each project, from start to finish.

Customer Profile:

Sutter Health is one of the nation's leading not-for-profit networks of community-based hospitals and physician organizations. It serves more than 100 Northern California communities and is the regional leader in infant deliveries, neonatology, pediatrics and orthopedics.

Business Situation:

Sutter Health's facilities management group wanted to improve control over financial and resource management for a \$3.5 billion, decade-long construction project so that it could better predict demands made on the project management teams and share knowledge gained from its various building projects over a widely dispersed geographic area.

Value to Business:

- § Centralization of information.
- § Improved financial understanding of projects.
- § Improved utilization of limited resources.
- § Easily accessible history of projects more predictable estimates.
- § Enhanced project visibility.

Software:

- § Microsoft® Project Professional 2002
- § Microsoft Project Server 2002
- § Microsoft Project Web Access
- § Microsoft SharePoint™ Team Services
- § Microsoft SQL Server™ 2000

management (EPM) solution. Like many other organizations, we had ad hoc systems of project management that developed over time, said Dave Pixley, project management director for the facility planning and development department at Sutter Health. With an ambitious multibillion-dollar, decade-long effort ahead of us, we need more rigorous control over our projects and project data. Capstone, whose core discipline is project management, helped us employ its enabling systems to transfer our existing project data into a centralized project management repository that we could leverage.

Capstone designs and implements enterprise-wide project management solutions to help organizations achieve success through improved data centralization, communication, real-time collaboration and resource optimization for all projects or programs from start to closeout. Through its nine offices around the United States, Capstone offers broad industry experience to its clients in the area of EPM solutions, program and project management, construction management, project office development and training.

The Capstone team has successfully delivered solutions for many diverse businesses and industries, including automotive, construction, government, information technology and telecommunications. The world's leading companies and major government agencies, including Ford Motor Co., Coca Cola, GE, AT&T, Metro Atlanta Rapid Transit Administration, and the Department of Energy, have benefited from Capstone by integrating the latest, most efficient technologies, processes, and training to achieve a repeatable project management capability. For its project management methodology, Microsoft Corp. recognized Capstone's approach and suite of solutions by awarding it the Business Value Challenge Vertical Grand Prize for providing value to businesses and promoting consistency and repeatability all while incorporating customer processes into the solution.

Our goal for Sutter Health is to help them achieve a Microsoft EPM solution that enables their program and project planning as well as their execution strategy and its evolution over the next decade, said William Raymond enterprise project manager at Capstone. Sutter Health project managers can utilize a standard set of templates to initiate and execute every construction project, whether it be new construction, a renovation or an expansion.

Consultants from Capstone helped Sutter Health render its business rules into EPM guidelines that break all projects into fourteen unique phases so that each construction project is reported using the same milestones whether it is critical care or noncritical care construction. This way the project managers can easily measure cost and schedule performance on every project, and initiate timely corrective actions if necessary.

For Sutter Health, Capstone is developing a Microsoft EPM solution to effectively plan and manage its long-term new construction program. The Microsoft EPM solution will help Sutter Health more effectively manage both its internal and external resources, including architects and general contractors, throughout the entire project life-cycle from initiation and spatial planning through construction oversight, occupancy, and post-occupancy closeout. Sutter Health's senior

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Project Management
Director for Facility
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level management at both the network and affiliate levels also will benefit from the ability to view project status and time-phased capital budgeting data available through the Microsoft EPM solution.

Understanding the resource requirements now and in the future for this long-term program and being able to slice and dice the details so that we understand where every project is in terms of resources and budgets is the most critical aspect of our Microsoft EPM solution, said Pixley.

We turned to Capstone because the firm demonstrated broad experience in solutions for large and long-term construction project management. Capstone clearly understands the ramifications of deploying Microsoft's solution.

Planning for the Future: a Challenge

Client success begins with the first day's needs analysis, said Raymond. This analysis familiarizes Capstone experts with the Sutter Health mission, its project strengths, weaknesses and the most crucial areas requiring immediate attention and improvement. It lets us set priorities and create a quantifiable, meaningful plan of implementation.

This is especially true when looking ten years into the future. Community health-care needs, economics, business climates, legislation (like building seismic readiness), funding, the types of buildings and their requirements (critical care or noncritical care buildings), architects, contractors and subcontractors are all unpredictable variables that need to be managed. To accommodate these and other factors, the EPM solution must be flexible and easily updated. It must work for today and tomorrow. We've learned that for managing complex projects of a long duration we can't go in with a preconceived idea for the solution, said Raymond. Microsoft's EPM solution offers the flexibility that Sutter Health needs. It allows the easy importing of existing construction project data. The use of templates makes it easy to accommodate future changes.

Capstone and Sutter Health personnel spent much of their up-front time clarifying business processes. They analyzed workflow to create systems that would make it easy to track and compile budget histories for benchmarking future projects. They defined service area reporting, identified service area breakouts, classified common milestones for critical care and noncritical care construction and determined other variables that needed project management visibility.

Guides and Templates Speed the Process

Capstone's approach is to understand and improve its clients' project management practices, organizational knowledge, internal management systems and infrastructure. To get the Sutter Health construction project up and running quickly, Capstone incorporated Sutter's existing standards into customized Microsoft EPM project guides.

The project guides work hand in hand with the enterprise project templates to create an enterprise project delivery methodology. The enterprise project templates allow for one-time entry of data, such as project requirements, start work notices, budget estimates and invoices.

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Enterprise resource pools allow workers to be deployed on projects either as teams or individuals based on a variety of factors such as their availability, their skills and location or whether or not they are an affiliate customer. Capstone consultants see the big picture, said Pixley. They never forced a methodology on us but worked with us to help deliver the best result.

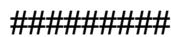
Integration and Reporting Aid Communication

For reporting, Capstone drew on Microsoft SQL s online analytical processing (OLAP) function to capture all the data elements required for the types of reports needed. High-level reports from resource management to capital budgeting will be easy to check from the Web, and managers will know when their expectations are met and will be able to detect potential surprises early. Capstone s team also set up the Microsoft EPM Solution to report what-if scenarios and to integrate with Sutter s existing job-costing and accounting systems that manage budgets, commitments, costs, and savings or overruns. Because the Web-based EPM reporting solution is so effective, Pixley believes that executive managers and affiliate customers will use it regularly.

The power of Microsoft EPM that allows flexibility for future change is in its enterprise templates, said Pixley They have been our strong initial focus because they help instill the discipline that we will need, provide the predictability of the project life-cycle, allow us to make better project estimates, and yet give us the adaptability we will need as our 10-year construction project evolves. So learning how to use them right is very important to us.

Although Sutter Health is just at the beginning of the deployment phase, it wants to derive all the value it can from the use of the Microsoft EPM solution and is already looking toward the possibility of using collaboration in later stages of the rollout. Getting everyone to see the inherent improvements that result from EPM will take time, said Pixley. This is an interactive process. As time goes on, and as we use it more, the EPM solution will help us identify where we can make improvements. It will help us see where we may have to change our project management delivery model, or how to put people together in teams.

For more information, please visit the Microsoft Project 2002 site, <http://www.microsoft.com/project/>.



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