



## EVALUATING NEW STRATEGIC PROJECTS

Governance Resource provided by Adirondack Medical Center, Saranac Lake, NY

**“Every business evaluates whether a new project is consistent with its mission, and it gets into trouble when it’s not.” — Chandler Ralph, President & CEO**

Securing board approval for a major new project can be a long and tricky process when the CEO proposing it isn’t sure which criteria trustees will use, and the board is equally uncertain what the yardsticks ought to be.

At Adirondack Medical Center in Saranac Lake, N.Y., President and CEO Chandler Ralph asked her board to write down and agree on project evaluation criteria. In a two-hour workshop, trustees came up with 14 points that they now apply to every decision about whether to implement a new program.

As result of applying the criteria, decisions that used to take three to six months can often can be made within a single meeting now. “It’s a very good formula,” says Ralph, who calls the system “very helpful to the board and to the medical staff.” It helps each trustee fully understands every project that comes to the board for review. “They understand the information they get and they really take ownership of it,” she says.

The effort is one of many governance practices that helped Adirondack win Brim Healthcare’s 2002 award for governance excellence.

### Criteria for Project Evaluation

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1. Is the project definition clear? Have options been considered?
2. Is it consistent with mission and vision?
3. Were stakeholders consulted: medical staff; employees, community members; patients; others?
4. What are the financial assumptions, projections and risks?
5. What are the quality considerations?
  - Can quality outcomes be measured?
  - Do we have adequate resources?
  - Do we have adequate expertise?
6. Will the project result in market share enhancement?
7. Is it consistent with our values and guiding principles?
8. What are the physician issues?
  - Will it support the success of our physicians?
  - Will it harm any physician practices?
9. Will it enhance our competitive position?
10. Will it bring value to our patients?
11. Have we considered partnering this project/venture?
12. Is it consistent with our strategic plan?
13. Will it improve community health status?
14. What is or will be the community perception?