



## Insight Piece

### Gearing Up for the New Economy

*Believe it or not, there are signs that the worst of the recession is beginning to ease and that the economy is heading toward a recovery. With the prospect of a turnaround upon us, it is time to shift gears and prepare for healthier times ahead.*

Healthcare IT organizations have spent the better part of the past year adapting to the economic crisis. More than half the nation's hospitals either scaled back or postponed their information technology projects. Locally, new programs were cut, staffing was reduced and demand for IT services remained stagnant at best.

Yet despite all this turmoil, healthcare IT is still projected to be one of the most dynamic and fastest growing segments of IT technology. Just last month, Hospitals and Health Networks reported on the escalating staffing shortage in healthcare IT and stated that the shortage will only worsen given the demands of the [Health Information Technology for Economic & Clinical Health \(HITECH\) Act](#). The unique set of circumstances brought on by the stimulus plan and the HITECH Act could create a significant up-tick in demand for IT resources over the next 6-12 months.

Most economists now agree that the recession is bottoming out and that we are on the cusp of a turnaround. That's great news, but industries that economized and downsized need to prepare for the next phase of economic evolution. If your organization pulled back as the economy went into a tailspin, it's time to re-examine budgets, IT plans and staffing. There are several actions you should take now so you and your organization can hit the ground running when the economy shows signs of improvement.

#### **Re-examine budgets and set plans for new IT projects now**

Budgets that were set, twelve, six or even three months in the past, may be out-of-sync with today's kinetic business environment. It may seem counterintuitive to focus on plans for new IT projects when the economy is still unstable. Yet, this is exactly when you should re-examine your budget, adjust your projects and invest in recruiting and development. Once the economic climate stabilizes and the demand for IT services kicks up again, it will be challenging to manage your existing project load and satisfy new requirements, particularly if your staff is already working at or near capacity. Putting your project plans and staffing in place now insures that you won't be caught by surprise when demand bounces back, and you'll be ready to manage the existing project load as well as new initiatives.



### The skill sets you need – do you have them?

If the recession forced you to “do more with less”, it may well be difficult to gear up for a turnaround without additional resources. Take inventory of your staff’s skills and look at gaps that will need to be filled once the workload increases and projects are reinstated. As you go through this exercise, consider how you can mitigate risk by using a mix of internal and outside staff for upcoming projects. Bring your IT staffing provider into the fold now so they will be ready to meet your needs as business recovers.

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Lilly Mok, Research Vice President,  
Gartner Group, Inc.*

Hiring freezes and layoffs in the Northeast have created the illusion of a talent glut. The personnel you need may not be as readily available as one would think, especially if you require highly specific skill sets. In fact, a survey by the market research firm Gartner, showed that organizations were having trouble hiring certain skills all

though the downturn. “The issue isn't about the number of candidates available for hire, but rather their quality and skill profiles. IT professionals with skills such as Oracle, SAP, Java EE, Microsoft.NET, SOA, Java and PeopleSoft are still in high demand,” said Lily Mok, Research Vice President at Gartner Group, in a recent press release.

### Face the flood gates with an early-bird sourcing strategy

As the economic recovery gets underway, expect a spike of new candidates to enter the job market. Talented individuals who have been sitting tight during the slump will emerge to take advantage of new opportunities. Companies who understand their hiring needs and are positioned to move quickly will have a distinct advantage once the competition for resources intensifies. Time will be a critical factor in success, and your ability to be first and move quickly will give you a competitive edge – yet one more reason to have your hiring processes in place and recruitment vendor on board before the flood gates open.

### Contract Resources: a safe and obvious next step

If you’re not ready to “pull the trigger” on permanent new hiring just yet and still have a backlog of strategic project work, there is an efficient way to bring in talent to get important projects done. Companies that were reduced to bare bones staffing late last year are using contract workers to jumpstart projects that were on hold. As the economy starts to pickup, contract resources are a good way to move forward if you’re not quite ready to commit to permanent hiring.

### Conclusion

In times of economic upheaval, it remains crucial to keep ahead of the curve with project planning, budgeting, developing staffing strategies and engaging recruitment vendors. A skilled and committed workforce is crucial to being able to meet the next wave of healthcare IT challenges and will always be your single greatest competitive advantage no matter what the current economic circumstances may be.