

CASE 1.2 FLEXIBLE BENEFITS SYSTEM IMPLEMENTATION AT SHAH ALAM MEDICAL CENTER¹⁹

Senior management of Shah Alam Medical Center decided to procure and implement a new system that would reduce the cost and improve the service of its employee benefits coverage. The new system would have to meet four goals: improved responsiveness to employee needs, added benefits flexibility, better cost management, and greater coordination of human resource objectives with business strategies. A multifunctional team of 13 members was formed with representatives from four departments—Human Resources (HR), Financial Systems (FS), and Information Services (IS)—and six technical experts from the consulting firm of Hun and Bar Software (HBS).

Early in the project a workshop was held with participants from Shah Alam and HBS to clarify and finalize project objectives and develop a project plan, milestones, and schedule. Project completion was set at 10 months. In that time HBS had to develop and supply all hardware and software for the new system; the system had to be brought on-line, tested, and approved; HR workers had to be trained how to operate the system and load existing employee data; all Shah Alam employees had to be educated about and enrolled in the new benefits process; and the enrollment data had to be entered in the system.

The director of FS was chosen to oversee the project. She had the technical background and had previously worked in the IS group in implementing Shah Alam's patient care information system; everyone on the team approved of her appointment as project leader. She selected two team leaders to assist her, one each from HR and IS. The HR leader's task was to ensure that the new system met HR requirements and the needs of Shah Alam employees. The IS leader's task was to ensure that the new software interfaced with other Shah Alam systems.

Members of the Shah Alam team worked on the project on a part-time basis, spending roughly half their time on the project and the other half on their normal daily duties. The project manager and team leaders also worked part-time on the project, although each gave the project priority. Shah Alam's senior management had made it clear that meeting project requirements and time deadlines was imperative. The project manager was given authority over functional managers and project team members for all project-related decisions.

QUESTIONS

1. What form of project management (basic, program, etc.) does this case most closely resemble?
2. The project manager is also the director of FS, one of several departments that will be affected by the new benefits system. Does this seem like a good idea? What are the pros and cons of her being selected?
3. Comment on the team members' part-time assignment to the project and the expectation that they give the project top priority.
4. Much of the success of this project depends on the performance of team members who are not employed by Shah Alam, namely the HBS consultants. They must develop the entire hardware/software benefits system. Why was an outside firm likely chosen for such an important part of the project? What difficulties might this pose to the project manager in meeting project goals?