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BUYER CASE STUDY

psHEALTH Selects Appian for Quick Health Apps Development Using BPM-Centric PaaS

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IDC OPINION

Cloud-based platforms and software are changing the dynamics of software deployment and services delivery for vendors while changing IT requirements for small and large companies in both start-up and mature phases. This case study exemplifies key trends that represent how technology enablement of start-ups will increasingly unfold:

- In this case study, a small start-up made the strategic decision to pursue a cloud-based platform that would allow it to rapidly develop custom solutions for healthcare providers. psHEALTH also wanted a platform that would be free of direct hardware and software ownership and maintenance costs, including IT staffing.
- The Appian Anywhere business process management (BPM)–centric platform as a service (PaaS) enabled psHEALTH to launch its business model quickly with subject matter experts and without significant IT-related capital expenditures.
- psHEALTH is serving a stringently regulated market in the United Kingdom. One of the typical resistance points to cloud-based platforms and software is the issue of security. Many IT executives are uncomfortable with the security of off-premise software solutions. psHEALTH's selection of Appian is an example of how cloud-based services are beginning to overcome that discomfort.
- This case study also illustrates how cloud-based platforms are changing the IT landscape. For vendors, cloud-based capabilities mean new deployment and pricing options. IT resellers can offer new business models, deployment, and pricing options. Customers can use these new deployment and pricing models to reduce business start-up and capital costs and reduce IT staffing and maintenance costs.

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Business Process Management and Middleware: Buyer Case Study

IN THIS BUYER CASE STUDY

This IDC Buyer Case Study looks at how psHEALTH selected Appian Anywhere as a platform as a service to both develop and go to market with customized patient management and healthcare applications.

It details psHEALTH's strategic technology decision to pursue a codeless application development solution, its requirements, the vendor selection process, deployment, results, and lessons learned.

SITUATION OVERVIEW

Focused on process expertise and rapid application development rather than technology proficiency, healthcare solutions provider psHEALTH needed a development platform that enabled robust security for a strictly regulated industry and required no coding and little IT support. It made a strategic decision to build its initial services on a SaaS platform, choosing the Appian Anywhere BPM Suite (see Table 1).

psHEALTH develops customized case and document management and workflow solutions for healthcare providers in the United Kingdom. Its customers include large private healthcare providers, home-care providers, and health insurance agencies.

TABLE 1

Buyer Case Study Capsule

Category	Details
Vendor/product	Appian/Appian Anywhere
User organization	psHEALTH
Vertical	Business services/healthcare
Size	Small
Purchase trigger/need	Platform as a service for SaaS-based patient management and healthcare workflow
Key tech requirements	Thin client; SaaS deployment model; minimal IT support; rapid, code-free development cycle
Short list	Appian, Lombardi, Pegasystems
Key win factors	Maturity of SaaS model, Appian's government customer list, comfort with security features
Decision cycle time	Two months
Implementation time	Three months

Source: IDC, October 2010

Organization Overview

psHEALTH, founded in 2008, provides SaaS-based, customized patient management and workflow-related applications for clients in the healthcare industry. The privately held company, based in London, has 15 employees and two offices in the United Kingdom.

For this document, we interviewed Ingolv Urnes, cofounder and principal of psHEALTH.

Prior to launching psHEALTH, Urnes had built and sold Active Health Partners, an absence management company that had a large, traditional in-house development team coding applications. For psHEALTH, Urnes put together a team of veteran healthcare and technology professionals.

Challenges and Solution

Challenges

psHEALTH needed a technology platform to offer two key benefits to potential clients — no risk and quick development of healthcare-related, process-based applications. psHEALTH proposes a technology solution to a client. They jointly develop a prototype and implement it within the client's existing systems in a series of iterations. The client pays nothing until the solution is up and running.

psHEALTH's business model is based on a short development life cycle. Its goal is to develop and implement solutions in 60 days or less.

Urnes realized that he needed a technology solution that would enable his team to develop and reuse building blocks so that they would not have to reinvent the wheel for every new client.

He recruited a team of healthcare industry veterans, all of whom intimately understood healthcare industry processes. He describes them as "business analysts with a bent toward technology" in that few of them have extensive backgrounds in coding or programming.

He set up psHEALTH saying, "We don't want to code a single line, we don't really want to spend any time on the underlying technology, but we want to spend a lot of time really understanding the clients' processes."

Selection

In late 2008, the psHEALTH team began to evaluate their technology options. They decided three were available. One would be coding from scratch. A second would be using and modifying existing applications. A third option would be using a BPM solution.

The psHEALTH team eliminated the first option due to the composition of their native skill set and based on Urnes' previous experience managing a healthcare management outsourcing facility.

The team also discarded the second option. "Our view was that there wasn't, and there will not really be, an application that does [healthcare case management] because the cases are so diverse … and then we've all seen examples of people buying an off-the-shelf solution and using 20% of the functionality, and it's really not the right tool," he said.

The psHEALTH team decided to use a BPM solution because it would allow Urnes to leverage his team's talent without sacrificing the flexibility they would need to develop customized solutions.

Key Requirements: No Coding, Thin Delivery, Robust Security

To deliver and implement solutions on a 60-day timeline, Urnes and his team needed a user-friendly, coding-free platform. They also knew that they needed to work with a SaaS architecture to achieve maximum flexibility. Finally, they needed a platform that would comply with stringent healthcare and data security standards set out by the British government and the European Union.

He also needed the ability to white label it so that psHEALTH could deliver it as a proprietary solution.

In late 2008, with these requirements in mind, the psHEALTH team began to look at what was available in the BPM marketplace. Fascinated by salesforce.com and impressed by how quickly applications could be configured with it, Urnes started a research process. He quickly concluded that salesforce.com wouldn't be suitable for developing formal workflows.

The psHEALTH team continued the solution search looking at 10 BPM vendors via the Internet and following up with a series of phone calls.

However, most of the SaaS offerings they looked at were disappointing. "Many people said they had it and tried to convince us they had it, but there were relatively few players left standing after a little bit of interrogation," Urnes said.

The team ended up with a list of five players — Cordys, Lombardi, Newgen, Pegasystems, and Appian. They quickly whittled the list down to Appian, Lombardi, and Pegasystems.

Product Selection

Once the psHEALTH team established their short list, they began to request detailed product demonstrations. This process yielded mixed results.

When the psHEALTH team looked at the SaaS offerings from two of the well-established vendors, they left unconvinced that either of the offerings could meet their functional requirements. According to Urnes:

> We asked pretty trivial questions to these guys. Can you provide 100% thin delivery for the integrated BPM platform? What does it look like? And I was pretty disappointed. At first, they said, "Yeah, we have that." And in a number of cases, it turned out, yes, they had made a process modeler that was 100% thin. But these guys were talking about the product that they wanted to have in 24 months, not the product they actually had.

A small company based in Australia had a better SaaS offering, but didn't have an established track record that would speak to the reliability or the security of its product. psHEALTH wasn't comfortable about positioning the company as its key technology partner.

Ultimately, psHEALTH chose Appian for two reasons. The Appian Anywhere platform had the best functionality and flexibility of the different SaaS offerings they had evaluated.

Second, the impressive list of Appian customers, particularly in the public sector, would add valuable credibility when presented to psHEALTH's prospective clients.

Early in 2009, psHEALTH began its current subscription to Appian Anywhere.

Implementation

psHEALTH's team of 10 "technology-minded business analysts" learned the software's capabilities by experimenting with use cases and using Appian's documentation. It took them about three months to understand how to use the software, develop their first functioning prototype, and present and sell it to a major U.K. health insurer.

Urnes was impressed by how little his team spent on Appian's professional services to learn how to use the software. He added:

> We have gotten incredibly far with very little support from Appian … I've principally used Appian's professional services to check that my guys deliver the best quality possible. In other words, we've had a bunch of sessions where we've gone in and said, "this is what we've built, we'd just like to show it to you, and we'd like some feedback."

Results

psHEALTH saw the benefit of its investment in Appian very quickly. A short learning curve, combined with developers who already understood the business process requirements of their industry, allowed psHEALTH to create products and services on the Appian platform within just a few months.

Urnes says that the value of using Appian's software as a platform for his company's solution is the freedom to be client focused. For example, Appian's activity monitoring capability allows psHEALTH to create blocklike components for different case management workflows that psHEALTH can customize for each client without having to spend time restructuring its technology from the ground up. Urnes adds:

> The framework for typical case management in occupational health or an insurance setting is … completely different from the framework for managing a patient at home. We can take those building blocks off the shelf and put together a combination that's customized for the client's process, yet we're not reinventing the wheel a hundred times.

He also noted that Appian's built-in analytics capability has been exciting for his clients. He adds:

> At its most basic, this is looking at what happens when a patient is being treated. You can keep drilling down and say, "How many days did the patient lose from work?" Much of the SLA reporting relies on the built-in functionality of the platform because it says, "The process started on Sunday. It was handed over and the next step was done by X at so-and-so." It takes out lots of the politics, which is rife in healthcare. Many parts of healthcare, certainly in Europe, are run on anecdotes.

psHEALTH also uses Appian's integrated document management capability. Urnes says that many of psHEALTH's clients have gone from completely paper based to completely paperless. In addition, the template functionality has helped his clients increase productivity and reduce head count. One of psHEALTH's clients, the largest private health insurer in the United Kingdom, reported an estimated 3-to-1 return on investment in psHEALTH's solutions because it was able to reduce administrative staff.

Hit the Ground Running

In essence, psHEALTH resells customized Appian software as specialized solutions for the healthcare industry. psHEALTH's choice of Appian's user-friendly but robust SaaS offering allowed it to launch quickly and execute its quick turnaround strategy without a lengthy training process or extensive expenditures on professional services.

Additionally, psHEALTH leveraged Appian's reputation and list of public sector customers to add credibility to its offerings. The start-up value of this credibility was integral to psHEALTH's success.

Overcoming concerns about the SaaS model and security on the part of IT prospects was also an Appian benefit. According to Urnes:

> Particularly when we started out, we wheeled in Appian a bit more aggressively because we didn't have a track record. Eighteen months ago, half of the IT directors would be skeptical about doing it. That number is now down to only 25% or 30%. And of course, Appian offers an on-premise solution, and we find it is usually effective to say, look, this is the way you can have it if you want an onsite solution, and this is roughly what it's going to cost. Having that discussion with the clients is effective because often you're going to get some pushback from IT and the best way to solve that pushback is to say, "Here's the menu of costs."

Future Plans

The vision Urnes and his team had in the beginning has changed very little since they implemented Appian because the software fits so well with their requirements.

Since it began using Appian Anywhere, psHEALTH has developed several core building block applications involving patient case management and has been customizing those applications to fit its clients' specific requirements.

However, the company has realized that data migration and integration will be important as the healthcare industry progresses with its technology. Urnes recalled migrating and integrating data from legacy CRM systems for the largest private healthcare provider in the United Kingdom and said that the process was much easier than he had expected.

psHEALTH has also focused on integrating devices, especially mobile and home-care devices, via Appian's Web services capabilities. "We believe that there are lots of smart scientists out there who are inventing all of these devices and we just keep going back to them and saying, 'Look, expose this to Web services. If you do that, we'd be delighted to include you in our platform.'"

One example is computing how many kilometers away from the patient the physiotherapy outlet is. psHEALTH uses Web services to provide the calculations. Another example is in medication management. Organizations are developing systems to wirelessly track whether patients at home have taken their medication.

Lessons Learned

Many of the BPM vendors Urnes worked with during the initial BPM software evaluation process were reluctant to let his team try their products in an uncontrolled environment. "My advice is, don't take any prisoners. Demand to have a go on your own," Urnes said.

Collaboration and knowledge trading can benefit the vendor and the customer. The Appian team is receptive to collaboration. "It's great fun to have young, bright people feeding off each other in terms of what's doable," Urnes said. "We'll say, 'Look, here's a better way of uploading documents into the document management system if you have the following use case. We'll trade that, if you have a nice way of presenting a particular graph.'"

ESSENTIAL GUIDANCE

Important recommendations for vendors and buyers to note in a wide variety of use cases include:

- Ease of development — customers want BPM products to be easy to configure, change, and maintain so that developers and business analysts can quickly develop and adapt processes and interfaces.
- Business oriented versus IT oriented — IT-oriented solutions are seen as offering slower adaptability and less control for the business stakeholders and as being more expensive to maintain and modify because IT-oriented products are development intensive.
- Complex forms development capabilities are important.
- Strong image and document management capabilities are important in case management and compliance-related scenarios.
- Pricing flexibility — this can be a key stumbling block — rapidly growing organizations might want to lock in fixed pricing rather than see expenses escalate with their employee counts, while other organizations may want to directly link the value of software to the number of people using it; the SaaS deployment model offers a major advance to vendors by giving them a third major option in addition to server and user-based pricing models that can reduce the up-front cost to potential customers, thus expanding the potential market for vendors.
- High pricing versus low pricing — this doesn't just relate to license and maintenance pricing — it may also include the customer's perception of potential downstream costs, especially professional services. Customers don't want to lock themselves into long-term professional services engagements that reduce ROI or delay the time to benefit of the software.

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- *Worldwide Business Process Outsourcing Services 2010–2014 Forecast: By Vertical* (IDC #224976, September 2010)
- *Worldwide Process Automation Middleware 2009 Vendor Shares* (IDC #223740, June 2010)
- *Worldwide Business Process Management Software 2009–2013 Forecast* (IDC #219766, August 2009)

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