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CONNECTION

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In 1878, Rutherford B. Hayes was the first United States president to have a telephone installed in the White House. Hayes, however, reportedly thought the telephone would not be adopted for commerce because he was convinced that business needed to be conducted face-to-face. Hayes might be amazed by the tele- and videoconferencing capabilities in business use today, let alone e-commerce.

THE ONLY BOUNDARY IS YOUR OWN IMAGINATION

Companies in Japan are combining two forms of technology—bar codes and cellular camera phones. This technology uses wireless handsets to record bar codes for complicated data, such as product identification codes.

Writer Sue Marek observed in "Camera Phones Capture Bar Codes" (February 15, 2004, *Wireless Week*), "According to Ted Nozaki, Senior Manager of Business Development for Qualcomm Japan, many companies put bar codes on their executive business cards so that business people can scan the bar code and store the contact information in their devices." With this technology, there is no need to manually enter contact data into portable phones.

What these examples suggest is that a technology by itself (the telephone, bar codes, camera phones) cannot create strategic advantage for an organization. Yet by creatively applying technology and combining it with other advances, your organization can create new value for its customers—limited only by your organization's imagination. New communications technology is just one of the many technologies your organization might apply.

How does an organization like yours determine which technologies are suited to create strategic value? One of the best answers lies in the method outlined by Michael E. Porter in his book *Competitive Advantage: Creating and Sustaining Superior Performance* (Free Press, New York, 1985). Porter identifies a series of value-generating activities in a business system that he calls the value chain. Organizations need to examine their value chains with an eye toward lowering costs or differentiating themselves in the minds of their customers—or both, if possible. Since technology can be integrated in almost every value activity in an organization's value chain, it can have a tremendous effect on both cost and differentiation.

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The Value Chain

In *Competitive Advantage*, author Michael E. Porter names five primary business system activities in a value chain:

- **Inbound logistics includes all activities that capture the organization's inputs into the core business process (for example, receiving, application intake, warehousing).**
- **Operations includes all value-creating activities that transform the inputs into the final product or service offered by the organization.**
- **Outbound logistics includes all the activities required to deliver the product or service to the customer.**
- **Marketing and sales includes all those activities associated with creating customer awareness and prompting purchase of the organization's product or service.**
- **Service includes all activities that enhance the product's or service's value, such as customer support.**

In this article, we will showcase several CARF-accredited organizations that are achieving strategic value in different areas of their value chain through innovative applications of technology. CARF's own technology applications are also cited. Framing these technologies in the context of Porter's value chain can help your organization see if it might benefit from similar applications. One size does not fit all when it comes to technology.

These primary value chain activities are facilitated by **support activities**, which include purchasing, technology development, human resources management, and other management functions such as finance, legal, and quality management. While often viewed as "overhead," some organizations have distinguished themselves through the innovative application of support activities.

INBOUND LOGISTICS

Most service organizations have receiving, warehousing, and inventory control activities, but application intake is probably the most prevalent input activity among CARF-accredited providers. This is one area that CARF recently examined in its own value chain. A team of CARF staff members reviewed CARF input processes and determined that approximately $20,000 per year could be saved if CARF created a web-based mechanism that permitted organizations to apply for a CARF survey online.

Cost containment *and* customer satisfaction are both important aspects of CARF's strategy. Besides the cost savings, CARF believes that an online Intent to Survey form will be easier and more user-friendly for organizations. The online Intent will pre-populate information CARF has already recorded about new and returning customers—there's no need to tell CARF what it already knows! Online help features and the capability for multiple parties to provide input are also planned. Using passwords and encryption to safeguard customers' confidentiality, CARF will implement the online Intent to Survey in 2005.

OPERATIONS

Erickson Retirement Communities is a CARF–CCAC-accredited continuing care retirement community organization with more than 14,000 residents living on eleven campuses in several states. Erickson maintains state-of-the-art information technologies in several operational areas, including enterprise resource management and work order management.

What differentiates Erickson, however, is the technology it employs in its health services operations. Each Erickson campus supports a physician practice. The practices rely on an electronic, web-based medical records system that allows physicians to review patient medical information online—a real advantage for on-call physicians and for patients, who are both assured of improved accuracy.

Erickson plans to integrate its home health, rehabilitation, and mental health services with the electronic medical records system—thus allowing any authorized service provider to access records for all facets of health care provided to a resident. According to Erickson Senior Vice President and Chief Information Officer David Horrocks, "The vision is to achieve in our long-term care setting what the best hospitals have achieved in acute care."

OUTBOUND LOGISTICS

For most CARF customers, which are organizations providing services at one or more sites, outbound logistics are interwoven with operations. Delivering the service is the core operation for these organizations. One organization, however, is unique in the way it delivers that service. This organization has rethought the traditional notion of providing services in a physical setting and fulfilled a need for virtual delivery of services via the Internet. It is the only online alcohol and drug treatment program to earn CARF accreditation.

eGetgoing is a 12-step-based alternative online recovery treatment response serving clients across the nation. Internet-based counseling connects professionals in the field of substance abuse to individuals with drug

(CONTINUED ON PAGE 5)

CARF introduces standards for Child and Youth Services

Responding to requests from providers for accreditation standards tailored to services for children and youths, CARF is introducing standards for accrediting Child and Youth Services (CYS) this month. The standards are published in the new *Child and Youth Services Standards Manual*, and they are intended for organizations and programs that provide child welfare, protection, and well-being services to children, youths, and their families.

Child and Youth Services programs maximize opportunities for the children/youths served to obtain and participate in the services. Services are provided with recognition that the family (birth, extended, or placement) is the constant in the child's life.

Parent/professional collaboration is facilitated at all levels of care with the understanding and incorporation of the strengths and needs of infants, children, and youths and their families into the service systems. CYS programs are provided in a variety of settings, ranging from clinics and residential facilities to home, school, community, or criminal justice settings.

The standards can be applied on CARF surveys as early as July 1, 2005. (Providers must be applying the standards for a minimum of six months prior to a CARF survey.)

Release of the new standards follows the Child Welfare League of America (CWLA) naming CARF as an accreditation partner in November 2003. The CWLA is the United States' oldest and largest membership-based child welfare organization. The Child Welfare League of Canada was also consulted on the development of the standards. In March 2004, the Ministry of Children and Youth Services in Alberta, Canada, identified CARF Canada as a recognized accrediting body.

New standards are in concert with CARF's mission to enhance the lives of the persons served by accredited providers.

Prior to the release of the *Child and Youth Services Standards Manual*, many CARF-accredited programs applied additional standards when the provider served children or adolescents. More than 4,800 CARF-accredited programs in the United States and Canada provide services for this age group.

An organization may seek accreditation in one or more of the following CYS programs.

HEALTHY DEVELOPMENT:

- **Prevention/Diversion**
- **Early Childhood Development**
- **Community Youth Development**
- **Health Enhancement**

FAMILY SELF-SUFFICIENCY AND CAREGIVER DEVELOPMENT:

- **Behavioral Consultation**
- **Child/Youth Day Care**
- **Family Preservation and Support**
- **Home- and Community-Based Rehabilitation**
- **Respite**

INDIVIDUAL SUSTAINABILITY AND COMMUNITY CONNECTION:

- **Assessment and Referral**
- **Case Management/Services Coordination**
- **Counseling**
- **Crisis Intervention**
- **Support and Facilitation**

SAFETY AND PERMANENCE:

- **Child/Youth Protection**
- **Foster Family and Relative Care**
- **Specialized or Treatment Foster Care**
- **Community Housing and Shelters**
- **Congregate and Group Home Care**
- **Residential Treatment**
- **Legal Permanency (including adoption)**

ENHANCEMENT OF COMMUNITY LIVING:

- **Supported Independent Living**
- **Community Transition**
- **Employment Transition**

Applicable programs may also seek accreditation under the following Specific Population Designation:

- **Juvenile Justice**

(CONTINUED FROM PAGE 3)

addiction and alcoholism-related issues who cannot access residential or in-person programs. Family participation is encouraged because counseling can be provided in the privacy of the home.

MARKETING AND SALES

Creating awareness of an organization's products or services can be expensive. Determining which customer outreach efforts are most effective can help companies eliminate marketing efforts that aren't working and strengthen those that are, thereby potentially lowering overall marketing investments.

Customer relationship management (CRM) software can help organizations track marketing effectiveness. CARF uses its CRM to determine which of its marketing projects are productive. The CRM is able to record all costs associated with a project and determine how many business opportunities actually resulted. The CRM software then automatically calculates the return on investment for the project.

SERVICE

MERS Goodwill in St Louis, Missouri, is a CARF-accredited provider of employment services, workforce development services, child and youth services, and community living services. MERS effectively employs technology to enhance support for its clients.

Originally, the MERS state-licensed on-site daycare facility was designed to serve employment services clients who had childcare issues. Realizing that its daycare had greater capacity, however, MERS embarked on a combined marketing/technology effort to differentiate its facility by enhancing and

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marketing its customer-service focus. Web cams were installed in each of the organization's four childcare rooms, which allowed parents to view their child's room activity any time of day. Since security would be an issue, Scott Fitzgibbons, Vice President of Information Technology for MERS, ensured that access to the web cams was through an encrypted, password-secured login entered via the MERS Goodwill web site.

Another service differentiator for MERS began as a management communication support system. Attending management meetings at the St. Louis headquarters proved costly in time and travel expense for managers at MERS satellite locations. MERS installed a videoconferencing system to facilitate and reduce the expense of conducting meetings around a traditional conference table.

To maximize use of its new videoconferencing capabilities, MERS now applies the system to enhance its services for clients with hearing impairments. Through videoconferencing to remote locations, case managers use sign language to communicate with clients who are Deaf, thereby improving the clients' access to services.

SUPPORT ACTIVITIES

Genesee County Community Mental Health (GCCMH), based in Flint, Michigan, is a CARF-accredited organization known for excelling in the area of quality management. A sophisticated set of information systems supports GCCMH's success in quality management. An internal client database as well as data from an online provider service center feed into a data warehouse—a system that stores and manages large amounts of data and enables fast searches and advanced filtering of information.

Jon Nigrine, GCCMH's Manager of Outcomes and Data Analysis, says he is able to easily access the data warehouse for highly complex analyses. For example, he recently completed a study identifying factors contributing to recidivism and found some surprising results. His findings will affect future outcomes—useful to many people because GCCMH maintains quality and outcomes reports on its web site.

Without a data warehouse that is structured for querying ease, such a study would have been laborious at best and impossible at worst.

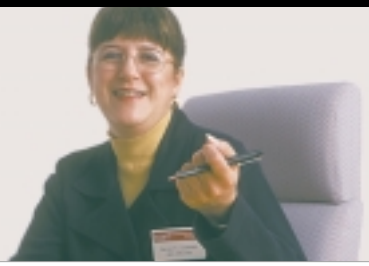
CONSIDER YOUR OVERALL STRATEGY

When developing a technology strategy, it's important to first consider your overall corporate strategy. Are you a low-cost, high-value provider like CARF? A niche provider like eGetgoing? Is service differentiation important to your strategy, like Erickson and MERS? Or is quality management important like GCCMH?

The answers to these questions can help you determine how to examine your value chain for new and innovative applications of technology. Technology itself cannot create strategic advantage for an organization, but the innovative application of technology can. Remember, your imagination is the only limit to the possibilities.

Information in this article was researched and written by Chris Dymek, Chief Technology Officer at CARF. If you have questions, comments, or an interesting example of the creative application of technology in your organization, please write to Chris at cdymek@carf.org

NEWS FROM CARF



CARF HOLDS SURVEY FEES IN CHECK FOR THIRD CONSECUTIVE YEAR

For the third year in a row, the fees that CARF charges to conduct on-site surveys will remain locked at their current levels.

Survey fees for providers accredited by CARF International and CARF Canada will remain at the current levels through June 30, 2006. Fees charged to providers accredited by CARF–CCAC will be frozen through December 31, 2005. (CARF International and CARF Canada operate on a standards manual year, which begins July 1 and ends June 30. CARF–CCAC operates on a calendar year, January 1 through December 31.)

The survey fees for CARF surveys conducted in the United States were last modestly increased in mid-2003 and, before that, in 2000. A travel surcharge for surveying overseas providers was removed in early 2004. Accreditation fees in Canada have remained at the same level since July 1, 2002, the year that the CARF Canada office was opened. CARF–CCAC last increased the fees associated with accreditation on January 1, 2003.

JANE DORVAL, M.D., JOINS CARF AS CONSULTING SENIOR MEDICAL ADVISOR

Jane Dorval, M.D., has been named to serve as CARF's consulting Senior Medical Advisor in Medical Rehabilitation. In this consulting relationship, Dorval will provide medical leadership in designing CARF standards, promoting the value and quality of accreditation for consumers, and developing links to CARF's many physician groups.

A board-certified physiatrist, Dorval has provided clinical leadership in a variety of settings for more than 20 years. Before joining CARF, she was the Senior Vice President of Medical Affairs/Quality Oversight at the Good Shepherd Rehabilitation Hospital in Allentown, Pennsylvania, from 1991 through 2004.

Dorval began her association with CARF in 1984 as a Medical Rehabilitation surveyor. In 1997, she was seated on the CARF Board of Trustees as a representative of the American Academy of Physical Medicine and Rehabilitation. The trustees elected her to serve as Chair of the Board for 2002.

More news about CARF can be read in the CARF news room at www.carf.org/news

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Al Whiteburst, EDITOR

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DISCOVER MORE

Did you enjoy reading about the organizations that have applied technology in different ways to their strategic advantage? You can learn more about them by visiting their web sites:

- **CARF,** *www.carf.org*
- **eGetgoing,** *www.egetgoing.com*
- **Erickson Retirement Communities,** *www.ericksoncommunities.com*
- **Genesee County Community Mental Health (GCCMH),** *www.gencmh.org*
- **MERS Goodwill,** *www.mersgoodwill.org*

You can also visit the periodical mentioned in this issue at:

- **Wireless Week,** *www.wirelessweek.com*

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