Redhand advisors

HOW TO

Select the Right RMIS for Your Organization

Greetings!

In today's fast-paced business landscape, risk management plays a crucial role in ensuring the success and sustainability of organizations.

To effectively manage risk, businesses rely on risk management information systems (RMIS), which provide the necessary tools and functionalities to streamline processes, collect and analyze data, and make informed decisions.

However, selecting the right RMIS solution can be a daunting task since each organization has unique needs and priorities. In this e-book, we will explore 10 key factors to consider when choosing a RMIS solution. We hope these steps will provide you with actionable insights to make an informed decision and ultimately optimize your risk management program.

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1 Understand and assess your business objectives and priorities

Risk managers and company leaders are so overloaded with their day-to-day responsibilities that they can forego an essential first step in selecting a RMIS: investing the time and effort upfront before choosing the right system for their needs. Take the time to develop strategic benchmarks and goals that you want to achieve with the RMIS and determine your desired end-state. Make sure to prioritize key areas where you seek improvement. Also, consider how your risk management department supports the broader business objectives of your organization.

ASK YOURSELF: *What are your organization's goals and objectives? How does your department support those?*

2 Build out a list of desired system requirements accordingly

The next step in the process is to determine the specific needs and system requirements that will help achieve the goals and objectives identified. Consider the processes your new RMIS system needs to support, along with the required integration and desired outputs. Consider any unique functionalities or features that are essential for your organization's risk management practices. Aligning the selection process with your organization's goals, objectives and system requirements can help ensure the RMIS solution you chose will contribute to your business' overall success.

ASK YOURSELF: *What processes does the system need to support? Does the system need to integrate with other systems? What are the required outputs?*

3 Consider vendor stability and expertise

Vendor stability should have a significant impact on your final decision. If you're new to the RMIS market, you need to be confident that the vendor will be able to provide ongoing upgrades and enhancements to the product well into the future. When considering vendors, don't assume a long-tenured one will auto-

matically be the most knowledgeable or best fit. Conversely, don't rule out new players in the market right away based on time served, since many offer competitive solutions and similar core capabilities.

Go deeper than company financials and assess the vendor's performance measures. Ask each potential vendor about their customer and employee turnover rate, current litigation involving the company and have the organization describe its business and performance measures, the percentage of revenue spent annually on R&D and note any change in its ownership structure.

Additionally, ask for references and gather opinions about their services in the industry. Do your own research and identify clients who can provide feedback. A vendor who is facing serious business challenges, such as lack of new sales or poor customer satisfaction, may be an indication of a more serious issue..

4 Evaluate your current system and vendor

It's easy to get excited by the cool bells and whistles that other vendors may offer. However, if you already have a RMIS the motivation for change has to be driven by your priorities and objectives. If you need a refresh or something new, here's how to determine if there are any gaps in what your system is doing today versus what you are trying to achieve.

It's true that needs change over time and your system must continue to evolve to meet them. This doesn't necessarily mean new features but utilizing existing capabilities in the system that may not have been a priority when you first implemented the system. Have you asked your current vendor what capabilities are similar organizations utilizing that you are currently not? It's worth exploring whether your current RMIS' shortcomings can be addressed by working with your vendor, as system optimization and updates may provide a viable solution. Evaluating your existing system with your vendor helps ensure you've explored all the possibilities before making a drastic change.

ASK YOURSELF: *What are the main drivers for switching systems? Have you tried to address the shortfalls with your current vendor?*

5 Consider a third-party consultant

Consultants can't do all the heavy lifting of the implementation, but there's a significant amount of burden they can take to help streamline the process. A third-party is the subject matter expert who can oversee the project and offer an independent opinion when decisions need to be made during implementation. Smaller companies that cannot devote time and effort to, say, a nine-month long system implementation certainly should consider a consultant, who can keep the focus on the project and often complete some of the tasks more efficiently because of their experience.

TIP: *A third-party consultant can regulate the speed of the project in both directions. The consultant can keep your client-side tasks moving so that the vendor isn't waiting for you to catch up and review finished work, but he or she can also keep vendors honest on whether shortcuts can or should be taken to finish a particular task more efficiently. Consultants also can recommend options that the client may not know that could improve the implementation or system.*

6 Take advantage of process improvements

Too often, organizations miss the boat on implementation being an opportunity to improve their processes — they take everything they have and just put it into a new, faster system, but they don't change a thing about their process. New systems have great capabilities and new workflow designs, automation, and alerts, and you should take advantage of that. For any organization on a legacy system or using manual processes, the tools available are significant improvements to processes even using standard configurations. Let technology revolutionize the way you manage claims, don't warp technology to match your process.

TIP: *Adapt your business processes to fit the out-of-the-box tools from the new system rather than customizing it to fit your legacy processes. The more customization you try to wedge into the RMIS, the more standard configurations you push out, decreasing the RMIS' effectiveness and increasing the potential for it to fail. Consider, too, that the only people who know how to fix a customized feature that fails are the ones who designed it. When that person is no longer with the company, what happens to that feature?*

7 Focus on data conversion and use

Data conversion is a monumental task that absolutely needs to be executed properly. If implementation is the foundation of the system, then data is the bricks and mortar. If you're transitioning from a historical system, there may be a lot of data that only you will likely understand.

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Therefore, implementation is the time to clean up the data and get it right, because if you have garbage data going into the system, you're going to get garbage out of the system. Invest the time needed and analyze how the data will be used in the new system.

TIP: *Plan how data actually will function in the new system, how it will come in, how it will be presented, etc. Map out all data to a consolidated list that gets team members what they need to perform their duties best. If the data isn't set up correctly in the system, outcomes will not be as expected.*

8 Test, test and test again

Most organizations expect a system to work when the vendor signs off on it, but just because the software doesn't have a bug, doesn't mean it functions correctly. It's on the client to ensure that, in a workflow, for example, that all the proper steps take place and all notifications happen at the end. The more people involved in the process, the better, and stakeholders should recruit other subjects to test the system as well. Additionally, changes don't have to be based on a broken aspect of the system; maybe there's a tweak needed to allow the system to perform better? Now's the time to find those instances.

TIP: *The testing phase can be an early entry point to get some wins for the implementation by getting people invested in the process, trying the new system out and gaining early buy-in.*

9 Train anyone with access

Don't wait for go-live to begin training for the general team members who will have access to the system, or you will lose too much ground after the switch. Training should be customized by user or department function to deliver the most effective experience, and it should be tailored to the client's specific configuration, versus a generic platform.

TIP: *A key stakeholder in the implementation should help drive the training with the vendor, interpreting the program as training goes along and answering questions that are specific to the organization's configuration as needed.*

10 Consider a phased approach

For more complex implementations, if you can break it into

phases and drum up early enthusiasm and success, it will make the project a little less daunting. A phased approach also will help manage project workloads and execution. Some functions and departments don't need to be implemented right away, so focus on getting the core components live first, then phase in secondary functions as you go. Make sure your steering committee and project manager maintain their champion status and enthusiasm through change management efforts as well.

TIP: *On average, a typical, full implementation takes nine months. A phased approach might extend that to 12-15 months, depending on the size of the project. Additionally, don't jump to the next phase of implementation right away; make sure that the system that just went live works right before moving on to the next phase.*

A red-letter day

Executing on these steps to plan for your system implementation should lead you to success on the project, making your go-live date more of a minor celebration rather than a day of dread for your team members and customers.

To learn more about how to select the right RMIS for your organization, **schedule an inquiry call** with Redhand Advisors today.

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