Chapter XIII  
Case Study I:  
National Program for IT

ABSTRACT

The National Programme for Information Technology is the largest civil IT program worldwide at an estimated cost of £6.2 bn, US$ 10 billion, over a ten-year period. Launched in 2002, it provides an opportunity for the IT service industry to develop business models in the UK healthcare sector in which, historically, has seen low investment in IT services. Despite highly publicised large-scale IT outsourcing contracts, many IT vendors have been unable to fulfil the rigid terms and conditions of their contracts. The chapter provides current additional evidence to that found in the literature on emerging technologies in the health sector. It aims to investigate some of the issues that are associated with the implementation of the emerging technologies in the NHS and explores whether the implementation of the National Program, by the NHSIA, would bring value to patient care, and influence staff perception of IS.

INTRODUCTION

This chapter contains details about a real case of VLITP, based on a 4-years research involving more than 100 interviews in addition to other interactions (Guah, 2008). During the period 2000 to 2005, Connecting for Health (formerly called National Health Service Information Authority) was pushing through a highly complex
procurement process—termed the National Program for Information Technology (this book refers to it as National Program). This project was estimated to cost the British taxpayers £6.3 billion for additional IT investment for the NHS over a ten years period (NHSIA, 2003). To understand how such a VLITP can affect the largest employer—and third largest in the world—the chapter also contains a narrative of IS strategy in the NHS, involving institutional theory and saturation theory, as part of a process of reforming healthcare delivery in the UK.

The National Program utilised a comment emerging technology for most VLITP—the Application Service Provision (ASP) business model—to avoid similar fate as many previously implemented technological change in the NHS which resulted in failure (Collins, 2003; Currie and Guah, 2007; Eccles et al, 2002; Lauchlan, 2000; Marshall et al, 2003; McGinity, 2003). Researchers continue to question the nature, origins and applicability of various e-business models—including the ASP business model (Caldwell, 2002; Howcroft, 2001; Kraemer and Dedrick, 2002; Chatterjee et al, 2002). Improvement in the rate of successful IS project implementation may lie in concentrating on human and organisational aspects, rather than the technological ones (Scott-Morton, 1991; Davenport, 1993; Coombs and Hull, 1995; Bloomfield, 1997).

While this chapter DOES NOT attempt to interpret the political strategy for the present or any other UK government in dealing with the NHS, it provides a review of a particular reform initiative, using the lens of Institutionalisation of IS in healthcare delivery processes. This also supports the view that the human, political, social and cultural aspects of IS strategies need to be taken more seriously (Moad, 1993; Belmote and Murray, 1993; Mumford, 1995).

BACKGROUND TO THE NATIONAL PROGRAM

The NHS needed to adopt a revised model for IS strategy which takes into account additional complexities of remote sourcing via the model used in this VLITP. The driving force behind the NHS strategy is a political one, of providing socialised medicine to all, within a fixed national budget. That NHS is therefore cash limited at a total annual budget for 2004-05 of around £90 billion, about 8% of the national GDP (gross domestic product). Over the past decade, IS strategies for most organizations have been in a state of evolution toward a form of “federal governance architecture” (Zmud, 1988). These are instances where the authority for the management of IS infrastructure is vested with a central IS department, but the authority for the management and use of IS application is vested with individual business units, or regional Trusts in the case of the NHS (see Figure 13.1). The NHS is a national institution, but is not a single corporation. It is funded mainly...
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