

## ***Business Plan for Health Care Cooperative***



**Submitted By: JozJul-DelaCar Strategies**

**August 2, 2007**

© Copyright 2007 – JozJul-DelaCar Strategies (JJDC)

This document has been specifically prepared for limited distribution within the company shown above. This document contains materials and information, which JJDC considers confidential, proprietary and significant for the protection of its business. The distribution of this document is limited solely to those full-time employees of the client, either actively involved in the evaluation and selection of JJDC as the firm to conduct this assignment, or those that will be involved with the program described herein.

## **Table of Contents**

<b>PRODUCT SOLUTION</b>	<b>3</b>
<b>COST PROPOSAL</b>	<b>5</b>
<b>PROGRAM EVALUATION PLAN</b>	<b>7</b>
<b>RETURN ON INVESTMENT</b>	<b>8</b>
<b>SUMMARY STATEMENT</b>	<b>10</b>
<b>APPENDIX</b>	<b>ATTACHED FILE</b>

## Product Solution

JozJul-DelaCar Strategies is pleased to submit to Health Care Cooperative the following business plan for the development of HCC's ethics training products. This document considers all aspects of the project plan for HCC's ethics training program, including the timeline of events, the cost proposal, program evaluation plans, and return on investment to HCC.

JJDC will develop two courses for HCC with individual learning modules as specified below:

<b>Course / Module</b>	<b>Projected Seat Time</b>
<b>Course # 1: Employee Personal Conduct</b>	<b>Approx. 2.5 hours</b>
Module # 1: Compliance with Federal & State Laws	30 minutes
Module # 2: Employee Harassment & Discrimination	45-60 minutes
Module # 3: Promoting a Positive Work Environment	30 minutes
Module # 4: Respecting Others in the Workplace	30 minutes
<b>Course # 2: Appropriate Use of Company Assets</b>	<b>Approx. 1.5 hours</b>
Module # 1: Company Assets Defined	30 minutes
Module # 2: Appropriate & Inappropriate Use of Company Assets	30 minutes
Module # 3: Legal & Company-Wide Implications for Misuse	30 minutes

Over the course of the instructional design process, JJDC will:

- Collect company information from the target audience (employee interviews, surveys and review of HCC policy) in advance of the required instructional design effort
- Develop interactive Web-based modules that include:
  - Development of Web-based scenarios that place learners in the middle of a potential “ethical dilemma” that they must resolve
  - Brief video clips (45-60 seconds each) to illustrate the scenario and which employ the use of professional talent to act as employees in a given situation
  - The development of wiki for learners to discuss the implications of their decisions and their learning

An overview of instructional design process is as follows:

Project Start Date	<b>Monday, August 6, 2007</b>
Project Completion Date	<b>Friday, March 21, 2008</b>
Duration	<b>7 months</b>
Work Time	<b>780 hours</b>
Cost to HCC	<b>\$136,600.00</b>

## Cost Proposal

JJDC has designed a comprehensive project plan that outlines every step of the instructional design process for HCC's ethics training program **Employee Personal Conduct** and **Appropriate Use of Company Assets**. The plan includes five major phases with very specific tasks noted under each phase. The task list identifies key milestone events in the process, HCC's approval and sign off meetings throughout the project, allocation of resources (JJDC and HCC), and estimated cost/savings to HCC. JJDC believes that a sound instructional product results from the services we provide partnered with feedback and participation from HCC representatives.

The technological solution was architected with future training and communication expansion possibilities in more areas than just ethics training. The ethics training program will be implemented using a multitasking PC server solution. The server solution will help deliver the web based interactive modules to employees over the existing network infrastructure and computer platforms without interrupting the use of existing applications necessary to perform their jobs responsibilities. Having an independent server solution will provide a means to securely deliver the training modules and HCC will benefit from a large cost savings because 3<sup>rd</sup> party hosting will not be necessary. All the necessary applications to run the training modules, wikis and tracking database will be installed on the server.

The wiki server will be installed and configured for internal use only, therefore employees will be able to share information with each other without public access being an issue and HCC will not have to worry about private information leaving the company via the internet. The wiki server will be maintained within HCC and has the potential for additional wikis.

HCC will capitalize on the information extracted from the tracking database. As each learner executes the training program, usage and testing information will be stored in a SQL Server database allowing HCC to evaluate the competencies of the learner as well as the usefulness of the module interface and design. Cold fusion will be used to exchange data between the database and the training modules. SQL Server provides a way to manage data securely, employees will benefit from reduced application downtime, increased scalability and performance. Cold fusion and SQL Server are highly scalable and reliable for future implementations.

Captivate, the industry-leading process simulation software will be used to develop the scenario-based training for the ethics training modules. JJDC can quickly integrate the scenario content and video clips to create interactive and effective online training.

Brief video clips (40-60 seconds each) will be produced to illustrate the scenario and which employ the use of professional talent to act as employees in a given situation. The cost of the video production is configured on day rates that will include a producer and camera crew. Professional talent will be hired to re-enact the employee situation. Video editing and compression is based on an hourly rate. JJDC looks forward to the beginning of the design process.

The Appendix attached to this document includes very specific information for HCC's review regarding this cost summary. Please refer to the following documents:

Appendix A	<b>Timeline</b>
Appendix B	<b>Cost Report</b>
Appendix C	<b>Resource Allocation</b>

## Program Evaluation Plan

JJDC will conduct both formative and summative evaluations after a three month run time after the course pilot launch. Qualitative and quantitative methods will be used for data collection, such as employee interviews and surveys.

In accordance with Kirkpatrick's Model of Evaluation, JJDC's training solution will meet two levels of evaluation achieving the ultimate result of ethical behavior in the workplace:

- Level 1: Reaction

The first level is designed to obtain learners' views about the training. Managers will be asked to evaluate the training immediately after completing the program. Questions will be included at the end of the online modules to acquire manager opinions about the following:

- The relevance of the training objectives, including the perceived value and transferability to the workplace
- The amount and appropriateness of interactive modules and questions.
- The ability of the course to maintain interest.
- The ease of navigation.

This will ensure that JJDC and HCC receive manager feedback on all aspects of the training process.

- Level 2: Learning

The second level is designed to measure learning results. To determine if the managers have learned the knowledge, skills, and attitudes that the program is intended to teach, response data will be collected. Answers from the questions in the interactive modules will be tracked through a database and analyzed throughout implementation and beyond. JJDC will provide HCC with reports on the following:

- Response data for each HCC location across the country
- Common errors in responses, overall and by location
- Common 'right' answers, overall and by location
- Any other information HCC may request

Each evaluation step of this model has been incorporated into the JJDC training solution to reveal valuable data for HCC. These evaluation processes will also distinguish that overall learning objectives are being met while ensuring that any further development is implemented successfully. HCC may also consider that although JJDC is fully capable and prepared to conduct all evaluation methods described, another party that has not developed this training may be better suited to complete this process.

## Return on Investment

JJDC Strategies offers the following analysis to determine the Return on Investment for the proposed training program developed and implemented for HCC.

Based on the Estimated Training Costs document provided to JJDC, HCC has invested \$139,700 for the past two years on ethics training, an average of \$69,850 per year. These costs include air transportation, lodging and meals, facility costs and productivity time for managers to spend one day annually in ethics training. Out of the above dollar values, the facility costs total \$13,125.

JJDC has also estimated that in order to distribute written materials, including those used at the yearly meeting and throughout the company (manuals, training notebooks) HCC also spends \$1,000 yearly on construction, printing and mailing costs.

The total investment cost required by HCC for the development of the Ethics Training Program by JJDC is: **\$136,600**. However, if this training program is utilized by HCC for five years, there will be a cost savings of **\$172,650**.

### Return on Investment:

HCC will spend \$136,600 in the first year, but in years 2-5 (after the upfront development costs), it is estimated that maintenance costs may fall to a yearly cost of \$10,000. In that case:

- Current expenditure: 5 years X \$69,850/year = \$349,250
- 5 years at \$136,600 in Year 1 + \$10,000 maintenance costs in each of the following four years = **\$176,600**
- Total cost savings over 5 years = **\$172,650**

In order to further reflect on the return on investment, JJDC would also like to discuss a break down of the benefits by tangible, semi-tangible and non-tangible benefits.

Tangible benefits are defined as those benefits measurable in dollar savings, which include the impact of an alternative on people, equipment, time, space and facilities and support materials. Although there is no immediate cost reduction, over several years of utilizing this new training program, HCC will actually see the cost savings outlined above.

A second tangible benefit is cost avoidance. By maintaining strict adherence to the ethics guidelines that will be taught in this training, HCC will avoid any potential law suits based on ethical violations.

The semi-tangible benefits that have been identified by JJDC Strategies reflect further cost savings opportunities. The first of these opportunities is the increased productivity by the managers due to having the flexibility to complete the training online when it is most convenient for them. Next is the increased productivity of the managers due to the saving of time that was previously involved with travel to and from the annual conference. Finally, and this reflects one of the objectives set forth by HCC for this training program, is the continued compliance with ethics rules and regulations within the company. Although the semi-tangible benefits are more difficult to assign an actual cost, the value that will be returned to HCC is enormous.

Intangible benefits are more subjective however JJDC Strategies believes these benefits reflect the core goals for this training and the long-term possibilities for this investment. The first intangible benefit is the vested interest by the managers into HCC. This interest will be reflected in the additional insight that the managers will gain. Given the opportunity to review modules as often as necessary, this knowledge will then be applied in their personal work habits as well as communicated to other employees. When the company adopts the goals and objectives of this training program, there will be improved customer service both externally and internally. Managers will also be empowered when they are given the ability to

work on their own through the modules. By giving the managers independence to work through these modules, HCC also sends a positive message of trust to the management team.

The investment by HCC for a high-quality, instructionally-designed training program reflects the importance of the subject matter to managers as well as other employees. Based on the employment history of many HCC employees, we believe that many managers feel vested in the success of HCC. If these managers feel vested in this organization, they will want the training to be successful as they know in the long run, this will ultimately bring success to HCC. In addition, there will be consistent training for all managers. This will provide the assurance that all topics have been covered. The consistent training also extends to the availability of all manuals and materials on the subject matter that will be accessible throughout the organization at all times.

The second intangible benefit that JJDC Strategies training program offers is overall company enhancement. With the implementation of this training, there will be the continuity of zero ethics violations in the workplace. This achievement sets an industry standard and becomes a marketable asset for HCC. Furthermore, the long-range success of this training investment may provide actual marketability of the training product itself. JJDC Strategies is ready to align itself with HCC to promote this successful training program in the future.

## Summary Statement

The ultimate purpose for this training is to contribute to the HCC business goals of:

- Creating a company-wide perspective on business ethics and
- Promoting a positive work environment.

These organizational goals are achieved and measured through the improved performance and behaviors of employees. Evaluation of these kinds of business results is critical to ensuring that the training program remains effective. The evaluation phase will identify any strengths and weaknesses or areas for improvement to ensure that successful practices are integrated into any further development. JJDC has incorporated evaluation at each phase of our proposed training solution.