# Q-STUDY No. 11

## NICK: Chief Technology Officer

### *"Healthcare Acquisition and Integration."*

When Nick and I first met, he was seeking a Chief Information Officer position (CIO). He was more than qualified for the position, but the problem lay, as is the case in any interview, in how well he would be able to tell the various stories of his achievements. And he had a bunch of them.

When working with clients, as you know, I used to prefer—not require—but prefer, that they provide a long-form, written history of each accomplishment that included the what, where, when, why, and how behind each achievement. (You will remember that I don't need the 'who' in this description. It is always you!)

Nick has the unique ability to be able to keep his accounts brief while containing all the details key to understanding what he accomplished. Below is one of those descriptions. I'll follow on the other side with a QTNT calculation. (All company names have been changed to generic descriptions representing their positions in this transaction.)

*Medical Group 1's (MG1) growth strategy included aggressive membership expansion in the South. Expansion was to include the acquisition of a small, troubled health plan, Medical Group 2 (MG2), in the area. MG2 included 60,000 Medicare Advantage, Medicaid, and Rx members. The strategy was to acquire the health plan, integrate the Medicare members, and divest the Medicaid and Rx business. I was responsible for Information Technology as the interim CIO as well as overseeing the integration and divestitures. Budget reductions of 50% and a fully implemented strategy were to be achieved in 8 months. Plan execution began April 1 and was completed December 10th with all targets met.*

*MG2 was acquired, and the Medicare Advantage members were integrated into MG1. This integration and the divestiture of two business segments were achieved in 8 months, on schedule and within budget, saving $3,700,000 annually in IT costs. In addition, an organizational membership expansion of 50,000 lives was realized.*

Told you that would be brief! But all the details are there except for Nick's salary, which at the time was $175,000. Since we have no way of determining the value of the expansion of 50,000 additional customers, we can't add that to the QTNT score. Too bad. There was a lot of 'new found' money there!

Here is Nick's QTNT calculation:

**$3,700,000 in IT and organization savings achieved**
**$175,000 in salary = 21.1**

As you can see, I am treating this 8-month project as if it took an entire year. Let's do this same calculation based on 8 months instead.

**Nick's annual salary was $175,000, which we can divide by 12 to get his monthly rate of $14,583.33 x 8 months = $116,666.64.**

**This calculation will provide an even higher QTNT for Nick:**

**$3,700,000**
**$116,700 = 31.7**

In this case, breaking down Nick's annual salary into a monthly rate of pay gave him a 10-point increase in his QTNT score to 31.7. Significant!

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