

CUSTOMER SUCCESS STORY - AGED CARE

MercyCare Corporate Performance Management PROPHIX Software

Background

MercyCare is Western Australia's largest Catholic aged care, health and community services provider. The group manages a diverse portfolio of services which include residential and community aged care services; family and youth services; healthcare (Mercy Hospital); community services; child day care; education and training services. The MercyCare Foundation was started in 2008 and seeks to support and enrich the lives of those less fortunate.

MercyCare has a significant presence in the Western Australian community and has been steadily growing its footprint since its founders, the Sisters of Mercy, first arrived in 1846.

The challenge

Rapid growth of the MercyCare business had presented the following challenges to the finance team:

- Increasing demand for more accurate and responsive financial budgeting and forecasting capability;
- Dependence on a growing list of complex, integrated, time consuming, spreadsheets;
- Increasing demand for more automated, flexible and timely financial reports;
- The need to consolidate and integrate financial data from the various business units, and;
- The need to calculate and report KPIs and business metrics across the group.

These challenges were intensified by the difficulty of revenue and expense calculation in the aged care and health care sectors, where Government funding allocations and personnel cost calculations are complex.

MercyCare needed to establish a corporate performance management system that would put them in the best position to manage and grow their business, taking into account all the unique and specific challenges of their industry.

Alan Shaw, CFO of MercyCare explains, "Several options were considered with functionality, flexibility, ease of use, speed of delivery (and, of course, affordability) always key considerations to us. Also vitally important was that the vendor and product was flexible enough to cater for the unique aspects and challenges of our business."

"We were able to develop a ten year forecast and incorporate different 'what if' scenarios in less time than it used to take us to create one month's end report,"

Alan Shaw, CFO MercyCare



Industry

Western Australia's largest Catholic aged care, health and community services provider. Diversified service suite includes residential and community aged care services; family and youth services; healthcare; community services; childcare; education, and training.

Company information

Employees: over 1000

Website: www.mercycare.com.au

Scenario

MercyCare had been growing steadily and needed to move away from spreadsheets, improve budget and forecasting capability, increase the flexibility and automation of financial reporting, and calculate and KPIs and business metrics across the group.

Solution

MercyCare chose PROPHIX as their corporate performance management system.

The solution

The group adopted PROPHIX because it had some clear advantages over other systems. PROPHIX offered the same functionality as the larger, more expensive CPM solutions and could be implemented quickly and easily without heavy reliance on MercyCare's already stretched IT department.

"PROPHIX had everything we needed out-of-the-box, and installation and training was quick. Additionally, the interface had the same look and feel as Excel, so it was an easy transition for our people," Shaw says.

Creating "One version of the truth"

The budget and forecast process at MercyCare required input from many managers across all business units. As spreadsheets were the basis of data collection and consolidation, it meant that critical business data within the spreadsheets was scattered over many different computers throughout the various business locations. There was no one location where current data could be viewed.

As the budget and forecast process often required second and third attempts to get the numbers in line with corporate expectations the issue of no one location of the data was further complicated with additional versions.

No one location for the data, and data spread across multiple systems, made the business vulnerable to data integrity errors. Critical business decisions had the potential to be made on incorrect data.

The PROPHIX data storage approach applied OLAP cube technology to store all of the data including all of the different versions all in one database. This approach has improved the overall integrity of the business data and has enabled MercyCare to provide managers with a database of data that can be relied upon as being "One version of the truth".

Delivering to the brief

MercyCare's brief to Forest Grove Technology was to implement a PROPHIX solution that provided;

- Budget and functionality for all business units;
- Consolidation of data from all units;
- A financial reporting solution that addressed flexible "ad hoc" analysis reporting;
- An automated monthly reporting solution;
- Strong forecast capability including long term 10 year and monthly rolling forecast;

- Key performance indicators and business metrics calculations and reporting; and,
- Dashboard and scorecard capability.

The solution needed to be implemented in a timely manner and be easily embraced by the existing management and finance team.

"We identified the need to include extra layers and hierarchies in our projections such as 'employee level payroll' and 'revenue by business type' budgeting, so these were created." Shaw says.

"Drilling down, salary and wages are important drivers for us. Hourly pay, shift allowances and 30 different categories of pay rates have historically made personnel planning difficult. PROPHIX has allowed us to tie in all these elements so we can look at the FTE actual/costs of labour and plan personnel volumes accordingly. All of our data is now collated with annual leave pay increases, awards and overtime, etc," Shaw explains.

The workflow and use of data entry templates has reduced the time needed by each business unit to capture its data, which in turn, has provided more time for analysis by Group and Divisional finance personnel.

Timing

The PROPHIX project has been rolled out over a 6 month period. By January 2009, the team had gone live with budgeting, forecasting and consolidation for the several platforms feeding into the finance department, KPI interface and reporting.

"PROPHIX has has the capacity to allow us more freedom to return to our focus and revisit strategic level goals. We were able to develop a ten year forecast and incorporate different 'what if' scenarios in less time than it used to take us to create one month's end report," Alan says. "It is a relief to be able to depend on a more reliable method of forward planning".

Less IT Involvement

PROPHIX is easy to implement, so little IT input was required. This meant less resource strain which was crucial as any impact could have had a direct effect on MercyCare's community services (including critical hospital processes.)

In all, the implementation of PROPHIX will enhance business for MercyCare and set a precedent for best of breed Corporate Performance Management software in the community sector.