The Successful Progression of a Planning and Forecasting Process @ The Joint Commission

Kathy Rogers – The Joint Commission
Len Romano - Emtec
September 4, 2014
Agenda

- Introductions
- Prior Process Overview and Issues
- Goals of Project and Implementation Phases
- The Planning Components, Environment & Resources
- Results Achieved and The Keys to Success
- What’s Next
- Questions ???
Introductions

Len Romano  
Senior EPM Specialist, Emtec  
• 20+ years of EPM experience  
• 13+ Years as Solution Consultant & Partner Manager with Hyperion/Oracle  
• Deep background in planning and financial business processes and former administrator/user of Hyperion products

Kathy Rogers  
Associate Director of Planning and Financial Analysis, The Joint Commission  
• 30+ years with TJC  
• Financial reporting, consolidations, cost accounting and payroll experience
Introductions

The Joint Commission accredits and certifies more than 20,000 health care organizations and programs in the United States.

Joint Commission accreditation and certification is recognized nationwide as a symbol of quality that reflects an organization’s commitment to meeting certain performance standards.

The Joint Commission is the nation's oldest and largest standards-setting and accrediting body in health care.

To earn and maintain The Joint Commission’s Gold Seal of Approval™, an organization must undergo an on-site survey by a Joint Commission survey team at least every three years. (Laboratories must be surveyed every two years.)

3 Business Units- TJC, Joint Commission Resources (JCR) and Center

Based in Oak Brook Terrace, IL

Employs approximately 1,000 people
Prior Process Overview and Issues
Prior Process –
The Primary Planning Application
Prior Process – The Primary Planning Application and Other Tools

- MS Access
- Infopath
- Payroll Info
- Other Tools-
  - Sales (3+)
- PeopleSoft
The Prior Process Issues

Prior Process in Summary

- Excel was the Main “Application” for Budgeting, Projection and Re-Projection
- Multiple Revenue Models due to Different Product Lines and Business Units
- Multiple Tools across the Organization that fed information to Spreadsheets, including a Lotus Notes Database

The Issues

- Manually Intensive
- Not Real Time
- Error Prone
- Multiple Versions of Excel
- No Scenarios
- Disconnect of Revenue Models
- Disconnect of Balance Sheet and Cash Flow
- Disconnect of Different Reporting Needs
- No Standardization Between TJC and JCR (product lines)
Goals for the Project and Implementation Phases
Overall Goals for the Project

**Design / Build / Implement a Comprehensive Financial Planning and General Reporting System across the Organization**

- Provide Flexibility so each business unit (TJC, JCR & Center) can operate independently
- Integrate the various TJC and JCR models for consolidated analysis
- Eliminate Excel spreadsheet dependencies
- Allow for all revenue planning to be accomplished in one system
- Provide for all different type of Budget Reporting and Analysis requirements
- Develop an integrated Income Statement, Balance Sheet and Cash Flow
- Provide a platform for Standardized General/Actual Reporting
- Streamline budget & projection processes
- Allow for faster cycle times
- “Real-time” roll-ups / consolidations
- Move PFA team from “data aggregators” to “data analyzers”
The Planning Components, Phases, Environment and Resources
Planning Components

- Former MS Access based Revenue Model
- JCR Revenue models - by book, by topic
- Adjustment functionality
- Consistent Allocation Methodologies
- Variance Analysis Reporting w/comments
- Online planning capabilities via web & Smart View
- Financial reporting capabilities for Budget and Actual
- Alternate Reporting Hierarchies
- Inclusion of a Fund Accounting entity
- Field Segment, Product Line and Management Structure Reporting
The Phases of Implementation

**Phase 1**
- Create the primary Budget and Projection Process across the organization
- Reduce the dependencies of Spreadsheets
- Allow for BU independence and consolidated results
- Include as many Revenue models as possible (TJC, JCR)

**Phase 2**
- Develop a platform for General/Actual Reporting

**Phase 3**
- Implement Workforce Planning across the organization
- Incorporate as much human resource planning as possible except for groups of employees
- Addition on Five (5) Year Projection process

**Phase 4**
- Add remaining revenue models
- Include in Workforce Planning remaining “groups” of employees
- Enhancements for Budget, Projection and Five Year Projection

**Throughout**
- Software Patches
Hyperion Planning Environment-Phase 1 & 2

Four Applications to Provide Flexibility

- **JC Revenue**
  - Revenue By Customer

- **JC**
  - Core Financial Data
  - Income Statement
  - Balance Sheet
  - Cash Flow
  - Departmental Expenses
  - TJC Revenue Models
  - Allocations
  - Fund Acct Entity

- **JCR**
  - Core Financial Data
  - Income Statement
  - Balance Sheet
  - Cash Flow
  - Departmental Expenses
  - 9 Revenue Models (3 Detail)

- **TJC Reporting**
  - Consolidated Financial Information
  - Actual, Budget, Proj/Re Projection
  - Allocations
  - Statistics, KPI’s
  - Financial Stmts
Hyperion Planning Environment-Phase 3 & 4

Six Applications to Provide Flexibility

- **JC Revenue**
  - Revenue By Customer

- **JCR JCIA Revenue**
  - Revenue by Customer

- **Workforce Planning**

- **JC Core Financial Data**
  - Income Statement
  - Balance Sheet
  - Cash Flow
  - Departmental Expenses
  - TJC Revenue Models
  - Allocations
  - Fund Acct Entity

- **JCR Core Financial Data**
  - Income Statement
  - Balance Sheet
  - Cash Flow
  - Departmental Expenses
  - 9 Revenue Models (3 Detail)

- **TJC Reporting**
  - Consolidated Financial Information
  - Actual, Budget, Proj/Re Projection
  - Allocations
  - Statistics, KPI’s
  - Financial Stmts
Dimensionality

Standard Dimensions-Across Each Application
- Account - Income statement, Statistical, Balance Sheet & Cash Flow (1000+)
- Period - Monthly, QTD, YTD
- Year
- Scenario - Budget, Projection, Re-Projection, Actual, Variance Scenarios
- Version - Working, V1, V2,… and Final
- Cost Center - (up to 1,700+ members)

Other Dimensions-Dependent on BU Requirements
- Customer
- Product Line (150+)
- Surveyor Type
- Business Unit
- Program Code
- Item Code
- Region
A Dedicated “Core” Cross-Functional Team

- Finance & IT project lead
- TJC/JCR PFA & IT Team Members
- 3 Developers (consultants) Emtec
- Project Manager-Emtec
- Finance & IT Management
- Finance subject matter experts
- Other IT Resources

- = As needed
- = Core

Architect
Configuration Management
Etc.
Results Achieved and The Keys to Success
Today – Results Achieved

- Vastly improved Budgeting and Projection/Re-Projection/5Yr Proj processes
- Two (2) Weeks to complete First Draft of Budget
- Product Line Budget now completed at same time as Management Structure Budget
- Revenue and Expense Models are in sync
- All Human Resource Planning in WFP
- Integrated Balance Sheet and Cash Flow
- More visibility into assumptions (e.g. trips)
- Allow users to choose spreading method
- Expanded Version Control
- A streamlined approval process
- Improved reporting and more time for analysis
- Improved Standardization between Business Units
- One System for all information including Actual reporting
- A company wide rollout 100+ users
Keys to Project Success

✓ Sponsorship and support by CFO and CIO
✓ Consulting team business process knowledge helped guide design and implementation
✓ Participation from each business unit during Design, Testing & Training
✓ Flexibility during Development
✓ Administrator sessions during implementation-Knowledge Transfer
✓ Availability of consulting team to answer questions
✓ Regularly scheduled status meeting
✓ Issues Log
✓ Innovation on the Fly
✓ Standardization and Efficiencies
✓ Developed training program customized for TJC
So.....What’s next?

2015
- Planning Release Upgrade
- Profitability Application
- Five Year Strategic Plan
- Executive Dashboards
Questions

**Len Romano**: Senior EPM Specialist, Emtec
E-Mail: [len.romano@emtecin.com](mailto:len.romano@emtecin.com)
Mobile: (708) 819-0060