

Challenged by inefficiencies in long-term planning and treasury analysis, the University of Pennsylvania Health System turns to the integration of Hyperion Strategic Finance.

CLIENT SUCCESS STORY

BLUESTONE

INTERNATIONAL

SITUATION

The University of Pennsylvania Health System (UPHS), is a fully integrated health system including three hospitals, a faculty practice plan, the multi-specialty Perelman Center for Advanced Medicine, the Roberts Proton Therapy Center, home care and hospice and a primary care network throughout the Philadelphia metro area. Faced with the demands of a growing health system and the complexities of managing a more than \$3 billion enterprise, the UPHS finance team needed a more efficient way to conduct their long-range planning needs. The UPHS finance team was challenged by having to conduct their strategic planning in a budgeting software environment. In addition to the time delays created by calculating the forecast within the pre-existing system, they were also deterred by the inefficiencies of using Excel on the balance sheet, which was not directly connected to the detailed budget.

THE CHALLENGE

The UPHS financial planning team, led by David Honma, sought the help of Blue Stone International to integrate and upgrade their existing long-range planning environment, which consisted of budgeting and Excel-based systems, and to implement Hyperion Strategic Finance (HSF). In order to streamline their long-range planning and treasury analysis needs, the UPHS team needed a big-picture solution that would allow for improved company-wide decision-making and would eliminate the inconveniences of modeling in silos. Specifically, the team needed the ability to run ad-hoc scenarios on key underlying drivers, such as costs and revenues, as well as a unified modeling environment to model the income statement, balance sheet and statement cash flows.

Industry:
Healthcare

Needs:
Treasury Analysis
Long-range Planning

Product Solution:
Hyperion Strategic
Finance (HSF)

“We are leveraging the capabilities of HSF to improve efficiency by 75% in time and resources. We can now provide multiple scenarios on the fly that we didn’t even have the capability to do before. Now, running scenarios takes an hour when it used to take two days.”

David Honma,
Director-
Finance &
Systems

THE SOLUTION

After consulting with the UPHS team, Blue Stone International recommended the implementation of HSF to replace the existing dual budgeting and Excel environments for the utilization of ad-hoc analysis and integrated financial statement modeling. By creating a centralized server-based environment and incorporating HSF functionality, the solution allowed for future seamless integration with Oracle's Hyperion Planning and Oracle's Hyperion Essbase throughout the UPHS model. The centralized server also ensures standardization and process controls to create versioning efficiency. The Blue Stone International team replaced the current Multi-Year budgeting tool for Long Range P&L calculations and replaced the current Excel balance sheet and cash flow tool. The team created an integrated environment that operates in a fraction of the time of the previous platforms, allowing UPHS to quickly respond to an ever-changing business environment. The new solution required the development of a long range forecasting model that links strategic modeling and treasury functions on a common platform. Through requirements gathering, understanding the business need and working closely with the client, the Blue Stone Team was able to implement a financial model that simultaneously addressed multiple issues with their current set up and added features in the product to more efficiently manage their business.

THE RESULTS

Since implementation in late 2009, the UPHS Team is pleased with the vast amount of time saved consolidating spreadsheets, setting up scenarios, creating reports, and validating data integrity. And now, when senior management requests information, it is available in a timely fashion, allowing the team to spend their valuable time providing additional analysis. With the new HSF system in place, the UPHS team has seen immediate improvements in efficiency and time saving. The time it takes to conduct their long range strategic planning has been cut drastically- what used to take six to eight weeks – can be accomplished in two weeks. Now the UPHS team can allocate more of their valuable resources to careful planning for their continued success.

ABOUT BLUE STONE INTERNATIONAL
Blue Stone International, LLC is a leading global financial and strategy consulting firm. Offering a unique balance of financial, industry and technical expertise, we enhance the way our clients manage their financial processes. Serving clients with in-depth analysis and technology enablement through products and services that provide management with greater visibility into the company's overall financial condition. Our teams develop financial models and streamline processes for CFO-related activities, such as strategic planning, mergers and acquisitions, divestitures, corporate valuation and treasury management. Blue Stone International's specialized financial and strategy consulting services are globally recognized and valued for the results we help our clients achieve.

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