



Embracing Finance as the next logical step into ERP cloud

Equipping HR to support the evolving demands of the health care industry

The healthcare landscape changes every day. Some of those changes can be anticipated, but others cannot. With more than 13,871 employees, ChristianaCare Health System is one of the nation's biggest healthcare providers and the largest private employer in Delaware. As a prominent innovator in the healthcare sector, it sought to equip its people with the insight and flexibility needed to continuously adapt—whether encountering new regulations, innovations in patient care, or something entirely unforeseen. To break free of the rigidity imposed by its aging, highly customized, on-premise system, the organization recently

implemented Workday Human Capital Management (HCM) and Workday Payroll. As anticipated, the solution delivered many efficiencies and enhanced HR service delivery through greater mobility and self-service capabilities. But, it was just the beginning of the Health System's journey toward embracing the cloud. As Kristen Raber, Vice President of Systems Integration, and Rob McMurray, Chief Financial Officer of ChristianaCare Health System explained, the next logical step was to move into Finance, or more specifically into Workday Financial Management.

TRANSFORMATION

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Kristen Raber
Vice President of Systems Integration, ChristianaCare Health System

The Objectives

While some organizations may be hesitant to implement financials in the cloud, ChristianaCare Health System saw it not only as being feasible but also as being the most effective way to fulfill its vision of becoming a highly adaptable, agile organization. It was also a natural extension of its investment in Workday, which had been originally chosen as the Health System's HRIS platform largely due to its “all-encompassing” nature. Deloitte had previously assisted HR and Finance leaders at ChristianaCare Health System with their vendor selection process as well as with implementing Workday HCM and Workday Payroll, including helping them with process design.

“Coming out of the HCM implementation, we began to realize some productivity gains and efficiencies, which had a lot to do with increased collaboration between Finance, HR and IT. From there, we recognized we could gain efficiencies in other areas by extending our ERP model, and Finance was the next logical step,” observed Mr. McMurray.

Beyond efficiencies, there were other goals as well. “We also realized that by bringing together all of these modules and all of our data into a single platform, we could gain insight into our business we never had before and possibly couldn't obtain with disparate systems,” added Ms. Raber.

The Solution

The earlier Workday HCM project, which was described as “one of the smoothest implementations” the company had ever completed, made Deloitte a natural choice for helping to deploy Workday Financial Management. Considering that Finance in the cloud was relatively unknown territory for ChristianaCare Health System, Deloitte drew upon its extensive experience in Finance consulting as well as software-as-a-service (SaaS) deployment to help the organization to understand the potential benefits and to mitigate potential risks. Soon it became clear that a key aspect of the solution would involve redesigning the company's financial processes in order to leverage the attributes that Workday Financial Management brought to the table. As in the previous HCM implementation, it would also entail close collaboration across the Finance, IT and HR functions in order to realize operational efficiencies and ultimately the full potential of integrated enterprise data. This potential was further defined as insights into the business to make informed decisions, which could drive lower costs and higher quality patient care.

All told, the Workday Financial Management solution encompassed GL, AP, Fixed Assets, Endowments, Grants Management, Projects, Miscellaneous AR, Financial Reporting and Banking. Together, the joint Deloitte–ChristianaCare Health System team took the following actions to address the Health System's specific business needs:

- Assessed the organization's financial capabilities, redesigned key financial processes, and designed the system to match the desired changes.
- Completely overhauled the chart of accounts, reducing the number of entries from 3,000 down to fewer than 200. This was accomplished using some of the innovative functionality in Workday.
- Designed a new Financial Data Model, taking into account interrelationships with HCM data.
- Created executive scorecards within Workday that allow end users to quickly see where they stand against budgets and targets. Depending upon the business need, these scorecards are specific to users' departments, service lines or the organization overall, and they can be accessed via mobile devices as well as desktop computers.
- Managed change to end users, many of whom were very comfortable with the status quo. This required building trust through effective communication, a willingness to make mistakes, the flexibility to adjust as the project progressed, and the tenacity not to give up.



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Rob McMurray
Chief Financial Officer, ChristianaCare Health System

The Results

As anticipated, the Workday Financial Management implementation delivered greater flexibility around reporting and better operational efficiencies. For instance, the new system greatly reduced the manual use of spreadsheets, and the Finance organization has condensed its monthly close cycle from seven days down to four. The new system also introduced a simpler way of resolving problems. As Mr. McMurray explained, in the past when team members would encounter a difficulty, they would take information out of the system, put it into a spreadsheet, analyze it, and ultimately put it back into the system. Now, they can directly adjust the system to adapt to business changes, which decreases reliance on manual intervention.

In addition to achieving its stated goals, the project also delivered some unexpected benefits. “As a result of the implementation, the collaboration we’ve built among departments is better than in the past. Now, IT, HR and Finance can work together to come up with ideas of how to be more efficient or provide better service, and that is a big win for us,” said Mr. McMurray.

As one might expect, the implementation produced some valuable learnings, which Ms. Raber and Mr. McMurray were eager to share. They suggested that those contemplating a Workday implementation may wish to consider doing HCM, Payroll and Financials together because decisions made during one deployment will impact subsequent ones and the cross-functional process ramifications may not be readily apparent in a sequential roll-out. They also stressed the importance of designing processes with the company’s future in mind. As Mr. McMurray noted, “what really made the project successful was that we implemented a system to match a vision of a process.” “Although it isn’t always easy, you have to be willing to be bold and to redesign processes, as opposed to just accepting what you’ve done in the past,” added Ms. Raber.

The Future

With the Workday Financial Management in place, the company expects to generate even more value from its platform by implementing Workday Prism Analytics in the near future. When this is complete, they expect to have the ability to access information related to cost of care, such as transactions across different patient demographics and payer classes. Importantly, the organization can access and analyze its financial data with confidence, knowing that Workday maintains a formal and comprehensive security program designed to ensure the security and integrity of their customers’ data. This program, which is continuously updated to defend against security threats or data breaches, makes the Workday platform just as secure, if not more so, than many on-premise, legacy systems.

In the end, the experience at ChristianaCare Health System demonstrates that Finance in the cloud is not only doable but also it has the potential to go beyond the original business case to provide greater benefits in the future. This potential can largely be attributed to the enhanced manageability and continuously upgraded functionality that come with a SaaS-based platform.

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