Healthcare Company Enhances Modeling in Workday Adaptive Planning to Boost Forecasting & Scalability

CASE STUDY

Challenge

A new ERP implementation required a reimplementation of Workday Adaptive Planning to clean up modeling and data.

Solution

Armanino's Workday experts helped the company build more robust models and streamline data consolidation.

Result

The company developed more flexible and scalable budgeting and forecasting models while automating data flow into their ERP.

Major Acquisition Exposes Modeling Limitations and Need to Consolidate Financial Data

A healthcare company that provides anesthesia services to hospitals and surgery centers and functions as an anesthesia management company acquired another medical group in May 2020. This acquisition doubled the company's annual revenue to roughly $2 billion and expanded its operations to 25 states across the U.S.

From a management standpoint, the company's main goal is to enable the physicians and nurses in its associated medical practices to focus more on their core responsibilities by taking over the finance, billing and collections on its partners' behalf. The acquisition made this even more challenging and exposed some systems limitations.

The company has always had a complex business and revenue model. In 2018, it began making investments into reporting tools and improving its budgeting and forecasting capabilities by implementing Adaptive Insights for its management reporting.

After the 2020 acquisition, leadership recognized that they needed to consolidate their recent acquiree's financial data with the company's existing information. To bring together this disparate accounting and operational data, they chose to implement Workday as their ERP system — determining that the solution was the most compatible with their business and technology aims. Stakeholders also wanted to reduce the number of reporting systems the company used for everything from billing to human resources processes into one or two solutions.

During the Workday implementation, however, the company ran into challenges with its current instance of Workday Adaptive Planning because the business had outgrown much of its modeling. Leadership saw that many of their existing budgeting and forecasting models needed to be reconfigured for other purposes and they needed to build out new models that would align with their growing business.

Collaboration Key to Complex Dual System Implementation

As the company struggled to sync its iteration of Workday Adaptive Planning with their ERP, its leaders consulted with Armanino, a top-25 accounting and business consulting firm in the U.S. that had partnered with the company for previous implementations. Since Armanino had innate knowledge of the company's business and brought continuity to the project, leadership decided to team up again with the firm.

Together, the two sides concluded that reimplementing Workday Adaptive Planning would be the best method to account for the substantial changes in structure setup and to achieve the organization's larger financial planning and analysis goals.

The Armanino team worked closely with the company to keep the project running smoothly. "There were a lot of moving parts, but Armanino was very flexible and organized. They prioritized our critical needs and helped keep us on track." the company's finance director said.

With the scope of work expanded, the two sides extended the implementation timeline. The company took this extra time to clearly define the steps required to reach its main goals, which were to have more consistent data and streamline and enhance its financial models.

Armanino worked alongside the finance team, reviewing all the company's previous models, determining what the overall objective was from each and then roadmapping how to fill the gaps to capture all the data. The finance director was appreciative of the extra value the Armanino team brought to the collaboration.

"They always brought ideas to the table as opposed to just asking what we wanted and saying they'll go do that. There was an extra thought process that identified our aims, how they could do it and if it worked for us. That's really rare when working with consulting firms."

More Robust Modeling and Consistent Data in Half the Time

Since partnering with Armanino to implement Workday Adaptive Planning, the company has realized significant savings in time and improved the consistency of its data.

The finance team uses a new general ledger system that feeds directly into its accounting system and auto-refreshes daily. Additionally, hierarchy and system updates are automated. When combined with the streamlined reconciliation process, the finance staff reduced their number of manual tasks and can now deliver vital analysis for the company's long-term projections in real time.

Budgeting and forecasting models are more robust and flexible as well. "This was difficult because our revenue is pretty complex," noted the finance director. "There's a volume part and also a rate component that varies in each state. With our new instance of Workday Adaptive Planning, we're able to bring in rate tables for each state and adjust for the management and service sides of the business. Instead of making changes in one, then another and so on, there are now three to four places in a single system where we can make adjustments and they're reflected throughout."

Assumptions like these as well as in equity disbursements used to be an arduous Excel exercise that required the finance team to manually pull the data and change it. Now, within seconds, they can make those adjustments and other assumptions that impact the entire company, and that data flows directly into its budgets and forecasts.

Going forward, the company is working with Armanino to continue to fine-tune its models to improve five-year and other long-term forecasts. The company's leadership also feels confident that a future acquisition or significant growth event could be absorbed into its current systems and models more effectively. And, if such an event required additional help from an outside partner, leadership knows they can count on Armanino again to streamline that process.

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