LPA SYSTEMS

University Medical Center

Enhances Performance Management with IBM Cognos TM1

Business Overview

One of the nation's top academic university medical centers ("University" or "Medical Center") forms the centerpiece of the University's health research, teaching, patient care, and community outreach missions. With more than $100 million in federal research funding, the university's research funding ranks in the top one-quarter of U.S. medical centers, while the School of Nursing ranks 12th highest in funding. The University's health care delivery network is anchored by a 700+ bed hospital which boasts programs that consistently rank among "America's Best Hospitals," according to U.S. News & World Report. Patients benefit from the Medical Center's robust teaching and biomedical research programs.

Business Challenge

This project had the following goals:
- Reduce the time required for Profit and Loss (P&L) statements to be available to key decision makers
- Reduce the manual effort required for individuals to create, manage, and validate the P&Ls
- Allocate costs using a variety of methodologies, from larger pools to specific provider-level cost items, in order to better management performance
- Support the analysis of P&Ls across physicians, sub-departments, departments and ad-hoc
- Enable on-demand, self-service reporting for key decision makers
- Reduce the likelihood of errors being introduced into the process
- Provide an auditable solution to ensure accountability and track changes over time
- Enable a single source of data off which all reporting is based

Solution

Working closely with the Medical Center's finance team, LPA designed and implemented a model that serves as a stable, reliable foundation to enable the reporting, dashboarding, and analytical capabilities of the requirements using IBM

Cognos TM1 and IBM Cognos Business Intelligence technology. The data is stored in a Cube architecture which is optimized for use by the business intelligence layer. The ETL process corrects known data integrity issues, implements business rules including complex allocations, and calculates formulas to maximize analytical performance by using fact-based, aggregated reporting.

Standardized, pixel-perfect reports were created to address the specific P&L Reporting Requirements of all stakeholders. These reports are bursted monthly and delivered via the Medical Center's portal to hundreds of designated individuals, and are available on demand interactively via the Cognos Connection portal.

Results

By automating the import, allocations, and reconciliation processes, the manual processing time decreased from three weeks of effort to one week.   Analysts are now spending time analyzing performance rather than pulling data together and manually reconciling.

Because TM1 has only one source of truth, it both dramatically decreases the risk of introducing errors and establishes more analysis points and hierarchies. TM1's built-in auditing capabilities provide the necessary audit trails.

Reports are available to key stakeholders much earlier in the monthly close cycle, thus allowing corrective actions to be taken sooner. Allowing time-sensitive cost management decisions to happen weeks earlier will provide a significant financial improvement to the performance management process in the organization.