



CASE STUDY

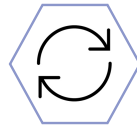
ORNGE TRANSFORMS FINANCIAL PLANNING PROCESSES TO GAIN EFFICIENCY

FINANCIAL PLANNING & ANALYTICS



SUPPORTS CHANGING NEEDS

Accurate planning for an evolving enterprise



AUTOMATES PROCESS

Data pre-population from multiple source systems speeds data collection and modeling



SAVES TIME AND COST

Automated scenario modeling and complex calculations improve accuracy while reducing effort

Accurate planning for an ever-changing organization

In recent years, Ornge has undergone significant operational change—which has had a major impact on the way it manages and plans its finances. For example, the organization has invested in its own fleet of helicopters and fixed-wing aircraft, adding significantly to its asset base; its organizational structure also now includes around 100 cost centers, and it has a new senior management team and board of directors.

Meiqing Su, Manager, Financial Planning and Analysis, explains: “The increasing operational and organizational complexity, combined with new requirements from both our management team and the Ministry of Health, were putting a lot of pressure on the finance team.

“We recognized that our existing financial budgeting, planning, reporting and consolidation (BPRC) processes were part of the problem: we were relying on manual processes to collect data from a number of separate source systems into more than 200 spreadsheets, and then emailing them to our cost center managers to gather additional input. The finance team then had to consolidate the results manually, which was very time-consuming. There were also a lot of manual processes in other areas, such as uploading budgets into our ERP system, and updating capital budgets and depreciation.”

Inna Kravitz, Director, Financial Planning, Treasury and Analysis at Ornge, adds: “We wanted to design a much more

flexible process for BPRC tasks. The aim was not only to save time and costs, but also to enable us to provide new types of analyses, such as rolling forecasts, which just weren’t practical with a manual approach.

Teaming up with IBM and Prolifics to build a flexible finance solution

As a government-funded organization, Ornge went through a rigorous procurement process, issuing separate request for proposals for financial performance management software and implementation services. Following an in-depth evaluation of more than ten proposals, Ornge selected IBM Analytics solutions as the software platform, and IBM Premier Business Partner Prolifics as its implementation partner.

“I wasn’t directly involved in the procurement process, but the first time I met the Prolifics team, I knew we had made the right choice,” says Meiqing Su. “They clearly had the expertise to turn our vision into reality. We had already drawn up a very detailed requirements document, which they understood immediately, and they were able to advise us on best practices for delivering a solution that would precisely fit our needs.”

Prolifics helped to design and build a solution that uses IBM® Cognos® TM1® to model the company’s financial structure and automate many business-critical budgeting, planning, reporting and consolidation tasks. As a result, Ornge can perform these tasks much more quickly, securely and transparently than ever before.



About Ornge

- ▶ *A vital, not-for-profit part of Ontario's health care system*
- ▶ *Provides high quality air ambulance and medical transport services for people who are critically ill or injured*
- ▶ *Operates the largest air ambulance and critical care land ambulance fleet in Canada, and performs more than 18,000 patient related transports per year*
- ▶ *Serves more than 13 million people across 1 million square kilometers of land—the size of France, Spain and the Netherlands combined*

Business Challenge

- ▶ *Business structure, management team and asset base are constantly evolving*
- ▶ *Maximize agility in financial planning and analysis processes*

Solution

- ▶ *Replaced inflexible spreadsheet-based processes with automated, integrated financial planning processes and tools*
- ▶ *Powered by Prolifics TM1 Accelerator, IBM Cognos TM1 and IBM Cognos Disclosure Management*



The solution automates the collection of data from multiple source systems, including ERP, payroll and operational systems. This data is used to prepopulate the budgeting and forecasting models with current and historical information, such as up-to-date personnel records, and budget figures from previous years.

Once the data is in place, cost center managers from across the business can log in to a user-friendly web portal where they can review the current figures, input their estimates for the next budget or forecast, submit them for review, and approve or reject the final figures.

The data they input is instantly consolidated by the IBM Cognos TM1 model, so the finance team can immediately see which cost center managers have completed their contributions, and how the overall budget is affected.

Inna Kravitz comments: "The solution keeps track of all contributions and approvals, so we have complete visibility of the progress of each budget cycle, as well as a full audit trail. Instead of searching through hundreds of old emails and spreadsheets when our auditors have a question, we can instantly provide a complete record of every stage of the process."

In addition to enhancing the annual budgeting process, Ornge and Prolifics have also developed a new rolling forecast capability and a five-year planning tool, which enables the organization to model different scenarios and perform what-ifs.

Meiqing Su says: "We can look at best-case, worst-case and intermediate scenarios for a range of different factors, simply by creating a new version of the current budget and adjusting the underlying assumptions. Previously this would have involved making and managing copies of hundreds of spreadsheets, and running all the calculations for each version. Cognos TM1 makes it very easy."

To complement the new rigor and automation that IBM Cognos TM1 has brought to the organization's planning and forecasting processes, Ornge has also worked with Prolifics to implement IBM Cognos Disclosure Management.

Meiqing Su explains: "We're currently testing Cognos Disclosure Management for our annual reporting process. Typically, the challenge with annual and quarterly reports is that the report-writing team takes the consolidated figures and writes up a lot of narrative context around the numbers—but then the numbers get updated, and the whole document needs to be revised line-by-line to ensure that each time a figure is mentioned, it's the correct, up-to-date number.

"Cognos Disclosure Management solves this problem by directly linking the data in Cognos TM1 to the final report document—so if the numbers change, the whole report gets updated automatically. This could potentially save us a huge amount of time on checking and re-checking our reports before we submit them to the board and our external stakeholders."

Looking back on the engagement with Prolifics, Inna Kravitz comments: "Prolifics' knowledge and experience were key—they brought a very strong team, and their combination of finance and IT background made it easy to communicate our needs. They understood us from the beginning, and they were very professional and responsive: when we had an issue, they replied immediately, and they were prepared to work evenings and weekends when necessary to help us keep the project on track."

Accelerating financial performance management saves time and costs

By automating many previously manual processes, and eliminating the need to create, populate and manage complex networks of linked spreadsheets, Ornge has already been able to streamline its budgeting, planning, reporting and consolidation workflows significantly.

Meiqing Su comments: "Automating the import of data from our source systems into our budgeting model has cut our finance team's workload on these tasks by 25 to 30

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Meiqing Su
Manager, Financial Planning
and Analysis
Ornge

percent. Automating the consolidation of the figures we receive from our cost-center managers delivers significant time-savings too—helping us accelerate our planning and reporting cycles and deliver actionable insights to the business faster.

“As an example, creating our financial review reporting package used to occupy four of our senior analysts for a whole week every month. Now, the turnaround time is two days, and almost all of the work is proper analysis and dialog with the business, not number-crunching. So as well as saving time and effort, our analysts are able to add much more value to the process.”

She also mentions the impact of the new solution’s ability to calculate sophisticated metrics automatically, such as full-time equivalency (FTE).

“Our budget cycle runs monthly, but some of our staff are paid on a biweekly basis—so in the past it was difficult to reconcile the total number of working hours, the FTE numbers, and the payroll figures. Prolifics helped us use Cognos TM1 to calculate and split the hours accurately per month, so we can match the dollars in our payroll and accounting systems and eliminate variances immediately. As a result, FTE reporting, which used to be a two-day manual process, now takes about a minute.

Inna Kravitz adds: “Now that we own our fleet of helicopters and airplanes, our asset structure has become much more complex too, so it’s vital to be able to manage our capital budgets and keep track of factors such as depreciation. Cognos TM1 handles these kinds of calculations automatically, reducing effort, complexity and the risk of errors.”

From the perspective of Ornge’s cost center managers, the solution is also a major improvement. Using the web interface, they can easily interact with data, drilling through from the budget to the underlying transactions without needing to log into multiple systems. With an enhanced view of the underlying data, they can effortlessly look at previous years or previous transactions to help them make better budget estimations, or compare actuals to forecasts and drill down to understand and explain variances. This means that the organization is able to set targets more realistically, identify problems faster, and respond more quickly to keep financial performance on track.

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Inna Kravitz
Director, Financial Planning,
Treasury and Analysis
Ornge

Meiqing Su comments: “Since our budgeting and forecasting processes are so much easier both for the finance team and for the business, we can be much more responsive and flexible. Instead of being limited to rigid quarterly forecasts, we can now move to a rolling forecast model, which helps us identify issues faster and continuously analyze and optimize financial performance.”

Inna Kravitz concludes: “Our partnership with IBM and Prolifics on this project has helped us transform Ornge’s financial processes, saving countless hours of work and empowering our analysts to focus on adding value rather than just crunching numbers.

“We now have an automated, user-friendly, fully transparent approach to budgeting, planning, reporting and consolidation that enables us to advise and guide the organization more effectively, and adapt and evolve when new challenges arise. Ultimately, this means a more efficient, more cost-effective, and better managed air ambulance service that can deliver the best possible standard of care to our citizens.”

ABOUT PROLIFICS

Prolifics creates a competitive advantage for organizations around the world by implementing customized, end-to-end IT solutions that achieve business success, leveraging IBM, Microsoft and Open Source technologies in a global delivery model. For more than 35 years, the company’s technology expertise, industry-specific insights and certified technology accelerators have transformed organizations around the world by solving complex IT challenges. For more information, visit www.prolifics.com.