

# Case Study

## FRx Is Just What the Doctor Ordered for Large Community Healthcare Center



### LAKE HOSPITAL SYSTEMS

**Industry:** Health Care

**Location:** Northeast Ohio

**Number of Employees:** 2,200

**Years in Business:** 101

**Software Used:** Microsoft® Business Solutions for Analytics–FRx®

### Microsoft® Business Solutions for Analytics–FRx® Gives Lake Hospital System Valuable Insight Into Departmental Performance, Improving Accountability and Analysis

#### PATIENT CARE COMES FIRST

At LHS, patient care and customer service are paramount. While providing excellent patient care is extremely valuable and important in the hospital industry, Don Urbancsik, director of financial services and controller for LHS, and his team agree that financial management issues should not be overlooked.

“One of the biggest challenges in the medical industry is that department directors are healthcare providers first and financial managers second,” Urbancsik said. “The directors realize that finances are important because they may impact the quality of patient care.”

#### ACCOUNTING TEAM LOOKS FOR SOMETHING TO EASE THE PAIN

When Urbancsik first arrived at LHS in December 2002, his first challenge was to develop a better internal variance reporting process. Before using Microsoft® Business Solutions for Analytics–FRx®, the accounting team of more than 10 workers produced monthly responsibility reports that detailed each department’s performance. They printed, manually packaged and delivered the reports to more than 70 directors and senior managers overseeing various departments including nursing, radiology, surgery, human resources and information technology. Due to the manual distribution process, these reports were regularly sent out four weeks after the information was available.

The reports were then reviewed by the directors and managers, but the accounting department rarely received feedback or responses from them. Very few department managers turned in monthly variance reports, which are instrumental in tracking discrepancies between expenses and budgets. Without these reports, Urbancsik and his team were lacking an accurate and timely view into the financial health of LHS. The accounting team struggled to efficiently track business performance on a regular basis.

“In healthcare, directors and managers are the eyes and ears of the finance department,” Urbancsik said. “HR budgeting is such an important factor in the medical industry that we rely heavily on our managers to explain their staffing issues and expenses. They are closest to the action.”

#### DEPARTMENT MANAGERS CONTRIBUTE TO ORGANIZATIONAL HEALTH

To effectively hold department managers responsible for their finances and to encourage participation in the financial management process, Urbancsik purchased FRx. The user-friendly interface and extensive drill-down capabilities in FRx allow department managers of all technical skill levels to quickly compare their HR expenses and other operating costs to monthly budgets. The intuitive layout and extensive capabilities of FRx allow users to answer their own questions and become more accountable for their department’s ongoing performance.

One month after FRx was implemented, 90 percent of department managers were submitting their monthly variance reports. Urbancsik believes that the electronic distribution process and drill-down features save an additional hour during the process. As such, using FRx saves LHS more than \$3,000 per month and \$37,000 per year in added support costs.

Microsoft® Business Solutions

**FRx®**  
Analytics

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“Because FRx is automated and easy to use, our managers have a tool to make their financial responsibilities easier,” Urbancsik said. “The variance reports from department managers save us a lot of time and cost, enabling the accounting team to create important financial statements and analyze significant trends in our businesses.”



**Impact:** The flexible and easy-to-use interface of FRx has allowed nonfinancial managers at LHS to understand and take responsibility for the financial happenings of their own department. With FRx, LHS has established an effective and efficient process of creating monthly variances, which gives the finance team direct insight into the financial health of the entire organization. LHS believes that FRx reduces the time it takes to create variance reports, saving the company time and money.

### Continued:

The rich feature set and integration of the FRx interface with LHS' enterprise resource planning system enables managers to quickly examine their numbers and create standardized variance reports for the accounting team. One month after FRx was implemented, 90 percent of department managers were submitting their monthly variance reports. Urbancsik believes that the electronic distribution process and drill-down features save an additional hour during the process. As such, using FRx saves LHS more than \$3,000 per month and \$37,000 per year in added support costs.

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### FRx CURES WHAT AILS

With a streamlined reporting process and increased support from department managers, Urbancsik and his team have more time to analyze financial data and identify important trends in their business. By using FRx, Urbancsik has cut the time it takes to run the departmental performance reports in half.

“FRx provided a tool that makes our job easier, and as a result of the reorganized and efficient process, the staff has been more productive,” Urbancsik said. Lake Hospital System can be more confident in its financial numbers, and with more insight into the financial health of each department, Lake Hospital System is better prepared to meet its strategic objectives and business goals.

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