



LifeMasters Calls on Cognos TM1 and Revelwood to Drive Business Growth with Improved Visibility and Insight into Concise and Actionable Data

Overview

Country: United States
Industry: Healthcare

Customer Profile

LifeMasters Supported SelfCare, Inc. is a leading provider of disease management programs and services to help individuals achieve and maintain optimal health.

Challenge

Rapid growth required real-time visibility into financial and operational information to facilitate prioritization and critical decision-making.

Solution

A comprehensive BPM solution with IBM Cognos TM1 and Revelwood's BPM Suite. LifeMasters is now equipped with the financial and operational insight to manage the growth of the business in a rapidly changing environment and make strategic decisions more quickly.

BPM Components

- TM1 Server
- TM1 Turbo Integrator
- Revelwood's BPM Suite
- Microsoft Excel

Benefits

- A comprehensive and integrated Excel-based BPM application
- Automated data collection from disparate systems
- Flexible, real-time reporting
- Visibility into clear and concise actionable data
- Ability to understand true client profitability

"Managing rapid growth is a common business challenge which requires clarity and critical decision-making. Having timely and accurate information facilitates prioritization which enables us to achieve profitable growth and continually improve our earnings predictability."

*Debby Morris
CFO, LifeMasters Supported SelfCare, Inc.
Partner, Tatum LLC*

LifeMasters Supported SelfCare, Inc. is a leading provider of disease management programs and services that create health partnerships among individuals, their physicians and payors. Their mission is to help individuals achieve and maintain optimal health. LifeMasters' customers include some of the nation's leading health plans, employers, retirement systems and governmental organizations that are accountable for the cost and quality of healthcare.

Business Performance Management Helps Manage Growth

As an innovator in healthcare services, LifeMasters has experienced enormous growth. The company grew from just over 400 employees a year ago to over 1,000 today, and expects to have approximately 1,300 employees by the end of 2006. As with many high-growth firms, it is often challenging to gain visibility into clear and concise data to drive operating margins and impact client profitability.

To gain the performance that LifeMasters required, the organization decided to embrace business performance management (BPM). BPM's processes and technology would help the company get data out of their accounting and other operational systems and turn it into actionable information.

After evaluating several leading BPM suites and platforms including Hyperion and OutlookSoft, LifeMasters selected Revelwood to implement Cognos TM1, a multi-dimensional application, for its real-time response, flexibility and Excel integration.

"Finding a BPM system that is fully—and seamlessly—integrated with Excel on both the front-end for gathering budget input, as well as the back-end for analyzing, reporting and presenting, was absolutely essential," LifeMasters CFO and Tatum Partner, Debby Morris noted. "This is counter-intuitive to what some finance folks think. Excel is not the problem—we all use Excel to analyze and present data—the problem is automatically gathering the information from our other systems including Great Plains and Ulti-Pro, as well as our claims and operational data warehouses, and having it organized in a multi-dimensional manner. TM1 gives my team the ability to spend more time analyzing data and less time gathering it, which results in faster and more accurate business decisions."

Visibility into Data

The first step in establishing a BPM solution was to implement a comprehensive budgeting, planning and forecasting application. LifeMasters worked closely with Revelwood to configure the TM1 cubes of data and deploy the application. To add depth and breadth to the BPM solution, LifeMasters selected Revelwood's BPM Suite, a pre-built, entirely adaptable structure built on best practices with additional BPM functionality. By consolidating the activities from an existing, inflexible and massive workbook into an integrated Excel-based application, LifeMasters was able to improve the accuracy, timeliness and "meaning" of its numbers.

Deploying a BPM solution set the stage for LifeMasters to gain the understanding it sought. Unlike other BPM solutions that rely on 'batch processing'—where updates are made daily—the TM1 architecture provides in-memory calculations, enabling changes to be made and reflected instantaneously. LifeMasters can now change its business assumptions on-the-fly and have those changes immediately impact appropriate portions of the budget, plan and forecast.

"Revelwood understood our true requirements. They actively participated in the innovation that was part of the system design. Their vision, knowledge, experience, flexibility and support clearly exceeded expectations in all regards," said Morris.

Tracking Operational Expenses and Client Profitability

LifeMasters' services are delivered through four call centers, which house the majority of the clinicians and administrative personnel, and represent the core source of revenue as well as the organizations' largest expenditure. LifeMasters not only needs to manage the facility and operational services costs, but also the cost per department and employee to properly price new business, perform critical capacity planning and to determine when to initiate actions to open a new call center.

Scenario planning—or 'what-if' analysis—is key to LifeMasters' understanding and managing their business. "By running analyses of specific contracts and even individual participants, regions and demographics, LifeMasters can understand both what the core operating costs will be and the staffing required for each client," said Sherril Clark, Performance Manager at LifeMasters.

Furthermore, LifeMasters is able to allocate expenses—such as payroll, data analysis, custom reporting and other costs—to each contract, helping them gain insight into true client profitability.

Moving Forward

LifeMasters, with the guidance of Revelwood, determined that the best way to achieve their business, financial, operational and IT goals for their BPM system was to take a phased approach. Planned phases include:

- Business unit scorecards to supplement the existing corporate scorecards
- Service pricing, trending and analysis
- Volume and capacity planning
- Web deployment

"Not only has TM1 provided us with the visibility and flexibility we required, but it also delivered a level of detailed information that we simply did not have before," said Morris. "LifeMasters' senior executives, as well as the Board of Directors, are extremely pleased with the visibility that TM1 and Revelwood's BPM Suite have already delivered. We have only just begun helping them gain insight into true client profitability."

About Revelwood

Revelwood offers products, implementation services, training and support that bring ease, speed and flexibility to enterprise budgeting, planning, reporting, consolidation and analysis—all on a single, common platform, IBM Cognos TM1. Additional information on Revelwood can be obtained by visiting www.revelwood.com.

About IBM Cognos TM1

IBM Cognos TM1 software provides a real-time approach to consolidating, viewing and editing enormous volumes of multi-dimensional data. Using a patented, 64-bit, in-memory OLAP server, IBM Cognos TM1 has received some of the industry's highest ratings for helping organizations drive better business decisions, with faster implementation times and lower IT costs.

About Tatum

Tatum is the largest and fastest-growing executive services firm in the United States, helping companies in transition to accelerate business success and create more value.™ Through more than 30 offices nationwide, Tatum's 500+ executive partners and principals provide strategic and operating leadership in finance and information technology. For more information on Tatum, please visit www.TatumLLC.com.

Contact Information

Start linking your corporate strategy to operational activities and results today with Revelwood's BPM solutions to ensure your organization's long-term success.

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