

REVELWOOD CASE STUDY

Leveraging Complex Modeling in IBM Planning Analytics Powered by TM1®

OVERVIEW

Country: United States
Industry: Healthcare

CUSTOMER PROFILE

New York Blood Center

CHALLENGE

New York Blood Center needed to completely overhaul its financial reporting system and processes in order to deliver more accurate, consistent and timelier information to its senior executives and Board of Directors.

SOLUTION

Revelwood built several custom and complex models in IBM Planning Analytics to incorporate data from disparate systems into one fast and comprehensive planning and reporting solution.

BENEFITS

- Regular and timely monthly reporting with greater detail and visibility for line-of-business managers, senior directors and the Board of Directors.
- Easy integration with other systems to report on strategic merger and acquisition activities.
- The ability to perform complex modeling and forecasting, allocations and driver-based planning, enabling more accurate reporting on revenues and expenses by department.

“Because of IBM Planning Analytics, and the depth of information we have at our fingertips, our team can perform many different types of revenue and productivity scenarios and analyses.”

New York Blood Center (NYBC) is one of the largest independent, community-based blood centers in the country. NYBC's mission is to serve the 20 million people in the New York metropolitan area—and more broadly, our nation and the world—by alleviating human suffering and preserving human life using its medical expertise. Each year, NYBC provides more than one million blood products to nearly 200 hospitals in the Northeast. NYBC also provides a wide array of transfusion-related medical services. It is home to the world's largest public cord blood bank, which provides stem cells for transplants in many countries, a renowned research institute which tested and licensed the first low-cost Hepatitis B vaccine and innovative blood purification technology.

Transforming Financial Planning and Reporting

In 2012, NYBC brought in a new CFO, Beth Gibson, followed a year later by a new finance director, who was charged with overhauling the center's financial reporting system and processes. Diane Arritt, who took the role of Director of Finance Transformation, found a financial infrastructure that had been in place for more than 10 years. Due to limited functionality, the business processes used to support the systems were largely spreadsheet-based and highly manual. As in many organizations, the data the team needed was in several different disparate systems. This meant that it took a long time to close the books and report on the center's departmental expenses and revenue.

“We downloaded financial information into complex spreadsheets with multiple links in order to report the monthly results in the format required by management,” said Arritt. “Just downloading the files was time-consuming; the team members would literally start downloading the information in the morning and the job would not finish until late afternoon.”

As with many companies in a wide range of industries, NYBC had limited resources with which to overhaul the system. It was vital for them to select the right financial reporting and planning solution, and the right business partner to help them design and grow the system.

“We asked Revelwood to build a proof-of-concept application, based off of a complex Excel model we provided them with,” commented Arritt. “While they were building the POC, the inherent transparency of TM1 became apparent.”

Today, NYBC relies on IBM Planning Analytics for all its planning, financial reporting and analysis needs. Revelwood started by building a core set of TM1 models to store general ledger, billing, payroll, accounts receivable and accounts payable data. Each model was then built out to support the reporting and planning needs for NYBC. A series of allocation models were created to allow for proper distribution of overhead costs across NYBC reporting lines of business. The allocation models also enable NYBC to report on costs per unit related to collecting and distributing the blood products. The IBM Planning Analytics system helps the organization to plan, model, allocate, report and manage the revenue and expense data faster, in more detail and more accurately than ever before.

About Revelwood

Revelwood helps companies optimize operational performance and financial results through the use of data and analytics. Experts in FP&A process and technology, we combine the industry's greatest planning and reporting software with best practices and pre-configured, out-of-the-box applications to help businesses achieve their full potential.

Gold
Business
Partner



Competency
Data Science &
Business Analytics

What makes Revelwood different?

- With hundreds of successful implementations under our belt, we're known as the industry's leading IBM Planning Analytics experts.
- Our out-of-the-box implementation accelerators and tools ensure that our solutions are delivered in a fraction of the time required by a standard implementation.
- Our implementation methodologies are built on more than 25 years of best practices to ensure the best results, on time and within budget.

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Beth Gibson
CFO

New York Blood Center

The overall impact of the new financial system is much larger than just the time savings, which is significant. With IBM Planning Analytics, changes that previously took more than a day can be done in just minutes. But now by eliminating Excel spreadsheets and manual processes, running reports that help validate financial results can be done throughout the monthly close process and reporting to senior management and business areas comparing actual to plan results can be distributed the day after the general ledger closes in accordance with a production calendar. This results in increased accountability of business unit owners for expense management and budgetary adherence during challenging economic times.

From Three-Month Long Processes to Timely Reporting

With the flexibility of IBM Planning Analytics, Finance is able to respond to questions from senior leaders and the Board of Directors about different products and what drives the financials in a timely manner. And, it is setting the stage for the future growth of NYBC. In today's environment, all organizations in healthcare are discovering the benefits and efficiencies of scale through consolidation. For example, in May 2014, NYBC acquired the Community Blood Center of Greater Kansas City (CBC).

“Previously, it would have taken us at least three months to map general ledger accounts and accounting units into our processes to do the appropriate reporting for an acquisition,” added Arritt. “Our team was able to produce combined financial results for management the first month we acquired CBC. We simply could not have done that without the hierarchies and flexibility of IBM Planning Analytics.”

IBM Planning Analytics provides NYBC with not just a sophisticated way to handle complex monthly reporting, but also a foundation for providing the organization's management with the bigger picture. The solution incorporates historical data and trends, enables the team members to perform driver-based planning, and to do complex forecasting and modeling—none of which was possible before.

“I am very pleased with the reporting and planning processes we have been able to put in place because of IBM Planning Analytics, and the depth of information we have at our fingertips,” stated Beth Gibson. “Our team can perform many different types of revenue and productivity scenarios and analyses. With easy access to such powerful financial information, Finance is seen as a value-added partner to our businesses and is able to support them in making strategic decisions that will enable us to meet our growth objectives.”