

## customer case study

**Owned and operated by physicians, Schumacher Group provides staffing and management for the emergency and hospital medicine operations of 187 hospitals in 23 states. Organized in 12 regions, the company has some 900 full-time employees (FTEs) and contracts with 2,500 clinical providers including MDs, Physician Assistants and Nurse Practitioners. Some 50 managers at various levels and locations are involved in its budgeting process.**

Schumacher Group's business grows 15 percent or more annually. The combination of growth and geographic span strained the manual way it used to do budgeting – using Excel spreadsheets circulated by e-mail. “The inefficiencies associated with that process were enormous,” CIO Douglas Menefee recalls. “In some years we didn't complete our budget before the beginning of the new fiscal year.”

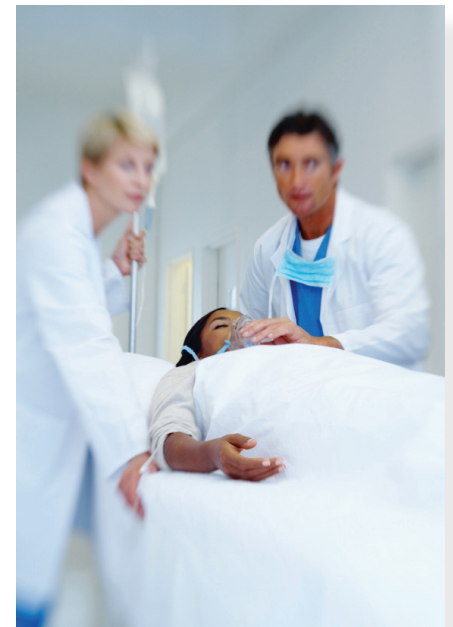
As well as being slow and time-consuming, the process created friction in the organization. Managers were frustrated because the numbers they would receive from corporate finance often didn't fully reflect the budget estimates they had sent in to start the cycle. These disconnects produced “a significant lack of accountability at the departmental manager level,” says Rena Cottam, Controller and Vice President of Finance. “There was no easy way to communicate why changes were made.”

For three years executives and finance staff had agreed that the company needed software for budgeting and planning, but other priorities kept intruding. The IT department in particular had a long list of core projects that required attention. After enduring the old method during her first year as VP of Finance, Cottam reiterated that change could not be put off any longer.

### SaaS, speed and savings

The finance team's product search identified a way to get around the limited availability of IT resources: Software-as-a-Service (SaaS), in which the vendor hosts and maintains the system, accelerates deployment and requires little involvement from in-house technologists. This approach was not new to Schumacher Group. “About 80 percent of our processes already lived inside a cloud environment,” Menefee says. “Host Analytics fit with our culture of embracing cloud-based solutions.”

He adds, however, that this was not the main reason that Host Analytics won the competition. “We focus on the business need, not the model of deployment,” he explains. “That was number one. Number two was the speed of implementation, and number three was the affordable cost.”



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**—Rena Cottam, Controller and Vice President of Finance, Schumacher Group**

Regarding that second reason, the team felt pressure as the next budget cycle loomed. Host Analytics got up and running fast. “Two weeks after signing the contract, our finance team was already using it,” says Menefee. “In two weeks I couldn’t even have had a server provisioned” for an on-premises product. The full implementation was completed in just six weeks. He adds that it requires only one IT person to address configuration and administration, while an on-premises solution would require three.

From the Finance point of view, in selecting the new software Cottam says she emphasized the benefits for the whole company of producing a more reliable budget and for managers of having more input and being able to track the details of all changes to their portion of it. “Host Analytics has transformed our budget process from a manual task with limited participation to collaboration among managers on building a detailed budget,” she says.

Schumacher Group has three classes of participants in the budget process: line managers, executives and finance professionals. For their part, the managers bought into the new system immediately. “We heard great feedback,” Cottam recalls. “It’s very unusual to have end users tell you how good brand new software is.” Among the leaders, she says, “Executive Management is now more involved and informed as to the details.” Both groups use the consistent information centralized in the Host Analytics database to make decisions at their levels. “Everybody is excited about having a one-stop shop for their financial and budget data,” Cottam adds.

Finance was able to reduce its head count by one FTE, and those who remain are able to dedicate more time to analysis instead of inputting and validating data. This bodes well for the department’s future, she predicts: “As the company continues to grow, we can capitalize on our investment in Host Analytics and not have to add people, especially around budget time.” This applies not only to Finance and IT but the whole company, as it begins to use data provided through the software as input to manage hiring and compensation for employees and contracts for the providers in hospitals.

## A better budget

Most of all, the new system and process have increased productivity. In the same time as it used to take to produce one basic version of the budget, Finance did four iterations that included review and feedback from both line managers and executives. This in turn leads to a more flexible and accurate budget. “You have a much better budget at the end of the day when you can spend the time analyzing the numbers and looking for opportunity instead of just praying that you’ve added up all those files correctly,” Cottam concludes.

The next immediate step is to implement forecasting, which will help all levels of the company understand their finances as they go forward. Schumacher Group prepared rolling forecasts in Excel but only at a summary level, according to Lisa Kleyla, Director of Finance. Host Analytics enables users to drill down to a level of detail that isn’t possible with a spreadsheet. “We will be able to produce more analytics to help managers see clear return on investments and effectiveness of spending,” she says.



## challenges

- Using Excel spreadsheets made budgeting a slow, time-consuming process
- Line managers were frustrated by having limited input into their own budgets
- Top executives lacked access to detailed information for decision-making

## solution

- Replace spreadsheets with Host Analytics Budget
- Expand management involvement in the budgeting process
- Implement forecasting and rolling quarters for visibility into the future

## results

- Finance accomplishes more analysis and provides better data in less time
- Managers buy into the process and are more accountable for their budgets
- Executives are more involved in budgeting detail and can make decisions with more confidence

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