

Austin & Repatriation Medical Centre

Sydney, August 17, 2001— Microsoft Great Plains (Nasdaq: MSFT) announced today that one of Australia's leading health institutions, Austin & Repatriation Medical Centre, has implemented its eEnterprise business management solution. Confronted by twin challenges of being able to operate under Australia's new tax system while also responding to requests for better management reporting so that available resources could be precisely allocated, Melbourne's Austin & Repatriation Medical Centre knew it was time to move on from its terminal-based accounting application. Microsoft Great Plains' eEnterprise has created a dynamic new work environment, empowering individuals, providing vastly better reporting and preparing the institution for e-business.

About Austin & Repatriation Medical Centre

Austin & Repatriation Medical Centre (A&RMC) is one of Australia's leading teaching hospitals and medical research centres, treating approximately 66,700 inpatients and 120,000 outpatients a year from three campuses.

Specialist services include treatment for heart conditions, spinal and head injuries, rehabilitation services, cancer and neurological disorders including epilepsy and stroke, liver and bone marrow transplant, aged care, thoracic disease, stress disorders, vascular and orthopaedic surgery, urology and psychiatry.

The prestigious University of Melbourne Departments of Medicine, Surgery, Psychiatry, Psychology and Physiotherapy are based at the A&RMC. All of the hospital's medical and surgical departments are actively involved in research, often working closely with a number of prestigious research bodies also located at the Medical Centre. All this makes the Austin & Repatriation Medical Centre one of the strongest

Solution overview

Industry

Healthcare

Scenario

Hampered by inflexible legacy applications, Austin & Repatriation Medical Centre realised it must upgrade to a new system if it was to trade successfully under Australia's new taxation system, while also operating in a way that would see it able to allocate the maximum possible resources to patient care.

Company Profile

A&RMC is one of Australia's leading teaching hospitals.

Situation

The flexibility of Microsoft Great Plains' eEnterprise means that A&RMC was able to install the software in time for the new taxation system while also reducing the time taken to perform banking reconciliations, greatly improving the system of making journal entries and introducing internal electronic transactions.

Software used

Microsoft Great Plains eEnterprise:

- General ledger
- Accounts payable
- Accounts receivable
- Cash management
- Fixed assets
- Inventory
- Purchasing

Implementation Partner

Professional Advantage

medical research precincts in Australia, offering patients care at the very forefront of medical technology.

Antique accounting system created inefficiencies

While A&RMC's medical facilities and services are at the leading edge of technology, in early 2000 the Centre's accounting facilities were not. "We operated a character-based system that was inflexible and offered poor reporting," said Financial Controller Andrew McDonald. "Finance department staff could use the application and understand the reports it produced, but managers struggled to derive any useful insights about where their budget was being spent, and on what."

This inability to understand expenditure was an impediment to the smooth operation of the hospital. "To make the best decisions about how to use our resources, managers need quick and easy access to accounting information, McDonald said.

"Under the old system, even relatively simple questions could take days to answer. We had to look in dozens of different places for information," McDonald said. "Even a simple question like 'how much did we spend on prosthetic hips last year?' could take a long time to answer."

McDonald said, "Confidence in accounting and management was low because we struggled to get results," a factor that made replacement imperative.

A need for cost-effective speed

Complicating this situation was the looming introduction – on July 1st, 2000 – of Australia's new taxation system. The main feature of the new system, the Goods and Services Tax (GST), could not be processed by the legacy accounting application without an upgrade.

"We needed to satisfy our managers and also make sure that we could operate under the GST," McDonald said. "And we had five months to get there!"

McDonald and his team therefore investigated possible sources for a new application, and settled on Microsoft Great Plains eEnterprise after a review of enterprise and mid-range systems. "We looked at the Oracles and SAPs," McDonald said, "but felt they were cost prohibitive and that there was no chance they would be implemented in time for the introduction of the GST."

Such systems also required significant re-skilling of IT and accounting staff.

The decision to acquire eEnterprise was therefore taken on the basis of the software's rich feature set. "We based our decision on the features of the software and the fact it was more usable than the competitors," he said. "It linked well to spreadsheets and other desktop software and the Explorer interface for drill-down was simple to operate for our managers."

Microsoft Great Plains was also able to offer an impressive range of functionality ‘out of the box.’ “We were impressed that the software had an electronic requisition module,” McDonald said. “This allowed us to replace paper requisitions with electronic transaction instead of forms, backed by a workflow system to handle approval of expenditure.”

Cost was also a factor. “We purchased a complete new solution for the price our previous vendor wanted for an upgrade,” McDonald said.

Solution Benefits

Implementing eEnterprise was accomplished in just six weeks and within the projected budget, making A&RMC ready for the introduction of the GST. “We filed our first business activity statement on time and were issuing cheques from eEnterprise the week it went live,” McDonald said. “Before we started we worried that a mid-range solution might not be enough to meet our needs. Today we know that it is well and truly enough!”

Another critical element of this rapid rollout was Microsoft Great Plains implementation partner Professional Advantage. “We were aware that while we were installing eEnterprise, Professional Advantage were upgrading many other customers to prepare them for the GST,” McDonald said. “So we were impressed that they wore some of the pain and worked nights and weekends to get the job done. Their commitment was an important part of the success of the project, the ability to deliver it within budget and the quality of our ongoing experience.”

Empowering budget owners on the Intranet

The new system has also made life easier for staff that manage budgets, who now make their calculations using Microsoft Excel spreadsheets. “In the past, we had to perform manual re-keys whenever someone changed a budget,” McDonald recalled. “Now, the managers use Excel to create their budgets and make their changes. We import their changes, which automatically ripple out across the system. It’s fast and easy, which is important, as we can revise the budget several times a year.”

Finance Managers can now also create their own reports anytime, using eEnterprise’s intuitive interface that allows access to all data without the need for IT department intervention. These reports are then published to A&RMC’s intranet, so they can be shared by staff on different campuses.

The effect of this new way of working has been profound, McDonald said: “The planning process is shorter and more accurate, which resources can be allocated appropriately and efficiently.”

Faster accounting and planning requiring fewer resources

The new eEnterprise solution has also slashed the amount of time required to perform bank reconciliations. “We now reconcile every day,” he said. “The process is a lot less

laborious, we're always on time and with automatic transaction matching we know that every transaction can be accounted for."

eEnterprise has had a similarly impressive impact on the institution's journals. "We can now import standing journals and attach a note to any journal entry, even a spreadsheet," McDonald said. "This means that there is always an explanation for every item in a journal, which makes it easy to decide whether to approve an item or file it for later analysis."

The future: going beyond internal e-business

A&RMC is also using eEnterprise's procurement module to make all internal requisitions of supplies electronic. Used in this way, the software is greatly simplifying the process of conducting internal transactions while also integrating it with accounting processes across different departments.

"We used to hand-write requisitions and then hope they got looked at in time, or didn't get lost. Now, requests go straight to the right person, and can't get lost. We even know when someone has been sitting on a requisition and not processing it," McDonald said.

This functionality has proved such a success, he now hopes to extend its use to external suppliers. "We have very good proof of concept for electronic procurement," he said. "Now we want to make it work for external suppliers. We'll keep exploring other Great Plains modules as well!"