

## INCA OFFERS SHAW HEALTHCARE A 'BELT AND BRACES' SOLUTION



Shaw healthcare is dedicated to providing high quality, specialist care for vulnerable people in homes, hospitals and private residences. They see competitive success as sure evidence of excellence of service, efficiency and value for money. For Shaw, continued competitive success depends on ongoing investment in staff, services and buildings, and in gaining economies of operation from greater scale. With this in mind, Shaw healthcare chose Inca Software to implement the budgeting and forecasting solution, IBM Cognos Enterprise Planning that they needed to continue and further their success as one of the most distinguished care providers in the United Kingdom.

### SPREADSHEETS CAUSE CONCERN OVER DATA INTEGRITY

Shaw's core business is offering residential and nursing care services in the community. With around 75 care homes in operation across the country, each operating as a separate business, it became vital for Shaw to have a capable financial product in place to support and further their business. Before Shaw implemented the IBM Cognos product, they used in excess of 200 interlinked worksheets /spreadsheets for budgeting and planning purposes. As the business grew this became very unwieldy, and as Martin Thole, Capital & New Business Accountant said, 'the risk of error creeping in became too great'. The maintenance of the structures of the spreadsheets and the number of linkages between them increased concern that the data was not flowing through the spreadsheets correctly. Greater assurance was needed over the data integrity. For example, with ongoing changes in the business, amending the spreadsheet structure in the current financial year often necessitated the need to amend the structure in the next financial year, duplicating effort and further increasing the risk of error. This was one of the main drivers for the decision at the beginning of 2005 to find a sophisticated budgeting and forecasting solution.

### INCA SOFTWARE OFFERS A SOLUTION

Shaw healthcare were introduced to the IBM Cognos suite of products by Inca. They had seen two different products as well, but by comparison IBM Cognos seemed to be, according to Martin, 'more belt and braces' than the others. It was also 'far and away the best of the products' they looked at.

Inca was pleased to supply Shaw healthcare with IBM Cognos Enterprise Planning, as it fulfilled all of the key planning challenges that Shaw wanted to resolve. The greatest of these was moving away from the fallibility of spreadsheets, and IBM Cognos would also provide a way of standardising as much as possible the approach Shaw took to certain costs and revenues. It enabled a reduction of the time taken to do the budget, which was previously very complex due to the different contract structures in place and the need for each of the company's care homes to have their own budget. The budgeting process using spreadsheets previously took anywhere between three and four months. With IBM Cognos, and the initial help of Inca, Shaw have already completed one budget



# CASE STUDY: SHAW HEALTHCARE

round in IBM Cognos, and are now comfortable with the data integrity. They are confident that with time the budget round will become quicker, and will involve less checking, and work on the 2008/9 budget is already under way, having recently completed two companies' budgets in two weeks. By starting the 2008/9 budget in IBM Cognos, Shaw have set up in effect two different versions of the model, so the budget is easier to modify. By using IBM Cognos, Shaw can now easily implement changes to the structure without worrying about the data integrity being compromised.

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## IMPLEMENTATION SUCCESS

Shaw healthcare had a lot of input in building the framework of the models in IBM Cognos; as Martin would be controlling the models it was logical that he would participate in building them. Due to some changes within Shaw's business, the implementation took place over several months, along with consultancy from Inca every three to four weeks, where the implementation team would look at particular breakdowns of the budget and decide the best way to approach it through IBM Cognos. After just a few short months Martin could comfortably use the models to build reports.

An example of this is that, since implementing IBM Cognos, Martin has found the time taken to provide board papers has been significantly reduced. Prior to IBM Cognos it took two to three days to compile the report, now it takes just half a day. Because the process is now automated there is no danger of typing in the wrong numbers and having to search through the report to find where the mistake was made.

An extremely positive outcome of choosing not only IBM Cognos but Inca for implementation and support is that Shaw healthcare has ownership of the model. Inca consistently conferred with

## BENEFITS ALREADY ACHIEVED

- Moved away from Spreadsheet inaccuracies
- Reduced time spent keying in data, more time to do analysis
- Shaw healthcare have ownership of model
- Ability to reforecast in IBM Cognos, not able to in Excel
- IBM Cognos adapts to company, not company to IBM Cognos

Shaw about the ways to build the model, and after some initial training it was Martin who controlled the implementation project. Martin commented, 'I wanted to do as much of the build as possible so that I would understand the flows of information, and what needed to be done'. Inca always encourages their customers to own their own model, as after all, no one understands a company like someone who works there, and it is part of Inca's high quality service to provide training and consultancy in such a way that the customer will always be in possession of their model. With Shaw there is no doubt that this was achieved, indeed, with just a few days of training Martin and a colleague had sufficient knowledge to begin building their own balance sheet and cashflow system in IBM Cognos, with a little help from Inca if needed. Martin certainly agrees that this is a beneficial way of doing things, and says IBM Cognos is a 'very good tool, and I've got to grips with it very, very well'.

## MOVING FORWARD

In the future, Shaw wants to have a revised budget on a quarterly or even monthly basis using the forecasting tools within IBM Cognos. They also plan to do more analysis and re-forecasting work. There are currently two Analyst users at Shaw, and one of the longer term aims is to roll the budget process out to the Management Accountants to enable them to do more of the inputting. In the long term, Martin sees IBM Cognos potentially becoming the 'main reporting tool for all financial information' that they produce. 'Now we know we can get the information out very easily, there's no reason why we can't do so'.