

University College London Hospital NHS Trust Improves Financial and Purchasing Performance with Oracle and Patech Solutions



University College London
Hospitals NHS Trust
London, UK
www.uclh.org

Industry:
Healthcare

Annual Revenue:
\$101 Million to \$500 Million

Employees:
5,000 to 9,999

Oracle Partner:



Patech Solutions
Lichfield, England
www.patech-solutions.com

Oracle Products & Services:

Oracle iProcurement
Oracle Purchasing
Oracle Financials
Oracle Tutor

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University College London Hospitals (UCLH) National Health Service (NHS) Trust administers eight London hospitals, and is one of the largest and busiest NHS trusts in the UK. For many years, UCLH’s finance department used a combination of legacy systems.

“Accounts payable was written in-house on DataEase; we used Spectrum for our accounts receivable, Ross for our general ledger, and QSP for our purchase ordering,” explained Jon Bell, UCLH’s implementation project manager. “We had created some interfaces in-house but there was no integration between the systems. For example, accounts payable didn’t talk to purchase ordering, which was very problematic. In addition, the reporting functionality of Ross was very poor. We needed a single, integrated system and, in particular, we wanted to integrate ordering with financials.”

Jason Kirk, the Trust’s financial controller, explained further: “We embarked on a drive to improve standards within UCLH’s finance department and financial support throughout the Trust, backed by a formal ‘Improving Accounting Standards’ project. Our old systems were beyond their useful life, and a change was needed to form the foundation of the improvements we wanted to make.”

UCLH has a new hospital coming online in 2005, providing another key driver in the Trust’s decision to implement a new financial system. The new hospital faces the challenge of being a paperless environment, and UCLH needed a financial system to

Key Benefits:

- Improved operational efficiency
- Enabled management team to make better decisions faster and more efficiently
- Enhanced reporting capabilities through Oracle Financials
- Improved supplier management through consolidation

support that vision, as well as to match the cutting-edge clinical applications that will be used.

A further, time-related driver was the impending de-support of QSP, the purchase ordering system.

UCLH commissioned Patech Solutions Ltd to replace the Trust's legacy financial system with Oracle E-Business Suite, bringing its financial and administrative system into line with the current efficiency standards of modern technology. McKesson, which is the Trust's prime contractor, provided front-line technical and DBA support.

With this project, UCLH aimed to implement a single financial system with integrated purchasing and accounting applications, improve financial analysis and management reporting capabilities, as well as reduce long-term costs.

Streamlined Operations and Reduced Costs

With the completion of the implementation's first phase, UCLH has been able to decommission most components of its legacy financial systems, and thereby streamline administrative and financials operations.

"Phase one was not expected to realize significant tangible benefits," Bell explained. "It was about putting in the robust controls that we need as a statutory government organization to manage our finances and putting in place a finance system that had integrity, so that we could be sure we were accounting for all our money properly. Phase two is really about the business benefits and about implementing the systems that actually help us manage the business better."

In addition, the migration of existing data from the old systems onto the new presented UCLH with the opportunity to carry out some rigorous data cleansing and to streamline key process areas, including reducing its supplier lists and eliminating duplications.

Bell said, "Because we were able to run down most of the old systems, we avoided having to migrate open items, which simplified the process."

Why Oracle?

UCLH considered several suppliers before settling on Oracle applications.

“We chose Oracle as we believed it gave the best value for money,” Kirk said. “It was not the cheapest option, but the product was more complete, so there was less need for third-party support products, and it provided for greater savings. On the basis of functionality, it was also the clear choice of the core evaluation team, as well as those staff who attended demonstrations.”

“The functionality around Oracle iProcurement was particularly impressive,” Bell added. “That probably influenced the decision more than any other single consideration.”

UCLH is part of a consortium of trusts and, although there is no concerted drive across the consortium to standardize on Oracle applications, there is a definite trend, with several of the trusts being Oracle users.

Why Patech?

Patech Solutions Ltd has significant experience in NHS organizations and has worked with a number of NHS trusts including Sandwell & West Birmingham Hospitals NHS Trust and Birmingham Heartlands and Solihull Hospitals NHS Trust.

“Patech’s experience in this sector made it well-placed to understand and help us solve our own issues,” Bell said. “Its consultants also had experience with Oracle E-Business Suite, and were familiar with the complexities of migrating legacy data into an Oracle environment.”

“We considered other companies but Patech met all of our requirements, including our cost and time constraints,” Kirk added. “Patech will continue working with us during the second phase of this implementation project.”

Implementation Process

Having decided to consolidate on Oracle E-Business Suite, UCLH divided the implementation project into two phases. Phase one was structured around the implementation of four Oracle E-Business Suite modules – Oracle General Ledger, Oracle Receivables, Oracle Payables, and Oracle Purchasing – and associated tools such as Oracle Discoverer. Phase two, which is currently at planning stage, involves the implementation of Oracle iProcurement, Oracle

Inventory, Oracle Financial and Sales Analyzer, and Oracle Project Costing.

UCLH did not want to go live with a new system part-way through a financial year, so phase one was implemented rapidly, between November 2001 and April 2002.

“All transactions from April 1, 2002 have been processed on the new system,” Bell said. “We are still collecting some old debts on our old accounts receivable system, but the other systems have been decommissioned.”

Patech ran training workshops on the Oracle applications for key users, who in turn trained their own staff. UCLH plans a six-month bedding-down period before beginning phase two, to iron out any issues and give staff the opportunity to familiarize themselves with the new system. During that time UCLH and Patech will work on tasks such as implementing Oracle Discoverer as a query tool for management accounts.

Patech is an Oracle E-Business Suite consulting services practice with a focus on Oracle E-Business Suite Financials, Procurement and Human Resource Management solutions. The core focus is complimented with business skills in Project Accounting, Supply Chain, and Manufacturing. This is all underpinned by a strong DBA and technical team who assist clients with data migration, interfaces, reports and database optimizations.