

Christiana Care

Increasing value and efficiencies through HR service delivery transformation



A shift in HR service delivery to address complex business needs

Virtually every U.S. business and employee has been affected by health care reform, none more dramatically than the health care industry itself. Its mandate is far-reaching—reduce cost and waste; increase the efficiency and effectiveness of health service delivery; focus on patient needs and improve patient outcomes; attract, develop, and retain excellent clinical, professional, and support staff; and serve as a resource for the broader community. And it needs to accomplish all of this while remaining economically viable.

One of the ways Christiana Care Health System meets this mandate is by examining back-office functions to search for ways to increase operating efficiency, save costs, and improve business effectiveness. With a decision looming about a major upgrade to their current HR management system (HRMS), HR and Finance leaders at Christiana Care initiated a broader assessment of how HR services were being delivered. Their goal was to determine: (1) how HR could better partner with the business to support business

needs; (2) how to ensure the right people within HR, Payroll, and the business were spending time on the right activities; and (3) how to engage managers in talent management processes and equip them with the necessary tools to be successful. This tied directly to Christiana Care leaders' desire to increase employee accountability for supporting the organization's goals, with managers seen as the primary enablers of this effort.

The assessment highlighted clear deficits in the legacy HR/ payroll system—a best of breed (niche) approach that was driving inefficiencies. Limitations to the standard delivered functionality for such things as direct access for managers and compensation processes led the group to develop its own workarounds, which often included manual processing and the use of separate database applications. Heavy customization in the system over the years also took a toll, resulting in long run-times and requiring complex support. The vendor's multi-tiered support system became a struggle, as the uniqueness of the system and the complexity of support needs usually resulted in considerable time and frustration when trying to get issues resolved.



About Christiana Care Health System

- Headquartered in Wilmington, Delaware
- One of the country's largest health care providers, ranking 22nd in the nation in hospital admissions
- Comprises two hospitals (**more than 1,100 beds**), a home health care service, preventive medicine, rehabilitation services, a network of primary and specialty care physicians, and an extensive range of outpatient services throughout Northern Delaware and the surrounding area
- Largest private employer in Delaware with **more than 10,500 employees**
- \$1.6 billion in net revenue in FY14

Enhancing the operating model

Looking for simplification in systems throughout the organization and ready to not only explore other HRMS options but also enhance HR service delivery, Christiana Care engaged Deloitte Consulting LLP to assist in the effort. The project team's first task was to assess the current HR service delivery model with an eye toward enhancing. HR strategy and operations were aligned with the business strategy and the operating model was adjusted accordingly so the services HR delivered were the services the business needed.

Technology: a strategic and tactical choice

With the new HR operating model as its guide, the project team began assessing technology vendors against the model's functional requirements for a new HRMS. The initial scope of the implementation was for core HR, Payroll, and Benefits functionality, but the chosen solution should also be able to accommodate potential future integrated expansion into other areas, including Financials, Grants, Endowments, and Materials Management. Based on trends in the market, the team made the decision to focus on Software as a Service (SaaS) solutions.

After assessing various vendors, Christiana Care selected Workday, finding it met its needs on many levels. On a strategic level, Workday supports the focus on providing business value and being as efficient as possible. Part of that efficiency comes from enabling manager and employee self-service, which reduces the number of transactions HR has to touch and lets Christiana Care focus on working strategically with the business. On a practical level, it also gives Christiana Care room to grow by adding other functionality beyond core HR, like recruitment and financial management.

Workday's flat, single-tier customer support model is another potential benefit, along with its approach to upgrades. Christiana Care estimates it took approximately 10 to 15 percent of the effort it used to spend upgrading the former system to bring Workday up to the latest release. Plus the true SaaS model eliminates the customization that became so cumbersome with the old system. Christiana Care recognized that it had historically taken advantage of customizing on-premises solutions to a fault. While up-front intentions were good, customization created inefficiency and an overburden on support. During the Workday deployment, Christiana Care was able to save time and reduce complexity by not having customizations as an option. Instead, Workday allows for a high degree of configurations to business processes without making changes to the core technology.

Because Workday is more of an ERP system than what Christiana Care used in the past, it better supports the organization's direction. Christiana Care is transitioning from a traditional departmental structure to a clinically-led service line model, which will require greater transparency and integration between labor and non-labor financial reporting. Workday will allow Christiana Care to capture people costs in a fashion that, when merged with clinical data, will be a critical component to improving the quality of care and enhancing patient experience through a process that is more efficient and supportive of the overall business strategy.

Implementing leading processes

To avoid bolting on new technology to outdated, less-than-enhanced processes, Christiana Care also undertook an extensive end-to-end process redesign effort prior to deploying Workday. The process design activities covered not only the steps occurring within Workday but also the complete set of activities required to execute a process efficiently. Deloitte's IndustryPrint™ tool, with its built-in leading practice process designs for health care providers, complemented by Workday's systematic processes, served as a starting point. Christiana Care then enhanced all of the processes within the areas of workforce management, benefits, payroll, and compensation.

A solution come to life

After completing process redesign, Christiana Care and Deloitte began deploying Workday for core HR functions, payroll, and expense management, also taking advantage of Workday's mobile capabilities. With the help of the accelerators and leading practices built into the Deloitte Workday methodology, which extends on Workday's own deployment tools and methodology, along with the functionality within Workday, Christiana Care was able to handle the complex requirements of its clinical staff payroll and implement within 12 months.

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Although implementation was challenging given the tight time frame, Christiana Care believes its overall experience was good because of the level of effort provided by Deloitte and the level of service provided by Workday. The team's experience allowed it to bring in the right people, at the right time, and adapt to meet the immediate issues and challenges.

Beyond providing Workday deployment experience and expertise, Deloitte played the role of "thinking partner," helping the team think through the downstream implications

and design decisions, the design of processes, and then bringing those processes to life within Workday. Christiana Care credits Deloitte for challenging it to confirm the value being added by each party in the process, and to make decisions with eyes wide open.

Reaping the benefits

Given the already lean nature of the HR organization at Christiana Care, financial aspects were not the primary focus of the HR assessment. Rather, at the forefront was the ability to enable HR to partner with and provide value to the business—value Christiana Care is realizing. HR and Finance have gained insight into processes and brought data closer to the users who need it.

User adoption has been very positive, with overwhelmingly positive feedback from executive leadership on Workday and how the employee service center has been supporting the organization.

Managers and employees are accessing workforce-related and personal data from their mobile devices and handling many transactions previously processed by the HR service center.

Leaders are also benefiting from new capabilities, such as dashboards that present KPIs for specific organizational initiatives. For example, nursing leadership is currently using a Magnet dashboard to monitor progress toward the goal of an 80 percent BSN RN workforce by 2020.

HR also gained numerous efficiencies, including reduced dependence on valuable IT resources, a shorter payroll execution cycle, automated—rather than manual—expense management, and fewer one-off technology solutions (such as standalone databases) being used and supported.

Christiana Care leaders believe the effort has made Christiana Care a stronger organization. It has become more efficient from a resource perspective and has already identified labor savings that will be realized over time. The IT function was also able to make some changes given the change in the support model. Overall, Christiana Care has much more integration and better alignment between HR and Payroll functional teams, along with greater visibility into processes and data and greater transparency to satisfy numerous compliance requirements. Looking ahead, Christiana Care also has the means to continue to mature in its shared services functionality and in its ability to serve as a strategic business partner to the C-suite.

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Insights for action

Considering a similar transformation in your organization? Christiana Care leaders share some insights from their rise to the cloud.

- **Prepare for significant change.** Is your organization ready for real change? SaaS is completely different from a traditional ERP solution—the support model, the way upgrades are done, the whole ecosystem—is vastly different. Think about how you will lead and manage the change and foster user acceptance.
- **Build and confirm understanding.** Educate the people involved so they understand what they are buying—fully explain the system's capabilities and how it will be used.
- **Don't underestimate the effort required to implement.** Be clear on your objectives—you will get out of it what you put in. Pay special attention to how you will integrate Workday with your remaining systems. Be sure you have enough internal IT

resources to help develop the new Workday interfaces as well as make changes to the legacy interfaces that are impacted by the Workday implementation. Workday's integration tools and Deloitte's deep Healthcare IT experience were key enablers in this process.

- **Accommodate tight timelines by focusing on the right areas at the right time.** Phase the project if necessary.
- **Be realistic about resource requirements.** In Christiana Care's case, a fast implementation time drove a need for additional testing resources, with the benefit of having a live product in under 12 months. Also assess the skill set of internal implementation resources—operational skills are different from implementation skills. Plan to supplement as needed.
- **Own the solution!** Your implementation partners will initially "own" the effort, but you should be ready, willing, and able to assume full ownership prior to go-live

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About Workday

Workday is a leading provider of enterprise cloud applications for finance and human resources. Founded in 2005, Workday delivers financial management, human capital management, and analytics applications designed for the world's largest companies, educational institutions, and government agencies. Hundreds of organizations, ranging from medium-sized businesses to Fortune 50 enterprises, have selected Workday. For more information, please visit www.workday.com.

About Christiana Care Health System

Christiana Care Health System is one of the country's largest health care systems, ranking as the 22nd leading hospital in the nation and 12th on the East Coast in terms of admissions. The health system includes The Christiana Care Medical Group, a network of primary care physicians, medical and surgical specialists as well as home health care, preventive medicine, rehabilitation services and patient/family advisors for core health care services. A not-for-profit teaching hospital affiliated with Sidney Kimmel Medical College at Thomas Jefferson University, Christiana Care is recognized as a regional center for excellence in cardiology, cancer and women's health services. Christiana Care has an extensive range of outpatient services, and through Christiana Care Quality Partners, Christiana Care works closely with its medical staff to achieve better health, better access to care and lower cost. Christiana Care is home to Delaware's only Level I trauma center, the highest capability center and the only one of its kind between Philadelphia and Baltimore. Christiana Care also features a Level III neonatal intensive care unit, the only delivering hospital in Delaware that offers this highest level of care to the most critically ill newborns. Christiana Care includes two hospitals with 1,100 patient beds. For more information about Christiana Care, visit www.christianacare.org/whoweare.