

# MCKESSON

*Empowering Healthcare*



## For McKesson Provider Technologies, +EDM Is Just What the Doctor Ordered

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Heather Capell  
TM1 Administrator

McKesson Corporation is a Fortune 15 healthcare services and information technology company dedicated to helping its customers deliver high-quality healthcare by reducing costs, streamlining processes and improving the quality and safety of patient care.

A business within McKesson Corporation, McKesson Provider Technologies is the leader in software, hardware, automation, services and consulting to hospitals, physician offices and home health. Its solutions are designed to improve patient safety and reduce the cost and variability of care, improve healthcare efficiency and better manage revenue streams and resources.

### Business Challenge

McKesson Provider Technologies' Financial Reporting team, under the direction of Mark McCue, is responsible for supporting the company's business managers with real-time, actionable information from their Applix TM1 database. This presented significant challenges for the team, especially for Heather Capell, the TM1 administrator.

"The biggest problem was managing the hierarchies in order to make the right information available to the different business units in a timely manner," Capell says.

The challenge was in managing the various hierarchies required for analysis by business users. For example, for the Cost/Profit Center domain, Capell had to manage one hierarchy for the Product roll-up, another for the Management Reporting roll-up, and yet another for the Revenue Stream roll-up. In order to manage the data structures, Capell used a combination of Excel spreadsheets and an Access database. While this approach provided the flexibility required, it was cumbersome, error-prone, and time-consuming to say the least. At the same time, Capell was responsible for maintaining some of the same hierarchies in another separate system, SAP.



"There was a lot of maintenance involved in just managing the day to day changes in the existing hierarchies," explains Capell. "For example, the Revenue Stream roll-up required a lot of redundant work, since much of the same structure had to be included in the Product hierarchy. This manual creation of a Revenue Stream hierarchy that was closely related to the Product hierarchy was both time-consuming, and complex enough to easily lead to errors in the hierarchy build."

"Inconsistency was a real problem, too," Capell adds, "There was no way to automatically enforce the application of business rules, such as Cost and Profit Centers should always be assigned to a Revenue Stream or to a business owner."

"Another issue is the need to communicate the various hierarchies to other parts of the organization that want to view their data in the same manner in which our financial reporting is organized. There was no centralized way of providing the hierarchy and Cost and Profit Center attribute data to the broader, non-Finance community."

## +EDM Solution

McKesson Provider Technologies has had a long-standing relationship with Stratature, developers of +EDM, and had already benefited from the company's expertise in getting the most from their TM1 implementation. Now, they turned to Stratature for help with their inefficient master data and hierarchy management process. Stratature prescribed +EDM as a cure for their hierarchy maintenance headache, and also as preventive medicine to enable them to practice cleaner, better master data modeling.

+EDM provides a controlled, process-driven environment for collaborative master data management and enforces consistency, accuracy and integrity throughout the enterprise and across business systems. +EDM manages the underlying data structures, making the data available for use in the form required by the various subscribing systems, on demand. Without having to predictively design for all future business analysis needs, +EDM enables database administrators to be immediately responsive to those needs as they arise. As a result, it allows the administrator to define data structures in the simplest, most basic form; to model data in such a way as to provide the optimal design for maintaining hierarchies on an ongoing basis. According to Capell, this was exactly what McKesson needed.

The company implemented +EDM immediately, starting with their Cost/Profit Center and Account domains — the most critical and difficult to manage. They were up and running with an +EDM test site in a matter of weeks.

"It was great," says Capell. "The people at Stratature helped me to get everything in place very quickly so I could move on from much of the burden of hierarchy maintenance, and start focusing on key projects

for which our group was accountable, and other more value-add activities."

+EDM's ability to automatically generate hierarchies based on the attributes of existing hierarchies was especially helpful, according to Capell. The resulting "attribute-derived" hierarchies are validated and business-rule driven, providing McKesson with a fast and accurate way to build new data structures from their existing structures, and eliminating redundant work.

"It's a tremendous time-saver," Capell says, "and it's really helped me streamline the process, and be more responsive, so the business units can make the best use of our data."

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In fact, because +EDM provides a highly efficient, easy-to-use graphical tool for managing the TM1 dimensions, access to the master data can be made available directly to business managers. This means that they can directly make requests in +EDM to update hierarchies or add new Cost and Profit Centers, eliminating the former paper-based method.

Capell says, "We have a goal of allowing the key users from across the organization to make their own proposed changes to the master data model. For example, in our Cost/Profit Center domain, we have several attributes based on Employee, such as Center Manager, that we track for reporting purposes. With the role-based security features of +EDM, we can give a Financial Analyst access to make changes to just that Employee list. That puts respon-

sibility for making those changes in the hands of the appropriate person in the organization, and it takes that maintenance work off my plate — which frees me to respond to other requests."

With +EDM, master data management is controlled by business rules, enforcing consistency and catching errors earlier in the process. This saves time and improves accuracy; at the same time it ensures uniformity in how each of the hierarchies is organized, making them easier to follow and understand for other parts of the organization where they are not as familiar.

"I've really benefited from the automated audit trail generated by +EDM, as well," adds Capell. "Before, I had the time-consuming task of manually tracking every master data change, showing who performed the transaction, what changed and when, with no real search capability after the fact, since my records were all in paper files. With +EDM, the software records all of this information automatically, and gives us the ability to search and report on individual changes to master data, even reverse them, if necessary. It gives us a lot more central control, at the same time it allows us to give business users more responsibility for maintaining their portions of the hierarchies. It's the best of both worlds."

McKesson also benefits from +EDM's version control and change management features. The first version of a model is loaded into +EDM, validated and published as the version of record. As changes occur and the master data evolves, +EDM generates a new version of the model. Each version is open for additions, deletions and amendments.

Capell explains, "+EDM's validation process enforces master data



accuracy, and ensures adherence to our business rules before a new version is committed and made available for use in subscribing systems, such as TM1. This is a huge time-saver for us, and enables us to tailor our data structures to meet changing business needs. The ability to support parallel versions will be especially helpful during planning and reorganization cycles."

## Summary

McKesson Provider Technologies realized a rapid ROI in terms of reduced overhead and improved accuracy from the implementation of their Account and Cost/Profit Center domains with +EDM, and plans to build subsequent domains as appropriate to support their business analytics.

While pleased with the way that +EDM has streamlined the hierarchy maintenance role, McKesson's Financial Reporting team is especially happy that they are able to be more responsive to the business units when changes need to be made.

"Now, we are able to deliver faster, more accurate decision-making data to internal customers," says Mark McCue, Director, Financial Reporting. "+EDM has really enabled us to have a much better, more real-time TM1 database, and therefore has made our use of the data more effective. It's helped us ensure consistency and best practices; at the same time we've been able to open up access to the business users so that they can get the information they need when they need it."

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Mark McCue  
Director, Financial Reporting

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