



MID CENTRAL DISTRICT HEALTH BOARD



Advice from MidCentral District Health Board

> Do not simply replace an old system with a new version and try to retain the same processes. Throw out the old system along with the underlying business practices and start again with a fresh approach.

> Do not underestimate the time, patience and resources required for a successful implementation.

> Don't skimp on external help and advice from JD Edwards experts. Plan ahead. There is always another JD Edwards module waiting to be implemented that can benefit your business.

> Focus on realising the benefits. Work does not stop when the new system has been installed.

"JD Edwards has provided us with a BMW software solution and we intend to use it to its fullest potential. We have already achieved significant improvements to our finance and distribution processes and have laid down a plan to secure additional benefits over the next year."

Brian Woolley
Manager, IS Strategy and Planning
MidCentral District Health Board

The MidCentral District Health Board (MDHB) is responsible for planning and funding health services for about 170,000 people in New Zealand's Manawatu, Palmerston North City, Tararua District, Horowhenua District, and Otaki wards of the Kapiti Coast District.

In 1999, the MDHB decided to replace an antiquated financials system requiring extensive manual input with a robust, scalable platform capable of integrating new functionality as required. After evaluating a range of potential solutions, the MDHB selected JD Edwards EnterpriseOne Financials, based largely on ease of use and the quality of reports. Seven years later, the MDHB integrated materials management with its financials system and has started testing additional functionality to build out its enterprise resource planning (ERP) capabilities.

"The JD Edwards platform enabled us to pursue the objectives laid down in our strategic plan efficiently and cost-effectively," said Brian Woolley, manager of IS strategy and planning at the MDHB. "With additional modules expected to be added over coming months, we have laid the foundation for a genuinely effective ERP platform."

MidCentral Health Turns to ERP to Deliver Services

In January 2006, the MDHB decided to implement a new procurement and distribution system based on JD Edwards EnterpriseOne Materials Management to replace an aging supplies module that was part of its patient management system. The project, originally scheduled to proceed directly after the financials implementation was bedded in, was completed in June 2006.

"We needed to replace the supplies software as it was expected to reach end-of-life in a couple of years' time," said Woolley. "We were originally scheduled to implement a system based on JD Edwards Materials Management after the financials software went live several years ago, but MDHB senior executives asked us to ensure financials was properly bedded in first. Shortly after that, capital available for the project was directed towards our hospitals and the implementation was placed on hold."

The MDHB was confident the JD Edwards based materials management system would meet its needs in light of the organisation's positive experience with the financials module. The ability to seamlessly integrate the new system with financials was another critical factor in the decision, as employing two separate systems to manage financials and procurement and distribution was highly inefficient.

FUSION5 CASE STUDY

About Fusion5

Fusion5 aims to provide higher levels of service and value to organisations that have recently implemented, or are about to implement leading software package solutions such as JD Edwards, Oracle, Pivotal and PayGlobal.

Our guiding principles include:

- Ensure the customer implements the foundations correctly
- Work with our customers to offer a fresh perspective and new ideas
- Deliver value through speed, effectiveness, communication and closure
- Present opportunities to enable our customers to leverage their investments into the future

Fusion5 delivers on these principles. We have a team of consultants with a wide range of industry experience, years of implementation expertise, and practical hands-on configuration knowledge. We have seen many, many installations, and we know what works and what doesn't.

Having worked in the services market for many years, we have also gained practical experience in the most effective ways to optimise enterprise solutions so that they deliver additional business benefits to your organisation.

As a leading provider of mid-range solutions, our team offers the full range of consulting services including onsite consulting and remote applications management, tailored workshops, documentation, technical design and architecture and software development.

Contact Fusion5 on 04 473 4552 or 09 379 0525

The existing systems could not support the long-term information management requirements for a distribution center that processes thousands of items every year ranging from sticking plaster to cancer drugs costing thousands of dollars a dose with a shelf life measured in hours. Supplies are the second-largest cost to the MDHB after payroll and the support systems must ensure high quality items are delivered on time to health service providers at the right price. Failure of that system meant the MDHB could run out of critical supplies or be overstocked.

"Our previous environment meant finance and distribution and materials management tasks were being done in isolation," said Woolley. "We had two systems containing different data and different vendor master files. Our distribution center would create a supplier in a system and that would be used to send a purchase order. We would receive the goods, which would be recorded in the inventory system, but not in the financial system. The inventory system was able to record and distribute goods but provided little information on stock turnover, price movements, or usage data.

"Our accounts payable staff would then receive an invoice for which they had no record from the inventory system and had to separately enter into their own master file. They would have to send a query to the inventory system to confirm receipt of goods against the purchase order and that it was okay to pay."

Streamlined Purchasing Improves Stock Control

The JD Edwards materials management system enabled the MDHB to improve the quality of reports and assisted staff to make better-informed decisions. The number of purchase orders was sharply reduced as stock management shifted from ordering on a per-item basis to ordering on a per-supplier basis. This reduced the risk of duplication and enabled the MDHB to adopt a more strategic approach to the management of supplier contracts.

Management of the distribution center is expected to continue to improve as additional functionality is utilized. "We now have a BMW software solution and we want to use it as a BMW," said Woolley. The MDHB is currently testing a supplier self-service system based on JD Edwards that can check delegated authority against budget before an order is raised. The organisation is also testing a JD Edwards contract management system that gives views of expenditure against contract, cost center, and asset class.

Why JD Edwards?

The MDHB selected JD Edwards EnterpriseOne Financials over rival solutions due to its ease of use and the quality of reports that could be generated.

"With integration high on our list of priorities for a procurement and distribution system, JD Edwards offered a complete solution for all our needs; we don't need to look anywhere else for answers," said Woolley.

Over the next 12 months, the MDHB is determined to fully exploit the functionality available in JD Edwards to generate internal efficiencies and deliver improved service to customers.

Implementation Process

The MDHB turned to Oracle Certified Advantage Partner Fusion5 to undertake systems integration for the JD Edwards software.

Fusion5 undertook the planning, implementation, and skills transfer to MDHB staff. The software has to date not required any bug fixes, while the system's smooth performance can also be attributed to the MDHB and Fusion5's work on enhancing the quality of available data and defining new business processes.

During the project's busiest time, at least four Fusion5 staff, including a project director, worked in-house to get the work completed with minimal disruption to MDHB processes.