sage Intacct

Energising and Evolving Finance at a 100-Year-Old Organisation

Lutheran SeniorLife

Challenges

Moving from Transactional Accounting to Analytical Decision Support

With a rich 100-year history of serving seniors and their families through a variety of health, wellness, and social services, Lutheran SeniorLife's business has expanded significantly over the years. Most recently, the nonprofit acquired some organisations that provide visiting nursing and human services, each of which used different accounting systems. With this increasing complexity, Lutheran SeniorLife's chart of accounts and financial processes were getting out of hand, and its finance team decided to centralise core functions and move all 24 entities onto one robust platform.

Around this time, the organisation also migrated its clinical system to HealthMEDX, and went in search of a user-friendly financial management solution that could connect with its new software to help improve productivity across the board. "We wanted a platform that would build on the basic capabilities of our legacy system, with the addition of rich reporting and a more integrated multi-entity general ledger," said William Thompson, accounting manager at Lutheran SeniorLife. "We chose Sage Intacct over Oracle and Microsoft Dynamics for its flexibility and ability to eliminate manual work in support of our goal – to transform the traditional approach to finance, and alter the mix of our finance team's skills towards more financial analysis, risk management, and forecasting."

Solutions

Simplified Workflows Boost Finance Efficiency 30%

After implementing Sage Intacct, Lutheran SeniorLife's finance team immediately streamlined several processes and went paperless, increasing efficiency by at least 30 percent. For example, they eliminated manual accounts payable (A/P) and payroll data entry, started issuing multi-entity vendor payments rather than cutting separate checks from each affiliate location, and automated all inter-company transactions, budgeting, accounts receivable (A/R), employee expense reimbursement, and inventory management. In addition, the organisation improved its internal controls by establishing easy online approval workflows for purchasing, general ledger entries, and the release of restricted funds from its foundation.

"With Sage Intacct, we're tearing down walls and gaining transparency into both our spending and collections across all locations and thousands of employees. As a result, we decreased days sales outstanding (DSO) by around five percent and improved our cash flow over ten percent," shared Thompson.

Company Overview

Lutheran SeniorLife provides the finest living communities and care options for seniors, as well as community-based health, wellness, and social services in Western Pennsylvania. A social ministry organisation of the Evangelical Lutheran Church in America, its mission is to provide opportunities for elders to experience a more Abundant Life® regardless of their physical condition or financial circumstances.

Executive Summary

Previous Software:

- NTT Data NetSolutions
- Microsoft Dynamics SL
- QuickBooks

Results with Sage Intacct:

- Accelerated expansion decisions, contributing to >4% revenue growth
- Improved cash flow 10% and operating revenue >2%
- Increased finance team productivity >30%

Lutheran SeniorLife's controller, Clyde Hardt, added, "We're better managing our vendors because we can quickly analyse spend by vendor and put out RFPs that span multiple locations – and we're now seeing a 10% cost reduction on new proposals. Since we're no longer dependent on Excel, we also significantly cut the time it takes to get out an accurate monthly report and shaved our close cycle by 40 percent."

Through all of these improvements, the finance team achieved its objective of becoming more analytically minded, even while the organisation's revenue grew around 10 percent. "We shifted from spending 90% of our time on day-to-day tasks, to now focusing only 50% on transactional work and 50% on more strategic initiatives. We've also improved our reporting abilities to better support the business," said Hardt.

Results

New Insights Accelerate Growth Decisions and Increase Efficiency

All of this analytical work leverages Sage Intacct's ability to group, filter, organise, and compare financial data across several different operational dimensions – such as by product line, location, agency, or payer. Lutheran SeniorLife's finance team built personalised dashboards in Sage Intacct for executive managers that display key metrics, including consolidated revenue to date, revenue by payer and product line, cost efficiency by entity, and agency spend by location and type. These dashboards also pull in relevant statistical data from the patient care system to provide insight into important ratios, such as cost per resident, staff utilisation, and daily patient visits per nurse week-over-week.

This self-service visibility accelerates Lutheran SeniorLife's planning cycles by 4X and helps the management team make critical decisions that boost revenue – such as which payers to prioritise, whether to adjust staffing levels up or down, which services to curtail, and which products or facilities to expand as the senior population grows. Hardt mentioned, "We're currently spending over $1.4 million on new cottages for one of our campuses, and thanks to Sage Intacct, we had a clear understanding of what the business impact would be before we started the capital project. We can easily track the expenses we're incurring along the way, and we expect the additional resident capacity will grow our revenues at least four percent, but probably closer to twelve percent."

Sage Intacct's powerful reporting capabilities also help the finance team efficiently compile cost reports required by the Centers for Medicare and Medicaid Services, which use the information to administer reimbursements. It's also simpler to provide key statistics for grant applications, including comparing overall revenue, operating margins, and growth to prior years. Lutheran SeniorLife's foundation is now applying for and receiving around 10 percent more in grant reimbursements because they have faster access to the necessary financial data. And at the same time, the foundation can better track all of its activity and funding, and understand each project's costs by type, as well as donations received and pending.

Finally, Thompson concluded, "One of the biggest benefits of Sage Intacct comes in the form of cost savings for our residents. The technology helps us save time and proactively reduce our costs, and then pass those savings along to the residents themselves, rather than just increase their rent every year."

> "Sage Intacct's visibility into our financial information has increased management's focus on cost efficiency, driving a significant shift of at least 2% in operating revenue. Now managers can easily see their spending compared to prior years, planned budgets, and employee counts, so they're motivated to optimise operations."

Clyde Hardt,
Controller,
Lutheran SeniorLife

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