

QUICK-HITTING SURVEY

ENTERPRISE RESOURCE PLANNING (ERP) SOLUTIONS

Executive Summary

Methodology

In February 2017, The Health Management Academy conducted a quick hitting survey of 52 Leading Health Systems regarding enterprise resource planning (ERP) solutions. With a 56% response rate, the 29 responding Chief Financial Officers (CFOs) represent health systems with an average Net Patient Revenue of \$4.0 billion that own or operate 374 hospitals with over 76,000 beds and approximately 3.6 million admissions annually.

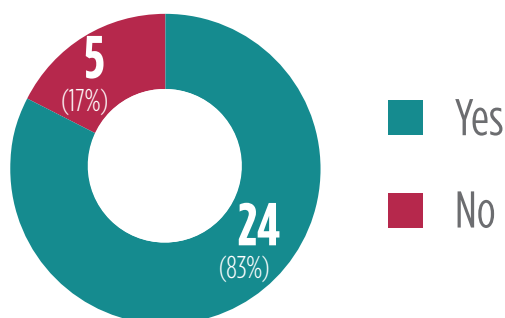
Key Findings

- Most (83%) responding health systems utilize at least one enterprise resource planning (ERP) solution, with the most common ERP solution vendors being Oracle (58%) and Infor (42%).
- Health systems most commonly chose their ERP vendor(s) based on functionality (75%), with many also considering interoperability (46%) and implementation cost (38%).
- Health systems are generally satisfied with their current ERP solution(s), with almost half (48%) of executives ranking their solution as a 4 or 5 on a 5-point scale.

Results

Most (83%) responding health systems utilize at least one enterprise resource planning (ERP) solution (Figure 1).

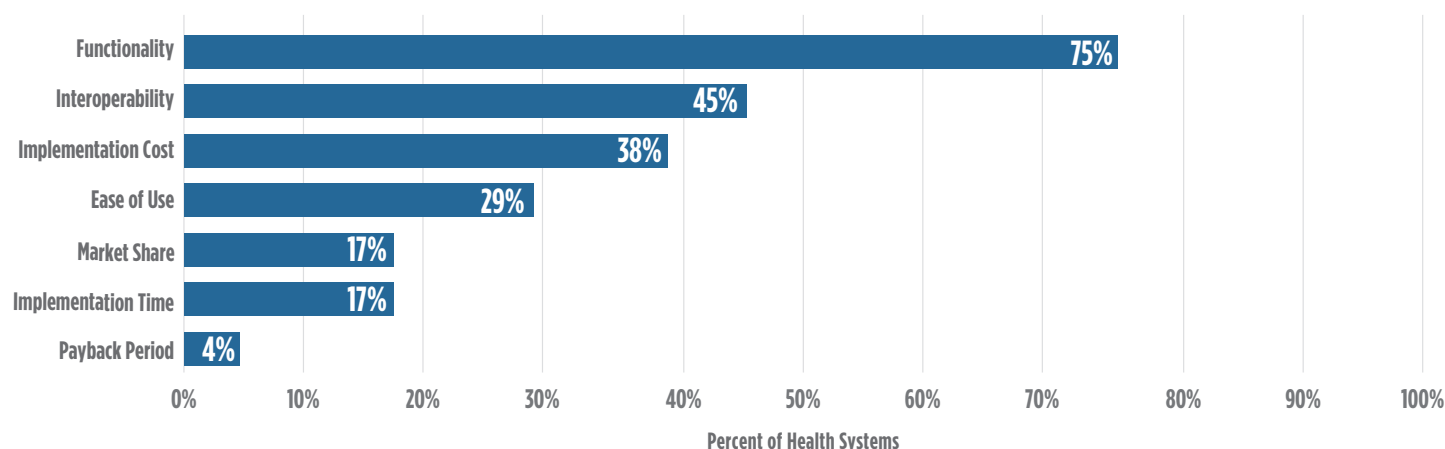
FIGURE 1. DOES YOUR ORGANIZATION USE AN ENTERPRISE RESOURCE PLANNING (ERP) SOLUTION?



The most common ERP solution vendors for Leading Health Systems are Oracle (58%) and Infor (42%), with some utilizing SAP (4%) or other vendors such as McKesson, PeopleSoft, or a home-grown solution. No health systems reported using Epicor, IFS, NetSuite, Microsoft, Sage, Syspro, IQMS, or WorkDay.

Health systems most commonly chose their ERP vendor(s) based on functionality (75%), with many also considering interoperability (46%) and implementation cost (38%) (Figure 2).

FIGURE 2. WHAT WERE THE MAJOR FACTORS USED TO DETERMINE WHICH ERP VENDOR(S) YOUR ORGANIZATION CHOSE? (PLEASE CHECK ALL THAT APPLY.)



Less impactful factors included ease of use (29%), market share (17%), implementation time (17%), and payback period (4%). Additional factors reported included a need to upgrade from an outdated model, and a desire for a cloud-based solution with automatic updates to allow the health system to stay current.

Health systems are generally satisfied with their current ERP solution(s), with almost half (48%) of executives ranking their solution as a 4 or 5 on a 5-point scale (Figure 3).

Those that are less satisfied – reporting a ranking of 2 or 3 – commonly cite difficulties in implementation and ease of use, as well as the desire for additional functionalities.

“Recent transition to cloud environment has not been as smooth and reliable as we hoped. Ease of use and lack of a robust financial planning module are the biggest shortfalls.” (CFO)

FIGURE 3. HOW SATISFIED ARE YOU WITH YOUR CURRENT ERP SOLUTION(S)?

