

## SAP Customer Success Story Healthcare



When the Sophia and Weezenlanden Hospital in Zwolle merged to become **Isala Clinics**, the new organization realized it needed to **integrate its business processes and streamline activities such as buying, logistics, general ledger, maintenance, and project management.** As the two regional hospitals had a history of homegrown applications, the decision to **implement the integrated SAP® R/3® solution was a major breakthrough.** As a result, Isala experienced **greater transparency of processes, while management gained access to more accurate and flexible information.**



## ISALA CLINICS

### DUTCH HOSPITAL USES SAP® SOFTWARE TO SUPPORT AND INTEGRATE BUSINESS PROCESSES

#### REPLACING TEN SYSTEMS WITH ONE

Isala is the name the Romans gave to the “IJssel,” the river that meanders through the landscape surrounding the city of Zwolle. The IJssel basin also demarcates the region that is serviced by Isala Clinics, although some of the institute’s top clinical specialists also cover areas in the center, east, and north of the Netherlands. The recent merger of the two formerly independent hospitals in Zwolle, which collectively accommodate 1,100 beds and employ around 6,000 staff, emphasized the need for an integrated IT system for all supporting business processes.

“We’ve learned through research that it is no longer viable to develop our own functionality. It takes an enormous amount of time,” says René Rust, a system developer in the IT department and internal project leader of the SAP® software implementation at Isala. “That’s why Isala Clinics made the strategic choice to purchase systems from an outside supplier.” The decision to implement SAP R/3® – a key component of the SAP for Healthcare portfolio of software and services – enabled Isala Clinics to replace ten systems with one. As a result, its disparate IT landscape, common in many healthcare institutions, was transformed into a single, uniform, and manageable system. Before SAP, the two hospitals had their own homemade systems for buying, logistics, general ledger, project management, and maintenance. “But now, with an integrated system, you record the information only once, you don’t have any complicated connections, and you can generate management information instantly,” says Rust. “In the past, performing a financial consolidation manually could take two to three months.”

## PROVEN TECHNOLOGY

Isala Clinics turned to SAP for a number of reasons. “We chose SAP because we wanted a supplier with experience in the health-care industry, with all its complex laws and regulations,” Rust explains. “Moreover, we did not want to serve as a pilot to help construct some new system. We wanted to buy proven technology. This cut our shortlist of suppliers down to a very small

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number. SAP had the options we needed for integrating our departments and processes, and the best functionalities for the individual departments. SAP’s continuity and stability as a supplier played a role too. But, to be honest, this would probably have been a greater factor had SAP not come out the best. Even then we would have seriously considered SAP, especially because of the stability of its systems. However, seeing that SAP was our first choice anyway, the question never came up.”

## HARD DEADLINE

The merger of the two hospitals involved crucial organizational restructuring. “We changed from a sector-oriented institution into an organization with functional units that stood closer to the patient,” says Rust. “We wanted to direct this restructuring along with all the associated reporting structures from within the system. The role of SAP was even more crucial in this,

because the organizational restructuring took place concurrently with the implementation of the new software.” The implementation began March 20, 2001. Isala was in a bit of a hurry because its existing systems were not euro-proof. This meant that the project had a hard deadline to meet: January 1, 2002. Using the AcceleratedSAP™ implementation method, the project was formally completed on November 1, allowing Isala another two months for training and fine-tuning.

The implementation team gave special attention to connecting the accounts receivable system and the external invoicing system. “In a hospital environment, the debtors are not in the financial system,” explains Rust. “This is because a hospital settles its accounts on the basis of activities performed, which are administrated in the care provision system. With SAP, we now have an online, real-time connection to XML.”

According to Rust, there were some advantages to having a hard deadline: “We were forced to really think matters through before deciding what functionalities we absolutely needed to have by January 1, 2002. In that way, you purposely tighten up your project and have a greater chance of success. For example, we elected

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to postpone the implementation of the SAP maintenance and management application until 2002. This application has been up and running since mid-April, and, again, we’re extremely satisfied with it.”

## CHANGED MIND-SET

Within several months after Isala Clinics introduced the new system, Rust could already see benefits – which included the simplicity of managing one system instead of ten. “Probably the most dramatic benefits are in the area of management information,” says Rust. “With SAP software, you can get information far more flexibly. In the past, our department used to spend hours gathering that kind of information; now it’s a matter of minutes. Data processing also happens much faster, and payments are processed quicker. Moreover, we can now call up real-time instant overviews of our financial situation. Undoubtedly, the chief advantages of the new system are a better insight and clearer understanding both on a detailed level and on an aggregated level. As we now have all the information at the push of a button, it is much easier to analyze why things have happened the way they have. I also felt an important side effect in how you can see people’s mind-sets change. A system that offers a better overview stimulates more in-depth understanding, and it encourages people to think more discriminately, which is never a bad thing.”

There’s one thing that Rust is very adamant about: early training. “I wouldn’t advise anyone to start training your staff when the system has already been implemented. Data conversion involved a huge effort, not so much because of the technology, but because people only started to understand how the SAP software works toward the end of the project. We simply weren’t trained to think integration. So, it’s never too early to start training your staff.”

Looking ahead, Isala plans to explore all the options that SAP software offers. “We’ve already implemented a good part of the functionality within a short period of time,” says Rust. “Our next challenge is to make the most of the system – by implementing functionality such as periodic maintenance, capacity and time planning, data analysis, and, of course, by creating even more flexible reporting routines. We might even consider implementing SAP Business Information Warehouse.”

## AT A GLANCE

<b>Software</b>	SAP® R/3® for financials and logistics
<b>Hardware</b>	4 x Compaq Proliant, clustered, with SAN
<b>Operating system</b>	Windows 2000 Server
<b>Database</b>	Microsoft SQL Server
<b>Number of users</b>	200
<b>Implementation time</b>	9 months

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